

# **IMPLEMENTATION OF MARKETING STRATEGIES PRACTICED BY WESTERN AND EASTERN EUROPEAN FASHION BRANDS – H&M AND RESERVED CASE**

Thesis – One Year Master  
Textile Management

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**ABSTRACT:**

**Purpose:** The purpose of this thesis is to examine diverse marketing strategies used by Western and Eastern European originated fashion brands based on H&M and Reserved cases as well as which of them are the most appealing to Polish students. Additional aspect of the diploma is to research if there are some evident differences or similarities in implementing these tactics.

**Method:** The study implemented both qualitative and quantitative research. Data collection was based on two types of data, secondary and the primary one. The secondary data was derived from fashion marketing literature, scholar articles and fashion blogs. The primary data included a semi-structured interview with Reserved's assistant marketing manager and questionnaires provided to Polish students. Subsequently, systematic combining was applied, that can be described as nonlinear process of matching theory and reality.

**Conclusion:** Fashion marketing tools implemented in both companies can be assessed as quite similar with no evident difference, yet they differ from each other in certain aspects. In both cases advertising and sales promotion are the most employed tactics. Both companies are seen as international ones, though H&M seems to follow more fashion oriented approach engaging in fashion shows or providing their customers with their own glossy magazine.

The study also revealed that advertising activities and sales promotion seem to be the most appealing marketing techniques for the respondents. In addition social media proved to be an essential element to build a connection with consumers. However, this communication channel is often neglected or not utilized to its' full potential.

**Keywords:** Fashion marketing, marketing strategies, high street fashion brands, H&M, Reserved, fashion management

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# 1. Introduction

Nowadays, many popular high street fashion brands are very similar to each other, which makes difficult for customers to make a distinction between them and develop long lasting relationship with a certain brand (Hines and Bruce 2007). Companies have to constantly search for new solutions to attract consumers and stay relevant on the market. However, the main concern is which of these communication strategies are the most attractive for young, active, technology savvy people and if undeniable similarities between companies around the globe may cause a significant obstacle for a company's growth as well as disruptions in customer relationship.

The crucial part of maintaining good communication between a consumer and company is promotion, which aims at informing and persuading different audiences (Pride and Ferrel 2006). Promotion is a combination of actions that enables an organization to create awareness about a brand, new product or an existing one. What is more, it stimulates primary and selective demand decreasing its price elasticity (Wiktor 2001). Other objectives of promotion are encouraging a product trial, identifying prospects, retaining loyal consumers or reducing sales fluctuations. It also unites facilitating of sales with marketing research that enables an organization to receive a feedback from a market, which is the main feature of communication process (Wiktor 2001).

In order to achieve and maintain positive relations with consumers companies use promotion mix which includes advertising, personal selling, public relations sales promotion as well the newest addition- direct marketing. Organizations have a wide range of clearly defined and direct medias that facilitate reaching to specified groups of clients with more personalized messages. New media consist of magazines, TV shows, product placements in music videos or computer games, internet catalogues and sending e-mails to loyal clients. That combination creates a narrowcasting strategy, in other words demising of remittances to narrow publics (Kotler and Amstrong 2011).

Diversity of promotion tools is a reason for organizations to incorporate Integrated Marketing Communication (IMC) that deals with creating coherent and logic system of promotion. IMC can be described as idea of integrating and coordinating communications

channels to provide consistent and clear message concerning a company or its products. Because of different targets groups communication programs should be adjusted to diverse segments, niches or even individuals (Pride and Ferrell 2006).

Because of the fact that fashion is extremely wide industry with a high level of competition, it requires companies to differentiate themselves using specific techniques that are characteristic for the fashion marketing (Fairhurst and Moore 2003). These methods will be widely discussed in theoretical part of the thesis. What is more, the assessment will be made which of them are the most likely to influence customers' purchase decision.

### **1.1. Purpose of the Study**

The purpose of the paper is to examine diverse marketing strategies used by Western and Eastern European originated fashion brands.

### **1.2. Research Questions**

The diploma paper is focused on three research questions that are closely connected and complement each other. Respectively:

- Which of fashion marketing strategies are the most willingly practiced by H&M and Reserved?
- What, if any, are the differences in marketing strategies implemented by H&M and Reserved?
- Which of the strategies are the most appealing to Polish students?

## **2. Literature Review**

Within the second chapter existing literature about the topic will be thoroughly discussed. The chapter intends to help in comprehending characteristics of different communication tools implemented in the fashion industry as well as later applying and matching this knowledge with empirical observations.

### **2.1 Theoretical Framework**

In this specific case the attempt is to study, describe as well as analyze an ongoing phenomenon rather than finding final truth about the topic. It is done by matching theory from literature, articles with empirical observations based on H&M's and Reserved's cases. Thanks to constant interplay between theory and reality, theories concerning specification of fashion marketing and their implementation in a real environment get less abstract and more valid. Consequently, this is a fundamental part for further analysis and discussion. Moreover, conclusions for the research questions will be drawn and further research will be suggested.

### **2.2. Fashion marketing communications**

Fashion marketing can be described as an on-going process within a certain environment that influences corporate and commercial behaviour of organizations. At the present time, fashion marketing techniques are more prominent than ever before, because of the fact that customers are becoming more aware of their needs and no longer blindly follow presented trends. There exist factors that impact fashion marketing activities like the behaviour of consumers- in particular: a reason why they buy a certain garment. As a consequence, market research should be prepared to thoroughly examine the data and competitors' activities. Finally, one should adjust its fashion marketing mix using different variables like: a fashion product, pricing, marketing communications and channels of distribution to enhance sales, brand's image and position on a market. Following chapters serve as means for better understanding of effectiveness of advertising tools and media channels specifically tailored to the fashion industry.

### **2.2.1. Fashion magazines and editorials**

While social media has been gaining a strong recognition in marketing communication mix, magazines are still one of the most powerful advertising tools in the fashion marketing. They can be categorized in two ways. Firstly, trade magazines are targeted at buyers, designers, manufactures or retail executives, who work in the industry. The most important titles are Women's and DNR. They are substantial in creating fashion trends and bringing the industry together. The other classification is focused on consumers. Most of readers treat magazines like Vogue or Harper's Bazaar as an authoritative source of fashion trends and information. Moreover, by choosing and paying for a certain magazine, they automatically give permission to advertise brands, which they wish to own. The strong bond between readers and a magazine provides trust in the content as well as incorporated advertising. The cost of advertising depends on the position of the advertisement within the magazine and circulation. In general, the most expensive page for advertising is the outside back cover, as people carry their magazine in a manner that the back cover is always visible, becoming a moving advert exposed to a wide audience (Lea- Greenwood 2013). As regards to advertisements, interesting phenomenon is that majority of high street fashion brands have decided to place their ads in high fashion magazines opposite to designers' ones. In previous years, high street fashion brands related the whole process with increased advertising costs and targeting the wrong audience. Currently, this approach has been changing and brands like H&M or Zara has been encouraged to advertise on a big scale. It may be caused by an increasing trend of mixing high fashion labels with fast fashion as well as with disappearing segmentation in levels of fashion. In addition, this decision can be supported by the fact that high fashion magazines are published globally, so it creates an opportunity to target different foreign audiences (Diamond and Diamond 1999). Besides advertising, even more trusted way to feature a brand in a magazine is the fashion product placement in editorials or advertorials. Magazines feature numerous garments, beauty products that seem to enhance their readers' lives. Consequently, brands attempt to place their garments in the cover stories or editorials, as they get the most recognition from the loyal readers (Lea Greenwood 2013).

### **2.2.2. Social Media**

In the constantly changing environment of fashion, social media has started to be a major threat to magazines. Kelly Cutrone, the fashion PR maven, stated that people just want to be connected and in the loop all the time. Consequently, articles printed three months after events like Fashion Weeks become not relevant anymore. Diane Von Furstenberg once said that ignoring the Internet and social media is a pure madness. The best example supporting the statement of the famous designer is the amount of Tweets, Instagram hashtags or Facebook posts during the Fashion Weeks. Even more fascinating thing is, who participates in these conversations. From designers, bloggers, retailers to regular people not connected to the industry. Here we can observe the growing phenomenon of transparency through social media that was never before acknowledged in this industry for outsiders. Likewise, fashion brands also have realized that social media prompts them to make a lot more sales by opening a dialog with their target group. It gives them opportunity to control their image, connect with followers and monetize on it through awareness, loyalty and engagement (Prabhakar 2010). Instead of a "push" strategy, social media fosters a "pull" strategy, in which two-way communication can be initiated. First of all, Tweeting, Instagramming and blogging have become crucial and immediate tools during fashion events that can create a buzz around upcoming trends or "must-have" items. What is more, Pinterest boards serve as digital form of mood boards that can attract a follower to make an actual purchase. Media channels are often run by PR specialists, who are responsible for scanning the Internet in search of affiliates and followers who are talking about the brand (Lea-Greenwood 2013). The power of viral marketing connected with retweeting or sharing posts by a targeted group is something that none advertising budget could afford (Prabhakar 2010).

### **2.2.3. Fashion Shows**

Companies at every level of the fashion industry use fashion shows format as an inseparable element at every level of the fashion industry. In the high fashion business there are two kinds of fashion shows that highlight changing of fashion seasons during famous Fashion Weeks in Paris, New York, London and Milan. The first, haute couture shows rarely translate

into merchandise that can be sold. Bizarre outfits are mostly used for hype and promoting designers' names as well as gaining publicity that will lead to distinction in the competitive fashion industry. The second type, ready-to wear shows introduce a designer's impression which of wearable trends will be present in the upcoming season. The most commonly used format of presentations is composed of a raised runway and spectators seated on either side of it. The audience for both types of shows consists of store buyers, press, bloggers and individuals, who all have crucial impact on a displayed collection. Generally, runway shows conducted at events like New York or London Fashion Week are for designers' brands and entailed with large costs. However, high street brands are becoming more conscious about the publicity and prestige that is linked with such events. Consequently, they are trying to push their brands to a higher level of fashion by launching more sophisticated lines appropriate for a runway. The key element of success here is that consumers are satisfied by the fact that they can afford collections displayed during such prestigious events like Fashion Weeks, simultaneously feeling some type unique. Other than Fashion Weeks high street fashion brands host shows ranging from the formalized runway as in shopping centres or in their stores, to informal modeling generating enthusiasm of viewers. The shows are directed at two specific groups. The first target, a customer being entertained and attracted to make a purchase. The second one, a store's employees that have to be familiarize with what they will be selling to potential customers.

#### **2.2.4 Special Events**

Other than fashion shows, special events are held to build customer traffic, sell goods, enhance corporate image or simply generate excitement. They can be described as single or reoccurring events of limited duration focused on enhancing awareness or even profitability of a tourist destination (Williams, Laing and Frost 2014). The fashion events are divided into two categories. Institutional events are designed to bring attention to a brand or to commemorate specific holidays like Christmas, Valentine's Day and events repeated regularly year after year. However, some of the events are one time promotion. For instance, hosting personal appearances of designers or celebrities in order to generate the in store traffic. Another type of event that falls into institutional category is a joint venture. This type of promotion give a store and its' partner

wealth of promotion with the cost of development and presentation shared by those involved. Recently, the most popular joint venture event is Vogue Fashion Night Out sponsored by Vogue Magazine cooperating with numerous stores across eighteen countries. During only one night in September before New York Fashion Week, fashion enthusiasts are drawn together for the ultimate shopping experience. 4500 events only across United States featured stars appearances, special limited-edition products and performances.

Another type of special events, merchandise promotion is specifically concentrated on making an immediate sell of particular product at the time of the event. It includes traditional sales, private sales using mailing lists and reaching the most loyal clientele or limited sales announced for a short period only (Diamond and Diamond 1999).

### **2.2.5. Television**

With a growing expansion of broadcasting media, fashion marketing specialists decided to use this medium to advertise their products. The live action and bright colours make the television a perfect tool for fashion advertising. The key feature of TV commercials is that they are memorable and hold one's attention in a dramatic way. As fashion merchandise is the best valued when it is seen "live", it is the second best device to allure potential customers. The movements of models, visual effects with a spoken message and music in the background create a certain image in a human's head that he wants to follow. In addition, through TV commercials it is easy to reach a target audience and get the message across. For instance, fashion lines could be promoted during Tv series connected with fashion such as "Project Runway" or "Fashion Bloggers". On the other hand, the main disadvantage of fashion commercials is the life of the message. Constantly changing nature of fashion requires fashion marketers to develop new commercials to present what is current in the market place. Moreover, the production costs for fashion promotions contribute significant expenditure.

The most popular television advertising arrangement for highly known fashion chain stores is network advertising. It is comprised of two or more stations and links to affiliates. This agreement allows an advertiser to pay a specific amount of money for playing his commercial in every station available within the network (Diamond and Diamond 1999).

### **2.2.6. Fashion Videos**

Once upon time New York based designer, Norma Kamali installed television monitors in her retail store and used short films from catwalks that featured the collection displayed in her boutique. People passing by could quickly judge if they want to enter the store by experiencing live presentation on screen. All across USA, major fashion retailers followed the lead of Kamali's idea, including Victoria's Secret that has based their stores on multiple digital screens showcasing catwalks or sultry videos. Since then a new type of promotion has been acknowledged, showing catwalks, behind scenes footage to generate a customer's excitement. Few years later, in the developing era of the Internet and social media, a new generation of videos have become a mainstream in fashion promotion. Fashion designers have been using short fashion films to interact with potential customers through combination of art, music and sophisticated visuals. Karl Lagerfeld has been the pioneer in producing fashion films. He directed two stories- "The tail of a fairy" and "Remember me", both fifteen to thirty minutes long. Lagerfeld also produced few fashion videos featuring models dancing in Chanel collections. The primary aim of fashion films is to create excitement and draw a customer to a brand without upfront features of regular commercials as well as to leave him not entirely satisfied through the experience. Fashion lines become a background of a story told in a film, however apparel is captured in the way to draw attention of a viewer and motivate him to look for and purchase featured items. Nowadays, fashion videos are used at every level of the industry from haute couture to street wear (Diamond and Diamond 1999).

### **2.2.7. Outdoor**

Outdoor advertising seems to be one of the most cost-efficient tools in the fashion marketing communication. In comparison to television advertisements it costs seven times less and unlike television ones, an outdoor poster or panel is always there to be seen. Moreover, the competition of other advertisements is minimized. Though in fashion magazines fashion brands and designers have to compete for reader's attention, in the outdoor one there is a place for only

one message. There are many types of out-of-home formats. Billboards placed high above attract attention of drivers and pedestrians. Backlit transparencies, constructed on using lighting from within instead of spotlights are excellent device to interest people waiting at bus stops, where waiting time is prolonging often to 15 minutes. Changing slides and illuminations effects are major advantages of this type of outdoor. While previously mentioned forms of outdoor are rather static, exterior transit panels and shopping bags belong to so called 'moving advertisements'. Many fashion advertisers, especially in UK and US are using the sides of buses to advertise their brands, product lines or send messages about promotions or sales. Similarly shopping bags, previously used only for carrying purchases from one point to another, today serve one more purpose that is very convenient for brands' recognition. Consumers exiting a store with a shopping bag are seen by many people on the street or public transport. This is the reason why fashion marketing specialists incorporate shopping bags into their multimedia advertising. Consequently, a shopping bag has to be designed according to holidays, special events or occasions to enhance the promotion. In addition, the fundamental advantage of this type of "moving advertisement" is that customers tend to collect shopping bags and use them several times, in this way fashion brands gain additional advertising exposure (Diamond and Diamond 1999).

### **3. Methodology**

This chapter includes methodological steps that were taken to examine the effectiveness of fashion marketing strategies used by H&M and Reserved as well as the brands' perception. It describes what methods were used for the study on the topic and how the research proceeded. In addition, validity and reliability of methodology choices was considered.

#### **3.1. Research Methods**

Since the study has been aiming to examine different fashion marketing strategies used by H&M and Reserved as well as evaluate which of them have been the most appealing to the companies' customer base, the best solutions was to acquire the data from different perspectives. That is why the nature of data gathering was both qualitative and quantitative. Mixed methods are

usually used to develop a more complete understanding of a stated problem or to examine processes/ experiences along with outcomes (Clark 2010). To begin with, qualitative research focuses on words instead of numbers. Hence, it may get a lot of criticism that the research method is too subjective or hard to replicate (Bryman and Bell 2007). On the other hand, Aastrup and Halldórsson argued that case studies are falsely limited by the myth of positivism and the quest for generalization. Instead, this approach should be judged by its' ability to reach a casual depth as well as cover both concrete and abstract analysis (2008). In this case the interview with a professional who has insight knowledge supported by the company's own marketing research seems to contribute significantly to the topic. Additionally, the quantitative research was conducted. Consequently, systematic combining was used which is grounded on abduction and can be described as nonlinear process of matching theory and reality. Thus, in order to understand both empirical phenomena and theory, there is a need for constant interplay between theory and empirical observations (Dubois and Gadde 2002).

### **3.1.1. Data Collection**

Data collection was based on two types of data, secondary data and the primary one. The secondary data is extremely useful in better understanding the problem behind the research questions (Ghauri and Gronhaug 2005). In this case it was derived from the fashion marketing literature, scholar articles, fashion blogs and companies' websites. The primary data is generally defined as observations, experiments, questionnaires and interviews (Ghauri and Gronhaug 2005). It included a semi-structured interview with the assistant marketing manager of Reserved brand in a written form by an e-mail, as they consist of open questions which lead to open answers. What is more, questionnaires with mostly close-ended questions were provided to Polish students through an online platform. Interview questions as well as questionnaire questions were designed in the manner not to be influenced by an interviewer, however it cannot be guaranteed that individuals were not affected by any disturbances in their environment. Hence, the study is to a large extent grounded on secondary sources in order to grasp information missing in the interview and questionnaires. The sources were examined thoroughly to meet the requirements for validity and reliability. The approach called systematic combining was used when analyzing the data, which is not focused on verification and accuracy. It is rather claimed that multiple sources may contribute to discovering new dimensions of the research problem.

Moreover, it is stressed that this approach contributes to refinement of existing theories than on inventing new ones. Additionally, studies based on abduction require an integrated approach (Dubois and Gadde 2002). In this case, the results can be generalized analytically, in respect to a theory of phenomenon being studied (Yin 2003). Therefore, findings can be generalized, not in a statistical way, but rather based on replication logic comparable to prediction of the experiment (Aastrup and Halldórsson 2008).

### **3.1.2. Population/ Sample**

The quantitative part of the research was conducted on the group of 100 people both men and women aged 19 to 24 years old, which were full time students as well as part time students and employees between 25 and 27 years old of Polish origin. In addition, geographical range of the research covered only Poland, mainly Northern part. The sample was random with a simple selection. The first group accounted for 47% and the second one for 53%. The intention here was to derive data to find certain patterns or explanations rather than to represent the entire population.

The qualitative part of the research was constructed in a form of an interview. The assistant marketing manager of Reserved brand was contacted and provided with eight open-ended questions to answer. The criterion for the selection in this case was obvious as the study concerned Reserved and H&M case. Nevertheless, H&M's marketing director was unable to get in contact with, hence this could be seen as a downfall of the research as there is no opposite view and perspective.

## **3.2. Operationalism**

The interview was made between 15th and 22th of May 2015. The list of issues comprised of eight open ended questions. The list of questions was sent by e-mail and received back in a written form. There was no need of translation, as the respondent assented to answer directly in English. In order to cover the answers to previously stated research questions, the interview was based on the theoretical framework aspects.

In the case of questionnaires, the study was conducted between 1.04 and 1.05 year 2012 through an online questionnaire. It was originally published in Polish and translated into English.

Next, the results were gathered and presented in a visual form of pie charts. The decision of using the previously held research was supported by the fact that more accurate information could be derived from it, since the time span and geographical proximity allowed conducting a research on a sample of 100 Polish respondents. Additionally, communication tools used by both companies have remained the same. Yet, the only downfall of this study is not enough emphasis on social media, which through the years has been increasingly blooming. On the other hand, the matter of the social media is covered by the interview and insight knowledge of Reserved's marketing director, hence both studies complete each other.

### **3.3. Quality of the Research**

In order to achieve high quality results of the research, criteria like validity and reliability have to be taken into consideration (Bryman and Bell 2007). Validity is described as "the extent to which data collection method or methods accurately measure what they were intended to measure" (Saunders 2009). Reliability on the other hand assess if measurements in surveys or interviews are reliable, meaning responses could not be a coincidence (Bryman and Bell 2007).

#### **3.3.1 Validity, Reliability, Authenticity and Creditability**

The questionnaires covered students, which represent fashion consumers. On the other hand, the interview presented professionals' perspective. Under different conditions more professionals from H&M and Reserved brands would have been included in the research. However, time span, geographic distance and language barrier did not leave much choice to conduct a wider research. Though, the questionnaires and interview helped to generate data about the most effective fashion marketing strategies used by high street fashion brands, yet with a higher number of participants especially marketing directors, visual merchandisers and sales assistants the results would be more valid. When it comes to validity of secondary data it was derived from the topic oriented literature and fashion marketing websites. Because of the fact that this data is based on scholars' knowledge and fashion experts' opinions as well as companies' published information, it is likely to be valid. In addition, it is connected to creditability which concerns for which purpose an article was written and who the author is as well as authenticity which denotes whether the source is true or false (Bryman and Bell 2007).

