



CONSUMER BEHAVIOR COLLECTION

Naresh Malhotra, Editor

Fashion Marketing

*Influencing
Consumer Choice
and Loyalty with
Fashion Products*

Caroline Le Bon



BUSINESS EXPERT PRESS

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*To my husband Joël and our globetrotters
Clément, Valentine, and Mathilde*

To my mother, my first fashion model

Abstract

Fashion is everywhere! It transcends domains and applies to almost any kind of product (e.g., apparel, cars, digital devices, food, literature, travel, music, house decoration, and personal wellness). Fashion greatly influences public interest, media coverage, and product success. In this global industry, many actors interact, including designers, suppliers, and retailers, who collaborate to sell apparel and accessories. In addition, the global fashion industry is among the most important in terms of investments, trade, and employment, despite its dependence on unpredictable demand.

Thus, fashion companies face a dilemma: On the one hand, they repeatedly create ephemeral products that must seduce customers each time; whereas on the other hand, the products need to provide continual profits. A key challenge for fashion managers is to design and launch new fashion products that will achieve success with customers during their very short life spans, in which setting they also affect consumers' personal seductiveness, desire, and appearance. For example, will the long skirt have the same success than the skinny jean, or will the high heel prevail over the flats? A fashion dress is more than just a dress—it can change people's appearance and reveal consumers' identity. Consequently, fashion managers are responsible for not just their product lines but also the self-images they help customers convey.

This book focuses on the fashion apparel and accessories industry in an attempt to help managers answer the following questions: Why and how do fashion products appeal to consumers, despite their constantly varying attributes? What specific elements and benefits of fashion influence consumers, and how can companies exploit them and gain from these? Which marketing strategies and tactics should companies use to increase fashion products' success while communicating and managing customers' image? How can companies maintain customers' loyalty and generate higher profits with fashion products? By undertaking deep analyses of manufacturers and retailers' best practices, interviewing customers and companies, and reviewing recent academic research on fashion marketing, this book answers such questions and thus helps managers leverage the value that fashion adds to products while creating loyal customers in truly competitive fashion markets.

Keywords

customer loyalty, fashion, fashion equity, fashion marketing, social influence, symbolic influence

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Preface

I have always been interested in fashion, since I roamed all the small streets and famous brands stores in Paris as a child with my mother. When I had the opportunity to explore fashion's world of perceptions as a buyer for Galeries Lafayette, a leading department store in Paris, I discovered the other side of fashion. That is, I came to understand the creation and diffusion process of fashion apparel and accessories, as well as the management of fashion trends. To grasp the theoretical aspects of this management, I pursued a doctoral degree, with a focus on fashion and, more specifically, on the concept of consumer-based fashion equity. In my research, I have highlighted the values that fashion adds to its related products, enabling customers to develop fashion loyalty.

Fashion is indeed an intriguing and challenging area, in which multiple actors interact and adapt to the changes reflected in different fashionable trends. This book captures my descriptions, analyses, and explanations, which I have gathered throughout my professional and academic career in relation to fashion marketing. It, thus, offers some new insights regarding this fascinating industry, its companies, and its shoppers.

Acknowledgments

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Introduction

Fashion entails many sectors, products, categories, companies, and customers, though for most people, it relates mainly to apparel and its successive trends. Throughout history, different meanings have been assigned to clothes. First used mostly to protect the body, very quickly fashion took the lead over apparel functionalities, and people began to interpret and communicate through fashionable clothing items. For example, fashion appears in Occident during the 14th century with the supremacy of costumes, signaling social status. Then, its vast rise during the second part of the 19th century stemmed largely from industrialization and the development of many factories in various industries, the expansion of distribution channels, the creation of department stores, and the emergence of haute couture, as signaled by famous designers and brands such as Dior, Givenchy, Yves Saint Laurent, and Chanel. Today, fashion represents a powerful industry, generating trillions of dollars and employing millions of persons all over the world. It encompasses multiple products each season, which share mainly their short life cycles, volatility, and their means of communication.

Thus, fashion has become a means of expression for both shoppers and companies, which they use to convey their images and identity. Therefore, it goes beyond the products' characteristics, in that it adds and brings value to its related apparel and accessories. When a shopper buys the latest shirt for this summer, he or she also buys the image and meaning that go along with it.

Yet the modern fashion industry confronts some recent changes too, such as globalization in the manufacturing process, the development of new distribution channels (e.g., fast fashion and online), more price sensitive shoppers, and ethical considerations. To address these changes, fashion managers must learn about, understand, and anticipate their customers' behaviors, using marketing tools that help them react to, adjust, or revise their attractive fashion products so that they can encourage and stimulate customers' desires and improve their financial performance.

In particular, fashion firms must achieve fair prices for products with short life cycles, adjust creativity through successful business moves, and integrate new challenges. Therefore, to develop fashion marketing adapted to their target market, it is necessary to manage economic, sociological, and symbolic stakes concomitantly, while also handling new stakes regarding business and communication through online and social networks, as well as ensuring the development of ethical business practices.

In response, this book describes, in the first chapter, the importance of the fashion industry and fashion's diffusion process along several trends and products each season. The second chapter details the influences, both symbolic and experiential, related to fashion. In the following chapters, third, fourth, fifth, and sixth, the different elements of a fashion marketing mix such as product, cost and price, communication, and distribution are covered. Chapter 7 outlines the benefits related to fashion equity. Finally, this book closes with an explanation of the development of fashion loyalty and an investigation of ethical concerns and practices in fashion.

Throughout the book, I raise and address several questions:

- Why and how do fashion products appeal to consumers, despite their constantly varying attributes?
- What specific elements and benefits of fashion influence consumers, and how can companies exploit them?
- Which marketing strategies and tactics should companies use to increase fashion products' success while communicating and managing customers' images?
- How can companies maintain customers' loyalty and generate higher profits with fashion products?
- How should fashion firms handle the development of e-business and the significant stakes of ethical trade?

Based on the latest research in fashion marketing, insights from fashion companies, best practices and examples, and interviews with fashion consumers, this book assists managers in leveraging the value that fashion adds to their products while creating loyal customers in the competitive fashion market.

CHAPTER 1

Fashion as the Empire of Seduction

Fashion managers handle daily design, merchandising, distribution, promotion, and sales of ephemeral products to first seduce fashion shoppers and thereby generate greater profitability. Some of these concepts related to fashion seem to fall in opposition though. In fact, how can firms elicit high profits when they must introduce and deal with products that change every week or month? The fashion industry actually leverages this opposition constantly to develop its business beyond sequential changes.

Developing the Business of the Ephemeral

Fashion may be ubiquitous, but can anyone really appreciate its power? We first must ask ourselves what fashion represents. For most people, the term *fashion* designates clothes, but fashion also applies to a broad range of product categories, including mobile phones, cars, house decor, toys, music, and so on. Consider toys as an example: Pokemon and all of its related materials were really crucial for children some years ago, but when all kinds of spinning tops entered the market, no one was trading Pokemon cards anymore. Similar trends are seen in music, vacation destinations, and cooking; in France, for example, foods served in glasses are very fashionable nowadays, whereas in the United States, fancy cupcakes are available seemingly on every corner. As Coco Chanel realized, “Fashion is not something that exists in dresses only. Fashion is in the sky, in the street, fashion has to do with ideas, the way we live, what is happening.”¹

By acknowledging that fashion does not apply only to clothes, we can recognize how it intrigues many people and surrounds us in our daily lives. However, to provide specific insights, I focus on fashion apparel

and accessories. Fashion apparel consists of clothes for women, men, and children and accessories embody several product categories, such as shoes, glasses, hats, gloves, scarves, ties, belts, bags, jewelry, and watches. Together, fashion apparel and accessories account for an impressive proportion of global economic sectors. Just the textile and clothing sector was valued at \$1.7 trillion in 2012; figures for 2010, adding footwear and luxury goods, suggest its value reached \$2.5 trillion.² These data indicate that the fashion market represents one of the largest industries worldwide.

Even during the global economic crisis, clothing and footwear markets suffered less in Europe and the United States than did other imported industrial supplies.³ The reason might be that whereas the economic crisis and globalization are often linked with the saturation of supply or demand, fashion retains its enviable top position in developing economic sectors. Fashion supply does not seem to fade, and fashion demand remains high. On average, a European shopper buys apparel nine times per year. According to the U.S. Department of Labor, American households spent an average of \$1,700 each on apparel and accessories in 2010: \$562 for women's apparel, \$304 for men, and \$270 for children, with the remainder spent on footwear and accessories.⁴ Thus, fashion products account for a significant portion of individual budgets, which fashion company can access—suggesting that the fashion market has great opportunities for continued growth.

In this industry, women's wear leads the fashion market, as shown in Table 1.1 (figures expected for 2014).⁵ Many women are always eager to have the latest designs in apparel and accessories. Fashion offers a means of expression for fashionable female shoppers, who constantly follow new trends to stay as fashionable as possible. Fashion apparel and accessories

Table 1.1 Global clothing market

Sectors	US\$ (billion)
Women's wear	621
Men's wear	402
Children's wear	186
Footwear	195
Accessories	20

are part of their monthly budget. In fact, women represent 44 percent of the world clothing market, followed by men with 28 percent.

However, some new consumers may offer new growth levers in this business of the ephemeral, such that men, teenagers, and seniors who represent challenging and promising targets for the expansion of fashion markets.

In particular, modern men increasingly participate in fashion today by pursuing more and more fashion trends. They have become more aware of the importance and impact of their looks; according to Calvin Klein, “there has been a change in men’s attitudes toward their clothes. Men are more aware of fashion; they’re not afraid of it.”⁶ This increased consciousness of their apparel has led men to invest more financially and expand the variety of their wardrobe. In 2011, men’s apparel sales increased by 6.5 percent in the United States.⁷ In addition, their consumer behavior increasingly matches women’s. Men take greater care with their appearance and adopt more changes in their wardrobes. They appear to enjoy the changes in fashion rather than buying several identical shirts or suits just to meet their functional needs. They now seek the variety and novelty that go with fashion seasons and collection changes. Like women, men are aware of the impact of their fashion choices on their looks and their image, as conveyed in their social environment.

To leverage these new behaviors, brands and retailers design and offer specific fashion lines for men. For example, Mango created in 2008 an urban casual line for men, “HE by Mango,” which referred to *Homini Emerito*, “man who enjoys a reward due to its merits.” After some struggles in the mid-1990s, this line is now successful. Hence, this retailer decided to target and develop this brand for fashion-conscious men, through 117 stores in 17 countries. Another fashion retailer, Massimo Dutti, started designing fashion apparel for men in 1985 and began operating in the women’s fashion sector 10 years later. These retailers understood early the importance of this market opportunity.

But in the past, before this repositioning in men fashion design and retail market, men had relatively limited apparel choices. Their choices were steered toward classical lines or upscale designers’ collections. The image of men as fashionable shoppers arose largely at the end of the 1990s, surrounding the new concept of metrosexuals—young men with

high income, living in big cities, and looking to take care of themselves in the realms of sport, cosmetics, and fashion. The English soccer player David Beckham and the actor Brad Pitt are celebrities commonly associated with this image of fashionable men. According to Michael Flocker, “The new breed of men is one of style, sophistication and self-awareness. He is just as strong and confident as his predecessor, but far more diverse in his interests, his tastes and most importantly in his self-perception. . . . Never slaves to fashion or victims of their public image, these men simply understood the power of images they were projecting and they knew how to play the game.”⁸

In response to this new demand, a men’s cosmetics market emerged in the early 2000s, along with many fashion apparel and accessory collections from haute couture to fast fashion. This concept has now extended to a vast group of men, spanning different age categories and different income levels. The fast-fashion market, as we discuss in Chapter 6, contributes to the accessibility of fashion apparel and accessories by offering affordable price ranges to more fashion conscious men.

Teenagers are another interesting target customers for fashion firms, especially as their spending power for fashion products has increased constantly: They spend an average of \$135 monthly on apparel and accessories in France, and in the United States, their yearly clothing expenditures are estimated to account for approximately 6 percent of the household budget.⁹ Fashion is a critical means of expression for these young consumers, who are in the process of defining their identities. They are strongly influenced by their peers, who guide their fashion choices, look, and self-appreciation. In the process of finding their identities and positions in their social environment, teenaged consumers often fear the judgment of their groups, leading them to follow fashion trends approved by their peers. In this sense, they are sensitive to fashion changes that signal their continued inclusion in a group they choose to belong to. Following fashion trends is similar to following group norms, reassuring them in their search for identity and social status.

Retailers again have recognized the potential profitability of these young shoppers and adapted their assortments accordingly. Teenagers do not have to fit either children’s collections or adult ones anymore. Instead, they have their own dedicated teen, youth, or junior collections in most

stores, such as Kohl's and Macy's, which dedicate space in their stores for junior collections of apparel and accessories. Even the United States off-price retailer TJMaxx has a juniors apparel selection. Some brands also choose to extend their sizes charts to reach these young customers. Thus, the smallest size offered by Gap and Aeropostale collections is XXS, and Abercrombie and Fitch and Hollister begin their assortments with a size double zero. Because teenagers represent such promising new business opportunities for fashion companies, managers rely on specific strategies to attract them, from youth collections to size charts, as well as large choices of accessories (jewelry, belt, hat, and shoe) and perfumes offered at affordable prices.

On the other end, seniors are also becoming a demographic and economic fashion consumers group who perform a major role in the expansion of the fashion market. Many of today's seniors (defined as consumers older than 50 years) are wealthier, healthier, and more concerned with their appearance. They remain socially active and look for fashionable clothes. They also pay close attention to their looks and use fashion products to maintain an image of youth. By staying up-to-date, they can establish and maintain a younger image of themselves; they use fashion apparel and accessories to communicate that they are still "in." Fashion managers thus have come to realize that reaching a certain age does not mean that people stop being interested in fashion. Because seniors are still eager to wear fashionable apparel, the market has become more and more compelling for fashion companies, especially considering the size of the senior market, its continued growth, and the high level of disposable income of these customers. Liz Claiborne and Levi Strauss are two examples of brands that actively seek to appeal to this customer segment with specific apparel lines. They create indeed specific fashion products to attract these shoppers. Similarly, some retailers have developed new assortments and customer services for this market segment. In fact, Sears' Mature Outlook Club offers products, services, and discounts to suit seniors searching for new looks. Therefore, this lucrative market represents a key target for fashion companies, contributing increasingly to the growth of this business of the ephemeral.