Reliability of the research could be questioned. The primary data was collected through

the online surveys and interview, so it cannot be certain that respondents were completely honest and the accuracy of the responses cannot be guaranteed. Although data was gathered from different sources, the results might vary depending on time, geographical area and people. As previously mentioned, compared to other industries, the fashion market is extremely fast paced. Subsequently, the results may vary in the case of different time span or with a higher number of participants. Nevertheless, if the same sampling methods would be practiced in near future, surpassingly results could be similar, hence reliability of the study is likely to be suitable.

### **3.4. Delimitations**

The research was delimited by few main aspects. First of all, it only focused on two high street fashion brands originated in Poland and Sweden and was hence not representative for the whole Western and Eastern European fashion industry. What is more, the sample used consisted of students and part-time students inhabited mainly Northern part of Poland. Therefore, the sample was not representative for the Polish or Swedish population. Lastly, it was known from the start that students and part-time students have limited financial resources, hence spend much less on clothing than a person with a full-time job. Therefore, it is assumed that results would have been different in such case.

When it comes to data derived from qualitative part of the research, when interviewing only a few people, the findings might be subjective and unique and seen to some extent in different way by other parties (Gibbs 2012). Summing up, the results cannot be generalized throughout all other fashion companies, however the study can be still a good indication how young Polish people perceive Eastern and Western European brand as well as which of fashion marketing strategies are affecting them the most and what goes with that are effective for a high street fashion brands.

## **4. Empirical Findings**

### **4.1. Primary Data**

The data following subchapters is derived from qualitative as well as quantitative studies which were conducted in the form of a semi- structured interview and online questionnaires. The collected data is analysed under each subchapter.

#### **4.1.1. The Interview**

The first question stated to the assistant marketing manager of Reserved, Agnes Poborcyk concerned the importance of traditional marketing tools. She agreed that promotions and advertising are extremely important part of the strategy followed by Reserved. Than she added that she felt everything is happening around their campaigns and lookbooks. She also mentioned about the showroom in Warsaw, where newest collections can be rented and featured in fashion magazines, which she considered another great way of exposing the brand to readers.

The second question focused on to what extent social media performs an important role in Reserved's marketing activities. Agnes admitted that it is a quite important tool for Reserved, especially Facebook. Reserved's Facebook fan page is run by outside PR company. She pointed out that the most popular posts are connected with promotions or sales in store. On the other hand, Reserved's blog and Instagram is targeted to the more fashion conscious audience.

As regards to social media, following question concerned the most effective social media channel. Poborcyk again highlighted the importance of Facebook. She also called Reserved's customers in some way traditional ones, as she believes that they rather look through collections and lookbooks strictly connected to the brand than follow fashion news on other social networks.

Next question asked was if reducing marketing activities only to interactive communication would negatively influence customers' perception of the brand and their loyalty. Poborcyk claimed that the balance is necessary. She added that although majority of us is

connected through the Internet or smartphones, everything that is going on online is somehow linked to brick-and-mortar's activities and they need to entertain people more than just virtually.

The fifth questions concerned fashion marketing communication tools that seem to be most appealing to Reserved's customer base. Agnes admitted that it is hard to tell. She believed that sales promotion is a pro- selling element, necessary to sell out our stock. That is why in her eyes the most appealing are campaigns as well as news posted on social media. She also pointed out that previous collaborations with famous designers have been not as effective as they planned, rather a very expensive venture. Another question concerned the matter if being engaged in pro environmental activities helps to promote the brand or if it makes people questioned real motives and credibility behind it. Poborcyk claimed that today people are more aware of procedures of garments' production as well as the quality of fabrics. Reserved made some major moves into more sustainable future. The company uses mostly organic cotton and significant part of their production was transferred to Europe. She added that they know that customers can get suspicious as every company nowadays is almost forced to have this sustainable image. Nevertheless, they still believe that the customers are drawn to the brand, because it is transparent on every level of corporate activities and they connect with customers through various pro social and environmental activities.

The following question stated that Eastern and Western European companies seem to practice similar marketing strategies and investigated what factors give Reserved's a competitive advantage over global players like H&M. Agnes admitted that it is very hard to compete with a global player like H&M. However, having competitive prices, hiring super models, approaching things a little bit different is in Reserved's intentions. In addition, sustainability activities are the ones that speaks for themselves. For example, eliminating completely plastic bags from stores. In the end Poborcyk asked if H&M will follow their footsteps.

Lastly, Poborcyk was asked if she thinks that Reserved's customers differentiate the brand as Eastern European and if it has any influence on the brand's perception. She summed up that this is not a case at all and when it comes to the retail market, the outdated perception of East and West are gone. Moreover, she added that most of their customers around the world do not know about Polish origin of the brand.

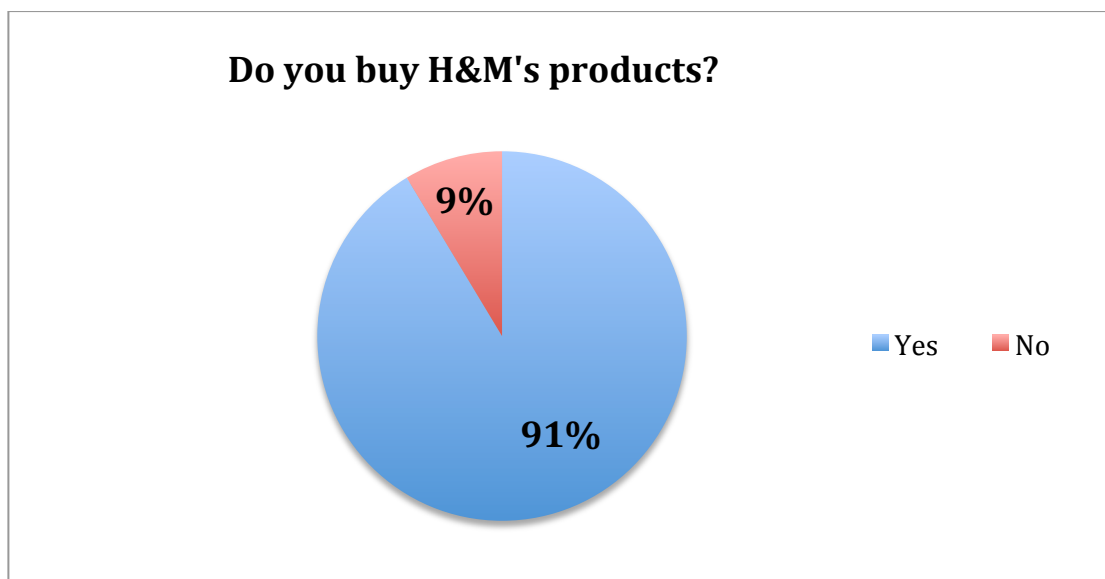
#### 4.1.2. The Questionnaires

The online survey was divided into two parts, each section consisted of questions connected to a certain brand. Each question was designed to investigate specific promotional strategies exploited by H&M and Reserved as well as which of them are the most appealing to 20 something Polish students. These were mainly closed questions with optional comments to add (Appendix 3). The results and analysis of the study is presented below in the form of pie charts.

##### H&M- Results and Analysis

The introducing question concerning the Swedish brand was to examine, if respondents buy H&M's products. The results were more than positive, as up to 91% of respondents admitted that they shop at H&M. The main reasons for that were keeping up with the latest trends from the runways, impeccable design and affordable price. In addition, respondents said that H&M offers wide range of products as well in bigger sizes. This result confirms that the brand skillfully spreads their philosophy of the best clothes for the best price. Yet, still 9 % expressed a negative opinion of H&M's products supporting their views by arguments that products do not fit their personal style.

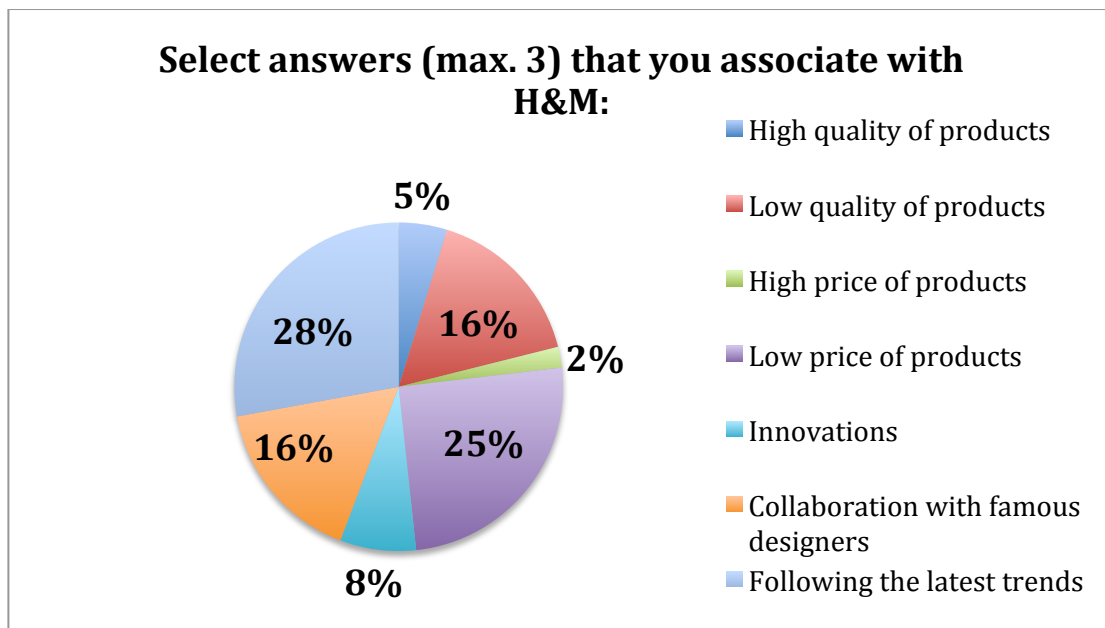
**Figure 1. Purchase of H&M's products**



source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012

In the second question respondents were asked to choose up to three sentences that the best describe their feelings as well as connotations connected with H&M. The most popular answers chosen by respondents were related to following the latest trends (28%) and low prices (25%), which seems to be H&M's philosophy of fashionable clothes for the best price. Other opinions were divided with no significant prevalence of a certain view. Equally, 16% of respondents associated H&M brand with low quality products and cooperating with well-known designers, which might indicate that they have some doubts about the quality of limited designer's wear. 8% claimed that the company is innovative and 5% described the brand's products as high quality. Nonetheless, such low percent does not stop respondents from buying H&M's products, as it is seen in the previous question.

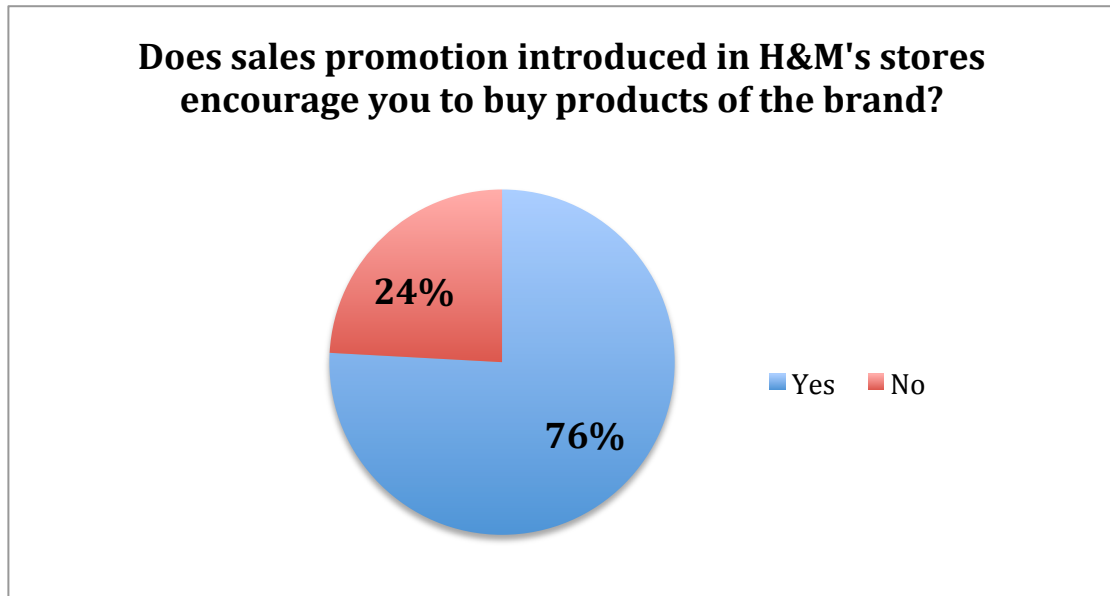
Figure 2. H&m's associations



source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012

Another question was designed to examine influence of sales promotion on respondents' shopping behavior. 76% claimed that reduction of prices in H&M's stores encourage them to make a purchase. Again, it is a confirmation of the dominance that this promotional tool contributes to H&M's strategies.

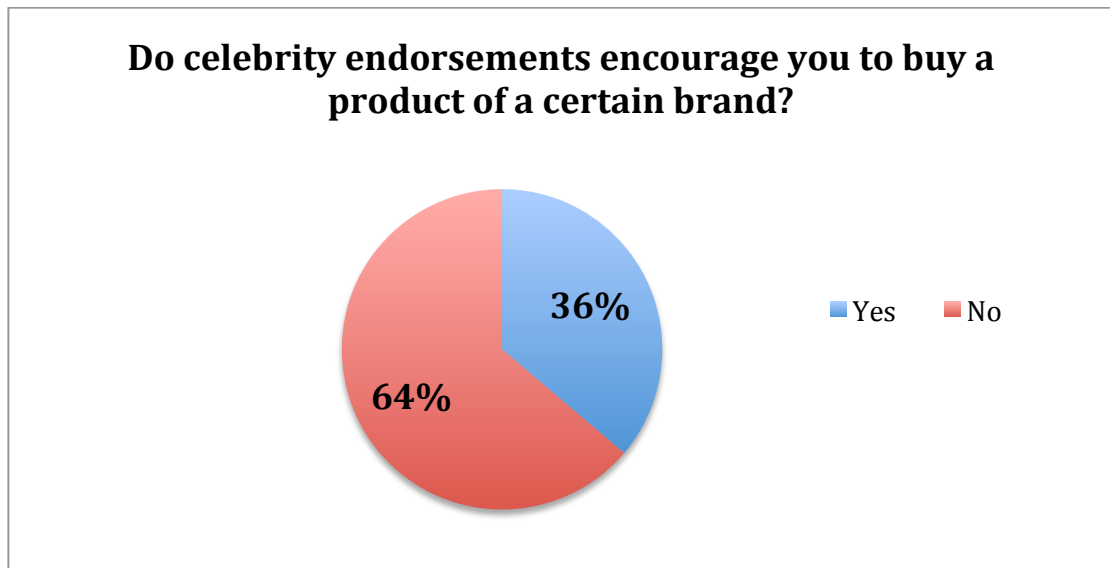
**Figure 3. Impact of sales promotion on H&M customers**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

64% of respondents admitted that celebrity endorsements do not influence their decision whether to purchase a certain product. This result may arise from young people's awareness of marketing strategies used by various organizations. They realize that featuring famous faces in a brand's campaign or Tv commercial is a method to affect their preferences. Respondents select products based on style and quality, not on a person that is advertised by. However, 36% declared that celebrity endorsements encourage them to buy a product of a certain brand.

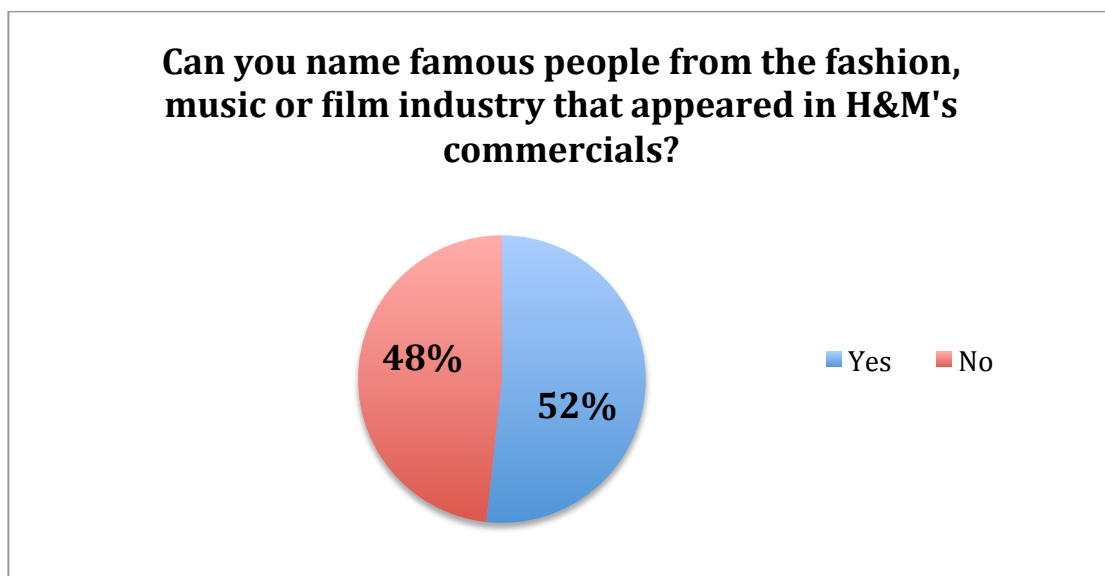
**Figure 4. Celebrity endorsements encouragement**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

While the previous question disclosed that majority of respondents did not feel encourage buying products promoted by celebrities, more than half of them could actually name famous people that appeared in H&M's commercials. Names appearing the most frequently were Madonna, Kylie Minogue and David Beckham. 48% could not name any famous face featured in H&M's commercials. This result may be supported by the fact that people recognize faces, though they cannot connect them with a name. All in all, outcomes showed that young people pay attention to the celebrity endorsements, what increase the brand's awareness, yet they are sensitive to attempts of manipulation

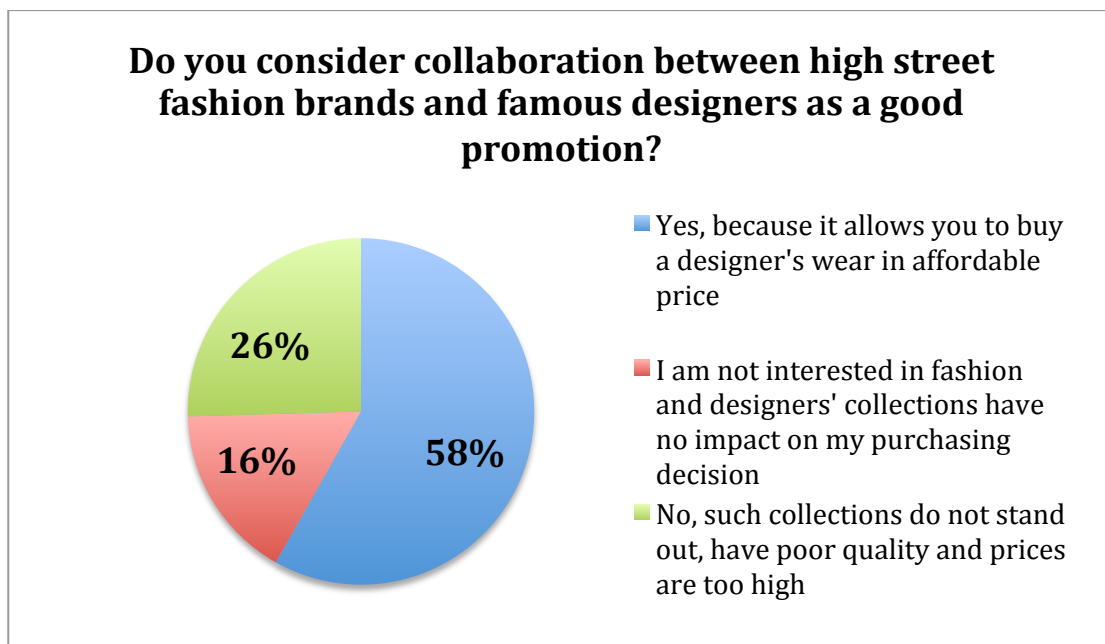
**Figure 5. Identification of celebrities featured in H&M's commercials**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

The situation is different in the case of collaboration between high street fashion brands like H&M and famous designers. 58% of respondents declared that such collaboration is a good promotion of the brand, as it allows customers to buy designers' wear in affordable price. 26% had no opinion, as they are not interested in fashion and such collections do not have an impact on their purchasing decisions, yet they do not eliminate possibility of a purchase if items fit their style. Only 16% stated that this kind of promotion is useless, as the quality of products is poor, prices are too high and designs do not stand out from any other collections.

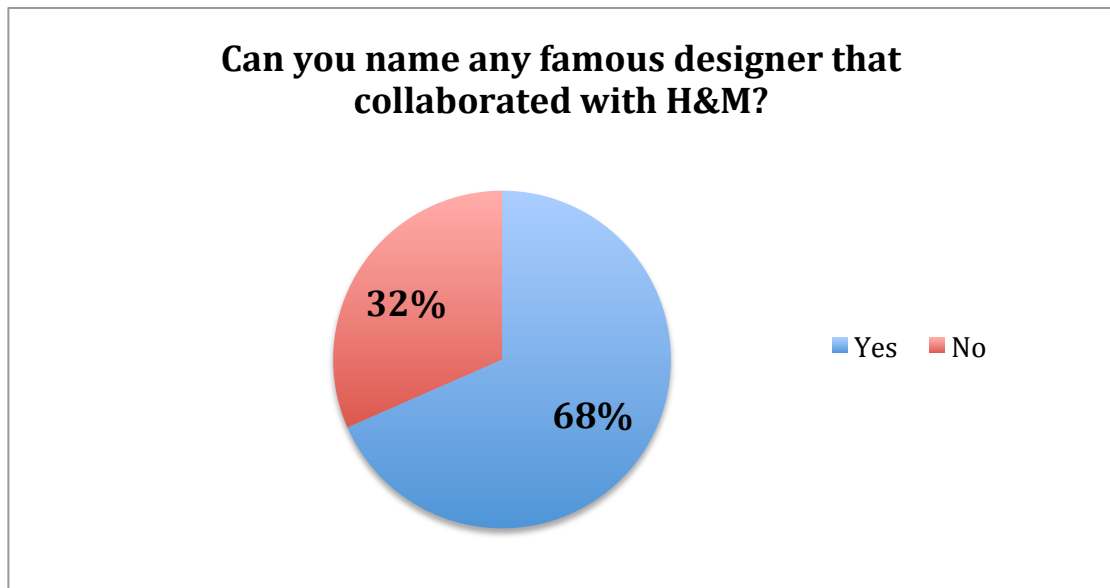
**Figure 6. The effectiveness of designers' collaboration with high street fashion brands**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Moreover, 68% of respondents actually could name not one but few designers that created limited collections for the Swedish company. The most memorable collections were according to respondents were created by Karl Lagerfeld, Versace, Lanvin and Marni. The rest of 32% were aware of such collaborations promoted by H&M, however they could not recall names or were not interested in high fashion. These results indicate that H&M's decision about linking up with haute couture designers was a clever tactic that impacts the target group.

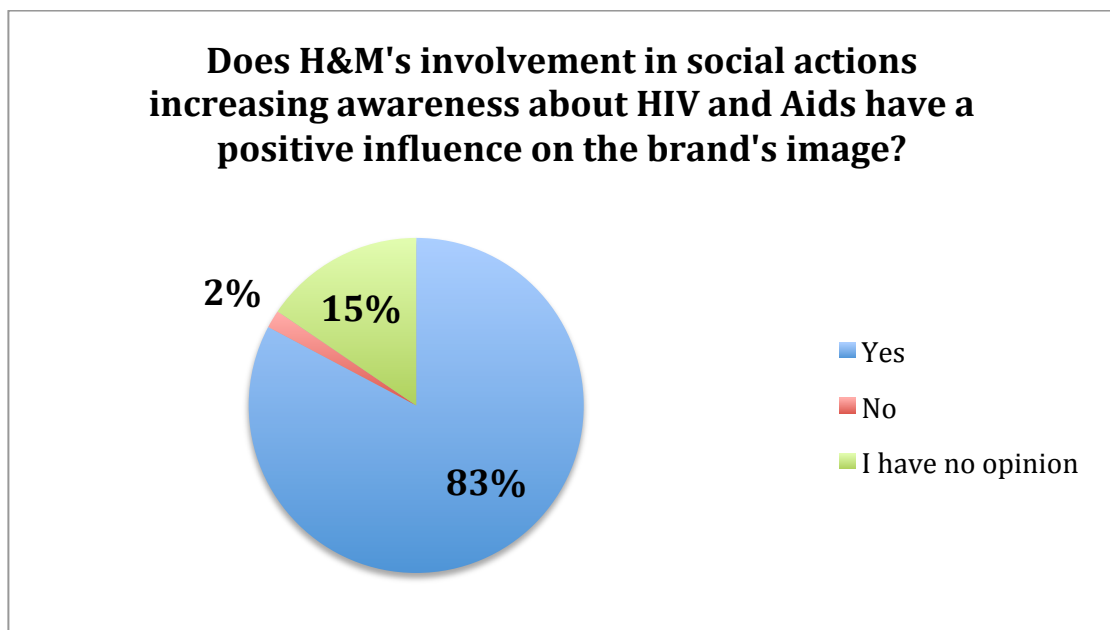
**Figure 7. Acknowledgement of designers that collaborated with H&M**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Next questions concerned H&M's PR activities, specifically social marketing events like Fashion Against Aids. The results showed that 83% of respondents supported H&M's involvement in social actions increasing awareness about the danger of diseases like HIV and Aids. 15% had no opinion and only 2 % claimed that involvement in social actions do not enhance the brand's image. The results are an evidence that the Swedish company publicizes its' social activities enough to grab attention of young people and get them involved.

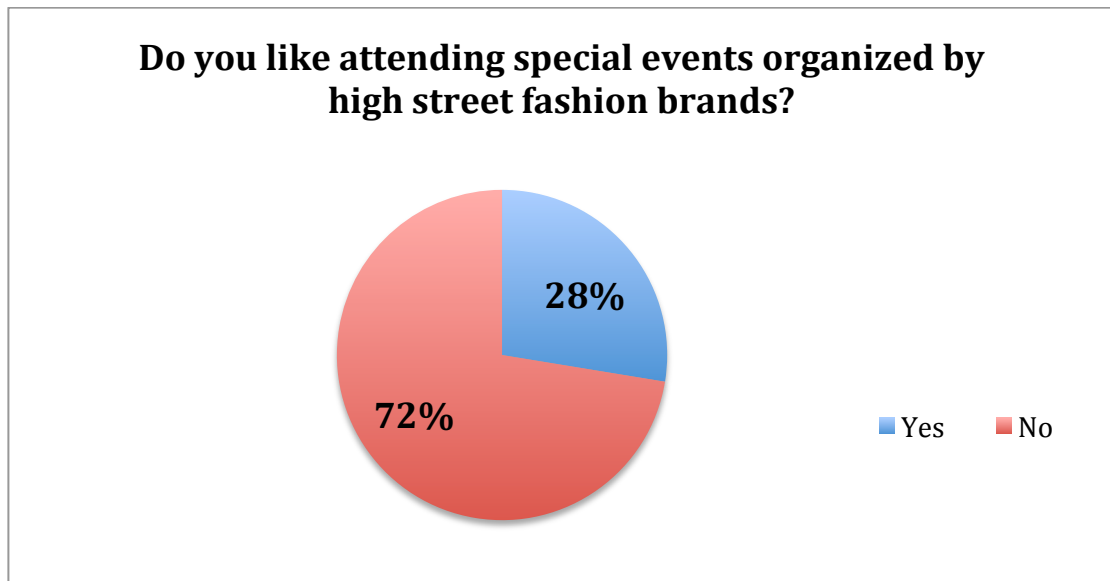
**Figure 8. H&M's involvement in raising HIV/Aids awareness**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

72% of respondents claimed that they do not like attending special events organized by retailer's brands. 28% of them gave a positive opinion. The result may be caused by the fact that such special events are a new project in Poland and people have wrong impressions, associating them only with sales and a big crowd. In addition, the events are usually thrown in the big metropolises like Warsaw, Poznań or our Polish "capital of fashion" Łódź, so the access is constricted.

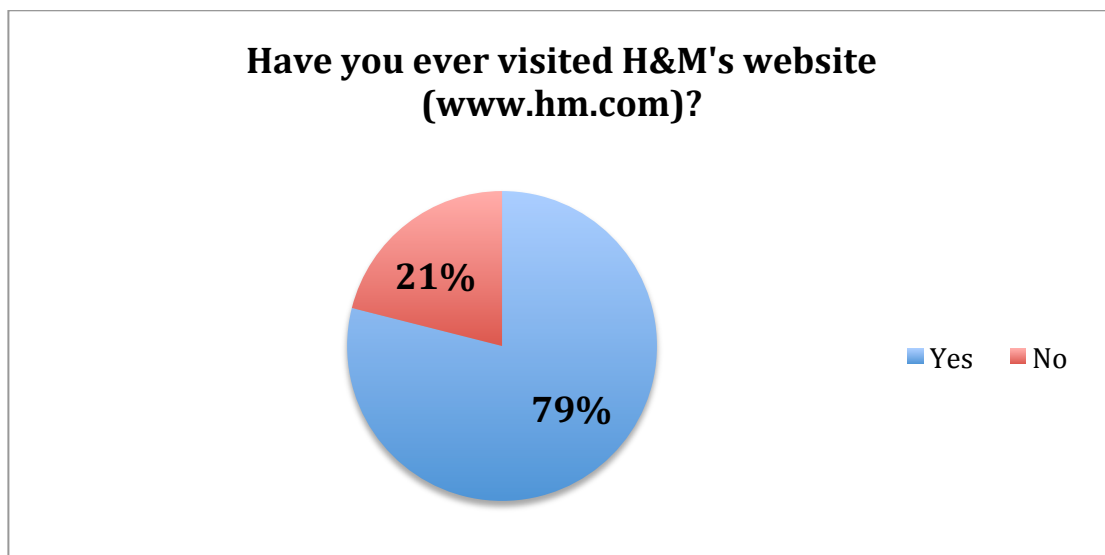
**Figure 9. Customer's feelings towards special events**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Next question concerned direct marketing activities, specifically the effectiveness of H&M's website in communication with customers. 79% of respondents admitted that they have visited the website. It is very high score and might be the reason why the Swedish company gained competitive advantage over their rivals through the years. This also indicates an excellent brand's awareness among customers and efficient communication by means of the Internet. All elements of promotion should complement each other and it is clear that H&M besides good results in traditional methods achieves additional publicity through alternative techniques.

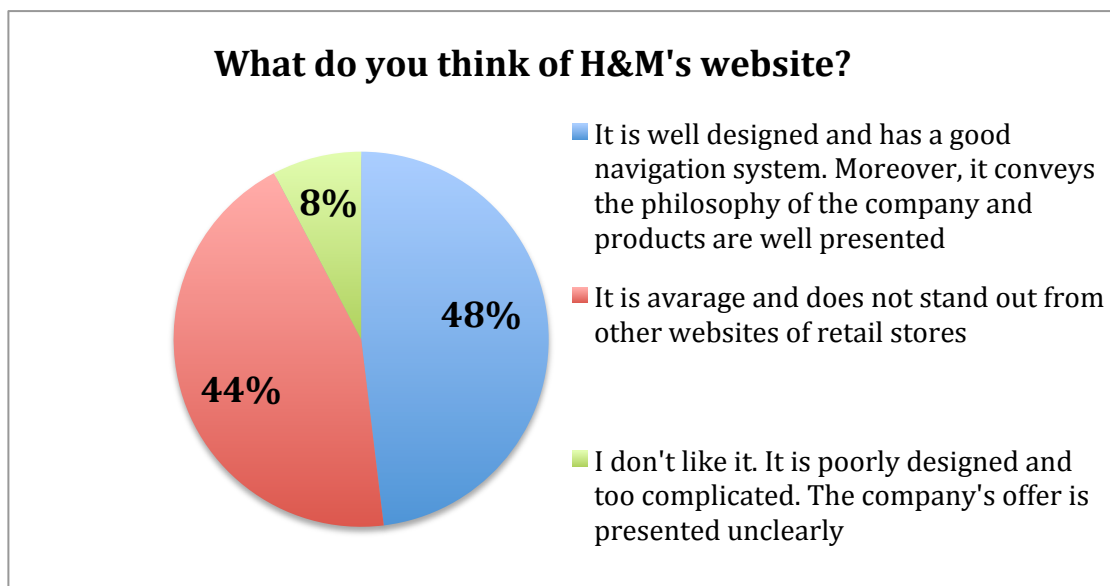
**Figure 10. Acknowledgement of H&M's website**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

What is more, 48% of respondents who have visited H&M's website, claimed that it is well designed and has a good navigation system. They also thought that the website express the philosophy of the brand and products are well presented. Nevertheless, 44% said that H&M website do not stand out from other retailers' website. It may be caused by the fact that majority of retail websites are based on H&M's templates, so the brand disappears in the crowd. However, in order to avoid this situation, H&M has taken the steps and updates its' website with new features every season. Only 8% admitted that they do not appreciate design of the website and that offered products are badly presented.

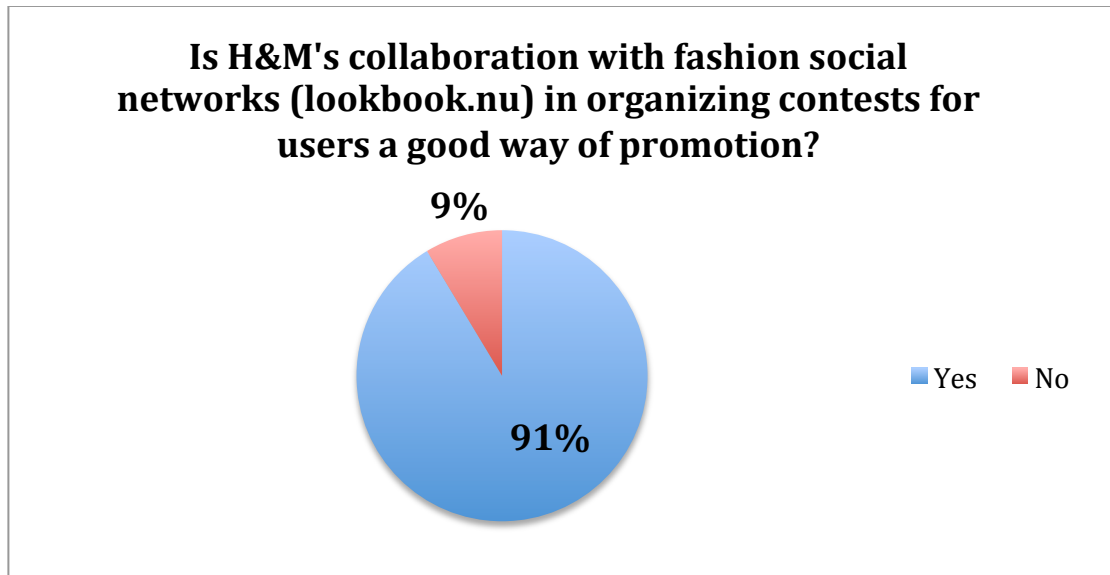
**Figure 11. Associations with H&M's website**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Following question was intended to examine respondents' feelings towards H&M's collaboration with social networks like Lookbook.nu, where users share their pictures including outfits. 91 % stated that organizing contests on Lookbook is a good way of promoting the brand. The results prove that young people are technologically advanced and often seek the way to communicate or reach a company by themselves. Consequently, communication means like social networks are excellent tools to approach the target group.

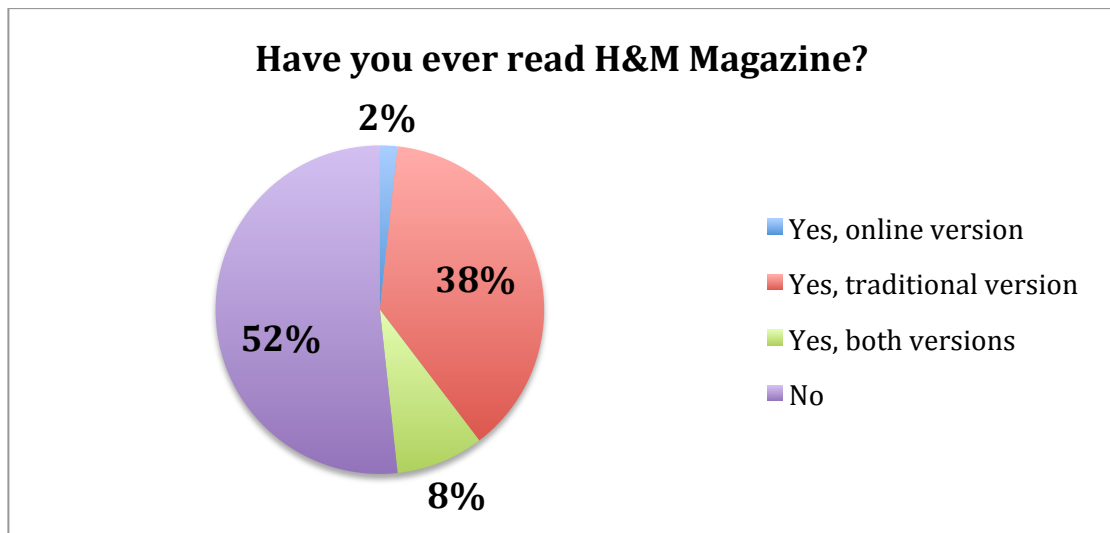
**Figure 12. Feelings towards H&M's activities on social networks**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Another issue in the questionnaire was connected with the catalogue marketing. Online version of H&M Magazine was read only by 2% of respondents. However, the traditional version was browsed by 38% of them and 8% have read both versions. Though, disturbing may be the fact that more than a half of respondents have not been introduced to H&M Magazine.

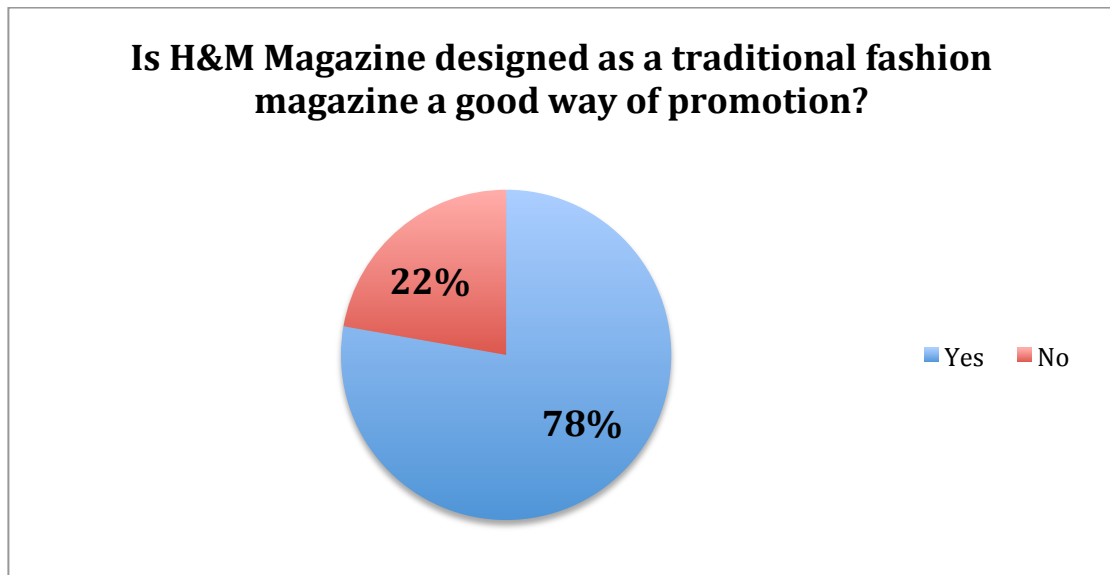
**Figure 13. Acknowledgement of H&M Magazine**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

What may be interesting, 78 % of respondents claimed that H&M Magazine designed as a traditional glossy, fashion magazine is a good way of promotion. The results are positive, taking into consideration that some people do not like to browse through magazines at all. However, as previous figure showed, more than 50 % of respondents have never read H&M Magazine. Therefore, the company should create more points in stores, where the magazine would be available. It could be also promoted on the website or on social networks accounts, which are the most effective means of communication nowadays. In addition, sales coupons attached to H&M Magazine would definitely attract customers

**Figure 14. Feelings towards H&M Magazine**

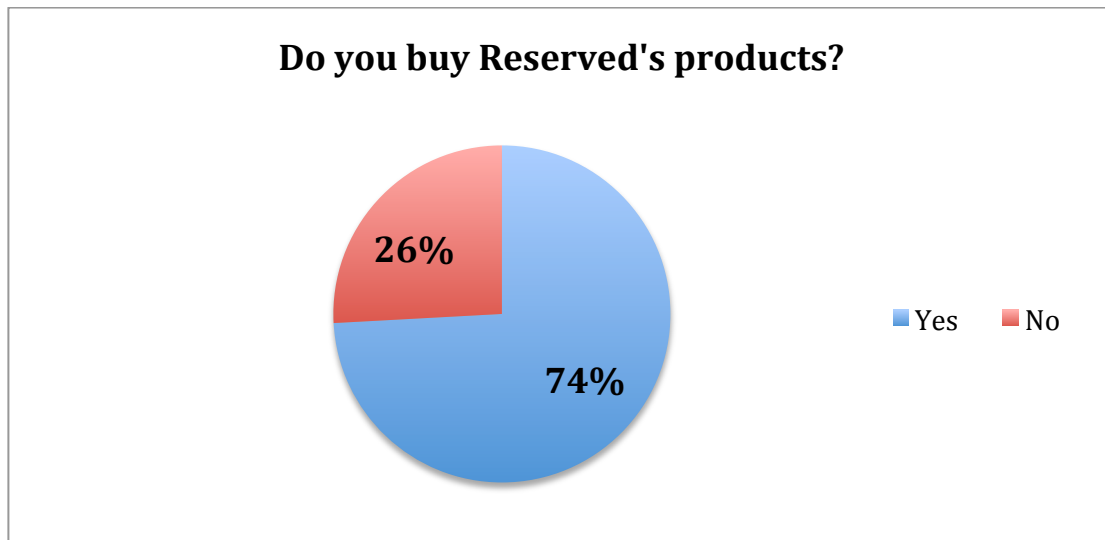


*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

## RESERVED - Results and Analys

First question connected with the Polish brand examined if respondents buy Reserved's products. 74% of them admitted they purchase the brand's items. The most common reasons for that were accessibility of stores and a good quality for a good price. Respondents also noticed the brand's new approach to designs, as they claimed that Reserved's collections have become more feminine and classic. Overall opinion confirmed the thesis that Reserved is keeping up with global players like H&M or Zara.