To appeal to these emerging target markets, fashion companies must be truly responsive and create more diversified designs and selections

that reflect the new customers' expectations. The combination of diverse customers creates a very challenging situation for managers who must deal with different customers' expectations and product categories with varying trends and designs each season. In particular, fashion managers confront and have to oversee greater product variety, more informed consumers, worldwide markets, and increasing competition. Multiple customer profiles seek fashion trends, and multiple countries produce fashionable items to satisfy them. Rather than a national industry, with nationally produced textiles transformed in apparel by national employees of a national brand for national customers, fashion is worldwide and present everywhere, all year long. What we find in Paris today might be the next trend in New York, or in Tokyo tomorrow or vice versa. This empire of seduction proves to be a crucial actor in world trade, such that companies can leverage the worldwide trade of ephemeral products to gain higher profits.

Hence, the fashion industry involves many countries across the world, whether as consumers of fashion items, manufacturers, suppliers, or all of these roles. A single shirt may require the work of manufacturers in many different countries, from fabric production to sewing. Have you ever thought of the journey your favorite pants or shirts had before reaching your closet? In fact, our wardrobes include many imported items from all over the world. As a result of this worldwide trade, some countries have achieved national growth through the fashion business; for others, their trade has been restrained by quotas imposed by developed countries. Quotas had an important impact on fashion trades. Hence, they arose in the 1960s, with the imposition of the Long Term Arrangement regarding International Trade in Cotton Textiles and Substitutes. It has been elaborated to protect developed countries from competition by less expensive products from developing countries. Many other agreements also affect this competitive industry, so though the quota system has been phased out, it has contributed to create an unbalanced growth in developing countries. Thus, some countries such as China and India enjoy trade superiority and strong exports to developed nations, whereas others such as Lesotho suffer weaker market balances, and still others have lost market share in this competitive industry, such as Hong Kong, Thailand, Morocco, and Mexico.

Throughout this powerful industry, a vast number of daily transactions involve both developed and developing countries. Among these worldwide fashion trades, the main fashion importers are in Europe, the United States, and Japan, accounting for more than 75 percent of world clothing imports (\$178 billion for Europe, \$82 billion for the United States, and \$26 billion for Japan). Total world clothing imports reached \$376 billion in 2008, according to the World Bank report for 2010. Concurrently, global apparel exports were worth \$410 billion in 2011.¹⁰ Among exporters, China holds first place, with 42 percent of total exports, followed by Europe with 32 percent in 2011. Other countries are becoming more relevant with rising numbers of items produced and stronger competitiveness, due to their low manufacturing costs. Bangladesh, for example, has greatly developed its apparel production and exports to different occidental countries. Table 1.2 lists the amount of exports by country in 2012.

To produce more apparel and accessories and satisfy eager fashion shoppers, this industry requires many workers. Fashion clothing is indeed a labor-intensive industry. However, in the past two decades, worldwide employment distributions in the textile, clothing, and footwear industries has changed, such that countries in Europe and North America have lost employment, whereas developing countries in Asia have gained many jobs in this global industry. Most apparel and accessories production and employment has shifted from developed countries, which have become

Table 1.2 Textile and clothing exports

Countries	US\$ (billion)
China	253.2
Eur27	193
India	29.4
Turkey	24.7
Bangladesh	21.5
United States	20
Vietnam	17
Republic of Korea	14.2
Pakistan	13.7
Indonesia	12.8

mostly importers, to developing countries, which manufacture items for many countries around the world.

In terms of production and trade, regardless of the employment distribution, the apparel and accessory industries still represent an important employer worldwide. For developing countries, the fashion industry often offers a catalyst for national development, and can even be considered as the main starter due to its low manufacturing costs, favorable trade balances, and access to the many workers needed to create fashion apparel and accessories. It thus enables on one hand the production of fashion items for developed countries and, on the other hand, the employment of many workers in developing countries.

As Figure 1.1 shows, the largest employer by far is China, with 15 million people employed in 2011 according to China's Textile and Clothing Industry Report.¹¹ Even as employment rates in the apparel and textile industry have decreased due to more efficient equipment, this industry still provides substantial employment opportunities in developing countries.

In those countries, most of the workforce is young, female, and with limited education. The common skill level in this industry is low, though some countries require, nowadays, more advanced skills from their workforce to respond to developed country consumers' demands for more sophisticated production and to support new functions, such as logistics. Hence, developed countries require improved skills among the fashion labor forces and developing countries thus commit to providing them, to stay competitive and attract new orders from international brands. The overall workforce in this sector included more than 26 million people in 2000.¹² The next figure presents countries that employ most people in this industry.

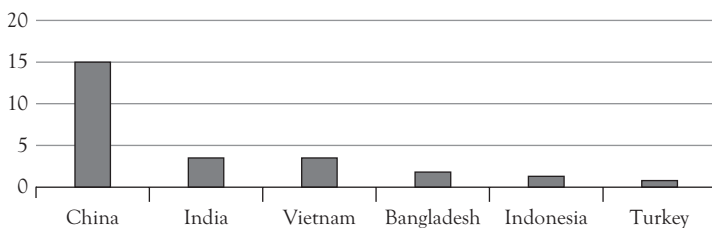


Figure 1.1 Employment per country in 2011 (millions of people)

In these developing countries, employment in the fashion industry mainly involves manufacturing jobs; in the most developed countries though, retailing prevails. For example, the United States continues to be an important textile producer, especially of cotton, but most of its labor force works in retailing, including 4 million people in 2011 (3 million in the apparel industry and 1 million in the footwear industry).¹³

These data regarding exports, imports, and employment emphasize the worldwide importance of the fashion industry. It represents a real and powerful economic sector, with strategic developments worldwide. It also offers a means to gain and maintain power. Managers may be aware of its strength in trade terms, but they also must realize who grants fashion its power: fashionable customers! Fashion rests on its diffusion to a large number of customers.

Handling Fashion Diffusion Process

Fashion diffusion has gone through several different stages in its history. For centuries, all clothes were tailor-made, such that customers could choose fabrics, ascertain a design, and all other details for the garment, then sew the items themselves or have a designer create a single piece of clothing. The wealthiest members of the society determined the fashion, and their garment could be then replicated by or for other customers keen to imitate these wealthier people.

Various studies have sought to explain the evolution in the process of fashion diffusion, though two theories are prominent: Veblen's theory of the leisure class and Simmel's model. Both theories explain fashion adoption as a sequential imitation process of adoption by social classes. According to both Veblen and Simmel, fashion spreads through the highest social classes first, then to lower classes. The desire to be viewed as wealthy or equivalent to the higher economic class justifies this imitation. Clothing offers visual evidence of a person's social position, such that it encourages imitation. To be perceived as rich or a member of the highest strata in a social environment, a person purchases imitative apparel. However, when the majority of customers start to adopt this product, wealthier consumers begin to avoid it and look for new trends. The elite

do not want to be identified with a lower social class but instead prefer to be differentiated.

According to these theories, a person self-identifies through emulation of the wealthiest people, using fashion. In this sense, fashion involves more and more customers adopting the same clothing, which has been recognized as fashionable. As Simmel puts it, “The elite initiates a fashion and, when the mass imitates it in an effort to obliterate the external distinctions of class, abandons it for a newer *mode*.”¹⁴

Another theory also can illustrate this spreading diffusion. In fact, Grundereng explains fashion diffusion through a process of flows.¹⁵ Gradually, fashion trends become known and recognized, before finally reaching almost everyone. Depicted as an avalanche or flow, fashion appears similar to a contagion, which requires adoption and diffusion dynamics. George Bernard Shaw, the famous Irish author and Nobel Prize winner for literature, thus offers a comparison: “a fashion is nothing but an induced epidemic.”¹⁶

Another approach of fashion diffusion consists of addressing unnecessary changes to apparel. For Barthes, for example, the fashion adoption process relates to wear and tear and purchase, so he explains fashion by different rhythms that define the product adoption process.¹⁷ A consumer usually buys a new clothing item because a previous version suffered damage through use; however, this path obviously is not the one followed by fashion. Instead, Barthes classifies specific clothing paces to define the existence of fashion. He notes two main rhythms for clothes: wear and tear (w), which represents the natural time to renew clothing, and a purchase rhythm (p), related to the period of time between two purchases of the same kind of clothing. As he explains:

- If $w = p$, clothing is bought as often as it suffers wear and tear, so clothes just renew damaged or used items. There is no fashion.
- If $w > p$, clothing is not renewed even if there is wear and tear. People keep their old clothes. There is impoverishment.
- If $p > w$, clothing is renewed even if there is no wear and tear. There is fashion.

The concept of wear and tear thus does not relate to customers' pursuit for fashion. Fashion instead influences people by its style changes; new trends stimulate fashion shoppers' desires and reinforce their need to purchase new apparel and accessories.

These fashion diffusion explanations through social class and wear to tear also provoke criticisms though. Nowadays, more modern views of fashion acknowledge that it pertains to everyone and can have varying origins. New trends might come from athletes, as originated by Converse's inspirations from the basketball player Chuck Taylor in 1918 and the badminton player Jack Purcell in 1935. The shoes that these athletes wore in their sport activities encouraged and then participated to the development of this brand as a fashionable one, such that even today, average customers and celebrities continue to wear similar shoe styles. In addition, punk fashion emerged from street styles and music groups, but it became a real fashion trend when Vivienne Westwood began appropriating the look in her apparel and accessories collections, which made punk style fashionable in the 1980s. This type of fashion diffusion contradicts Coco Chanel's quote: "I like fashion to go down to the street, but I can't accept that it should originate there."¹⁸ In modern fashion, the street level is often the origin.

Some fashion trends even start unintentionally. Workers wearing distressed blue jeans with holes, t-shirts faded through their work and environmental conditions, and worn or paint-spattered clothing have inspired designers. The look has been adapted and sold by international brands such as Gap, Abercrombie and Fitch, and even Polo Ralph Lauren. This fashionable trend reaches virtually every social group.

Trigg confirms this direction in a study of "jeans development."¹⁹ People from widely varied walks of life, from regular laborers to top managers, wear jeans to work. Due to this success, jeans have become linear, accessible to every social class all over the world. This product example reveals that fashion is no longer dictated by social class. Yet, imitation still exists in fashion, but the references have changed. In fact, customers choose someone they want to look like, such as a fashion model, celebrity, friend, or sibling. Such mimicry is not based solely on wealth but rather on identity and fashion trends.

Furthermore, fashion changes every season, regardless of the sources of diffusion, and now other theories arise to explain this diffusion. The theory

of planned obsolescence seeks to explain the resulting diffusion, by noting that managers purposefully design products with limited life spans, to prompt customers to buy new ones every time a new trend appears. This planned obsolescence causes customers to feel out of date if they choose to keep their old apparel, and so force them to consider to buy the latest design to stay fashionable. For fashion companies, this tactic helps them stimulate more sales and profits and encourages consumers to buy more frequently. Regular, intense new product creation by fashion companies reinforces customers' desire to have the latest fashions and remain continuously up-to-date. The obsolescence is sustained by regular launches of new designs. Through this continuous renewal, fashion also benefits customers, who can modify their self-image by adopting new fashion products.

In the ready-to-wear fashion market, companies interact with two main actors: designers and customers. The designer initiates the trend and creates the latest design; customers decide whether they like it. Fashion companies thus must acknowledge customers' power. In fact, if customers refuse a designer's creation, no adoption occurs, which means no diffusion, no fashion, and no profit! The democratization of fashion emphasizes the influence of customers in the fashion success process.

Fashion exhibits both regular and temporary cycles. Every season, new products appear and then disappear; fashion depends on these regular and constant flows. The ephemeral creations have short life spans that repeat. A new trend replaces the previous one, which quickly fades and becomes up-to-date. Therefore, the existence of fashion requires this continuity of change. It is not product specificities or functionalities that matter to customers; rather, what is important is that the product can be recognized as fashionable by their social peers. Despite changes in styles, colors, fabrics, and designs from season to season, fashion persists over time. Themes, trends, looks, and products change, fashion—as the continuous adoption of ephemeral products—remains.

Regardless of the explanation of the diffusion process we use, fashion is inherently a collective phenomenon that implies adoption by a large number of persons. Fashion success is determined by greater acceptance.

Fashion involves different trends that emerge, grow, and disappear. A fashion lifecycle following successive stages in its diffusion encompasses different groups of customers. Fashion evolves through four main steps:

- Introduction and adoption by a limited number of persons. The new design is launched, but at this stage only fashionistas and opinion leaders have heard of it. These few consumers adopt these fashionable products.
- Acceptance by a larger number. More shoppers become aware of this new trend and want to adopt it to be as fashionable as the opinion leaders.
- General conformity to the trend. The new design spreads to almost everyone who is fashion conscious; to be fashionable in this stage means conforming with others.
- Decline in consumption. Fashion trend declines, fashion shoppers start looking for something new and, more exciting, which restarts the fashion cycle.²⁰

These stages offer insights into fashion companies that plan to launch new trends with their collections. Fashion managers must plan their deliveries with knowledge of which phase of the cycle marks their products. Then they know when to offer fashion shoppers a new trend, just as the previous one is fading. Retailers rarely receive their entire fashion collection at the same time; instead, they stagger deliveries to follow different trends. When a product reaches the conformity stage, they start to introduce new products to constantly stimulate their fashionable shoppers and initiate new cycles. The different stages also inform merchandise display decisions. A confusing display with too many trends mixed in together can lead to consumer indecisiveness, because shoppers do not know which one is fashionable. If managers introduce different trends in accordance with the fashion product cycle though, they can stimulate shoppers to view new trends sequentially. For customers, it is more attractive to find different fashion trends clearly displayed in their favorite stores, which helps them develop ideas and provokes desires. Thus retailers often advertise their new collections with signage at the entrance of their stores, to attract eager shoppers who seek the latest fashion trends to stay fashionable.

The sequential stages also suggest that fashion companies should manage their inventory quantities carefully, so they are not left with too much out-of-style merchandise at the end of a season and ensure good

inventory turnover. Zara produces just enough of a new design to test customers' reactions; if they like it, the company produces and ships these items to their different stores. Zara clerks can reorder hot products in less than an hour.²¹ The short life cycles that characterize fashion apparel and accessories thus influence company management and trend optimization.

Moreover, fashion managers should anticipate competitive collections, as the same time as they schedule the deliveries of their own new trends. Thus, a critical goal for any fashion company is to be the first to stock its racks with the most fashionable new jeans style, for example.

Monitoring bestsellers, deliveries, reorders, and competitors should take place simultaneously with decisions about promotion policy. Fashion managers must schedule their promotions to attract shoppers, stay competitive, and reduce their stocks. It may be worthwhile for a company to offer discounts on products that do not sell well at the beginning of the season, to avoid high inventory levels and costs for the rest of the season. Such an early promotion even might attract fashionable customers who are also more price sensitive. Although fashion customers would not buy a fashion swimsuit at the end of the summer, knowing that it will not be the same fashionable trend next summer, they might purchase this item if it reaches a sufficiently low price during the summer season. Such considerations are critical to managers' decisions over the course of fashion cycles.

It remains challenging for these managers to address all these factors—flows of fashion merchandise, deliveries, inventory, competitors, and promotions—together. In turn, many fashion categories of apparels and accessories get managed closely at product levels because in the same products category one swimsuit might represent the best sale of the week, whereas another model might not have registered any sales yet. Fashion managers often monitor sales systems automatically, generating lists of the best and worst sales for each day, product, color, and store. Thus, they can monitor the sales and react quickly and achieve better profitability.

In parallel with fashion managers, the diffusion process and stages affect other actors too, the adopters. According to many researches, fashion adopters can be classified into multiple groups, such as opinion leaders, early adopters, early and late majority, often gathered together and laggards. The evolution of those fashion customers appears symmetric

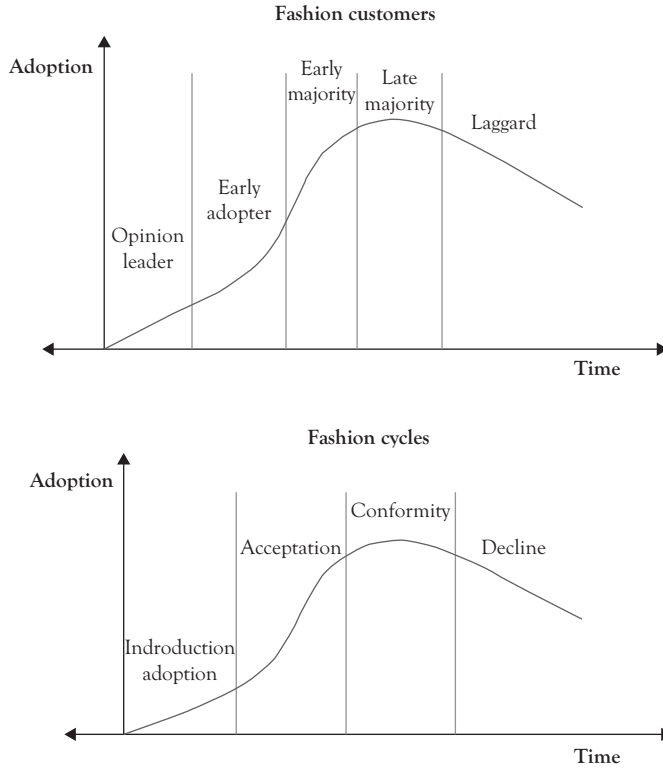


Figure 1.2 Evolution of fashion customers and fashion cycles

with the evolution of fashion diffusion cycles, such that we can compare customers groups to fashion diffusion stages, as illustrated in Figure 1.2.

Opinion leaders and early adopters are the most important consumers, in terms of numbers, during the introduction and adoption phases. The early and late majority then emerge in the acceptance and conformity phases. Laggards are present mainly during the decline phase. Although the different actors follow the same pattern as fashion products, we also need to consider their influences on others during the general cycle of fashion diffusion. We focus on two main categories: opinion leaders and followers.

The introduction and first adoption stages mainly involve opinion leaders, who are eager to be the first to own the latest fashion apparel. By acquiring prior knowledge about new trends, they gain influence over other fashion shoppers. Their power and influence result from their prior

adoptions and their ability to share information about what is fashionable or the must have this season. We define an opinion leader as a person who exerts significant influence over a group, such that others seek information and accept advice from him or her. Because the opinion leader is aware of the latest trends and owns the latest fashion apparel or accessories, he or she gains legitimacy and a special position among others as a fashion reference, with social power in the social environment. In this sense, the opinion leader serves a role similar to higher economic classes in Simmel's model: This actor reveals to others what is fashionable by adopting the new design, but as soon as it gets imitated, he or she abandons this design and looks for newer ones. He or she seeks to maintain leadership and does not want to be confused with mass consumers. According to Reynolds and Darden, three main variables effectively define such an actor:

- Interest in fashion. People interested in fashion look for and transmit in the same time information about fashion novelties.
- Research of information. To gather information, this actor reviews a lot of media and is active in a quest to acquire knowledge about new fashionable items, rather than waiting to receive information from others.
- Self-confidence. An opinion leader is confident in his or her self-image and expresses this confidence easily through his or her fashion choices. For example, by being the first to adopt a trend, he or she transmits an image of being a leader.²²

Even though fashion opinion leaders are not necessarily celebrities, they have great influence on others in their social environment, such that their influence is recognized by others.

In contrast, fashion followers encompass the early and late majority and rely on others' choices to make their own decisions. They are usually influenced by peers in their social environment, whom they pay attention to and follow, to gain their approval. These others are their sources of information; by purchasing clothes of a similar fashion, they conform and join the group. Peers' recognition matters substantially to followers in their decision-making process. In Table 1.3, we compare the characteristics of these two groups of actors.

Table 1.3 Fashion opinion leaders and followers

	Individual	Societal
Opinion leader	Assertive	Attention seeker
	Self-confident	Social communicating
	Information broker	
Follower	Docile	Social-self oriented
	Responsive	Approval seeker

At the individual level, opinion leaders represent a source of information. They appear assertive, and their self-confidence helps them lead others to similar fashion choices. With these characteristics, they can convince others to make the same choices of fashion apparel and accessories. At the societal level, they communicate a lot in their social environment and look for attention, which gives them power and influence over others. They exploit their abilities and desire to communicate to influence others' fashion decisions.

Followers instead appear docile and responsive to others' ideas and advice. Sensitive to others' judgments, they do not want to be perceived differently, so they follow opinion leaders' choices about what is acceptable to wear or fashionable. Their self-image depends on others in their social environment, to whom they look for approval.

These two groups of adopters also differ in numbers along the fashion diffusion process. Followers do not initiate exchanges of information or influence others, but they constitute a larger group, in terms of the adopters of fashion products. Specifically, they represent 68 percent of the fashion market, whereas opinion leaders are only 16 percent.²³ In this sense, followers are important actors in fashion adoption and diffusion, because they represent the majority market for fashion companies. They demand managers' attention, because they are crucial to the company's success, achieved through a broader product adoption and diffusion. Figure 1.3 illustrates the importance of these two categories of actors during the fashion adoption process.

In identifying their customer targets, managers must recognize that opinion leaders serve a strategic purpose in spreading information and influencing others, but focusing exclusively on these actors can lead to

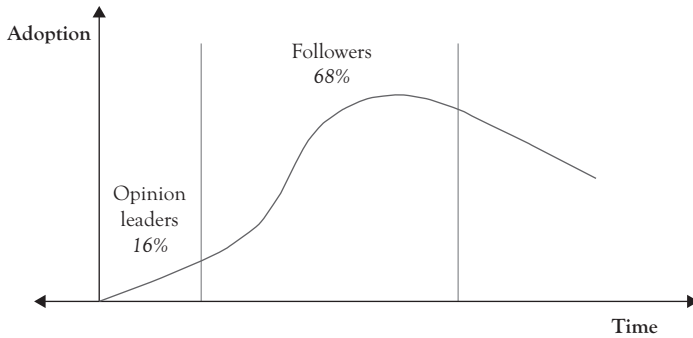


Figure 1.3 *Shifting influence of groups of actors*

missed opportunities among followers. As one communication manager for a fashion brand explained, “The more we communicate to everyone and everywhere about the latest fashion trends, the more chance we have to succeed and earn larger profit! Our success is based on offering fashion products to everyone.”

Today, information about what is fashionable also is easily available through several channels of communication, which may limit opinion leaders’ importance for gaining and transmitting information. Followers have more access to fashion thanks to these communication and to wider choices of distribution channels. As a result, they have become more important not only in numbers but also in the fashion diffusion process. As we explain subsequently, in the new retailing tradition of fast fashion, followers can readily discover the latest trends and purchase them at affordable prices. Thus, these actors matter to fashion managers by their numbers and their role in fashion diffusion.

Overall though, fashion customers usually follow similar patterns in their fashion decisions, regardless of their categorization: opinion leaders, followers, or even laggards. Three main stages are notable:

- Awareness: People know that the fashion exists. Even if they are not fashion experts, consumers can recognize that the Grunge trend for instance is no more fashionable or that the large boot-cut pants have been replaced by skinny jeans.
- Comprehension: People take fashion into account. When shoppers decide to buy apparel, they usually consider what

is fashionable, without necessarily being a fashion victim. Moreover, apparel stores are stocked by fashionable items, making it difficult for customers to find items that are out of fashion. With the vast choices of fashion products available, shoppers integrate these prevalent options in their decision processes.

- Legitimation: People consider the fashion suitable for them. Shoppers may have different reasons for doing so, such as when opinion leaders feel the need to try every new fashion or when followers seek conformity with an aspirational group.²⁴

These stages are important to fashion managers, because each customer likely proceeds through these three steps before considering and purchasing fashion apparel or accessories. Knowing that shoppers process information through these stages, managers can target their communication specifically, to help make their shoppers aware of new trends more quickly or repeatedly. When Old Navy launched its Spring 2013 collection, it communicated the arrival through advertisements on television, magazines, e-mail, and with large stores' displays. The main goal was to offer information about the designs, colors, and prices to many existing or potential customers and thus attract them to stores.

Fashion does not concern everyone but fashion intrigues everyone. Even if we do not know what is the latest trend for apparels we all know that fashion exists as luxury does.

Summary

- Fashion encompasses different sectors and products in the clothing and textile industries.
- Fashion is a powerful economic sector with various new growth levers (men, teenagers, and seniors).
- With a basis in ephemeral products, fashion has built a powerful empire of seduction worldwide. Developing countries manufacture fashion apparel and accessories; developed countries sell them.

- Fashion follows a diffusion process with continuous changes in trends, designs, and products.
- Fashion customers can be represented by two main groups: opinion leaders and followers.
- Followers have become more and more crucial in the fashion adoption and diffusion process for fashion companies.

CHAPTER 2

Fashion as a World of Influences

Fashion is characterized by multiple trends and products that fluctuate in time and across customers. Fashion apparel and accessories as public, visible products influence people's looks and appearances. They help customers communicate about themselves, earn approval from their peers, or reject others' influences. Fashion also influences people across social environments, by implying symbolic and social meaning for and among people.

Creating Symbolic Influence with Fashion

Fashion companies not only create new products but also influence customers' appearances through their constant renewal and creation. Fashion integrates more than just nice apparel and accessories; it implies symbols and desires.

Fashion is the Creation of a 'need' which does not exist. There is no real 'need,' just a desire. (Product Manager, Women's Fashion Brand)

In turn, fashion creates desires among customers, for new apparel, new accessories, and new looks. As Marc Jacobs notes, "we don't need fashion to survive, we just desire it so much." But why is fashion so important for so many people?

The answer can be found in the meanings attached to fashion items, which allow people to express and present themselves the way they choose. The constant renewal of trends and products by fashion companies creates a desire that transforms into a means of expression. According to Prada, "what you wear is how you present yourself to the world, especially today

when human contacts go so fast. Fashion is instant language.”¹ It also is an expression of symbols. People buy fashionable products, such as clothing, more for what they mean than for their literal utility, such that they use fashion to communicate their individual identity. A fashionable sweater is purchased not to protect against the cold but rather because it is fashionable and represents a must-have item for this season, such that wearing it makes the consumer more fashionable. Those who possess the sweater signal that they are up-to-date and communicate something about themselves, namely, that they are the ones who keep up with fashion.

Moreover, continuous changes and renewal convey the idea of youth, not just to seniors but to all fashion customers. By keeping up with trends, fashion adopters gain an image of being someone new and different. Fashion adopters, accordingly, have strong adaptation abilities, in that they are able to stay up-to-date and follow changes linked to ideas of youth. Thus, choosing a specific fashion product implies more than an apparel purchase, by establishing an identity purchase. From there, we can draw a link between symbolic consumption and individual identity: People define their identity by choosing fashion products and use their choices to signal their self-image. Such signals should communicate something special about people. For example, customers can express themselves through their clothing purchases because of the visibility associated with these items. In this process of adoption and symbol expression, fashion conveys meanings but also is not harmless, in that some people might be judged or criticized for their fashion choices. Wearing certain apparel or accessories creates a certain image, and this presented appearance may be the basis for judgments. The way people dress during the week to go to work conveys a certain image that might differ from the one transmitted through the way they dress on weekends, for example. The same person, encountered at work or at leisure, accordingly, might produce different images among peers, as conveyed through clothing choices. Some people actively play with their image by altering their fashion apparel and accessory choices to reveal particular messages through their visible clothing, according to the self they want to express.

In this context, fashion can establish a self-concept, which is defined as the perception that a person has about himself or herself. Three facets of self-concepts are prevalent:

- Ideal-self: The person I would like to be.
- Social-self: The way I think others see me.
- Real or actual-self: The person I really am.²

According to Sirgy's research, self-concept explains 58 percent of clothing choices.³ Fashion companies leverage different self-images in their design creations. They offer the promise that shoppers can choose to express one self-image or another, using the various themes the companies develop for each season.