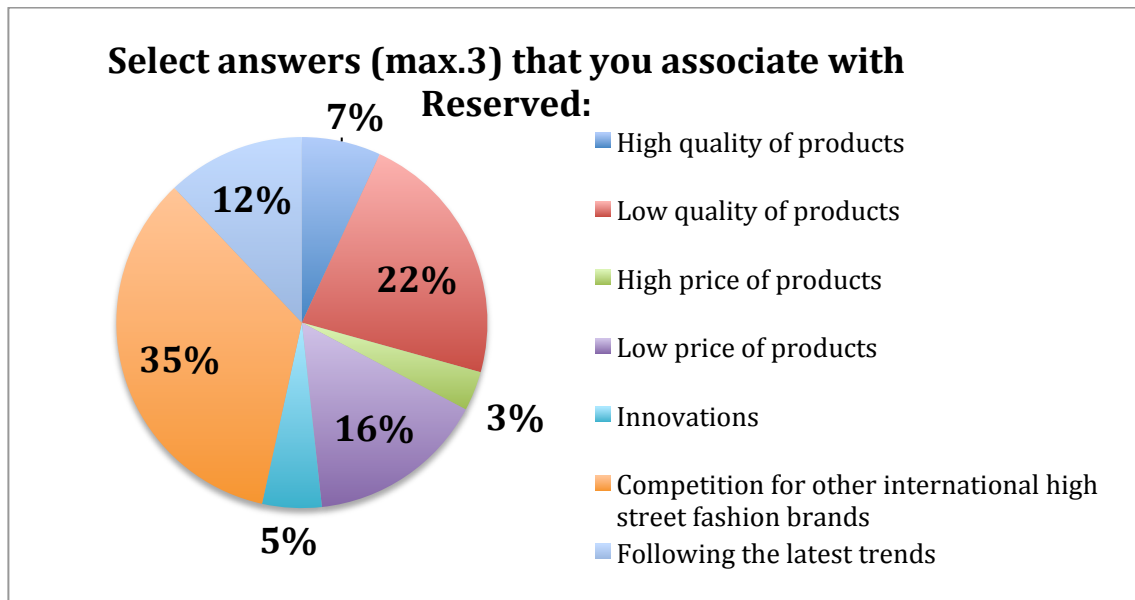
**Figure 15. Purchase of Reserved's products**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

In the next question respondents were asked about their connotations with the Polish brand. 35% of them admitted that they perceive Reserved as a competition for other international high street fashion retailers. The result is a good forecast for the future, as Reserved is relatively young company comparing to H&M that was established 47 years earlier. Moreover, 16% associated the brand with low prices and 12% with fashionable collections. 7% thought that the quality of Reserved's products is high and 5% perceived the brand as innovative. Only 3% claimed that prices are high. Nonetheless, 22% stated that associate Reserved's clothing with low quality. The result indicates H&M's supremacy in this area.

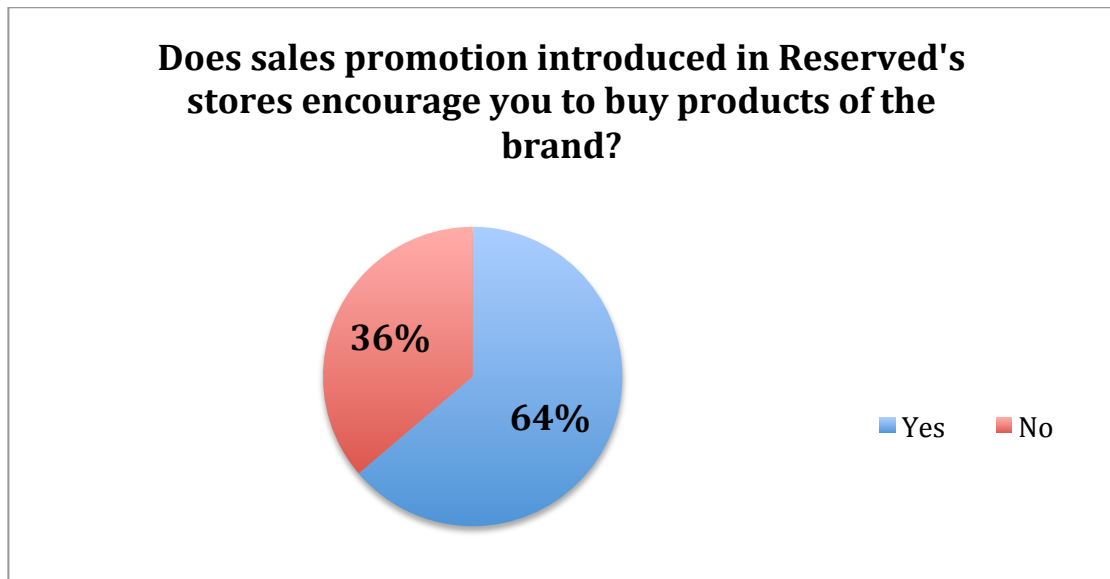
**Figure 16. Associations with Reserved**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Following questions supposed to examine respondents' attitude towards sales promotion organized in Reserved's stores. 64% admitted that regular prices reductions encourage them to buy the brand's products. The result is satisfying and proves the efficiency of this traditional communication tool. Still, H&M according to respondents surpasses Reserved in this field by 12%.

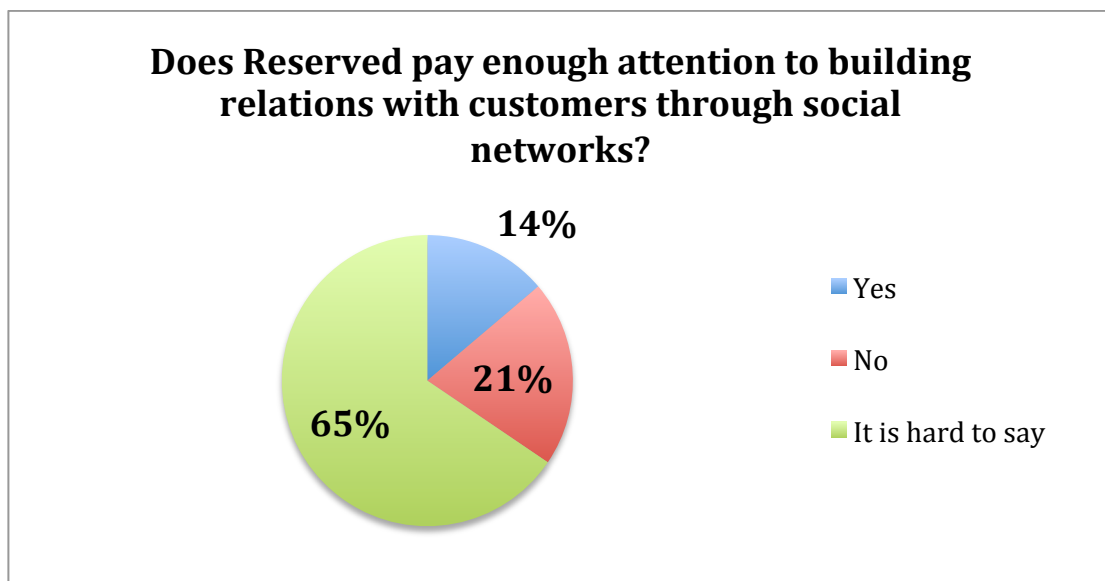
**Figure 17. The influence of sales promotion introduced in Reserved's stores**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Next question was prepared to assess Reserved's direct marketing activities, specifically the efficiency of communication with customers through social networks like Facebook. 65% of respondents claimed that it is hard to say, if Reserved pays enough attention to communicate with social networks users. What is more, 21 % stated that definitely the effort is too little. These results indicate that the brand should concentrate on direct marketing activities, what may involve more frequent updates on the facebook profile to make the brand noticeable and more personal contact with the profile's followers.

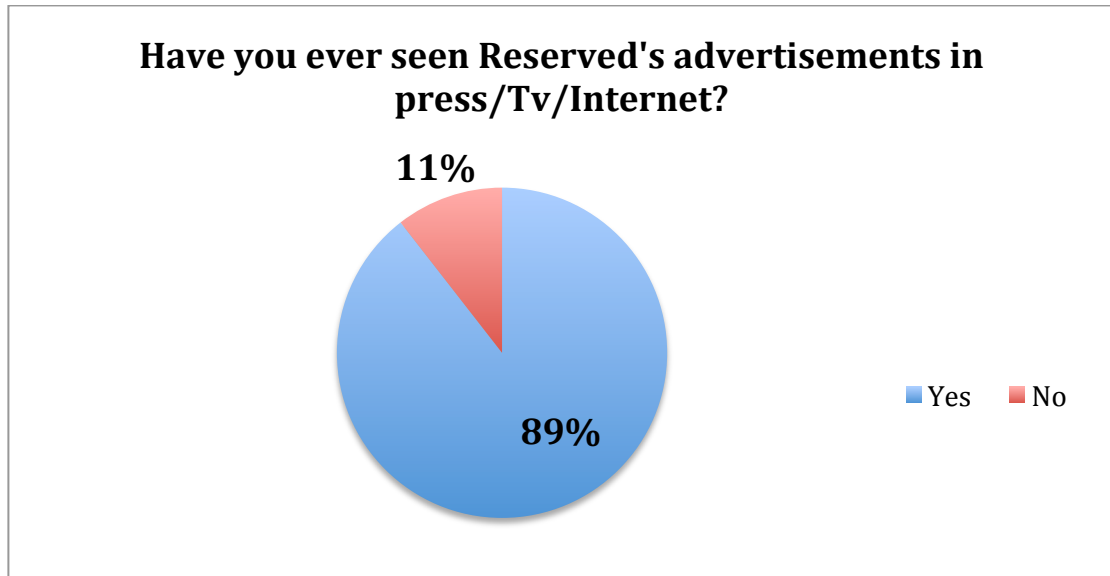
**Figure 18. Reserved's activities on social networks**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Another sequence of questions was connected to Reserved's advertising. First question concerning advertising activities was to examine if respondents have ever seen the brand's advertisement in press, on Tv or Internet. 89% answered affirmatively, which indicates that Reserved's promotion through advertising in media brings positive results and the brand should cultivate its' campaigns through this mean of communication.

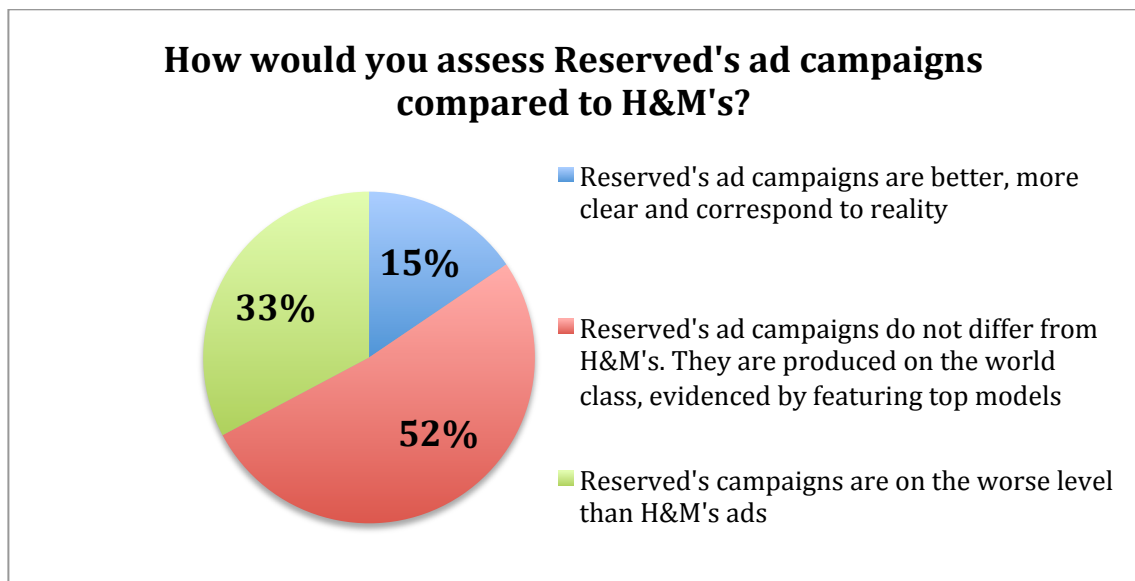
**Figure 19. Acknowledgements of Reserved's ad campaigns**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Next, respondents were asked about their feelings towards Reserved's ad campaigns compared to H&M's advertising. 52 % of them said that Reserved's advertising do not differ from H&M's campaigns, as both are produced on the same, international level, featuring top models, using the best possible locations and photographers. In addition, 15 % thought that the Polish company produces better ad campaigns corresponding to reality. The results again confirm that advertising is a very strong tool within Reserved's promotional activities and that the brand is keeping up pace with international players.

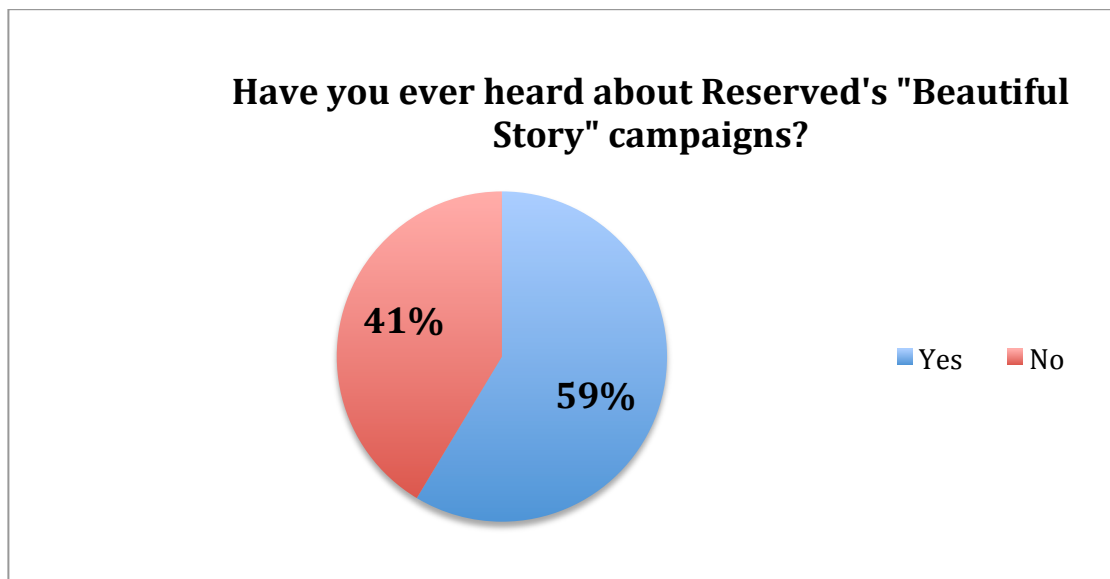
**Figure 20. Reserved's ad campaigns compared to H&M's ad campaigns**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

What is more, 59 % of respondents confirmed that they have heard about Reserved's campaign, "Beautiful story". The other 41 % denied, however it may be caused by the fact that respondents seeing the ad campaign did not pay attention to the title or the message hidden beside.

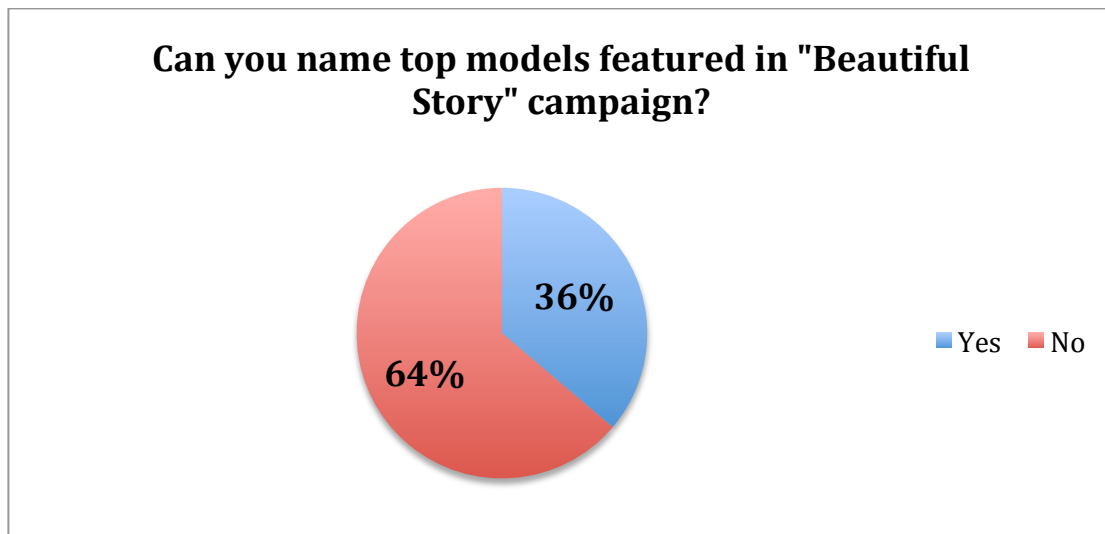
**Figure 21. Acknowledgement of Reserved's Beautiful Story campaign**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

64% of respondents who have seen “Beautiful story” campaigns could name featured models. Names that were mentioned most often were Anna Jagodzińska and born in Gdańsk, Magdalena Frąckowiak. As the company was established in Gdańsk, it was a good strategy to involve Polish models. Moreover, the result may indicate the fact that the rest 36% are not interested in fashion as much to pay attention to names, however they recognize faces.

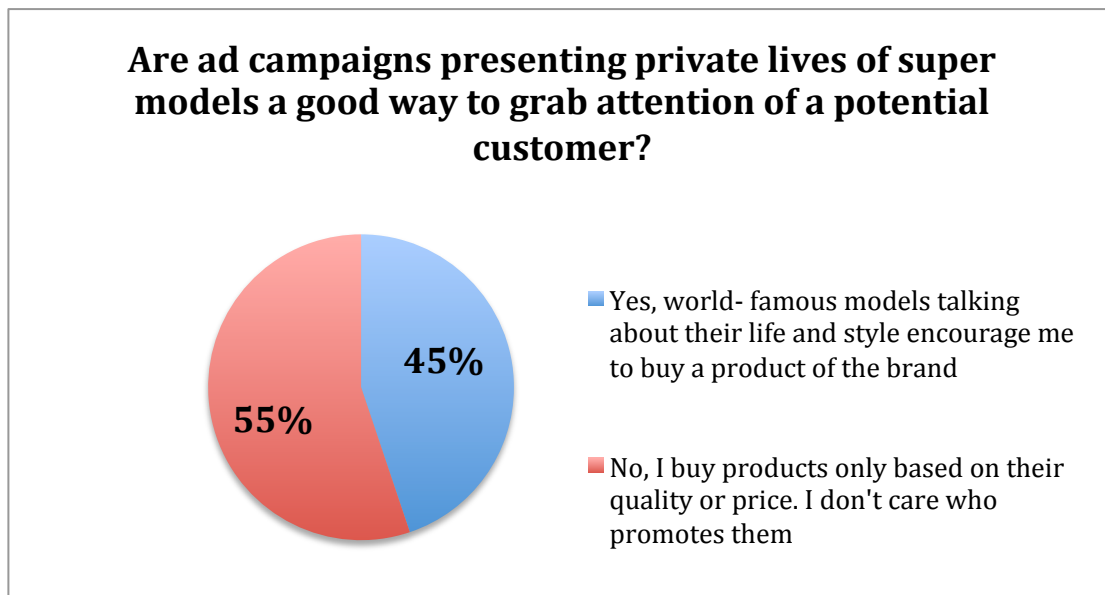
**Figure 22. Acknowledging top models featured in Reserved's ad campaigns**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Next question was to assess if advertising with a message and a story behind it grabs attention of a potential customer. Although, 55 % stated that presenting private lives of super models does not encourage them to buy a product, as they make a purchase only based on the quality or price, up to 45% admitted were convinced to that type of advertising. The results prove that Reserved's strategy to tell the story behind advertising is more efficient technique than H&M's featuring famous faces in their ads, as previously only 36% were encouraged to buy H&M's products promoted by a celebrity.

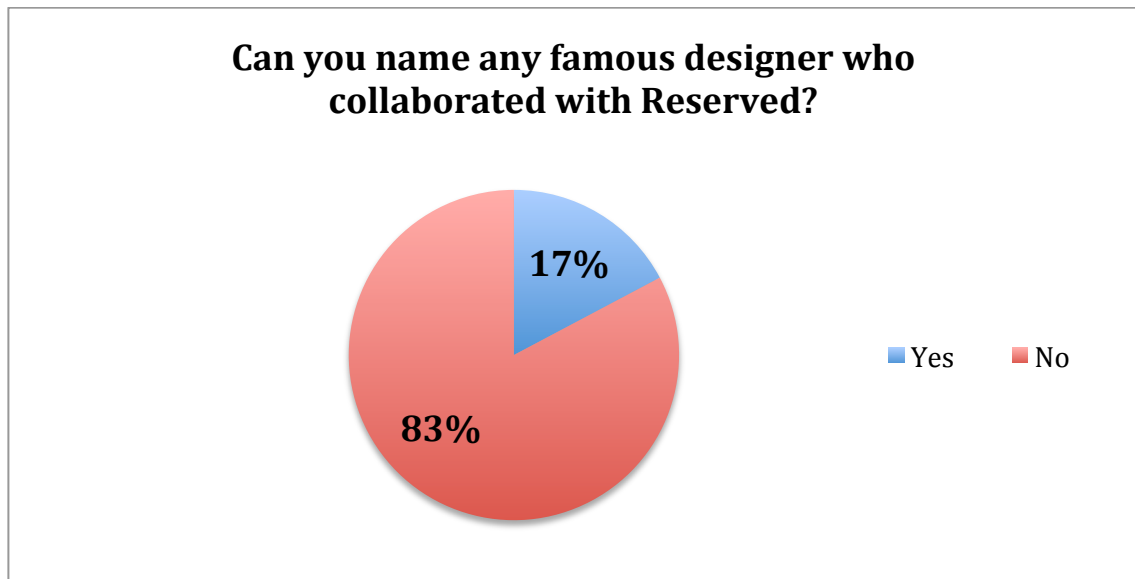
**Figure 23. The influence of Reserved's Beautiful Story campaign on customers**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

On the other hand, the results connected with designers' collaboration are much worse than in the case of the Swedish company. Only 17% of respondents could name designers that created limited lines for Reserved. The rest 83% could not recall any of them. The result may be caused by the fact that much time has passed, since the last designers' collection and Reserved's has decided not to pursue that type of collaboration for now.

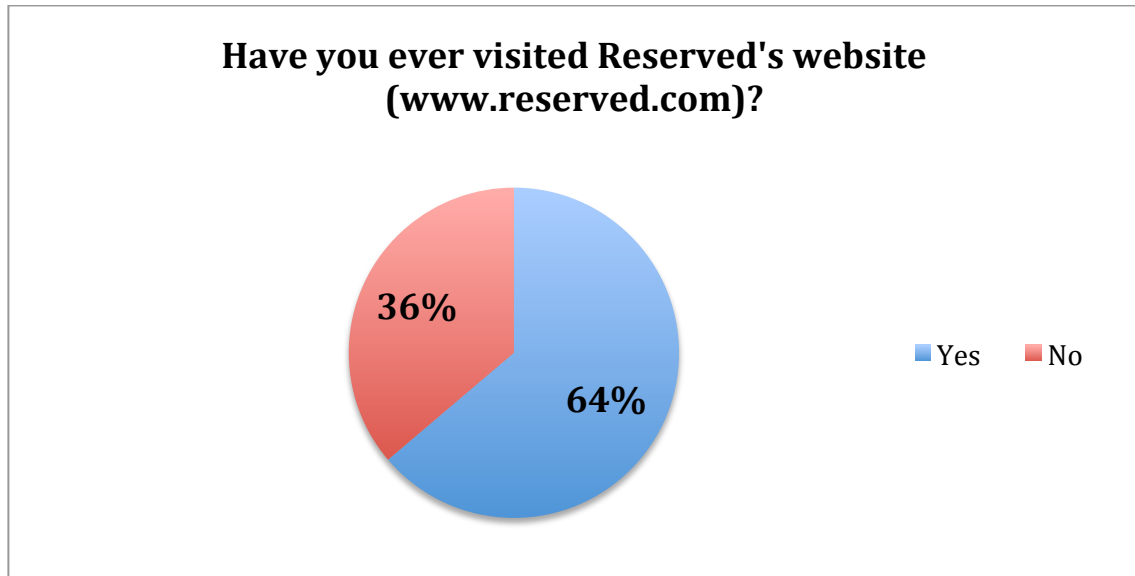
**Figure 24. Acknowledgment of designers that collaborated with Reserved**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

As regards to direct marketing communication through the website, 64% of respondents admitted that they have visited Reserved's webpage. The result is quite satisfying and does not deviate from the average viewing of other retailers' websites. It also indicates that Reserved tries to approach its' customers through different communication channels, balancing well between traditional and alternative methods.

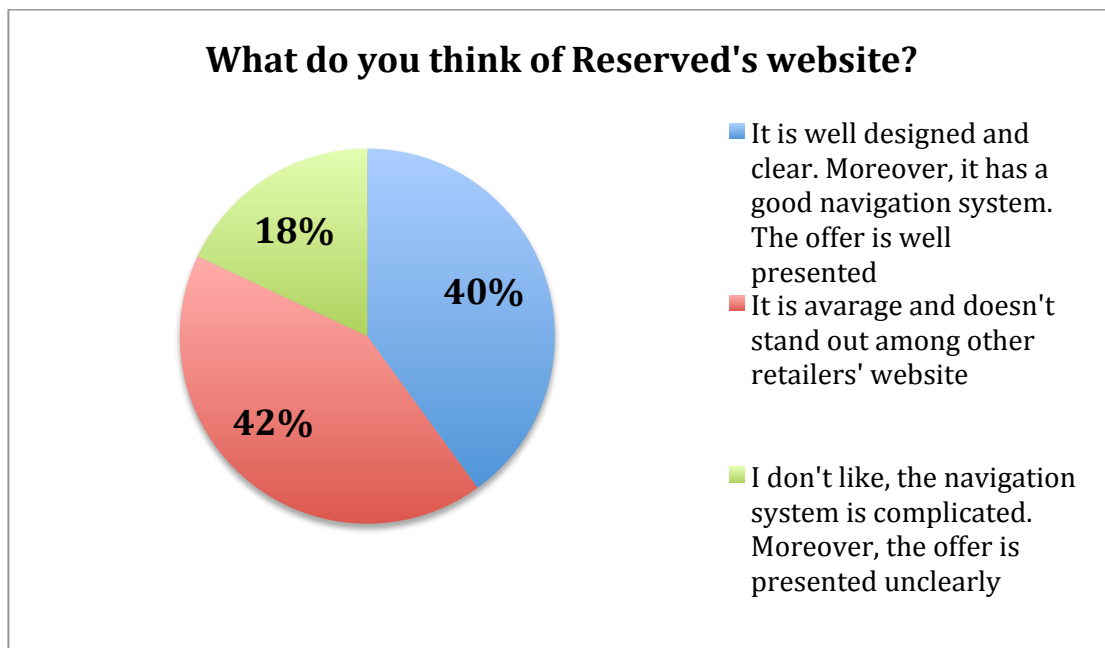
**Figure 25. Acknowledgement of Reserved's website**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

What is more, the following figure displays that 40% of respondents considered the website as well designed with a superior navigation system and 42% claimed that it corresponds to general standards. The results again are the evidence of Reserved's becoming a strong competition for H&M, as both websites were classified more or less on the same level.

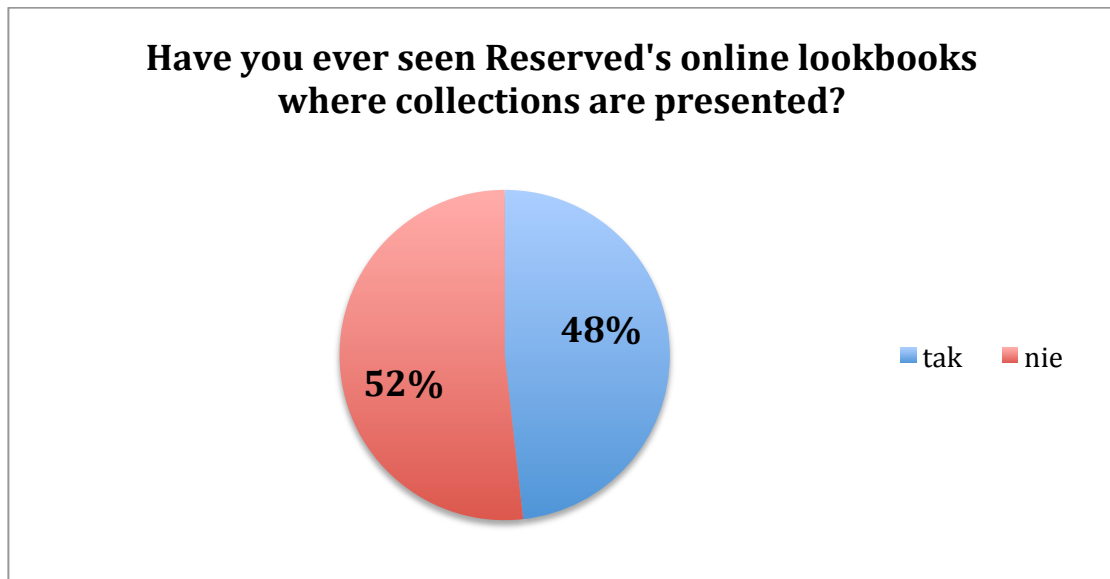
**Figure 26. Feelings towards Reserved's website**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

Lookbooks are excellent way of promotion, as items are presented on models and mixed with each other in different styles. Customer browsing through the lookbook has an overall vision how he or she might look in an outfit. However, 48% of respondents have never seen Reserved's online lookbooks. Therefore, The results suggest that the brand should concentrate on promoting its' lookbooks on the main page, instead of placing them in a separate section, as users visiting the webpage can miss the online catalogues.

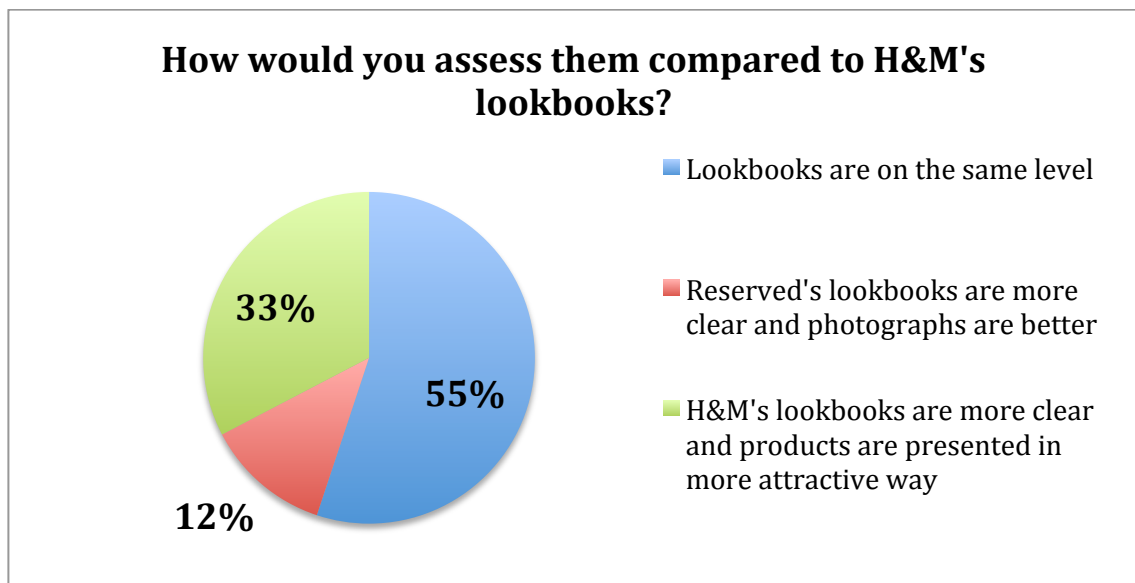
**Figure 27. Acknowledgement of Reserved's online lookbooks**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

The following figure presents respondents' attitudes towards Reserved's lookbooks compared to online catalogues of the Swedish company. While 33% thought that H&M's lookbooks are better because of photography, majority of respondents (55%) assessed both lookbooks on the same level and 12 % even claimed that the Polish brand produces more readable photographs corresponding to young people's lifestyle, instead of artificial poses and exaggerated stylizations proposed by H&M.

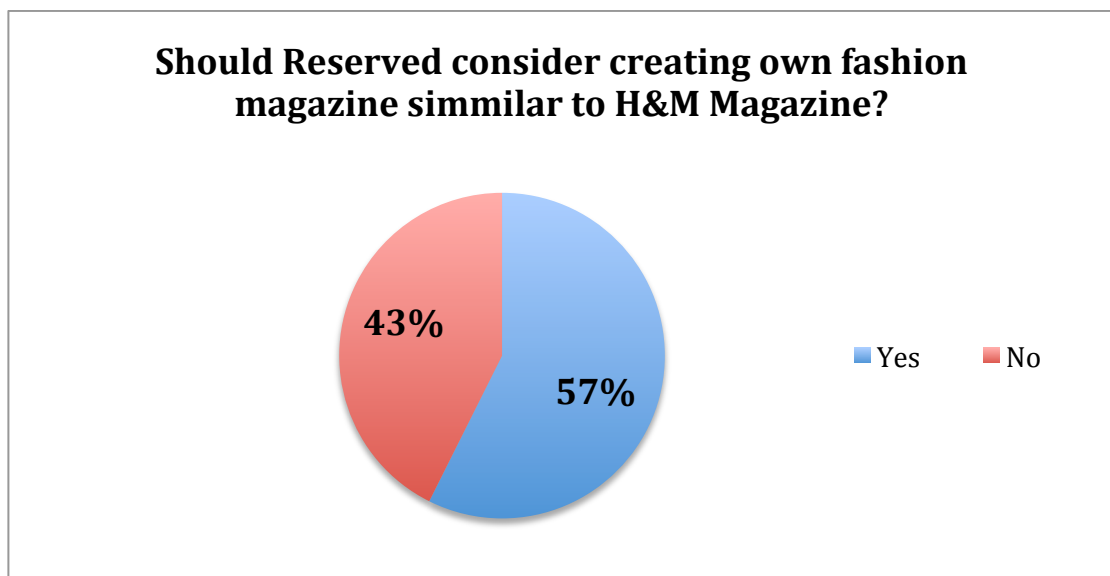
**Figure 28. Reserved's lookbooks compared to H&M lookbooks**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

In reference to the previous question concerning H&M Magazine, where up to 78% of answerers admitted that it is excellent promotional tool, respondents were asked if Reserved should consider designing own fashion magazine. 57% of respondents claimed that this step would definitely enhance the brand's awareness. However, 43 % were against this concept. It might be caused by the fact that we are living in the era of Internet and advanced technology, as more and more young people prefer to browse websites online, instead of traditional magazines. Consequently, it seems that tools including e-mail bulletins and a website are the best way to reach that 43% group.

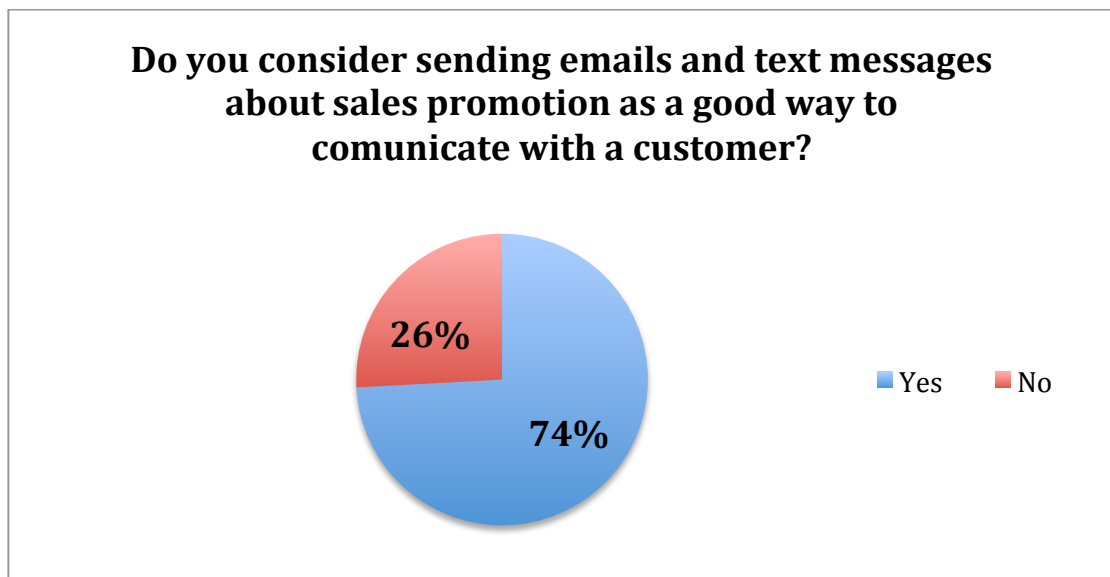
**Figure 29. Feelings towards creating Reserved's magazine**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

The following question was to examine if direct marketing techniques involving sending emails and text messages about sales promotion is a good way to communicate with a customer. The opinion was almost unanimous with 74% of respondents admitting that they consider this as a good communication tool. On the other hand, 26% had negative attitude towards this type of promotion. Perhaps the result is due to excessive receiving of unsolicited messages (SPAM) from various companies, which makes them negatively perceived by respondents. However, it can be stated that this form of promotion is effective, if people sign up themselves to receive such information.

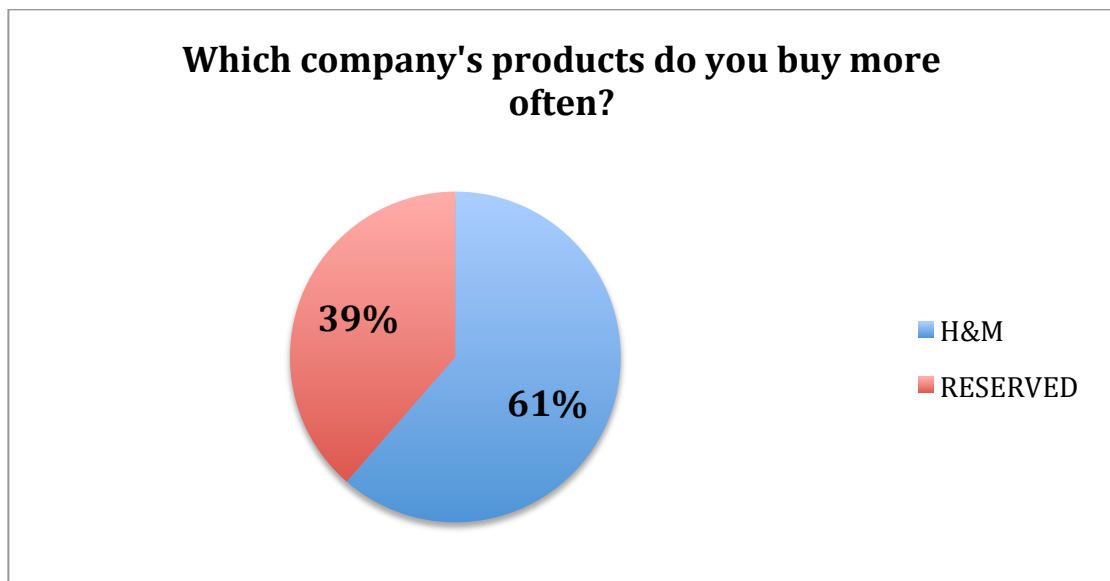
**Figure 30. Feelings towards receiving emails and text messages from clothing companies**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

The final question was designed to sum up two sections discussed earlier as well as to give a definite answer on brands popularity among young people and their purchasing decisions. The figure shows that respondents often choose products of the Swedish brand (61%). The result confirms the strong position of H&M on the retail market. However, 39% admitted that they shop more often at Reserved, which is a promising result for the company existing less than twenty years that still expands and tries to keep up with global players like H&M.

**Figure 31. Preferences concerning the choice of brands**



*source: Own elaboration based on data from the survey conducted between 1.04-1.05. 2012*

## 4.2. Secondary Data

The following part consists of information collected from various sources such as scholar articles, fashion marketing literature as well as both H&M's and Reserved's websites. The data is simultaneously analysed according to differentiation of various communication tools that are used by both companies. The analysis will serve a background for the conclusion and recommendations.