Self-congruity exists when the product effectively communicates the self-image. A shopper chooses a fashion item only if it is congruent with his or her self-image. Through these choices, people present desired images of themselves. That is, fashion offers a symbolic language to reassure people in their own social environment.

Symbolic communication about fashion apparel and accessories is part of the creation of fashion companies. People grant meanings to products designed by fashion companies, but fashion managers influence those meanings too, according to how they communicate about their creations. For instance, a company will not deliver the same message with a Perfecto as with a classic trench. Then the customers who decide to adopt their products in turn can communicate a particular meaning through their choices; by adopting the products, shoppers adopt their favorite brand's image too. Thus, a fashion firm must express a somewhat consistent message over seasons, depending on its collection plans and image. It has its own identity, related to a brand or designer, that it uses to deliver symbolic messages to shoppers. Ralph Lauren clothing does not communicate the same message as Jean-Paul Gautier's clothes. The distinct messages then influence customers' communication, and fashion companies adjust these symbols through their selections every season. Fashion shoppers choose among different symbols offered by fashion brands and can present themselves depending on their mood and desires.

However, no symbol is an independent element in a social environment. Rather, symbolic communication must exist in an exchange.

The symbol only acquires meaning through a socialization process. By projecting an image and acting as symbolic communication, fashion enables people to present themselves in a certain way for others to

interpret. Moreover, fashion products help people improve their images to obtain recognition in a social environment.

Because they are visible, fashion products deliver information about the person who chooses and wears them, but communicating the symbol requires both the actor who expresses it and a recipient who notices it. Therefore, social relationships are necessary to spread fashion, because products must be noticed and judged by others to become fashionable.

Thus, symbolic consumption creates and supports people's self-image while also potentially enabling them to gain or reject social status and approval. Social relationships are indeed critical to the fashion adoption and diffusion process.

Using Social Influence Through Fashion

Fashion must be recognized and adopted by many people to exist, which implies multiple relationships in the social environment. Fashion is a collective, social phenomenon that relies on multiple relations and judgments. These relations enable various actors to participate in the social environment, choosing or changing it according to their choices of fashion apparel and accessories. The social environment also comprises groups. Many theories emphasize the existence and the role of those groups in social environment.

A group is usually defined as a sum of persons engaged in some relation who are interdependent. According to Ford and Ellis, people form a group when they:

- are independent,
- share common goals,
- are aware of others members in the group, and
- consider others as part of their group.⁴

To exist in a social environment, people also need a point of reference, which often is established by groups. Most customers act in accordance with the references conveyed by their groups. Thus, social influences affect people's decision process for fashion products, and we can identify three main influences on fashion shoppers:

- Internalization: People accept others' influence because they perceive it as a means to resolve their own issues. Fashion shoppers may find a solution to an uncertain social position by adopting others' fashion choices.
- Identification: People identify with a group because they perceive doing so as satisfying. This identification occurs because fashion customers foresee benefits of being part of a group.
- Compliance: People choose to adopt fashion apparel and accessories to conform with the group and obtain a benefit or prevent retribution.⁵

Thus, groups have important roles for status definition within a social environment. To better understand their role in fashion adoption, we also need to clarify the dimensions of a group, related to both the point of reference and the associated affiliation.

A reference group is one that influences others' behaviors. In their decision processes, people evaluate norms, status, and values expressed by the group. According to Childers and Rao, a group serves two main functions:

1. Comparative: People evaluate themselves through comparisons. A hero or athlete might be a reference, because their behavior establishes a comparison standard. Many fashion brands in turn strive to invite celebrities to represent their name and image: Julia Roberts represents Gianfranco Ferré, and Sharon Stone symbolized Dior for some time in advertisements. Fashion brands seek to attract shoppers who are willing to identify with these stars. In addition, shoppers often enjoy having the image of Julia Roberts or Sharon Stone in mind during their decision process, and enjoy owning the same items.
2. Normative: The group is a source of norms and values. People act according to the norms implemented by their family, friends, or peers as a group. The groups' norms and values affect their choices.⁶

These influences vary with the products. If the product is a public, visible one, such as apparel, these influences should be powerful.⁷ The choice

of an outfit to wear to work likely reflects others' judgments in the office, such that consumers choose what to wear by thinking about the norms established indirectly by their colleagues. In addition, they might think about what others have worn and judge them on the basis of their appearance, with the belief that people are reflections of the purchase choices they make. Fashion consumers take this influence into account in their decision process. No one has all the information needed to judge a person, but observing consumption choices provides a means for the social environment to determine the person's identity.

In contrast, for a private, less visible product (e.g., piece of bedroom furniture), the influences likely are less significant. Appearance is less important, and the group will not have the same comparative or normative influence.

The influences of groups also vary with the shoppers. Teenagers are very sensitive to their peers' judgments and refer to them before purchasing apparel or accessories. Having the same hat style or basket shoes refer to norms that teenagers accept and follow. Women tend to attend more to others' comments and choices than men, and then react positively or negatively. Because social influences can be evaluated and internalized so differently, we consider it appropriate to consider the role of reference groups in the fashion product decision process. The visibility inherent in fashion clothes means these items carry meaning that influence shoppers' decisions.

An affiliated group is a collection of persons who belong to the same structure, for example, a sport club or political party. A decision process might reflect similarities with this group especially because people often need such affiliation to evolve in their social environment.

Moreover, people attempt to respond to group expectations through fashion consumption choices, such that others' recognition is crucial. We live in social environments, interact with others, are more or less sensitive to others judgments, but we all need recognition. As Maslow established in 1943, people seek to satisfy five types of needs: physiological (eat, drink, rest), safety (material protection), social (relationship, friendship, love), esteem (to be respected, to be approved), and accomplishment (self-achievement). When one level of need has been satisfied, people

pursue the next level, until they reach self-achievement. This theory suggests the importance of recognition by the social environment for fashion shoppers. People seek approval for their decisions, especially for fashion products that are visible and affect others' judgment.

Everything that is observable is considered a signal, a message for others. Fashion products are worn and displayed to allow people to communicate something about who they are or want to be. With their choice, they also seek others' approval by following peers' codes and, norms or rejecting these codes to communicate something different. That is, fashion can communicate either agreement with or distinction from their social environment. Fashion apparel and accessories are nonverbal tools for exchanging messages with others. These two main fashion forces of differentiation or socialization with the social environment act at both individual level (micro) and social level (macro):

- Macro level: Social trends arise across society. These trends adapt to fashion. Fashion managers design items to answer social needs.
- Micro level: A consumer selects fashion products to create a look. He or she interprets fashion choices to conform or reject others' norms. People give meaning to their looks and evaluate the consequences of their choices in their social environment.⁸

Fashion brands offer customers many possibilities to determine and change their looks, with various fashion apparel and accessories. Fashion shoppers choose their social status by conforming or being different in their fashion choices; by offering a wide and deep assortment, fashion managers try to reach every potential customers. One shopper might focus on all the black clothing offered in a collection to develop a Goth look, while another chooses blue and white stripes to adopt a nautical look during the same season. Fashion companies introduce collections with various themes and products, enabling them to appeal to many, diverse consumers around their brands. Managers also are aware of the importance of the social aspects of fashions which allow for fashion diffusion.

We have many trends in each collection. We launch fashion products every month but they become fashionable only if thousands of shoppers buy them. If I can see many pink coats in the street, I know that we have succeed. (Product Manager, Women's Fashion Brand)

Fashion only exists if some number of people adopt the same product, and legitimize its novelty. Thus, through its symbolic and social influences, fashion allows people to build affiliations with their social environment or choose deliberately to be different from their peers.

Summary

- Fashion represents a symbolic influence and offers a means of communication and expression of self-image.
- Fashion apparel and accessories reveal meanings interpreted by both shoppers and their social groups.
- Shoppers make choices according to the symbolic and social aspects of fashion, which determine the ways they present themselves as different or in accordance with others. Through this sense of social belonging and self-expression, fashion allows shoppers to adjust their looks.
- Fashion adoption and diffusion rely on the social influence that fashion products have on people.

CHAPTER 3

Fashion and Product Variety

Fashion is synonymous with temporary, regular changes in a variety of products every season. To handle this diversity in fashion products, companies must follow specific trends.

Dealing With Trends and Products

The complex concept of fashion entails diverse trends and products that change every six months or more. To clarify this concept, we explain its underlying aggregation.

In particular, fashion exists as such, independent of any specific product or brand. As luxe, fashion transcends products and brands by involving a dynamic process, with frequent, regular changes, mainly characterized by trends.

Today, customers can find fashion apparel in supermarket. Fashion does not require a brand, a logo to exist. Fashion exists by itself.
(Product Manager, Women's Fashion Brand)

In a fashion context, a trend implies a unifying topic of interest, irrespective of the products to which it applies.¹ A trend also is a temporary orientation based on a new design, a particular emphasis on a color, a distinct fabric, or a different pattern as Figure 3.1 details.

A fashion trend can include one of these four elements or some combination. Figure 3.1 also details some examples of each component; a geometric design could be a major trend in fashion collections, as was the case for Courreges in the 1960s or Paco Rabanne in 2013, with dresses designed with triangular shapes and, tops with accentuated, long sleeves in oval shapes.

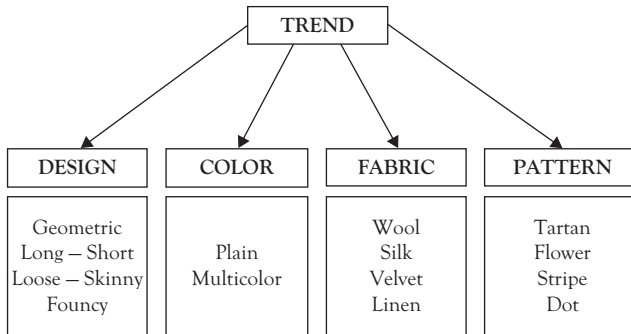


Figure 3.1 Fashion trends

A fabric also can be the dominant element for a collection trend, such as velvet for Tom Ford’s, Alexander Wang’s, and Valentino’s Winter 2013 collections. The designers emphasized this fabric trend in designs of dresses, pants, suits, coats, shirts, and so on. Their fashion shows clearly exhibited the prevalence of this fabric in their collections.

A pattern can also guide the design of a collection and help characterize its trend. Tartan, for example, is an important pattern used in many fashion collections, such that it appears in different designs, fabrics, and colors for Yves Saint Laurent, Celine, and Versace. The different window displays for various brands suggest the sense that tartan is everywhere, which implies that it is a new trend for the season.

In terms of color, we note that navy blue and pink both have been called “the new black” in recent collections, such that they appear on different designs and with different fabrics. These colors were significantly present in Celine’s, Chloe’s, and Valentino’s Winter 2013 collections.

Thus, a trend can prioritize, for example, a design (geometric shapes) and a color (bright), or both (geometric shapes in bright colors). All the elements (design–color–fabric–pattern) are crucial to the success of a collection, but depending on the story told by the designer or brand, one element sometimes dominates. Thus, in Winter 2013, many women’s fashion collections featured tartan patterns and navy blue and pink colors. However, Emporio Armani and Donna Karan both used their 2013 women’s collections to emphasize colors (black, navy blue), fabrics (tweed), and patterns (stripes) that evoked masculine trends. Although fashion encompasses various trends and products every season, many

trends appear similar across different designers' collections. How do they all get the same idea of creating pants in a tartan pattern or pink outerwear?

The design of fashion collections begins 18 months before their production, which requires the designers to anticipate future trends. To help them in this process of inventing, discovering trend, forecasting agencies work to gather information about emergent trends. Well-known agencies such as Nelly Rodi, Peclers, and Trendstop share information with many designers, brands, and retailers about prevailing trends they have noticed throughout the world. Thus, they can announce that flashy yellow will be a must for the next collection or that high heels are no longer fashionable, so shoe collections should stake their reputations on flats.

Many fashion companies instead use their own, in-house trend departments. While creating books each season, they encompass and illustrate what they have noticed in social, cultural, artistic, and economic arenas worldwide. Wal-Mart also has its own trend office in New York forecasting future trends.² Fashion weeks, held semi-annually in Paris, Milan, London, Madrid, New York, and Tokyo, provide additional sources of information and inspiration for fashion companies. Trend books and fashion shows help designers choose fabrics, designs, patterns, and colors that reflect the latest fashion trends. Because the information available to fashion managers generally comes from the same forecasting agencies and fashion shows, their collections often reflect similar trends. Thus, consumers see pastel colors and flower patterns introduced by multiple fashion brand collections during the same season.

I look everywhere for inspiration. I go to fashion shows, I have trend books and then I design my own collection following the trends created by haute couture designers. (Designer, Men's Fashion Brand)

Beyond these trends, fashion ends with products. A fashion product belongs to the specific trend it displays, whether in terms of design, color, or other aspects that match the current trend. A product becomes fashionable because it matches the actual, temporary trend, causing many consumers to adopt it for some period of time. Each product follows

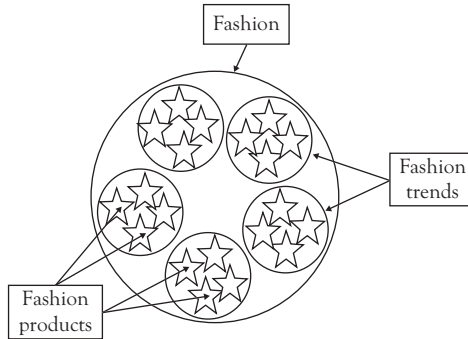


Figure 3.2 *Fashion, products, and trends*

trends and changes, so a fashionable pant might be oversized one season and slim for the next. The product's design, color, fabric, or pattern will change to match fashionable trend.

In contrast, a classic or nonfashion product tends to maintain the same designs, colors, and patterns, which change only slightly with different collections. The main difference between a fashion product and a classic one is found in the time resistance these ones have. Rather than following fashion trends or regular, cyclic, ephemeral changes, classic products resist changes over time. People recognize these products by their longevity, season after season, such as a navy blue blazer for men or a beige trench coat for women.

Although fashion products and trends remain fashionable for only limited times, the concept of fashion persists over time. Thus, fashion, a brief, regular, and cyclic idea spans different trends, encompassing multiple products. Figure 3.2 illustrates this point.