### 4.2.1. H&M

H&M was established by Erling Persson in 1947 in Stockholm, Sweden. Initially it was called *Hennes*, which in Swedish means *Hers*, as it only provided women's wear. Persson grasped the idea to open a fashion boutique with ready-to-wear garments during his trip to the United States, where fashionable clothes were widely offered at affordable prices. In early 1960s store expanded into Norway and Denmark only to acquire a shop specializing in hunting apparel for men Mauritz Widforss. A combination of these two departments in 1968 allowed creating Hennes & Mauritz. In 1982 Persson's son Stefan took over as chief executives making H&M one of the largest retail stores in Sweden as well as introducing the company into the period of international expansion. Currently, the brand is present in 58 markets, with more than 3500 stores. Jorgen Andersson, the marketing director of H&M, once asked what is the secret of so called "Stockholm syndrome", with first Ikea democratizing interior design, now H&M doing the same thing with fashion, answered that this is not only a business idea, but rather a political one, providing every person with equal choices as you do not have to be rich to appreciate good design. He also added that the company owes its success to three factors: innovative design that is always "on trend", the best quality at the best price and efficient logistics (Tungate 2008). The key factor is to achieve appropriate merchandise mix to satisfy a customer regardless of his location. For instance, high- fashion products manufactured in limited quantities are mainly sold in big cities, while basic garments are ordered in big volumes and distributed to almost every location. The significant success of the Swedish company can be reflected in Greece case, where

none of 23 H&M stores were closed due to economic crisis and major decrease in consumer consumption. (Czarnowski 2012). It proves that the main idea that resulted in creating H&M store is effective in under any conditions. Fashionable garments at attractive price always will be required, even in the most difficult times. Nonetheless, in such a competitive environment as the fashion industry, accessible prices are not enough. H&M engages various marketing techniques which purpose is to attract customers. The realization of chosen methods will be extensively discussed below.

### Advertising

Along with entering the era of a new notion of "massclusivity", H&M has been going upmarket, so as its' advertisement campaigns. According to Jorgen Andersson, a lower class society wants to experience glamorous side of life, as now they can afford this type of lifestyle, once past only reserved for the wealthiest. The Swedish brand has been pioneer in creating simple but effective ads. Fashion campaigns feature clear concept, which convey brand's identity. Rather than telling the whole story behind fashion or sending a concrete message, frames intend to portray different styles and occasions in accordance to the newest trends (Tungate 2008). The company applies several different communication tools in their advertising activities. The most popular are ad campaigns featured in fashion magazines or as a part of editorials. Actually, H&M was one of the first high street fashion brands featured in high fashion magazines like Vogue or Harper's Bazaar next to Gucci, Chanel or Christian Dior. Jorgen Andersson argued that it is more edgy to style a Gucci piece with H&M and this is why Vogue readers are the brand's most loyal customers (Tungate 2008). What is more, H&M's TV commercials are produced in a way to grasp immediate attention of a viewer by including catchy music and vibrant background. In Fall 2012, the brand experimented with a slightly different approach to a regular commercial spot. Therefore, a one-minute music video featuring a well-known singer Lana Del Ray was produced. (Marketing News 2012) The young starlet sang a cover of "Blue Velvet" and was dressed head to toe in H&M's newest collection. Two years later they produced similar music video with a super model Gisele Bundchen, singing the Blonde's cover "Heart of Glass" on a sunny beach. The

cover was then recorded by Bundchen and Bob Sinclar and available on iTunes for a 1,29\$. Each dollar from this project was donated to UNICEF (Marketing News 2014).

Furthermore, it is worth mentioning that H&M was the first fast fashion brand to partnership with international super models. Joan Smalls, Adriana Lima, Doutzen Krause, Cara Delevigne or Polish sensation Anja Rubik are only few of many famous names in the fashion industry, featured in H&M's ads throughout the years (Figure 32). Beside word class top models, the company is known for cooperating with many celebrities like Beyonce or Lady Gaga (Figure 33). Hence, featuring famous people from music and entertainment industry seems to be one of the most appealing marketing activities, encouraging customers that they can dress as they role models. Lastly, the most innovative and unpredictable campaign that steered a lot of buzz in France was connected with the launch of Isabel Marant's limited collection. H&M created a number of outdoor ads that were invisible. In order to discover a product featured, pedestrians had to send a Tweet. As a reward, a certain piece of clothing was booked for them before the collection appeared online and in stores (Marketing News 2014).

**Figure 32. H&M ad campaign**



source: Pinterest

Figure 33. Beyonce in H&M's ad campaign



source: Pinterest

### Partnership with designers and celebrities

Usually, during Holiday time H&M launched lingerie campaigns with famous models, though Jorgen Andersson decided that after 12 years it lost its' previous potential. Therefore, it was time to take a risk and surprise customers with something unique. In order to promote the concept of "massclusivity", in 2004 H&M took an effort to link up with the fashion dictator himself, Karl Lagerfeld, who decided to create an exclusive line for the brand. It was a very bold and innovative move, as until then a partnership between a high fashion designer and a fashion retail chain store had never occurred. The launch of Lagerfeld's collection was planned for Christmas. The fashion guru styled and shot the campaign and two minute TV commercial by himself. Since Lagerfeld's collection turned out to be a great success, the company decided to partnership with guest designers on regular basis and include it as a part of long-term marketing plan. Therefore, huge industry names like Stella McCartney, Roberto Cavalli, Sonia Rykiel or

Donatella Versace (who stated before in the interviews that she would never collaborate with a fast fashion brand) are only a few among a rich portfolio of designers that the Swedish brand can be proud of. Additionally, aside from famous fashion directors, H&M collaborated with pop icons and fashion experts like Madonna, Kylie Minogue or Anna Dello Russo, as they are an inherent part of today's pop culture. Thanks to these unusual partnerships, the Swedish brand has gained a competitive advantage over other competitors, who now follow the lead of the innovative company (H&M 2015).

### Sales promotion

Traditionally, reduction of prices is introduced by H&M to sell a previous collection, while introducing a new one and it is practiced four times a year. However, the company as well implements mid-season sales, in time, which a consumer can purchase clothing still relevant to a present season with a 30% discount. In addition, H&M introduced member cards for their loyal consumers. Thus, for every purchase that a customer makes online or in store, a member of a club card earns points, which later turn into 20-50% discounts or "get two pay for one deals". The cardholder gets invitations to the "members only" night sales or special launching events (H&M Introduction to Marketing 2012). Furthermore, as many other competitors, the company applies special gift cards that are attached to a purchase for a certain amount of money. The newest idea connected with sales promotion was performed online as a flash sale. Therefore, on 6th of May 2015 customers could choose from 400 items for 11 Euro, only for 24 hours (Symester 2015). Summing up, H&M perceives promotional activities as showing their loyalty to consumers.

### H&M Magazine

H&M Magazine is referred to direct marketing and its' more traditional tool which is catalogue marketing. However, the Swedish company approached this form of promotion in a quite different manner. Rather than presenting collections on stiff models and studio backgrounds, H&M magazine is designed to be a "cross between a catalogue and a traditional glossy" (Tungate 2008). It is edited as a typical fashion magazine, as it readers with incorporates the latest trends,

interviews with designers, beauty sections as well as high fashion editorials presenting H&M's items (Figure 34). Moreover, the magazine includes life style sections with shopping tips or mini travelling handbooks. The content is well considered and it aims to indicate that women's dreams about looks straight from Vogue, now can relate to H&M looks for much less. In addition, Sweden and Denmark have been the first countries presented with the availability of a web-based loyalty program, in which subscribers receive H&M Magazine by mail. For the rest of the world, it is available off charge in every H&M's store.

Figure 34. H&M Magazine's editorial



source: Pinterest

### Social media and interactive communication

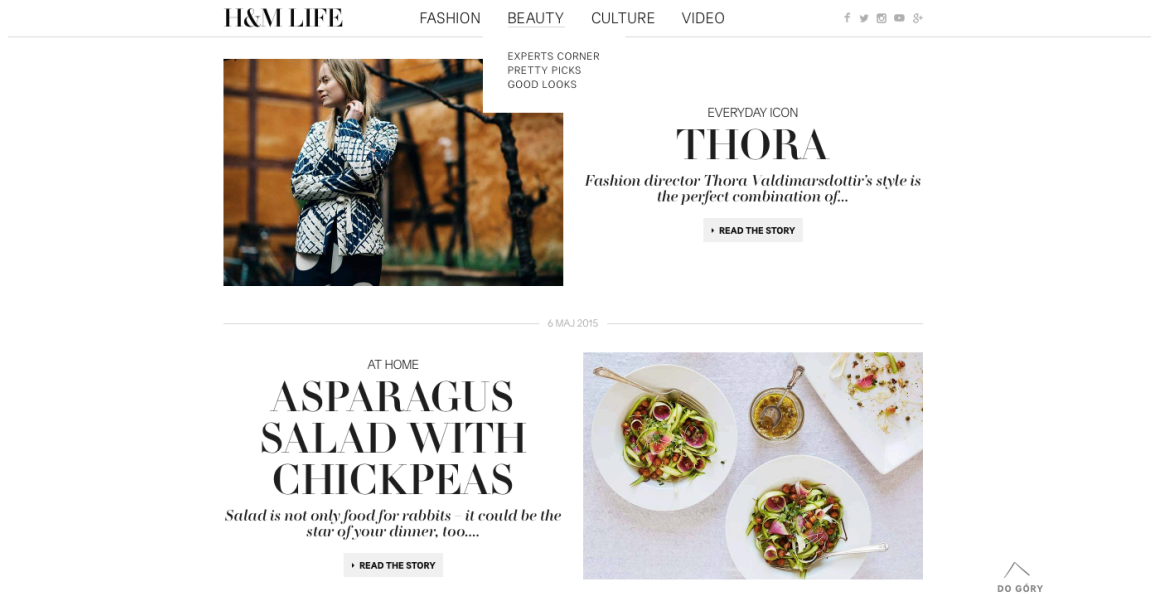
Establishing a webpage is a fundamental element of direct marketing strategy. The company's webpage is divided into 6 sections, respectively she, he, children, home, sale and H&M life. The first five categories are directly linked to the online shop, where apparel is

presented on fit models. In addition, the company's web shop is available in 21 countries worldwide. On the other hand, H&M life section is designed in a form of an online fashion magazine similar to Vogue.com or Elle.com (Figure 35). Customers can browse through categories like fashion, beauty, culture and video. The content is connected with recreating celebrities' style with H&M's items, street style or even life style and nutrition articles. H&M goal has been to provide their followers with more than just regular lookbooks and clothes. People can visit the web page to look for inspiration, life style tips or to get some fashion amusement. Besides, H&M does not neglect the importance of extremely powerful direct marketing tool, which is a newsletter. Jorgen Andersson stated that the brand wants to foster a relationship with loyal customers and that mass communication not always is the key to success (Tungate 2008).

What is more, H&M has been the first of many companies that understood the benefit of social media and how it can get the message out as well as promote the brand directly to the customer base. In order to foster the relationship build with H&M's loyal customers, the brand is present on four different social media channels. To begin with, it has around 22 million fans on Facebook page, where it updates news about product promotions or competitions, fashion tips, inspirations or bloggers' looks. In addition, Facebook fan page fulfils a function of a customer service, as H&M's social media coordinators answer customers' questions on daily basis, the same way eliminating the call centres and saving consumers' time. Going further, H&M's Instagram account is followed by 6,7 million users (Figure 36). Followers can be featured on the Instagram wall, when they use a special hashtag. Next, thanks to Twitter, the company shares the most recent news, promotions and contests. Though, it is argued that in the case of this communication tool, there is much less involvement on H&M's side. For example, the company responds to fewer than 10 fans' @mentions, comparing to Nike's or ASOS' 100 of responses a day. Yet, Twitter campaign worth mentioning was Q&A with a brand ambassador, David Beckham. The famous footballer answered 30 questions tagged #AskBeckham which gave fans unique opportunity to connect and "talk" with their idol (Moth 2013). Moreover, YouTube profile allows subscribers to enter the world of fashion from a backstage. H&M shares short videos regarding campaign shoots, trend reports from Fashion Weeks or festivals' coverage. Above that, H&M partnerships with social platforms like Lookbook.nu, where fashion enthusiasts posts their outfits, describing every item of their look. In this case, H&M collaborates with Lookbook through contests for

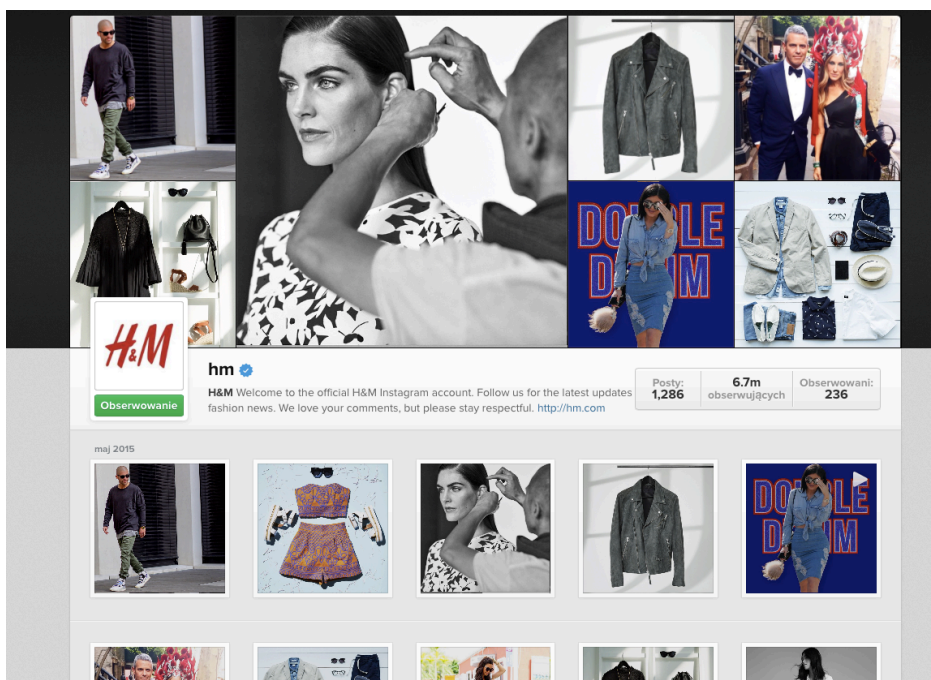
users, encouraging them to publish looks including H&M's clothing, at the same time being inspirations to others. Additionally, H&M partnerships with international bloggers promoting contests for a blogger's fan base.

Figure 35. H&M's website



source: hm.com

Figure 36. H&M's Instagram account



source: [instagram.com/hm](https://www.instagram.com/hm)

### *Special events and fashion shows*

H&M's special events are traditionally connected with launching a designer's collection. Hence, local celebrities attend a pre sale party and a cocktail hour during a fashion spree. Yet, in 2010 the company modified a format of previously held events, accessible only for celebs and press. Consequently, on 19th of August, in Poland, H&M launched the Fall 2010 collection throwing "H&M Fashion Party". The event was also connected to a competition sponsored by H&M and a fashion website Stylio.pl. The best stylists in Poland were nominated to create window displays especially for the occasion (Figure 37). During the party, customers could shop with a 25% discount on the whole Fall collection. In addition, the team of winning stylists shared their shopping tips and advised customers on their fashion choices (Zawadzka 2010).

What is more, H&M has been trying to take over the high fashion world and leverage the brand to a higher level by collaborating with famous designers, yet any of the collections has never occurred on the runway. Though, it all changed in 2010, when Lanvin's creative director, Robert Elbaz showcased his H&M's limited collection during New York Fashion Week. Since then H&M's fashion shows have been showcased every time a designer collaboration occurred. These fashion shows are always accompanied by a collection launch party, attended by international celebrities, actors or music stars. Usually, all guests are dressed in a guest designer's collection, as it creates a massive exposure and buzz in media. Furthermore, year 2013 has brought some revolutionary changes that positioned H&M among high fashion brands. In Fall that year, H&M presented their first ever fashion show during Paris Fashion Week (Figure 38). It showcased their limited collection, H&M Studio that right after the show was available in 200 stores worldwide and online. Of course H&M always stands for its' "massclusive" character. Therefore, the brand acknowledged the importance of a live stream, as it presented its' followers to watch the show on H&M's website and be a part of this exclusive event. Year later, the Swedish brand went even bigger and chose the iconic Grand Palais as the fashion show's location.

Figure 37. Fashion experts at H&M fashion party



source: private photography// [stylio.pl](http://stylio.pl)

Figure 38. H&M's fashion show during Paris Fashion Week



source: tumblr.com

### Social and pro environmental activities

Over the years people have become increasingly concerned about the environmental issues, it also created an opportunity to gain competitive advantage over the retail market. In 2004 H&M has started the "Conscious" project for a more sustainable fashion future. Not only it includes designing fashion lines made from organic linen, hemp and organic leather, but also it calls to action H&M's customers, encouraging them to recycle old clothes in store. The Conscious project has become such a success that the whole exclusive campaign for Spring 2015 was planned around it, featuring Hollywood actress and humanitarian, Olivia Wilde (Figure 39). Furthermore, it is vital to be active and reactive in socially responsible actions. Therefore, the company donated 25% Beyonce's Water collection to Water Aid as well as offered discounts to every customer which donated their old clothes. Simultaneously, H&M is reactive by its' decision

to sign an agreement, right after a collapse of production facility in Bangladesh, stating more rigorous safety inspections in factories (Chin 2013). In 2004, it collaborated with UNICEF on a project called "All for Children", which aims to protect children's right in India, in cotton producing areas. In 2015 it conducted a project empowering women in Ethiopia. Yet, the most noticeable social action has been named Fashion Against Aids. The project was firstly founded in 2008, as H&M joined forces with an organization called Designers Against Aids. Designers together with H&M launched exclusive, edgy collection available worldwide. Because of the fact that the project turned out to be a great success, H&M decided to go one step further and engage celebrities. Therefore, artists like Rihanna, Timbeland, Katty Perry or the legendary Yoko Ono were asked to design t-shirts with an important message that will increase awareness of the young community on HIV and Aids. Above that, in Spring 2010 and 2011, H&M launched full assortment FAA collection connected to Summer Festivals. In March 2015, H&M was recognized as the world's most ethical company by Ethisphere Institute, as it stated that "The World's Most Ethical Companies embrace the correlation between ethical business practice and improved company performance. These companies use ethics as a means to further define their industry leadership and understand that creating an ethical culture" (H&M 2015).

**Figure 39. Olivia Wilde for H&M Conscious Collection**



### Personal sale

When it comes to personal selling, it may not play a main role in H&M's activities but it is surely not omitted. Employees have to go through several tests, checking their knowledge about the company's values, mission or products. Furthermore, new staff has to go through a course to get familiar with different apartments in store as well as main collections. Additionally, the staff competes against each other gathering points for a store, as well as their personal "extra sales" (H&M Introduction to Marketing 2012). Next, there is no obligation to dress in H&M's clothes, however the company encourage their staff to do so, providing them with 30% discount on any item. As often customers entering the store feel inspired by a sales person look, the Swedish mogul finds the potential there to promote the brand and make additional sales. In addition, the flagship store on 5th Avenue is the world's biggest H&M store and it has the first ever-personal shopping service available off charge to every customer. The Swedish brand identifies the significance of a human contact making sale activities a vital part of the overall strategy.

#### **4.2.2. RESERVED**

Reserved is a main brand belonging to a Polish corporation LPP, which was established in the beginning of 90s, in Gdańsk. Originally, founders of the company, Marek Piechocki and Jerzy Lubieniec supplied hypermarkets with t-shirts imported from China. They saw a great potential on the Polish retail market, which at that time was not saturated by fashion companies. The first store was opened in 2000 and a year later the number grew to 24. Today, Reserved is seen as the biggest player not only on the Polish retail market, but also among Central and Eastern European competitors. Recently, the brand entered Western retail market, founding 4 stores in Germany. Above that, on the 1st of April 2015, the company opened their first store in the Middle East. The brand is available in 235 stores in Poland as well as 191 stores in countries like Russia, Ukraine, Hungary, Estonia or Czech Republic (LPP SA 2015).

When referring to the fashion loop steps introduced by Jonas Larsson, fashion lines are designed in the headquarter, in Gdańsk. Comparably to H&M's practices, production process is manufactured in Poland and the rest of Europe.

In 2011, the brand was nominated for the CEE Retail Awards that aims to distinguish the best companies on the Central and Eastern European retail market. Reserved won in the main category "Fashion Retailer of the Year" (Marketing News ). Furthermore, in 2013 the company won Crystal Emblem in the European Trusted Brands contest for the quality and understanding consumers' needs (LPP SA 2015).

Emerging success of Reserved brand may be based on their philosophy of not taking risky decisions, but rather analysing strategies of the global competitors as to later implement certain tactics in an improved version. However, in order to keep up with the global competitors the company is required to implement various marketing activities through different communication channels. The implementation of the chosen marketing activities will be thoroughly discussed below.