Fashion refers to multiple trends and products in designers' collections, usually characterized by novelty in each season, though this novelty aspect should not be confused with the concept of innovation.

Fashion Products Versus Innovative Products

Before establishing the difference between a fashion product and an innovation, we recall the specificities of a fashion product, which differ from any other product in two main ways. First, fashion companies dictate customers' choices through their assortments and availability. A customer

searching for a wide-legged, high-waist pant when the fashion is all about skinny, low-waist trousers is likely to be out of luck or he or she will have to visit specific stores or brands. Whereas firms in other sectors usually try to offer a wide, deep assortment of products to help customers find what they want, this is not the strategy adopted in fashion. Fashion assortments generally are not very deep, because fashion managers anticipate fading trends will be replaced quickly with new ones. By creating and designing new products, fashion companies establish a rhythm of change: They prompt the impulse and shoppers follow. In other industries, managers tend to offer what customers demand and adjust their offers over time to meet customers' needs.

Second, fashion creates the expectation of change. Fashion shoppers are aware of and anticipate constant modifications in trends. Changes are expected several times a year in fashion. The need to update is part of the fashion shopping experience. Moreover, fashion companies generate new interest by renewing their assortments. In contrast, managers in other industries bet on long life cycles for their products and use strategies to make them last longer, for many years if possible. Oreo cookies have remained on the market constantly since their introduction in 1912, and loyal customers do not want to be surprised by any changes. When other sectors introduce changes to encourage customers to visit stores, it generally takes more time, though they might be following some fashion trends. For example, the colors and fabrics used in house decor, painting colors, curtains, and furniture follow changing fashion trends. Today, there are many interior design shows in Paris, New York, and Milan, where new trends are exposed. However, such changes take more time to implement than shifts in apparel and accessories, largely due to the prices of these items.

Although fashion implies new products and items that were not in customers' wardrobes or in fashion collections previously, and that we did not have last season in our wardrobe. But the aspect of newness should not be confused with innovation. Four main reasons underlie this distinction between a fashion product and an innovation.

First, we consider the definition of these concepts. Innovation theories define it by the degree with which a person decides to innovate, independent of others' experiments. In contrast, fashion requires others'

judgments, approbation, and adoption to exist. Fashion relies on the dependency that exists in decision and adoption processes, and to diffuse, fashion requires verbal and nonverbal communication and interactions with others. Others' judgments are critical; for example, followers wait for a peak of acceptance to occur before they decide to adopt fashion products. The attention they pay to others differs greatly from the independence that marks innovation decision process. The search for conformity, through the lever of fashion products, does not apply to innovation. Moreover, people purchase fashion apparel and accessories for two main reasons:

- to approximate others' choices, or
- to differentiate themselves from others.³

That is, shoppers try to conform to peers' norms, but many fashion consumers also seek to express their need for uniqueness. They not only want to be fashionable, but also want to maintain their own identity and fashion look. Conformity with other fashion consumers is important, but so is the search for unique and original fashion products. Even while being recognized as fashionable and accepted by their group, people do not want to be indistinguishable from everyone else. By adding accessories to their collection, or mixing some trends, fashion companies can offer this uniqueness to their customers while allowing them to stay conform to their social environment. Fast-fashion retailers support this dual purpose effectively by providing vast color, pattern, and fashion product variety to match each season's trends.

Fashion customers may have different goals, levels of conformity, differentiation, and uniqueness, but they all relate to the social environment, unlike the independence associated with innovation.

Second, an innovation implies a new product, an invention that did not exist in the past and was not available to customers before. In the case of fashion products though, we often find some similarities with previous collections. Fashion appears in cycles, and some products reappear, as aptly exemplified by the miniskirt. Truly fashionable in the 1960s, this fashion staple reappeared as a must wear in 2003 fashion collections. An

innovation is invented and then adopted or not; it does not follow any adoption–readoption cycle, as fashion products do.

Third, visibility distinguishes fashion products from innovations. On the one hand, fashion products are public and visible, and on the other, an innovation might or might not be visible, and this criterion is not a specific characteristic of an innovation, as it is for fashion products. The microwave was a great innovation in the mid-1970s, but as a private product used in the home, its visibility was minimal. Other innovations, such as smartphones, are highly visible—though even in this case, technological features usually dominate these products' visibility characteristics.

The last point that differentiates a fashion product from an innovation is their diffusion. Innovation does not always achieve wide commercial diffusion; this spread is a necessity for fashion products. Fashion requires adoption of its products by a large number of customers; innovation does not. Diffusion is part of the very existence of fashion. A product becomes fashionable only through its acceptance, adoption, and recognition by many people. This spread and recognition designate it as a fashion. On the contrary, an innovation can embody substantial technical progress without achieving vast commercial diffusion.

Therefore, a fashion product is not an innovation nor just a new product or a nonclassic one. Fashion refers to new, symbolic, visible, social products that allow people to communicate and express who they have decided to be.

Summary

- Fashion encompasses multiples trends created in collections, based on different colors, fabrics, designs, and patterns.
- For every trend, a variety of products are designed every season.
- Fashion products differ from any other products and should not be confused with innovations.

CHAPTER 4

Overseeing Cost and Price in Fashion Marketing

Pricing fashion apparel is a crucial strategic tool for fashion companies. Fashion does not require a high retail price or a price below average; rather, it depends on the brands' and retailers' positioning. Before choosing their retail price strategy though, fashion managers must undertake an extensive process to determine the costs to manufacture their products.

Creating Fashion Products and Controlling the Costs

Fashion companies evaluate the differences between their costs and their prices very carefully, particularly because of the short life cycles of their products. The retail price must be set right as soon as the collection launches, to maximize profits. The short life cycle also leaves little opportunity for managers to readjust their prices. Therefore, costs must be studied at every production step to be able to ensure a good margin.

When we outsource our collection or part of it, we are really careful about our suppliers' costs because at the end, it will have an impact on our retail prices. (Product Manager, Women's Fashion Brand)

The total cost comprises all the multiple costs, as detailed next, related to creating and manufacturing fashion apparel. Fashion companies consider all these different costs before fixing their retail price. In the apparel industry, the designer first creates a model or prototype, which then proceeds into different manufacturing steps. The price reveals the costs of each of these steps, together with the level of profit the company pursues.

During the prototype stage, several choices strongly influence the final cost and price. Take the example of a shirt: Depending on the design chosen, its prices vary. During the prototype stage, fashion companies also evaluate their costs for the shirt, which include the following:

1. The type of fabric and its quality
2. The numbers of buttons and their quality
3. The number of pockets and their design
4. The collar design
5. The cuff design

The more details in a shirt, the more work required to manufacture it, which increases the costs. Therefore, the design process features important decisions about which fabric to use and the quantity required to produce the desired number of items, with their specific technical elements, such as the width of the fabric, the direction of the weft, and the presence of a pattern. Such elements are critical for optimizing quantity decisions. For example, for patterned fabric, the cut must account for appropriate alignment, to ensure well-matched fabric pieces and a nice design without too much waste.

Moreover, depending on the complexity of the design, the time needed to manufacture this item will vary. The more time the manufacturer needs to produce apparel, the higher its cost will be. Manufacturers communicate the average time of completion by type of apparel and may increase their fees if designs require adjustments.

Sourcing by fashion companies aims to optimize fabric choices and find a factory that best suits their production needs. Today, much of the information about fabric and its sourcing is available through exhibitions, such as *Premiere Vision* and *Moda In*, which enable companies to discover and source the fabric they desire. These exhibitions are usually held twice each year. In some cases, the sourcing search reveals more efficient options available through overseas manufacturing of fashion apparel. During this step, fashion companies decide in which country and with which factory they will produce their apparel, according to their manufacturer and design requirements. The process can get very complicated, such as when the fabric comes from one country, the accessories (e.g., buttons, zippers)

come from another, and then all the elements get put together in a third country. Yet this complex situation is quite common today, as companies continually seek low costs and also remain dedicated to considering all the design and manufacturing steps carefully to achieve the products they have envisioned at first.

Another important determinant of the cost is volume, or how many pieces of each model to manufacture. The higher this quantity, the lower the costs. From the manufacturer's point of view, it is less expensive to produce thousands of the same style than to produce 100 items of 10 different designs, due to production line management issues. Fashion companies thus enjoy greater bargaining power over suppliers when they can contract for thousands of items: They obtain better deals in terms of costs, which in turn may allow them to offer lower retail prices to their eager fashion consumers. Even if the retail price is low that their profit per unit is reduced, these fashion companies can benefit from much higher total profits because they sell so many more items. Volume, thus, is a strategic bargaining element to help lower manufacturing costs.

Some fashion companies outsource almost all their production. More than 95 percent of production by The Gap Inc. takes place outside the United States, and H&M (Hennes and Mauritz) has also outsourced its entire production.¹ Mango is mainly produced in China (45 percent) and Morocco (23 percent). As Enric Casi, Mango's chief executive, notes "We design and distribute the garments but we do not manufacture them."² This retailer has more than 140 suppliers around the world.

Regardless of where they are located, fashion companies must ensure their specific requirements have been applied by manufacturers, so they apply quality controls related to both aesthetics and technical criteria. Aesthetics refer to the general aspects of the apparel, such as its visual symmetry and overall look. The technical criteria take into account raw materials (quality, defects), measurements, fashioning, and labeling.

I work with someone responsible of our products quality. She goes in factories, controls, checks our production, takes samples and measurements to be sure that everything is as we plan and design it. We have to be sure of our collection, it has to reflect our brand image. (Designer, Men's Fashion Brand)

Together with the quality controls, manufacturers and fashion companies negotiate shipping and handling costs, which often depend on the type of apparel (e.g., if it can be folded into a flat box or must be hung). The quality of the box may also vary. Shipping fees reflects the companies' decisions about whether the products will be carried by road, air, or sea. Different means of transport incur different costs, and in some cases, two or more forms of transportation are required to reach the point of delivery.

Finally, manufacturers apply their own margins, reflecting the costs related to the use of their machines, their maintenance and, their employees so that they can earn some profit too. The total cost communicated to fashion companies encompasses all these elements. Figure 4.1 details the different steps in the creation of fashion apparel that incur costs and enable fashion companies to determine their prices.

Fashion apparel and accessories are similar to many other products when it comes to assessing and setting prices. Their production requires

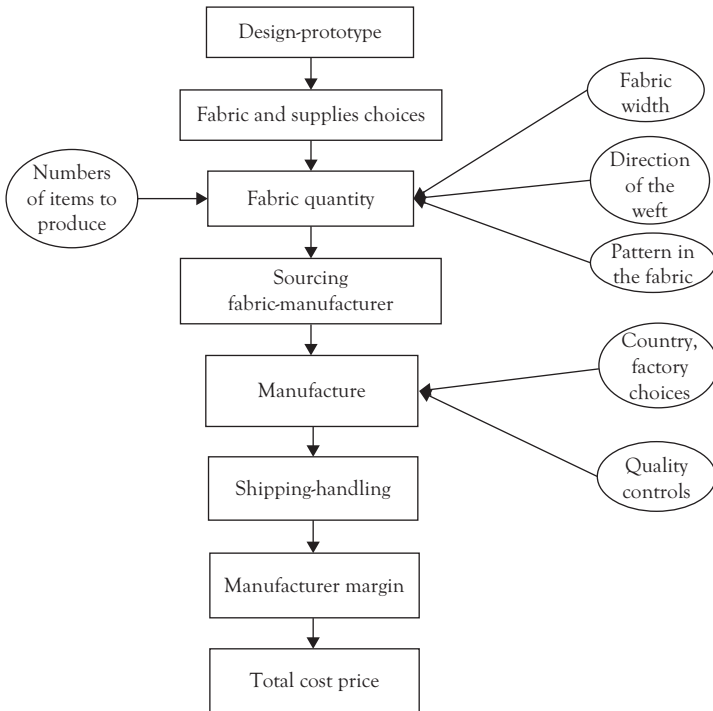


Figure 4.1 Apparel creation steps

many steps, each of which creates costs. Assessing these costs is the first stage in the pricing process. Knowing the cost price, fashion companies can then determine the level of profit they want to reach and accordingly set the retail price for their seasonal fashion products.

Fashion Products and the Price Challenge

Fashion products are ephemeral, and marketers must acknowledge the timeline to be able to set attractive prices. Different goals are associated with the retail prices of fashion products, in the sense that as a strategic tool, the price should enhance consumers' perceptions of value, maximize fashion companies' profits, and reflect the brand's or retailer's positioning in the competitive fashion apparel market.

In addition to the costs related to the manufacture of fashion products (as we discussed in the previous section), other elements should be considered when setting prices. Specifically, fashion managers should take four main distinctive elements into account when setting their retail prices, as summarized in Figure 4.2.

After determining the cost price, fashion companies should select their preferred margin and set a mark-up level that can ensure their profit. Margins depend on not only the cost of manufacturing fashion products, but also all those costs related to staff, rentals, promotion, discounts, clearances, utilities, and so forth. Thefts and product deterioration also represent costs that companies must bear, so they need to be anticipated

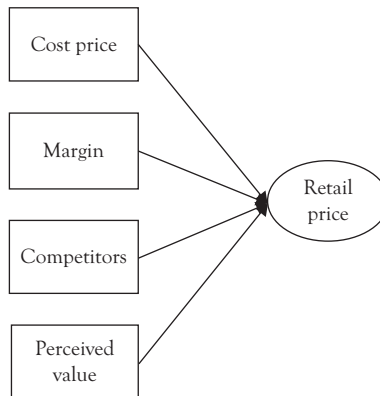


Figure 4.2 Retail pricing factors

and included in the margin calculation to avoid losses. Seasonable sales, potential discounts, and other costs should be predicted as accurately as possible so that these costs already are included in the retail price, rather than potentially deteriorating companies' profits.

Depending on the retail choices a company makes, the costs related to staff and rentals differ; the margin calculation should take this variation into account. If the fashion brand has a very large store in a very busy district, rents may be high, and managers likely will need to hire many salespeople to handle the store displays, sales, customer service, and so on. Therefore, retail choices imply costs that also are part of the brand margins.

The retail positioning influences the margin too. A selective brand such as Chanel would not apply the same margin index as a fast-fashion retailer such as Zara. The retail price (RP) can be obtained by multiplying the cost price (CP) by this index (I), which may vary from 1.5 to 2 points to 6 to 8 points, depending on the retailer's positioning:

$$RP = CP \times I$$

Table 4.1 offers some example indexes for different types of retailers.³

These examples refer to retailers' private labels and manufacturers' products. Unlike in department stores, national or international brands provide their own suggested retail prices, and the stores generally adopt these prices to stay competitive in their markets. In these cases, the margin indexes average close to 2 or 3. Retailers usually apply higher margin indexes to their own private labels to achieve higher overall profits. Whereas fashion companies negotiate with manufacturers at each step of the process to lower their costs, they mostly adjust their margin index to earn more profit.

Table 4.1 *Margin index*

Retailers	Margin index
Luxe retailers	From 6 to 8
Department stores	From 4 to 5
Fast-fashion retailers	From 3 to 4
Supermarkets	From 1.5 to 2

In addition to costs and profits, setting the retail price is a function of the fashion company's image, target market, and competitors. Fashion companies might choose one of the three following price strategies:

1. Cost-oriented price strategy: Managers set their prices at a minimum level, considering their costs and their goal in terms of profit.
2. Customer-oriented price strategy: Prices are set in accordance with customers' desires and expectations. Companies determine the level of retail price acceptable for their target market and fix their prices accordingly.
3. Competition-oriented price strategy: Fashion managers set their prices based on their competitors. Those competitive guidelines allow managers to adjust their prices as necessary.

In addition, many fashion companies combine these strategies. The fast-fashion retailer H&M adopts mainly a cost-oriented approach (prices are usually below the average price in the market), and also integrates a customer-oriented strategy (they follow trends and offer fashionable items with prices accepted by their target market) and a competition approach (they study their main competitors' prices strategies, such as Zara or Mango, and adapt prices accordingly).

With these different price policies, and increasingly informed customers, competition becomes harder and broader. Modern shoppers looking for fashion apparel confront a massive amount of alternatives, in terms of products, retailers, and prices. Fashion managers cannot ignore their competitors and set their prices independently; they are subject to adjustment, depending on other actors' price policies. Managers use the tactical tool of retail prices associated to their assortments, to attract customers and earn profits while still staying competitive.

Fashion companies' pricing policies must accord with laws governing their possible adjustments though. For example, in some parts of the United States, state regulations set minimum prices to prevent retailers from selling products for less than their costs. The Robinson-Patman Act seeks to prevent price discrimination, and the Sherman Antitrust Act and Federal Trade Commission Act prevent illegal agreements among suppliers or retailers to set prices. Retailers may not claim that they are offering

a price reduction unless the product has been offered at a higher regular price for a certain period of time. In France, a similar law requires that the product appear at the regular price for at least 30 days. If a fashion company wants to mark down some apparel, it must keep those products on shelves at their regular price for 30 days prior to the reduction. Such acts and laws accordingly get integrated into the pricing process by fashion companies that have to follow the rules for each country in which their brands are sold.

Pricing strategies also encompass the value perceived by shoppers, defined as the ratio between the perceived benefits of fashion products and the retail price. Customers attribute a perceived value to fashion products; on the basis of this appreciation, they decide if the product is worth the money being charged for it. We discuss the benefits related to perceived value in Chapter 7, including both symbolic and experiential benefits.

When the pricing policy is set and retail prices appear on every piece of apparel and accessory, companies can then estimate their best or worst sellers. All fashion retailers dream of selling their entire collection at full price, but that dream remains elusive for most of them. Of the numerous fashion apparel and accessories available on the market every season, some are slow-selling items that require some promotional help from fashion managers. Slow-selling products mean negative consequences for a company, including inventory stock issues, poor range presentation in stores, and the inefficient use of valuable floor space. To prevent such damages, fashion managers often turn to promotional pricing, using either permanent or temporary discounts. A permanent discount reflects the final clearance price applied by managers to get rid of slow-moving stock; the temporary form creates a markdown for a specific item or line and for a specific period of time.

Again when it comes to promotions to reduce inventory, fashion firms must consider government regulations and laws. Some countries allow final clearances no more than twice a year, at the end of each season (Spring-Summer and Fall-Winter). A nationally set date in France determines when every brand, retailer will begin its clearances. However, companies can use other promotional strategies throughout the year to convince customers that they have the best deals. Despite these

options, fashion managers' actually prefer to limit the number of items marked down and the duration of the promotion, to maintain their overall profit.

The level of the markdown generally depends on the importance of the problem: How overburdened is the inventory? How many items are involved overall? What are the margins? What is the expected profit?

Using their answers to questions such as these, fashion managers may choose to reduce their retail prices with markdowns from 10 percent to 70 percent. If lines of apparel are selling very slowly, 10 percent will not be sufficient to lighten the stock. A half-price markdown (50 percent) is common, because it encourages significantly more purchases and increases traffic in stores. If a promotion can draw customer traffic, it might increase impulse purchases of other items too.

Choosing to reduce retail prices thus is an important marketing decision for fashion managers, because the costs of markdowns can be high and affect overall profits. Moreover, fashion companies must choose and implement these promotional tactics fast enough to make room for the new apparel and accessories arriving, yet they want to avoid training customers to anticipate and wait for markdowns. That is, if a fashion company regularly uses promotions to attract shoppers, they likely become habituated to discounts and expect them. Regular prices then will appear unjustified, leading these customers to look for promotions and wait until prices are reduced before they will purchase.

Retail prices also convey an image of the fashion company to fashion consumers. A price offers an important cue for a customer to evaluate a brand or retailer, so prices influence the image a shopper perceives. Fashion customers then come to learn that if they are looking for an inexpensive pair of heels, they should not waste their time in a Jimmy Choo store, and if they are seeking a trendy coat at a low price, they might start in an H&M store.

Retail price is a truly critical element of a fashion company's marketing mix that demands careful management. As a result of price wars among fashion brands, the pressure is on fashion companies to lighten their inventory, manage their turnover, offer attractive prices and promotions, stay competitive, and maintain a consistent image—all without eroding their overall profit.

Therefore, price is both a strategic tool and a challenge for fashion product management and positioning. Because of the short life cycles of fashion products, managers do not have the luxury to conduct trials and errors of different prices that might appeal to their customers and keep them competitive in their market. Nor do they have much time to select the most appropriate promotional strategies to attract customers and stimulate their decision process. Managers instead must simultaneously deal with costs, margin levels, competitors, and perceived value to set the right price for their fashion products that will reduce their need to use promotional tactics.

Summary

- Fashion product prices reflect the costs incurred throughout the manufacturing steps.
- In the process of setting price, fashion companies consider four main elements: cost prices, level of margin, competitors, and perceived value.
- Retail price is a strategic tool that managers set carefully to attract shoppers, in accordance with the earlier four main elements.

CHAPTER 5

Fashion as a Means of Communication

People need information before they can judge if buying a fashion product will be relevant for them. Modern shoppers are well informed, mainly through social interactions, about the season's must haves. They obtain, retrieve, and repeat information through media, word of mouth, advertisements, and interpersonal communication.¹

Fashion products tend to be perceived as risky, because of their ability to transmit key messages to others. Their symbolic and social aspects make these products special for shoppers, who use them to create a preferred image of themselves. To deal with the constant changes in fashion products, consumers seek substantial information to get reassurance about their fashion choices.

A Means for Interpersonal Communication

Because of their unique characteristics, fashion products can improve consumers' own images and grant them recognition in their social environment. These characteristics also prompt shoppers to search for information before they will consider adoption. Individual decisions regarding fashion apparel and accessories are influenced by references and information from others. In turn, fashionable products help people express themselves and grant them a position in their social environment.

The social and symbolic aspects of fashion products enable people to project a certain image of themselves to others. Therefore, interpersonal communication is crucial to information diffusion. Fashion customers establish their places in their social environment through verbal interactions, word of mouth, nonverbal cues, and observation; both word of mouth and observation provide efficient methods to communicate about and convince people of fashion products.

Word of mouth refers to oral communication between someone who receives information and someone who communicates it. In this informal communication between consumers, language is a social instrument, such that it creates exchanges in the social environment. According to Buttle, word of mouth features five main characteristics:

1. Value: Word of mouth reveals positive or negative information about products and thereby ascribes positive or negative value to them. If word of mouth derogates a fashion product, shoppers will be reluctant to adopt it.
2. Centrality: Word of mouth involves face-to-face communication through verbal exchanges between at least two persons.
3. Temporality: Word of mouth can occur before or after purchase or consumption.
4. Solicitation: People can pursue word of mouth, such that it reveals what information people seek before deciding to buy a fashion product. For some shoppers, word of mouth is a crucial source of information that aids their decision-making process.
5. Intervention: It can be manipulated to transmit a specific message. Companies might evoke word of mouth to communicate indirectly about their products or their competitors, such that it provides a strategic tool for informing fashion shoppers about products or brands.²

Today, electronic word of mouth may take place nonverbally, but it still involves direct communication between at least two consumers. Modern customers chat, exchange text messages and pictures that might influence their decision, when it comes to buy or not the latest design.

Bone also establishes several elements to explain what determines whether word of mouth constitutes an important interpersonal means of influence and communication:

- Social environment: Word of mouth has an impact on shoppers' social environment. It reflects the social link between shoppers and the role of every consumer in his or her social groups.

- Consumption situation: The importance of word of mouth depends on two elements during consumption:
 - Time—word of mouth appears mainly during the first consumption experience and less commonly during subsequent purchases.
 - Reasons for purchase—shoppers resort to word of mouth for personal fashion purchases or gifts.
- Purchase perception: The level of satisfaction influences the type of word of mouth, positive versus negative. If a customer is satisfied (dissatisfied), he or she may be more sensitive to positive (negative) word of mouth.³

Word of mouth also enables people to exert a normative or informative influence on their social environment, regarding the product assessment and the decision to purchase fashion products. Shoppers give advice and judge products according to word of mouth, which appears to be a stronger determinant in relation to subjective information, such as quality assessments. Shoppers seek more information about the intangible aspects of fashion products. Information such as price and color are easy to determine, but when it comes to the value of fashion products, consumers need advice and reference. They trust their peers and take into account their personal values and perceptions before deciding whether to purchase the products or not.

As a form of social support, word of mouth thus reduces the risk involved in individual choices. By obtaining information, advice, and judgments from others whom they trust and whose points of view matter, customers can make their decisions and establish their convictions.

Such verbal interactions with referent others also enable a person to define his or her social position in the group. Fashion products have social and symbolic aspects, so people need reassurance about their fashion choices, which influence their acceptance and belonging in the group. In this sense, word of mouth allows a potential customer to gain information, apprehend the appropriateness of a fashion product, and grow accustomed to its novelty before buying it.

In turn, word of mouth is superior to traditional media for enhancing fashion products' adoption.⁴ Although traditional media communicate

widely about new products, the information they transmit appears less reliable than the ones transmitted through word of mouth, such that the interpersonal communication mechanism exerts a greater impact than traditional media, because the received information is more accessible to the consumer.⁵ Personal and direct contacts through word of mouth with peers also are more relevant to the purchase decision than are traditional media, because the information comes from someone they know and trust.⁶ Thus, this face-to-face communication and interactions reassure fashion shoppers in their fashion choices.

Word of mouth is not only a tool consumers use to get information but also a means for a company to communicate about its products. Crocs offers a good example: The successful footwear company began with a foam clog shoe for sailors and expanded through word of mouth to persons who spend much of their day standing, such as nurses, doctors, and gardeners.⁷ Crocs then attended festivals and sports events to talk to customers about its distinctive foam shoes, highlighting the benefits of the products and developing customer targets. As consumers expressed satisfaction with these new kinds of shoes, more people began talking about them and adopting these trendy, funny shoes. Through word of mouth, this company reached a wider target market, at a far lower cost than would have been associated with an international advertising campaign. Word of mouth also allowed this fashion company to focus first its communication on a specific group of customers, such as doctors and nurses, then extend to everyone.

Positive word of mouth benefits fashion companies even when they do not initiate it. By spreading information about what is fashionable or where to find the hot new bag at a good price, word of mouth arouses customers' desires to own this trendy product, attracting more of them to stores, which in turn increases purchases for the brand or retailer. Word of mouth consists of a suggestive tool that fashion managers should handle carefully to ensure a positive influence on shoppers. To gain positive word of mouth, and thereby retain shoppers and generate new customers, a fashion firm needs to give people reasons to talk about it. Word of mouth is central in social interactions, as a rich source of information, a means to influence the social environment for fashion shoppers, and a strategic means of communication for fashion companies.

Observation is another route for fashion customers to gain information about what is fashionable at a particular time and to evaluate other shoppers' status in their social environment. For example, consumers observe what others wear, what trends are in stores, which informs them about what is fashionable.

They also recognize certain visual stimuli from the fashion products that others wear, such that codes and norms related to these fashion products constitute a reference to follow if they want to become part of a specific group.⁸

Unlike word of mouth, observation can take place without direct interaction, whether in the streets, in a group, or on retail display.⁹ Observation is a nonverbal route to information related to fashion apparel and accessories. Because fashion offers such visible, well-recognized symbols, observation alone can help people maintain their place in their social environment.

Moreover, observation is personal; people choose who or what they want to observe. Shoppers usually observe people they consider appropriate as models to follow. Observation refers to fashion apparel visual interpretation, but people need references to come to a judgment or appreciation, whether by learning from others or education.

First, people learn by imitation and by being exposed to others' behaviors. Such exposure might lead a consumer to purchase the same apparel, to adopt an image similar to that communicated by the person observed. Each shopper chooses independently whom to observe and imitate. Observation may convince them that a new fashionable apparel, is the right one for them, as it is for others customers they observe. Thus, observation reassures fashion shoppers of their choices. This information gathering process includes four main steps:

- Attention: The observer takes into account the characteristics of his or her model. In this first step, shoppers get information about the person or group of persons of interest.
- Retention: The observer memorizes others' behaviors and choices. These information are recorded in their memory.
- Replication: Act on the observations. By knowing what others choose to wear, the observer decides whether to purchase or not.