#### Advertising

As in the case of H&M, advertising is the most powerful and willingly used tool by the Polish brand. Reserved as the brand that aims to be internationally recognized and that is

rewarded with the biggest advertising budget among other LPP's brands, has to fit global advertising trends. In addition, Reserved is the only Polish retail company that can afford hiring international super models that collaborate with H&M as well. Fashion campaigns are usually produced in the most alluring cities in the world like Paris, Buenos Aires or Miami. Unlike the Swedish brand, Reserved's ads put emphasis on the background and attempt to send a certain message through their specific slogans.

In 2010, the brand created a special project called "Beautiful Story" The campaign presented stories of top models, which thanks to their passion and hard work have succeeded in the fashion industry. Footages included interviews and backstage shots that introduced a spectator to their work and life. Each ad was marked by models' quotations that sent positive message to young people that are doubting themselves (figure 40). The list of models engaged in the "Beautiful Story" campaign includes names like Magdalena Frąckowiak, Karmen Pedaru, Ann Vyalitsyna, Julia Stegner or Sasha Pivovarova, who as well were the main faces of H&M's campaigns. The project channelled people between twenty and thirty five years old. Its' main goal was to convey the brand's philosophy and create not yet another one meaningless campaign that customers cannot really connect with. LPP's marketing director stated that Reserved is a brand for those who combine their image with ambitions, for those who are beautiful outside and inside (LPP SA 2015 ).

Holding on to the strategy of meaningful messages, SS 2013 and AW 2013/14 campaigns were introduced with the "be INSPIRED" slogan featuring another big names like Freja Beha Erichsen and Karl Lagerfeld's favourite muse, Cara Delevigne (Figure 41). In 2014, the brand wanted to show more of their design aspect, rather than present fashion around stories. This led to introduction of the "Let's fashion" campaign that concept was based on spontaneous looks, modern cuts and intriguing and fresh colour pallets (Figure 42). The spotlight in this case belonged to Georgia May Jagger (LPP SA 2015). This year, Reserved surprised everyone by hiring Brooklyn Beckham, a son of the famous power couple Victoria and David Beckham (Figure 43). By now, it is seen as a good strategic move, as international press and social media have been acknowledging the Polish brand as the first company worldwide to feature young Beckham in their advertising. Furthermore, the SS 2015 campaign marked "#LiketheJaggers" (referring to the famous Maroon 5 song "Moves like Jagger" as well as a dance move characteristic for Rolling Stones' lead singer) features for the first time Georgia May Jagger, her

sister Lizzy and their mother Jerry Hall all three together (Figure 44). Compared to H&M's campaign with the famous mother and daughter from 2011, this campaign attempts to go back to the Reserved's original idea of showing the story, life style and atmosphere, not as much fashion itself. Lastly, in contrast to H&M that prefers more conventional type of advertising, in 2006 Reserved decided to shock the public with a controversial campaign of a denim line. The advertisement portrayed sultry connection between a couple dressed only in their jeans. Although it encountered with a protest in big cities like Warsaw, it steered a buzz, enhancing the brand's identity as well exposing their edginess (Marketing News 2006).

Figure 40. Tobias Sorensen's quotation "I started as a sales person in a denim store"



source: Pinterest

Figure 41. Reserved's Be Inspired campaign



Figure 42. Giorgia May Jagger in Let's Fashion campaign



sources: Pinterest

Figure 43. Brooklyn Beckham for Reserved's ad campaign



Figure 44. Jerry Hall, Georgia May and Lizzy Jagger for Reserved ad campaign



source: Pinterest

### Fashion videos

When it comes to fashion videos and short films, Reserved practices it way more than H&M does. Besides regular spots used by H&M, the Polish brand creates original short films introducing new seasons' lines. As in the case of advertising campaigns, Reserved's videos aspire to tell a story behind fashion, so that customers can identify with it as well as get inside the magical fashion world, which sometimes seems to be so far away, yet so close. In Winter 2012, all cinemas around Poland screened a mysterious 1 minute long film before an actual screening. It steered buzz, no one knew who was behind this production. "Who is this girl?" question was asked just to 2 weeks later find out that a super model, Julia Stegner cooperated with the brand on the new collection. The film met with a great response from customers. In addition, it was recorded in English with Polish subtitles, which could be seen as the first step to highlight Reserved's international and universal character (Marketing News 2012). Since then every campaign presented on the website have been preceded by a short fashion video that introduce the collection and the idea behind it (Reserved 2015).

### Partnership with designers

Reserved decided to once in a while introduce limited designers' collections, however it is not signed to every year operations. At first, the company was concentrated on promoting Polish design across the Europe, so they linked with the most famous Polish designers, Paprocki & Brzozowski. In 2008, the duo launched their limited collection available in 23 most prestigious Reserved's stores. The project "Paprocki & Brzozowski for Reserved" was supported by promotional kits like catalogues, CDs with short films from runways or glossy shopping bags. The company was satisfied with the results enough, to only a few months later collaborate with another Polish designer, Gosia Baczyńska, who prepared an evening wear line for upcoming New Year's Eve (Marketing News 2008). Recently, after almost 7 years the company revealed other twist to a designer's partnership. Unlike H&M, they decided to engage a supermodel Giorgia May Jagger, to create a AW 2015/16 limited collection based on her own style (Figure 45). The plan behind it is to upgrade "The Beautiful Story" concept and actually be a part of the model's transition by presenting Jagger with an opportunity to become a designer (Reserved 2015). Furthermore, joining forces with the edgy "it girl" guarantees exposure in the international media.

**Figure 45. Giorgia May Jagger and Reserved's design team**



### Sales promotion

Price reduction is another tool traditionally practiced by retail companies that impacts Reserved's revenues. However, in December 2005, the brand used a different approach to regular reduction of prices often introduced just to sell out previous collections. It prepared a secret project, which signaled different price reductions up to 50% throughout the whole month. The project was introduced with nothing but a catchy slogan "The most beautiful gifts are waiting...". Hence, customers had to enter the actual brick-and-mortar to benefit from the promotion (Marketing News 2005).

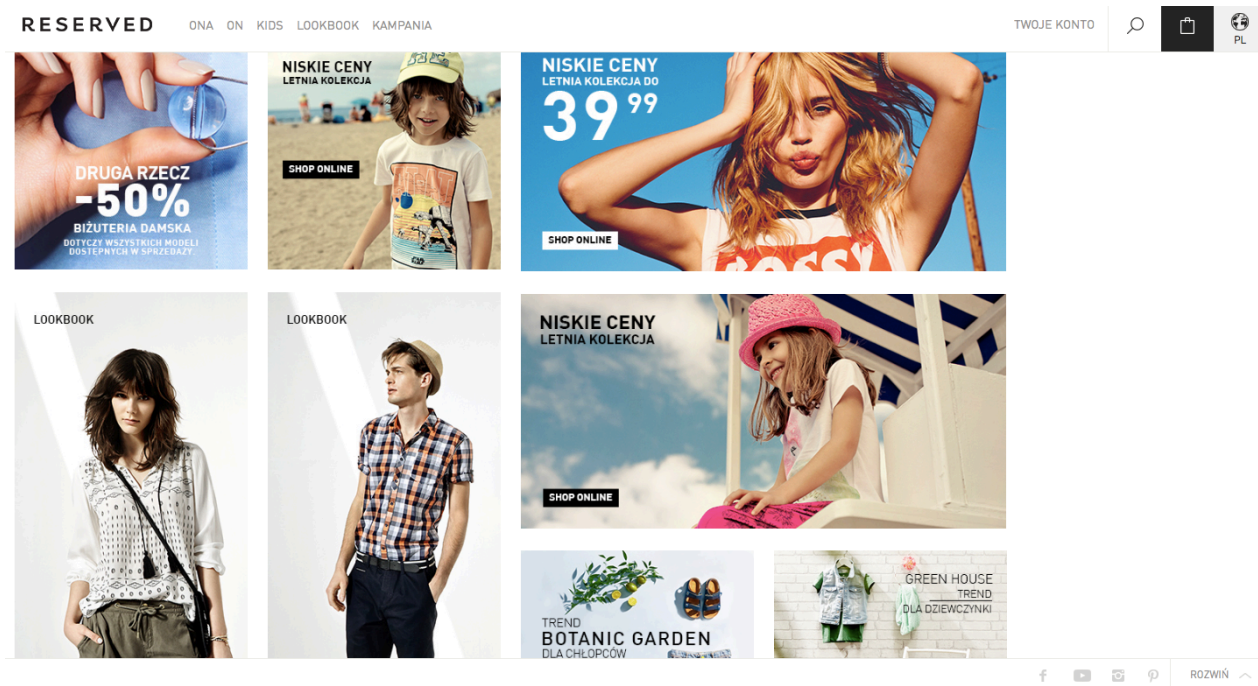
### Fashion shows & special events

In contrast to H&M, the Polish company decided to use a fashion show format to present designer's collections since very beginning. The fashion shows were combined with launching parties for Polish media and celebrities. Moreover, since 2009 the company has been engaged in organizing special events mostly for Polish bloggers that are known internationally. When cooperating with bloggers, Reserved puts great emphasis on non-typical barter trade agreements. In 2014, four different Polish bloggers turned into visual merchandisers for a day and had to design their own window display as well as their role was to style customers taking part in the event. Moreover, in the summer 2014, the company set up pop up showroom in Sopot, just next to the beach, where customers could get a preview of the newest collection and talk to the famous designers that once worked with the brand, Paprocki & Brzozowski. The most recent event was connected with the grand opening of the first store in Stuttgart, Germany. The launching party was accompanied with music played by a DJ and waiters serving drinks and fancy snacks. In addition, the event included a special appearance by Lena Gercke ( the 1st ever winner of the Germany's Next Top Model) who was a fashion expert for this occasion (ReservedTV 2014).

### Social media & interactive communication

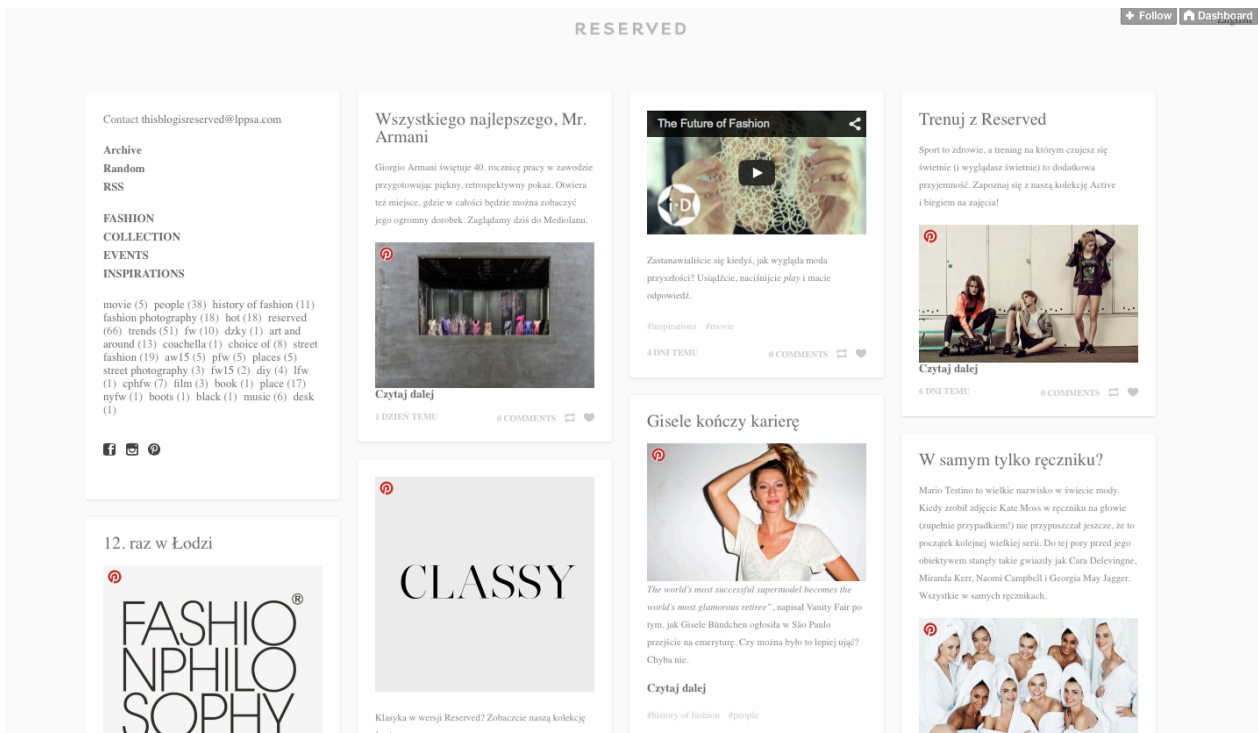
The interactive communication is definitely a tool that lately gained attractiveness in Reserved's activities. Firstly, the website is a very important element of communication process between the brand and its customers (Figure 46). It is clearly designed with every section corresponding to a different apparel department, respectively she, he and kids. Other sections found are lookbooks and campaigns. Entering the latter category, each campaign is introduced by a short fashion video mentioned before. Moreover, as in the case of H&M and other competitors, customers interested in the latest news and promotions can subscribe to a newsletter. What is more, in 2014 Reserved launched an online shop available for clients from Poland, Germany and Czech Republic. Every registered user has a private account with a shopping history and their data. In the era of social media, Reserved, as its' competitors aims to communicate efficiently with technology savvy people. It is seen as a great opportunity to get exposure and build stronger brand loyalty. The brand's Facebook fan page is updated even few times a day, introducing contests for followers or special promotions. In 2011, Reserved's fan page was ranked as fourth in the ranking of "The 10 biggest commercial fan pages with a number of 466 248 followers", today number of followers increased to 1,7 million (Marketing News 2011). The statistics are quite good, but are they good enough? The company's Instagram profile is followed by around 17000 people compared to H&M's 6,5 million fans. The content seems to be similar in both cases. Hence, Reserved was forced to take additional approaches like establishing Youtube account with backstage footages and interviews or Pinterest mood boards. On top of that, in order to differentiate the brand, "This Blog is Reserved" was established (Figure 47). It approaches to connect the brand with an arty life style and social events. Besides references to the brand, Reserved's bloggers share their observations about an art scene, architecture, music and of course high fashion. Although Reserved is present on various social media channels, it seems to be still lagging behind H&M.

Figure 46. Reserved's website



source: [www.reserved.pl](http://www.reserved.pl)

Figure 47. Reserved's blog



### *Social & pro environmental activities*

Reserved on regular basis partnerships with non- governmental organizations, which support non-privileged children and adults. The brand has supported 800 care facilities by donating clothing for approximately 50.000 people. Moreover, since 2014 the company has been engaged in establishing of the first socially responsible hotel in Poland. The facility will be designed for unprivileged children from orphanages, who will learn how to be independent and gain experience in tourism through various trainee programs. In addition, the brand supports the "Fashion without boundaries" project, which aims to help disabled people in creating their image as well as overcome negative stereotypes that are connected with a handicap.

Furthermore, the Polish company has been highlighting the importance of responsible production. As the company does not own any production facilities, its' aim is to inspect supplier's actions by conducting regular audit operations. What is more, after the tragic events on 24th of April 2013 in Rana Plaza production plant, being the only one Polish business, the company joined the Accord on Fire and Building Safety in Bangladesh (LPP SA 2015). In November 2014, the brand stated the end of using Angora wool, concerning the safety of Angora rabbits bred. Above that, what seems to be rather unusual in the retail industry, Reserved completely resigned from using shopping plastic bags. They were replaced with paper ones for which customers once had to pay. In 2009, Reserved decided to support an environmental protection project related to grey seals. All the proceeds from sales of paper bags were donated to WWF foundation. However, the action met with split opinions. A lot of customers protested, as they felt forced and left without their own choice. In 2010, Reserved decided to eliminate these payments (Kędziora 2011).

### *Personal sale*

Finally, similar to the Swedish competitor and other global challengers, Reserved does not ignore the importance of personal sale and stores' atmosphere. Sales assistants are obliged to get familiar with organizational structures or how to deal with customers in critical situations through

different approaches. In addition, the stuff is obliged to wear t-shirts with the brand's logo, so as customers can immediately distinguish them in a store.

## **5. Analysis**

In order to provide the outlook on the fashion marketing strategies most willingly implemented in both companies as well as to point out the similarities or differences, empirical findings along with theory will be combined and analysed.

To begin with, both companies eagerly use advertising in the form of campaigns, editorials or product placements (advertorials), as in magazines or outdoors. Brands like H&M have been encouraged to advertise on a big scale, which has been caused by a growing trend of mixing high fashion with fast fashion (Diamond and Diamond 1999). Customers treat Vogue or Harper's Bazaar as a source of fashion trends and information. Consequently, the strong bond between readers and the magazine provides trust in the content as well as advertising within (Lea-Greenwood 2013).

Furthermore, sales promotion seems to be the second most important tactic used by both companies. H&M tries to stand out from the competitors through following different approaches to sales promotion like 24 h flash sales. The company perceives promotional activities as showing loyalty to customers. On the other hand, Poborcyk admitted that Reserved identifies promotional activities rather as pro-selling element to sell out seasonal assortment, than strategy to attract consumers.

Moreover, certainly H&M as well as Reserved has been acknowledging the power of social media and interactive communication with customers, as it opens the dialogue with their target group and gives them opportunity to monetize on it through awareness, loyalty and engagement. Besides strictly promotional content, H&M provides a lot of fashion and life style connected content through out all their social channels. Indeed Reserved recognizes the importance of interactive communication, as Poborcyk claimed that besides campaigns, social media is the most appealing to the customer base. Though, it may seem that the brand does not exploit social media to its' fullest by narrowing their content to mostly sales promotion news

posted on Facebook.

Another approach highly employed by both companies is engagement in social and pro environmental activities, as today's customers demand transparency and dedication. However, the Polish company is confident that their pro environmental activities could give them a competitive advantage over the global mogul.

Moreover, collaboration with designers is another way of exposing the brand and both of companies have been aware of it. H&M has been linking up with high fashion designers on a regular since 2004 with a positive outcome in sales and the outstanding press exposure. On the other hand, Reserved decided not to follow this strategy anymore, as it seemed not as affective and overly expensive.

What is more, a fashion show format and in particular the Fashion Week event seems to be the most characteristic feature of fashion marketing, yet not as often described as a part of high street fashion. H&M uses fashion shows mostly to promote new collaborations with designers. Nevertheless, recently the brand debuted as a part of Paris Fashion Week with their limited collection, marking the brand's attendance among high-end fashion designers. Contrary, Reserved resigned from this type of promotion long time ago, although the Polish company used a fashion show format way before H&M did.

As Diamond and Diamond claimed, the primary role of fashion videos is to create excitement and draw a customer to the brand without upfront features of a regular commercial (1999). Reserved used this technique very clever by creating short art films, documentaries where fashion lines were only a background, leaving receivers intrigued and not fully satisfied.

On the contrary, H&M catered to the traditional tool, which is catalogue marketing in a form of H&M Magazine.

When it comes to special events, H&M partnerships with different websites or social platforms to generate sales and excitement through contests and fashion parties in store. On the other hand, besides pop-up stores or store openings, Reserved's special events are mostly targeted at fashion industry professionals, bloggers and celebrities. Consequently, it appears to be underestimated form of promotion in Poland.

All in all, fashion marketing tools implemented in both companies can be assessed as quite similar with no evident difference. Both companies can be seen as international ones. Poborcyk even claimed that customers around the world do not associate Reserved with Polish

roots and the out-dated perception of Western and Eastern European brands no longer exists.

Another issue that this paper should provide answers to is which of previously mentioned communication tools are the most appealing to Polish students. Firstly, all empirical findings above validated that advertising activities and sales promotion seem to be superior tools used both by H&M and Reserved. 76 % (H&M) and 64% (Reserved) of respondents admitted that regular reduction of prices encourage them to buy brands' products. In the case of advertising, Reserved's ads in media bring positive results, as 89% of respondents have seen their campaigns in the press, Internet or TV. Moreover, 52% claimed that both brands produce campaigns on the same international level, engaging the best photographers and super models. The results again confirmed that advertising is a very strong tool in marketing activities of both brands as well as it denotes that the Polish company is keeping up with the global mogul. What is more, Reserved's campaigns with a message and story behind them proved to be more efficient strategy than only featuring famous faces. As in the case of H&M, only 36% of respondents were encouraged to buy H&M's products endorsed by celebrities. Though the majority could recognize the face or name the celebrity. All in all, outcomes showed that young people pay attention to the celebrity endorsements, what increase the brand's awareness, yet they are sensitive to attempts of manipulation. When it comes to lookbooks, majority of respondents assessed both companies as similar. In addition, 12% claimed that the Polish brand produces more readable photographs corresponding to young people's lifestyle.

In the case of traditional approach, which is catalogue marketing, the results showed that the paper version of H&M Magazine was browsed by only 38% of respondents. What may be interesting, 78% claimed that magazine designed as traditional glossy is a good way of promotion. Therefore, the company should create more points in stores, where the magazine would be available. It could be also promoted on the website or on social networks accounts, which are the most effective means of communication nowadays. In addition, sales coupons attached to H&M Magazine would definitely attract customers. In addition, 57% of respondents considered that Reserved should create a similar glossy. The rest should be reached by other communication tools, newsletters or website.