- Motivation: The observer considers the consequences of his or her choices (reward or punishment). If he or she decides to purchase the same fashion apparel as the persons observed, he or she might gain approval, but choosing not to mimic those choices might lead to rejection by others.¹⁰

Because fashion shoppers learn by observing others' fashion choices and make their decisions about their consumption experiences, observation constitutes a means of interpersonal communication that matters in the fashion diffusion process. Customers use it to judge, compare, appreciate, and adopt fashion products.

Second, shoppers learn also through education to observe and evaluate the relevance of fashion apparel. In childhood, people are exposed to consumption codes and norms, which they refer to later in life to decide if the pink coat that is fashionable this winter really is appropriate for their group. Many customers base these judgments and decisions on the norms they learned from their family; that is, their family legacy likely determines how they view a person, perceive of fashion clothing, and judge fashion products. They can internalize this legacy or reject it along their life and own experiences but if needed these family norms enter long-term memory, so they can be retrieved at the time of the decision. People interpret fashion products in accordance with their family education; when it comes to information about these new products, observations reflect the memorized codes, which also influence whether they decide to purchase or not.

Overall then, word of mouth and observation are two means of interpersonal communication that enable consumers to gain more information, become accustomed to a novel product, and appreciate it more.¹¹ Both forms of exposure are important, though some elements may reduce their relevance. Information gained through word of mouth is inherently subjective and based on others' judgments about a new product, such that it depends on others' interpretations. If referents change their minds about a fashion product or have an initially negative opinion, they might spread negative word of mouth influencing potential shoppers' interpretations. In contrast, observation depends only on the customer's own

judgment. Although people observe fashion products that others possess, they judge them only according to their own standards.

The level of independence exhibited by fashion shoppers in their decision-making process thus is more important for observation than word of mouth, because observation grants customers more objectivity in their choices and decision. They still consider fashion products' social values but also require a product that fits their specific expectations and accords with their own references. Observation seems more objective than word of mouth in the information transmission process and may lead fashion shoppers to more stable judgments.

Although customers and fashion companies rely strongly on word of mouth and observation in the decision-making process related to fashion apparel and accessories, they also have other ways to gain and spread information and communicate about trends and fashion products.

A Means for External Communication

Fashion companies must communicate with shoppers to help them discover new trends and identify their offerings such as the latest coat for this season, the crucial item they must wear. Such communication helps potential customers become aware of the trend, the brand, and its novelty. They also might arouse attention and curiosity. Fashion companies use communication to increase knowledge about their products and encourage shoppers to spend money on them. Therefore, communication enables companies to achieve different objectives:

- Increase customers' knowledge about products. Through communication, fashion companies deliver information about the specifications of their apparel and accessories, such as design or price.
- Increase customer traffic in stores. Fashion companies attract fashion shoppers through communications about the arrival of new apparel and collections, exhibits in the store, and promotions.
- Increase sales. Good communication should increase sales, by tempting shoppers to come into the store and purchase more.

- Maintain and improve brand, store images, or both. Companies communicate to be known but also to say something about themselves. For example, advertising that explains the new fashion collection features only organic cotton might improve the company's ethical image; information related to a new fabric that is easy to care for and breathable might encourage an innovative image.

The communication process involves several elements: a message, a sender, and a receiver. The message can be based on visual or verbal stimuli or both. To be effective, communication requires a response or feedback, so that the sender knows if the message was communicated effectively. In this sense, communication is a two-way process with three stages: encode, delivery, and decode (Figure 5.1).

Encoding consists of message creation, through words, symbols, images, and sounds that aim to appeal to the fashion brand's target market. Message delivery takes place through one or several media (magazine, TV, radio). Fashion firms generally rely on magazines, televised ads, and bill postings, though each firm must decide which channels best match their message and intended communication. In the decoding stage, the message and its meaning gets interpreted by shoppers. This challenging step requires fashion managers to work carefully, because their intended interpretation may differ from customers', especially when noise disrupts the transmission of a message. Noise refers to external factors affecting the content or the transfer. When shoppers interpret the message, their

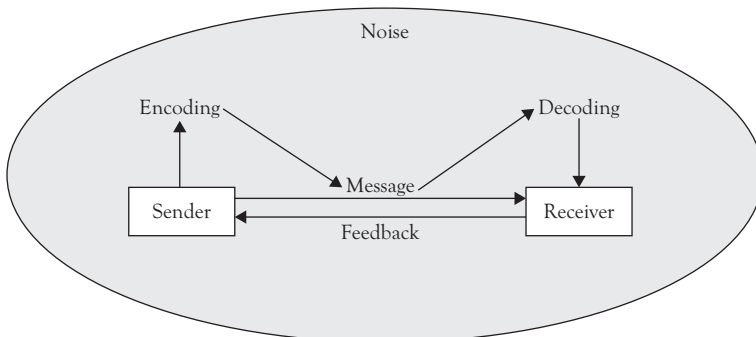


Figure 5.1 *Communication process*

translation is subjective, depending on the person, the environment, and other factors. Shoppers' perceptions are the key. For marketers, the main goal is to deliver a message that conveys the same information, interpreted similarly by every fashion shopper.

Marketers have various tools at their disposal to attract shoppers and encourage their desire for latest fashion apparel. This chapter emphasizes the role of fashion exhibitions, public relations, advertising, merchandising and window displays, personal selling, and direct marketing as important means of communication.

Exhibitions

Fashion exhibitions are held all across the world (e.g., Paris, London, Milan, New York, Tokyo), usually twice a year. The events target fashion buyers, but regular shoppers can watch televised fashion shows or review summaries online through sites such as FashionTV and FashionOne in the United States or La Chaine Mode in France. During these exhibitions, fashion designers present their collections and new trends. By revealing their must haves for the next year, they aim to inspire other brands and retailers, which in turn should add the key trends to their own collections with different fabric and different costs. Hence, today some fast-fashion retailers such as Mango and H&M hold their own fashion shows twice a year. In 2005, Wal-Mart also sponsored a fashion event on Times Square during New York's Spring Fashion Week.¹²

Broadcast fashion shows also enable companies to initiate the communication about the new black or cool flower themes. This means of communication often is taken up by other media channels that share information, such as magazines and news coverage, allowing the fashion companies to reach a wider group of customers and communicate their specific images.

Public Relations

With this process, a company establishes and develops understanding and relationships with the public, including both fashion shoppers and fashion media, which are important actors in these exchanges. Through

public relations, fashion companies try to shape their public perceptions. For fashion shoppers, the information obtained through public relations often seems more impartial than regular advertising, because the information is produced by journalists who do not appear directly connected to the brand. But this impression can be somewhat misleading, in that public relations outputs come directly from the brands themselves. The firms provide information to the press to help them write articles about the latest exhibitions or new trends. Many companies maintain their own press section on websites, offering various information; press packs with information that they send usually before each fashion show; and look books highlighting photographs of the essential looks of the season. All these forms of information are transmitted to journalists, to encourage them to communicate about the firm or brand and its fashion items.

Public relations also tend to reduce advertising budgets, because this common means of communication among fashion firms is less expensive than traditional advertising. In support of each new season, public relations professionals seek to foster favorable messages and images and thereby generate attention for the brand, with a limited budget. In this sense, public relations establishes a beneficial, reciprocal relationship between a fashion company and journalists. The latter need stories, events, and news to tell readers; the former need media coverage to remain prominent in their customers' minds and encourage purchases. So, public relations consist on a win–win means of communication.

Advertising

This element covers multiple activities and media, including magazines, cinema, television, radio, store signs, and the Internet. This wide scope of communication allows shoppers to become aware of new products, brands, and trends quickly. Some formats are particularly efficient for fashion products, such that fashion companies tend to invest in magazines or television ads rather than radio. Fashion magazines are full of fashion ads: *Vogue*, *Marie Claire*, and *Elle* produce, for example, respectively, 23, 24, and 44 editions worldwide, in which fashion brands often

spend the bulk of their communication budgets. For some editions, especially during holiday seasons, more than one-third of the advertising pages feature fashionable apparel, accessories, perfumes, shoes, and so on.

Sears Holding spends annually about \$1.8 billion on advertising; Macy's spends almost 6 percent of its revenues on multiple advertising campaigns in magazines and television and Mango invests 4 percent of its turnover in advertising.¹³

Celebrities' influence also is important in fashion advertising. Some celebrities become brand muses, such as Uma Thurman for Louis Vuitton or Madonna for Versace, such that the fashion company relies on these celebrities' charisma to enhance its own image. The fact that Humphrey Bogart, Ingrid Bergman, Peter Sellers, Audrey Hepburn worn the Burberry trench coat in movies help this brand become more popular. In 2000, Kate Moss became part of the new Burberry advertising campaign. As Doherty, Burberry senior vice president of marketing worldwide, notes "When we introduced Kate in our ads, we were really able to communicate our more modern, fashion-oriented side."¹⁴

Celebrities also affect fashion brands through their presence in celebrity magazines: The simple fact that a celebrity wears the latest design from brand X represents a huge communication effect for this brand and its sales.

Because advertising can be very costly for fashion firms, four key questions are important for setting advertising budgets,¹⁵ as illustrated in Figure 5.2.

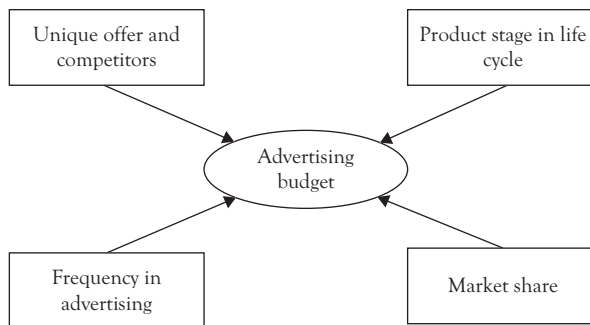


Figure 5.2 Advertising budget

Fashion companies should ask themselves:

1. Can we communicate something different from others, and on a related note, what are our competitors' policies in terms of advertising? If a fashion firm offers a unique fashion product or a specific promotion or event that everyone will recognize, fashion managers likely enjoy a good return on their advertising investments, because shoppers will seek these products after seeing the ads. Competition is high when it comes to attracting shoppers' attention first, so fashion managers must be careful and avoid confusing customers by proferring too many, or not enough, ads. Instead, they need to deliver specific messages and unique propositions.
2. At what stage in its life cycle is our target product? A mature product should not be intensively advertised, because it will fade quickly. Timing is important when managers decide whether and when to purchase new ads. They have to consider the timeline of their fashion trends and products before planning and investing in advertising.
3. What do we expect in terms of market share? High market-share expectations should increase the communication budget, to spread more information about brands and reach more potential shoppers.
4. How often do we need to communicate? Some fashion companies advertise more frequently than others, such as initiating several communications about a summer collection to emphasize apparel (shirts, dresses) in one campaign, as well as swim-suits, sandals, and accessories in another one.

Advertising represents an important part of any fashion company's communication budget because of the important benefits achieved through these campaigns. This traditional method for spreading information has the ability to create powerful messages and shape fashion companies' image in different formats across several media, reaching a large audience.

Merchandising and Window Displays

Visual presentations and displays of apparel and accessories in retail stores aim to gain shoppers' attention and represent the retailer's image, brand's

image, or both. Fashion companies choose their merchandising plan in accordance with their stores' traffic patterns. Usually fashion apparel stores, especially department stores, feature curving or free-flowing traffic patterns, with aisles and displays that allow fashion shoppers to browse in any direction. In these settings, fashion firms use several tactics to highlight their brands and products, such as placing sale items at the back of the store. Shoppers looking for discounts thus must walk all the way through the store, exposing them to new fashion apparel, before they get to the clearance area. This path and the displays along it may incite them to buy new collection items instead of sale products. Another tactic consists of setting brand labels to the left of a national or international brand because after seeing the brand name, Western shoppers' eyes automatically moves left, as on a page of written text. This placement increases shoppers' attention to the private label displays and may stimulate their purchases for this label.

These visual appeals constitute a means of suggestion and persuasion for potential customers because merchandising and window displays help ensure that fashion products are displayed in their best light, to catch, build shoppers' interest and, to lead to more sales for fashion companies. As examples of memorable window displays, consider Louis Vuitton, which wrapped its Fifth Avenue store in Monogram Multicolor LV in 2008, or Lanvin, which used fans in window display in its Paris store to create windswept dresses with flow and depth. These displays surely caught shoppers' attention—as well as establishing the brands' innovative, exciting images.

Fashion firms use visual displays in their stores to help shoppers discover the latest trends and learn what to wear, such as how to accessorize large prints or coordinate new colors with their existing wardrobes.

Moreover, fashion brands play with their in-store layouts and displays to establish an appealing store atmosphere. With lighting, wall, and furniture colors and choices, as well as the ambient music, they define their image and communicate through it. A visitor to an H&M store, with its many racks, displays, and loud music, recognizes a different atmosphere and image than a shopper in a Chanel boutique, with scattered pieces of furniture, soft lighting, and gentle music.

Fashion managers have many tools available to induce shoppers to enter their stores and purchase, and merchandise and window displays

interact with many of them to communicate the company image and enhance sales volume and profits.

Personal Selling

The first contact that a shopper has with the fashion company is critical; this promotional method accounts for a large portion of fashion companies' promotional budgets. We address three kinds of personal selling: transaction processing, routine selling, and creative selling.

Transaction processing refers to simple selling activities, such as check-outs. Retailers including Kohl's and Target effectively illustrate these basic fashion transactions by providing both self-service and checkout services. Routine selling goes a step further, such that the staff is more involved and gives advice to customers. In department stores such as Sears, Nordstrom, for example, salespeople guide shoppers personally throughout the large assortments. JCPenney trains salesperson teams to achieve high sales levels and reinforce its image as a fashion-oriented retailer. To accomplish those goals, salespersons seek to guide and advise shoppers on how to wear the new long dress or which kind of shoes would match it. JCPenney thus bets on its salespeople's abilities to foster shopper loyalty. Finally, in creative selling, salespeople work individually with customers to define their needs and desires and accommodate those wishes. In luxury stores such as Valentino and Dior, salespeople are dedicated to their customers. Today, many fashion retailers offer customized shopping assistance, such as style advisers and personal shoppers. The department store Galeries Lafayette in Paris specifies three available customized services: personal shopping help, according to the shopper's desires and expectations, to produce a fashionable wardrobe for the season; shopping services that allocate a salesperson to the customer and shop with him or her in the store, providing information about trends, brands, and advices for his or her fashion choices; and custom shopping, where in a large private apartment on top of the Boulevard Haussman store in Paris, customers meet with stylists to learn about new trends prior to others, gather style advice, and choose a specific outfit for a particular event if needed.