Next, 91% of respondents admitted that H&M's activity on social media has a great impact on promotion of the brand. Therefore, it proved that social networks are superb tools for approaching a target group. When assessing Reserved's activity and efficiency in communication

with customers through social networks could not decide if the brand pays enough attention to it. Although, Poborczyk claimed that Reserved's customers are traditional ones and mostly browse through lookbooks and sales promotion, the results indicate that the brand should concentrate more on direct marketing activities, which must involve more personal contact with customers.

In both cases communication through a website seems to be very effective, as 79% (H&M) and 64% (Reserved) of respondents admitted to visiting the companies' websites. This indicates that both companies try to approach customers through different communication channels, balancing well between traditional and alternative methods. Moreover, 48% of respondents who have visited H&M's website claimed that it is well designed and has a good navigation system. Nonetheless, 44% admitted that the website do not stand out from other retailers. The results again indicate the similarity of both brands, as they were classified on the same digital level.

Going further, H&M's collaboration with designers is successful way of promotion, as 68% of respondents could name not one but few designers that collaborated with the Swedish brand. On the other hand, Reserved's situation seems to be much worse in this field. Only 17% of respondents could name designers linked up with the Polish brand. It may be caused by the fact that much time has passed since the last designer's collaboration. The questionnaire results matched the opinion of Reserved's assistant marketing director, who previously claimed that this type of marketing activities is not working for them.

Furthermore, 83% of respondents supported H&M's involvement in social actions like increasing awareness connected with HIV and Aids. The results may be an evidence that the Swedish company publicizes its' social activities enough to grab attention of young people and get them involved.

What is more, it was acknowledged that majority of respondents are not eager to attend special events. The result may be caused by the fact that such special events are a new project in Poland and people have wrong impressions, associating them only with sales and a big crowd. In addition, the events are usually threw in the big metropolises like Warsaw, Poznań or our Polish "capital of fashion" Łódź, so the access is constricted.

Finally, 91% of respondents buy H&M's products associating the brand with following the latest trends and low prices. While 74% of respondents buy Reserved's products perceiving the brand as a competition for other international high street fashion brands, the final result

confirmed the strong position of H&M on the retail market with 61% admitting to buy the brand's product more often than Reserved's.

## **6. Conclusion**

The purpose of this diploma paper was to examine different marketing strategies and communication tools used by Western and Eastern European originated fashion brands. The research was conducted on two high street fashion brands; Swedish originated H&M and Polish originated Reserved.

Although, it may seem that both companies follow almost the same marketing activities, actually they differ from each other in some aspects and certain approaches. First of all, the Swedish company is one of the biggest players on the global market, existing for more than 65 years. Moreover, H&M is an innovator that other companies follow. It sets trends and pursues own strategies, implementing them, even if they consist of risky decisions, as it was with designers' collaboration. On the other hand, Reserved is an emerging brand that expands their perspectives from year to year. The strategy of the company is based on analysing tactics of global competitors, just to implement them in own scheme in renewed version.

Advertising in both cases is the most employed tactic. While H&M follows massclusivity approach, Reserved tries to portray certain life style and tell the story behind their campaigns. Moreover both companies acknowledge great importance of sales promotion, that they introduce in similar manners.

Regarding social media, H&M is keen on reaching its' target group in the digital world through various social media channels and filling in their leisure time. On the other hand, Reserved restricts its' social media activities to pro sales news, that seems to be the most efficient for the brand.

When it comes to special events, H&M again tries to follow the notion of "massclusivity" taking their customers behind the scenes and enabling them to be a part of this exclusive experience. Contrary, Reserved special events are mostly attended by fashion insiders or celebrities.

What is more, H&M has provided their customers with the feeling of exclusivity since 2004, when collaborating with the one and only Karl Lagerfeld. On the other hand, the Polish brand was the first one to start a designer collaboration way before H&M, though it was not effective enough to follow this path.

Finally, although both companies practice pro environmental activities, Reserved claims that it could be their competitive advantage over H&M in a long run.

To sum up, the most popular tactics employed by high street fashion brands combine traditional means of communication with interactive ones. Taking into consideration the aspect of Eastern and Western perception on the brands among customers, there was no visible indication of such a phenomenon. Both companies are seen as international one. It was even claimed that Reserved's customers are not aware of the brand's Polish roots. The correctness of this statement is left to the readers, as well can be an issue for further discussion.

Lastly, deliberating on the matter regarding which strategies are the most appealing to Polish students, presented theory and secondary data again reaffirmed that advertising, sales promotion and interaction through social media and website have the greatest impact on the target group. Moreover, the results showed that special events and catalogue marketing seem to be underestimated or ignored form of promotion among customers.

## **7. Further Research**

It is suggested to continue this research further and deeper on a bigger scale, over a longer period of time, as fashion industry is quite erratic. It would be interesting to conduct the research internationally on bigger groups of mixed respondents, non-students and examine the on-going phenomenon through different perceptions.

What is more, the brands could be examined over the time, whether they have changed or altered their marketing strategies as well as what trends have influenced this shift.

In order to get more information, the research could be conducted on different high street fashion brands to observe if there could be a certain pattern followed internationally. In addition, the study can be transferred to high-end fashion brands.

Finally, the aspect of Western and Eastern European perception could be deliberated upon more widely. Therefore, the focus could be put on customers' perception, instead of the company.

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## Appendix

Appendix 1. *The interview with the assistant marketing manager of Reserved, Agnes Poborczyk*

**1. How important are traditional communication tools like personal sale, promotions or advertising at your company?**

*Promotions and advertising are extremely important in our marketing strategy. Of course personal sale has to be a part of every store. But I feel like everything is happening around our campaigns or lookbooks, as we invest a lot of money there. We also own a showroom in Warsaw, from where fashion magazines can get our collections to their own use in photoshoots or articles. That cooperation is as well form of advertising, as our items are featured in top magazines like Elle, Harpers' Bazaar Poland.*

**2. To what extent does social media perform an important role in your marketing activities?**

*When it comes to social networks, it is a quite important tool for us, I would say mostly Facebook. Of course Reserved has its Fanpage on Instagram as well. Our Facebook activities are outsourced and another company takes care of it. Actually, the study has shown that the most effective post on Facebook, in case of Reserved, are those connected with promotions or sales in store and online. Instagram account and our blog "This Blog is Reserved" is run by the same blogger. Here we target more fashion conscious customers, as beside the newest sales promotions, administrators post articles linked to the fashion world.*

**3. Which of social media channels seem to be the most appealing and effective in a communication with your customers?**

*As I mentioned earlier, Facebook affects our customers the most, because of sales promotion news. On the other hand, on Instagram or on the blog people can find more of fashion content. Reserved's customers are focused on looking through collections and lookbooks rather than following the latest fashion news. I would call them somehow traditional ones.*

**4. Do you think that reducing marketing activities only to interactive communication would negatively influence customers' perception of the brand and their loyalty?**

*In my opinion the balance is necessary! Nowadays, majority of us is connected through the internet or smartphones. In order to stay strong in this competitive environment, we have to remind our clients about the brand in more personal ways, like for example weekly newsletter. However, everything that is going on online is somehow linked to brick-and-mortar's activities. We need to entertain people more than just virtually.*

**5. Which of fashion marketing communication tools seems to be most appealing to your customer base?**

*It's really hard for me to say. I would say that sales promotion is a proselling element, necessary to sell out our stock. That is why in my eyes the most appealing are campaigns as well as news posted on social media.*

*Throughout the years we collaborated with well-known Polish designers, yet it was not as effective as we planned, rather very expensive.*

**6. Do you think that being engaged in pro environmental activities helps to promote the brand or does it make people question real motives and credibility behind it?**

*Of course today people are more aware of procedures of garments' production as well as the quality of fabrics. We made some major moves into more sustainable future. We use mostly organic cotton and significant part of our production was transferred to Europe. We know that customers can get suspicious as every company nowadays is almost forced to have this*

*sustainable image. Nevertheless, we still believe that our customers are drawn to us, because we are transparent on every level of our activities and we connect with them through our pro social and environmental activities.*

**7. Nowadays, Eastern and Western European companies seem to practice similar marketing strategies. What can give you a competitive advantage over global players like H&M?**

*To be completely honest, it is very difficult to compete with a global player like H&M. However, for sure they can feel our breath on their shoulders. Having competitive prices, hiring super models, approaching things a little bit different. Of course our sustainability activities are the ones that speak for themselves. Eliminating completely plastic bags from stores, will H&M follow our steps?*

**8. Do you think that your customers differentiate your brand as Eastern European and does it have any influence on how they perceive the brand?**

*I think this is not a case at all. The out-dated perception of East and West are gone, of course I'm talking here only about the retail market.*

## *Appendix 2. The questionnaire in Polish*

**1. Czy kupujesz produkty firmy H&M?**

a) Tak. Dlaczego? Wpisz komentarz: b) Nie. Dlaczego? Wpisz komentarz:

**2. Zaznacz odpowiedzi (max 3), które kojarzą Ci się z marką H&M:**

a) Wysoka jakość produktów

b) Niska jakość produktów

- c) Wysoka cena produktów
- d) Niska cena produktów
- e) Niestandardowość
- f) Współpraca z projektami oraz celebrytami
- g) Podążanie za najnowszymi trendami

**3. Czy organizowane wyprzedaże w sklepach H&M zachęcają Cię do dokonania zakupu produktów tej firmy?**

- a) Tak b) Nie

**4. Czy promowanie produktów firmy przez znane osoby zachęca Cię do ich kupowania?**

- a) Tak b) Nie

**5. Czy kojarzysz jakieś znane osoby ze świata mody, muzyki, czy też filmu, które występowaly w reklamach marki H&M?**

- a) Tak. Jakie? Wpisz komentarz: b) Nie

**6. Czy uważasz, że współpraca sklepów sieciowych ze światowymi projektantami jest dobrym narzędziem promocji?**

a) Tak, ponieważ pozwala na zakupienie produktów sygnowanych światowym nazwiskiem w przystępnej cenie. ☐ b) Nie interesuję się modą, dlatego kolekcje projektantów nie mają wpływu na moją decyzję o zakupie produktu.

c) Nie, ponieważ takie kolekcje de facto niczym się nie wyróżniają, mają słabą jakość, a ich ceny są zbyt wysokie.

**7. Czy kojarzysz jakiś znanych projektantów, którzy współpracowali z firmą H&M?**

- a) Tak. Jakich? Wpisz komentarz: b) Nie

**8. Czy zaangażowanie firmy H&M w akcje opierające się na uświadamianiu młodych ludzi na temat zagrożenia HIV i AIDS pozytywnie wpływa na jej wizerunek?**

- a) Tak b) Nie c) Nie mam zdania

**9. Czy chętnie bierzesz udział w imprezach promocyjnych/okolicznościowych organizowanych przez sklepy sieciowe?**

- a) Tak b) Nie

**10. Czy kiedykolwiek odwiedziłeś stronę internetową H&M ([www.hm.com](http://www.hm.com))?** (Jeśli nie, przejdź do pytania nr.15)

a) Tak b) Nie

**11. Jak postrzegasz stronę internetową H&M?**

a) Jest dobrze zaprojektowana i ma dobry system nawigacji. Ponadto dobrze oddaje filozofię firmy i odpowiednio prezentuje dostępne produkty.

b) Jest przeciętna, niczym nie wyróżnia się wśród stron innych sklepów sieciowych.

c) Nie podoba mi się. Jest źle zaprojektowana i zbyt skomplikowana. Oferta firmy zaprezentowana jest w chaotyczny sposób.

**12. Czy uważasz, że współpraca marki H&M z portalami społecznościowymi (styl.io.pl lub lookbook.nu) w organizowaniu konkursów dla użytkowników to dobry sposób promocji?**

a) Tak b) Nie

**13. Czy kiedykolwiek czytałeś/aś magazyn H&M?**

a) Tak, w wersji internetowej. b) Tak, w wersji tradycyjnej. c) Tak, w obu wersjach. d) Nie

**14. Czy uważasz, że magazyn H&M tworzony na styl tradycyjnych magazynów mody jest dobrym narzędziem promocyjnym?**

a) Tak b) Nie

**15. Czy kupujesz produkty firmy RESERVED?**

a) Tak. Dlaczego? Wpisz komentarz: b) Nie. Dlaczego?

**16. Zaznacz odpowiedź, która kojarzy Ci się z marką RESERVED:**

a) Wysoka jakość produktów

b) Niska jakość produktów

c) Wysoka cena produktów

d) Niska cena produktów

e) Niestandardowość

f) Konkurencja dla innych, międzynarodowych sklepów sieciowych g) Podążanie za najnowszymi trendami

**17. Czy regularne obniżki cen skłaniają Cię do zakupu produktów marki RESERVED?**

a) Tak b) Nie

**18. Czy uważasz, że RESERVED dostateczną uwagę poświęca na podtrzymanie relacji z klientem poprzez aktywność na portalach społecznościowych?**

a) Tak b) Nie c) Trudno powiedzieć

**19. Czy kiedykolwiek widziałeś/aś reklamę marki RESERVED w prasie/telewizji/internecie? (Jeśli nie, przejdź do pytania nr 26)**

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a) Tak b) Nie

**20. Jak oceniasz kampanie reklamowe marki Reserved w porównaniu do H&M?**

a) Kampanie Reserved są lepsze, bardziej czytelne oraz odpowiadające rzeczywistości

b) Kampanie Reserved niczym nie różnią się od tych H&M, produkowane są na światowym poziomie. Dowodem na to jest np. obecność w nich topowych modeli/modelek.

c) Kampanie reklamowe Reserved są na gorszym poziomie niż te H&M

**21. Czy kiedykolwiek słyszałeś o kampanii reklamowej "Beautiful Story"?**

a) Tak b) Nie

**22. Czy możesz wymienić modelki/modeli, którzy brali udział w kampanii reklamowej "Beautiful Story"?**

a) Tak. Jakich? Wpisz komentarz:

b) Nie

**23. Czy uważasz, iż kampania reklamowa ukazująca prywatne życie słynnych modeli/modelek to dobry sposób na zwrócenie uwagi potencjalnego klienta?**

a) Tak, światowej sławy modelki lub modele opowiadający o swoim życiu i stylu zachęcają mnie do zakupu produktów tej marki

b) Nie, kupuję produkty tylko ze względu na ich jakość lub cenę. Nie interesuje mnie, kto je promuje.

**24. Czy kojarzysz jakichś znanych projektantów, którzy współpracowali z RESERVED?**

a) Tak. Jakich? Wpisz komentarz: b) Nie

**25. Czy odwiedziłeś/aś kiedykolwiek stronę internetową marki RESERVED (www.reserved.pl) ? (Jeśli nie, przejdź do pytania nr 32)**

a) Tak

b) Nie

**26. Czy kiedykolwiek widziałeś internetowe katalogi RESERVED, tzw. lookbooki, w których przedstawione są poszczególne kolekcje? (Jeśli nie, przejdź do pytania nr 34)**

a) Yes b) No

**27. Jak oceniasz je w porównaniu do lookbooków marki H&M?**

a) Lookbooki są na tym samym poziomie.

b) Lookbooki Reserved są bardziej przejrzyste, a fotografie bardziej czytelne.

c) Lookbooki H&M są bardziej przejrzyste, a produkt przedstawiony jest w atrakcyjniejszy sposób.

**28. Jak oceniasz stronę internetową RESERVED ?**

a) Jest dobrze zaprojektowana i przejrzysta. Ma dobry system nawigacji. Oferta jest odpowiednio zaprezentowana.

b) Jest przeciętna, niczym się nie wyróżnia spośród stron pozostałych sieciówek.

c) Nie podoba mi się, ma zły system nawigacji. Ponadto oferta jest źle zaprezentowana

**29. Czy uważasz, że marka RESERVED powinna pomyśleć o stworzeniu własnego magazynu mody na wzór magazynu H&M?**

a) Tak b) Nie

**30. Czy uważasz, iż wysyłanie maili oraz sms'ów na temat aktualnych obniżek i promocji to dobry sposób na komunikację z klientem?**

a) Tak b) Nie

**31. Produkty której z wymienionych marek kupujesz częściej?**

a) H&M b) RESERVED

**32. Jesteś:**

a) Kobieta

b) Mężczyzna

**33. Ile masz lat?**

a) 19-24 b) 25-27

**34. Jakie jest Twoje rodzinne miejsce zamieszkania?**

a) Miasto pow. 500 tys. mieszkańców

b) Miasto od 100 tys. do 500 tys. mieszkańców

c) Miasto od 50 tys. do 100 tys. mieszkańców

d) Miasto do 50 tys. mieszkańców

e) Wieś

*Appendix 3. Questionnaire translated to English*

**1. Do you buy H&M's products?**

a) Yes

b) No

**2. Select answers (max. 3) that you associate with H&M:**

a) High quality of products

b) Low quality of products

c) High price of products

d) Low price of products

e) Innovations

f) Collaboration with famous designers

g) Following the latest trends

**3. Does sales promotion introduced in H&M's stores encourage you to buy products of the brand?**

a) Yes b) No

**4. Do celebrity endorsements encourage you to buy a product of a certain brand?**

a) Yes b) No

**5. Can you name famous people from the fashion, music or film industry that appeared in H&M's commercials?**a) Yes b) No

**6. Do you consider collaboration between high street fashion brands and famous designers as a good promotion?**

a) Yes, because it allows you to buy a designer's wear in affordable price

b) I am not interested in fashion and designers' collections have no impact on my purchasing decision  
c) No, such collections do not stand out, have poor quality and prices are too high

**7. Can you name any famous designer that collaborated with H&M?**

a) Yes b) No

**8. Does H&M's involvement in social actions increasing awareness about HIV and Aids have a positive influence on the brand's image?**

a) Yes b) No c) I have no opinion

**9. Do you like attending special events organized by high street fashion brands?**

a) Yes b) No

**10. Have you ever visited H&M's website ([www.hm.com](http://www.hm.com))?**

a) Yes b) No

**11. What do you think of H&M's website?**

a) It is well designed and has a good navigation system. Moreover, it conveys the philosophy of the company and products are well presented

b) It is average and does not stand out from other websites of retail stores

c) I don't like it. It is poorly designed and too complicated. The company's offer is presented unclearly

**12. Is H&M's collaboration with fashion social networks ([lookbook.nu](http://lookbook.nu)) in organizing contests for users a good way of promotion?**

a) Yes b) No

**13. Have you ever read H&M Magazine?**

a) Yes, online version

b) Yes, traditional version

c) Yes, both versions

d) No

**14. Is H&M Magazine, designed as traditional fashion magazine a good way of promotion?**

a) Yes b) No

**15. Do you buy Reserved's products?**

a) Yes b) No

**16. Select answers (max.3) that you associate with Reserved:**

a) High quality of products b) Low quality of products c) High price of products d) Low price of products e) Innovations

f) Competition for other international high street fashion brands g) Following the latest trends

**17. Does sales promotion introduced in Reserved's stores encourage you to buy products of the brand?**

a) Yes b) No

**18. Does Reserved pay enough attention to building relations with customers through social networks?**

a) Yes

b) No

c) It is hard to say

**19. Have you ever seen Reserved's advertisements in press/Tv/Internet?**

a) Yes b) No

**20. How would you assess Reserved's ad campaigns compared to H&M's?**

a) Reserved's ad campaigns are better, more clear and correspond to reality

b)Reserved's ad campaigns do not differ from H&M's. They are produced on the world class, evidenced by featuring top models

c)Reserved's campaigns are on the worse level than H&M's ads

**21. Have you ever heard about Reserved's "Beautiful Story" campaigns?**

a)Yes b) No

**22. Can you name top models featured in "Beautiful Story" campaign?**

a)Yes b) No

**23. Are ad campaigns presenting private lives of super models a good way to grab attention of a potential customer?**

a) Yes, world- famous models talking about their life and style encourage me to buy a product of the brand

b)No, I buy products only based on their quality or price. I don't care who promotes them

**24. Can you name any famous designer who collaborated with Reserved?**

a)Yes b) No

**25. Have you ever visited Reserved's website ([www.reserved.com](http://www.reserved.com))?**

a)Yes b)No

**26. What do you think of Reserved's website?**

a) It is well designed and clear. Moreover, it has a good navigation system. The offer is well presented

b)It is avarage and doesn't stand out among other retailers' website

c) I don't like, the navigation system is complicated. Moreover, the offer is presented unclearly

**27. Have you ever seen Reserved's online lookbooks where collections are presented?**

a)Yes b)No

**28. How would you assess them compared to H&M's lookbooks?**

a)Yes b)No

**29. Should Reserved consider creating own fashion magazine simmilar to H&M Magazine?**

a)Yes b)No

**30. Do you consider sending emails and text messages about sales promotion as a good way to communicate with a customer?**

a)Yes b)No

**31. Which company's products do you buy more often?**

a)H&M b)Reserved

**32. Are you:**

a)Woman b)Man

**33. How old are you?**

a) 19-24 b) 25-27

**34. What is your place of origin?**

a) City over 500 thousand of residents

b) City between 100-500 thousand of residents

c) City between 50-100 thousand of residents

d) City to 50 thousand of resident

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