Fashion companies and retailers pay a lot of attention to their sales staff because shoppers perceive the brand's image through them and the

customer's services they offer. For fashion managers, personal selling also represents a means to access customer information. Salespeople link the brand and the company by providing feedback on assortments, prices, and stores. To maintain and even improve customer satisfaction, fashion managers make adjustments according to this feedback, available through their salespersons.

Finally, customers' perceptions of salespeople's abilities influence their purchase experiences and determine their level of satisfaction. Effective personal selling can lead to increased purchases and greater loyalty. The reassurance and help provided by trained, knowledgeable salespersons create a positive perception among fashion shoppers, leaving them more confident to settle into long-term relationships with this dedicated brand or retailer.

Direct Marketing

Direct communication with a shopper generally aims for a specific target, through one-to-one contact with the customer, whether by mail (postal or electronic) or phone. It offers an opportunity to personalize companies' messages, then gather accurate information about specific target markets, and build relevant customer databases. Especially through Internet transactions, better customer targeting leads to fewer wasted promotional expenditures for fashion brands and retailers. Some fashion firms send card for their customers' birthdays or information about new collection, promotion, or special events.

The Internet provides a valuable, inexpensive means for brands or retailers to communicate about their new trends and products to a wide audience or to a target one. On the one hand, shoppers use the Internet to seek information about trends, prices, availability, and to purchase; on the other hand, fashion companies use it to advertise the latest fashion apparel and accessories. Furthermore, the Internet has supported the massive development of social networks, which offer another channel of communication between fashion companies and shoppers. This new information exchange mechanism has quickly become indispensable in fashion sectors. For fashion managers, social networks readily spread news about their brand to connected customers, leaving the brand more prominent

in shoppers' minds. They use social networks to increase their communication impact, as well as to receive feedback from consumers. Social media support advertising and announcements about special events and promotions. Pinterest, for example, collects information about a fashion brand designer and team in one place, making shoppers feel closer to the brand.

Retailers and brands increasingly use network and digital technologies to create such links with their shoppers. The brand We uses a Twitter Mirror in their stores' dressing rooms to enable customers to post photos of themselves with the fashion apparel they have selected, for their Twitter followers to see. This technology enhances shoppers' experience, prompting them to visit more often, stay longer in the store, and perhaps purchase more. Another example comes from the brand American Eagle's 77 kids which uses interactive screens to allow children to participate meaningfully in the purchase process: They can try on apparel in different virtual environments and take photos. This brand, thus, creates enjoyable experiences for children, who are not always willing to spend time shopping for clothing.

These technology tools also give customers a new way to decide which clothing fits best, which eases the process of buying. By investing in such technologies, fashion firms enhance their images among shoppers, who likely desire to repeat their enjoyable shopping experience.

Social networks and new technologies also enable firms to react more quickly to issues, such as quality problems, or present updated, targeted offers to shoppers. Through social networks, customers often share important word of mouth about fashion apparel and accessories with their online friends. Many members join virtual fashion groups, post pictures of their latest fashion purchases, their advices and, their opinions about a new fashion trends. In turn, fashion companies can connect with wide audiences, advertise their new collection and, potentially, create special links through online interactions. The increased exposure through social networks helps fashion shoppers feel more connected with their favorite brands.

Social networks establish important word of mouth regarding fashion apparel and accessories that have to be considered seriously by fashion managers. Negative word of mouth can be spread in a second through

social networks. Therefore, fashion shoppers' feedback must be studied carefully and prompt swift reactions, if necessary. Fashion customers tend to trust their peers' ratings and comments more than brand communication, and they seek reviews from other shoppers before purchasing fashion items. Therefore, fashion managers should be aware of these reviews and analyze them carefully, and then adjust their offers accordingly.

It is important for fashion managers to establish an overall, strategic promotional mix that combines advertising, public relations, displays, and personal selling to reach their target market and communication purposes. Usually, fashion firms use a mix of these means of communication to reinforce each other.

Consumers react to fashion companies' communication through the hierarchy of effects: from awareness to knowledge to liking to preference to conviction and finally to purchase. Different communications can best maintain shoppers' attention and interest through these steps. For example, advertising usually serves to develop awareness, but promotions are best to stimulate desires. Fashion managers have to decide which mix, timing, and message fit their goals the best.

Across these different information exchanges, shoppers obtain and share knowledge about the latest trends. Therefore, these large amount of information and communications enable fashion companies and brands to develop notoriety.

For fashion companies, notoriety is crucial. It ensures customers have their brands or products in mind during their decision-making and adoption processes. Notoriety can be defined as a level of knowledge that allows for brand recognition. The main goal of communication is to make the brand known by more shoppers. Consumers must be aware of and familiar with the new fashion product to have it in mind when they begin the decision-making process.

To illustrate, consider the notoriety pyramid, as elaborated by Aaker, in Figure 5.3.¹⁶ The different levels reveal the brand's or product's place in the customer's mind. The first stage, unawareness, implies the shopper has no knowledge of the brand or product. Then with recognition, shoppers become aware of the new product to which they have been exposed. Some recognition exists only when consumers' awareness and knowledge are stimulated, which is called "aided recall." With unaided recall, the

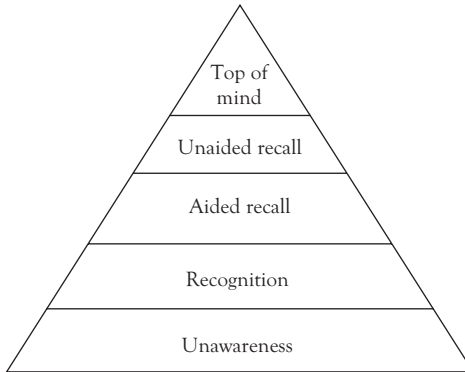


Figure 5.3 *Notoriety pyramid*

product is spontaneously familiar. Finally, in the top of mind level, the new product is ever present in the consumer's mind.

Managers seek to move their fashion products up in this pyramid to increase their chances of being selected and purchased from among the huge fashion assortments offered by many fashion brands and retailers. A person who knows that a product or brand exists is more likely to buy it than an unknown brand, even if it offers poorer quality than the other.¹⁷ By knowing it exists, the customer can develop liking and trust for the brand or product and thus incorporates it into his or her consideration set for purchase.

It is comforting to have knowledge about fashion because it changes so quickly but also has direct impacts on people's physical appearance and others' judgments. Fashion product notoriety can help people assess and judge if buying this new product will be relevant for them.

Customers are exposed to many information related to fashion trends. Therefore, repetition through different communication methods can enhance people's attitudes toward new products. Exposures to fashion in particular tend to be multiple because fashion trends often are shared by several different brands or creators simultaneously. Furthermore, fashion is a short-term phenomenon, which implies that the consumer decision process must be rapid. In other markets, a new product can be adopted years after its initial launch, but with fashion products, the timeframe for the consumer decision is quite narrow. Therefore, people have to form their perceptions and preferences, and in turn their choices, quickly. Finally, the newness of fashion products offers a constant challenge to

consumers, in the form of an ambiguous situation. They regularly confront new styles and products they do not know but about which they must make an immediate adoption decision. The multiplicity of contacts with fashion products and information provided by fashion managers may help speed up the decision-making process. In fact, the mere exposure effect implies that “the more we experience something, the more we like it.”¹⁸

The different communication forms help create and develop this familiarity with fashion. When shoppers are more exposed to fashion trends through multiple channels, the repeated exposures enhance familiarity, with greater impacts during the decision-making process. Exposures contribute to enhance people’s knowledge and appreciation; that is, people get used to the specificities of a novel product and become more familiar with it.¹⁹ Then, repeated exposures enables shoppers to identify fashion items, become more familiar to them, begin to value them positively, and develop favorable adoption and purchase intentions.²⁰ The positive effects of repeated exposures explain the important investments made every season by fashion managers in advertising, store layout, public relations, salesperson training, and others communication. Each fashion firm wants to be the first to catch shoppers’ attention, and then maintain with them long-lasting, profitable relationships.

Summary

- Fashion has an impact on consumers’ appearance and is a means of communication.
- Fashion can represent interpersonal communication, through word of mouth, observation, or both.
- Managers use different communication tools to make their fashion products known and attractive such as fashion exhibitions, public relations, advertising, merchandising and window displays, personal selling, and direct marketing.
- The external communications contribute to expose shoppers repeatedly to fashion trends and products and enhance their potential for buying.

CHAPTER 6

Managing Channels of Distribution and Enhancing Fashion's Impact

Making fashion apparel available to shoppers can be achieved through different channels of distribution. Depending on their image, positioning, retail strategy, and core customers, fashion brands and their managers should develop one or more channels of distribution.

Traditional Channels of Distribution

Because different distribution formats exist, a company has multiple means to make its fashion items available to customers; identifying one or more formats requires the company to know who its customers are and which market it targets. An upscale fashion brand targets a specific shopper category, consistent with its own brand image, so it would not allow its products to be sold in supermarket, for example. A low price brand has no reason to display its products in an upscale store on Fifth Avenue in New York or Rue Montaigne in Paris. Several variables can help marketers determine which channels of distribution are most suitable for their fashion products and for their target markets.

For example, knowledge of customer demographics and lifestyles enables fashion companies to better grasp their target market and adapt their assortments and offers. As Enric Casi, Mango's chief executive explains, "We have a very focused strategy, we target women who want the latest in fashion trends. If we were aiming at the entire public, we would not be loyal to our true customers. 30 percent of the people who pass by our shops; we could not try to attract all 100 percent because we would lose our identity." Hence, gender, age, average income, occupation, household

size, and place of residence represent measurable, easily identifiable elements that help companies describe and define their core customers.

With such information, fashion managers might also adapt their high-end strategy to present more upscale products in wealthier areas.

In addition to target shoppers, fashion companies use their locations and competitors as input to ascertain their retail strategy and assortment. Fashion assortment width and depth vary according to the target market.

Assortment width refers to the number of different product categories (e.g., jacket, shirts, pants), whereas assortment depth is the number of varieties of any particular product (e.g., a wool jacket in three different colors, a silk jacket with four different button shapes, a velvet jacket with two sleeve lengths).

A brand's assortment also might differ according to store locations and local customer characteristics. For a store located near a seaside resort, for example, fashion managers likely offer a wider, deeper swimsuit assortment than in another store located in an urban center.

Location is crucial; it can determine the success or the failure of a retailer. Opening a Chanel boutique in a low-income suburban town makes no sense.

Moreover, location defines the competition for fashion companies. From shoppers' perspectives, the co-location of many brands' stores in the same area is convenient, in that it allows them to compare assortments, products, and prices more easily. But for retailers, such proximity can be challenging, because it requires each store to establish a strong, consistent image and positioning to attract shoppers' notice. Fashion companies study each location carefully, including the nearby competitors and, potential vehicular and pedestrian traffic, before deciding to open a new store.

Beyond locations, distribution format choices are a critical strategic element. Fashion products can be bought in different types of stores; to explicate fashion managers' distribution choices, we examine the following distribution channels: independent, supermarket, fast fashion, boutique, and department stores.

Independent Stores

These retailers are characterized by a single owner who manages every step of the business, from buying apparel to final sales to customers. Independents

offer multiple brands to a very targeted customer base. They have generally just one or a few locations and are responsible for all costs (e.g., personnel, fixtures, rent). Today, these types of retailers are fading though, due to the aggressive competition produced with the growth of chains and franchises. The small volume of sales achieved by independent stores means they suffer from low bargaining power and often must pay high prices. Moreover, turnover in independent stores tends to be relatively slow, which does not appeal to fashion shoppers who are eager to find the latest apparel before others and therefore look for it where they are sure to find it. Nor can the independent stores offer a very wide assortment, because such vast choices would be too expensive to manage, and the small stores must clear their stock before they can introduce new apparel or accessories.

Supermarkets

Many supermarkets and combination stores offer both grocery items and apparel, along with shoes, small appliances, and so on. Stores such as Target offer a wide variety of fashion items at reasonable prices. This shift in business going from just food to large fashion assortments in supermarkets can be explained readily by the higher profit margin earned on apparel, compared with food. Moreover, these large stores attract shoppers with the possibility of multipurpose shopping: Get their grocery shopping done while discovering fashion trends. The associated convenience is a strong reason for their expansion. Many of these stores offer a wide assortment of fashion apparel, with a few brands names in play. Target strongly develops its own private labels, with brands such as Mossino, Merona, Xhilaration, and Cherokee. Kohl's has collaborated on brands with the actor and singer Jennifer Lopez, the fashion designer Dana Buchman, and the reality television personality Lauren Conrad. These fashionable offers grant shoppers more access to fashion apparel at low prices, compared with those charged by national or international brands; at the same time, the private labels benefit supermarkets with higher margins and the attraction of many customers. This distribution format allows a wider target market of consumers to discover new fashion trends and purchase them. Wal-Mart also offers fashion items at a low price and develop the cheap chic through its private label George; in France, the fashion assortments available at retailers, such as Auchan and Carrefour, follow

same strategies: seasonal trends and affordable price ranges.¹ In fact, their strategies are focused not on brands but rather on the must have items for a specific season, all at an attractive price. Shoppers buying such fashion apparel generally are not looking for long-lasting products or good quality. As Marshal Cohen, chief analyst of the NPD Group, notes, “Sure, they know they are getting one that may break down in a few years, but they will be able to keep getting the latest.” Such customers want regular access to fashion, without spending beyond their means. Thus, the modern profile of fashion shoppers has changed, in parallel with retailers’ expanded offers. They might purchase a low-priced fashionable top at Target and chino pants at Gap, which they accessorize with a Chanel scarf.

Fast Fashion

Fast-fashion retailers also benefit from this new profile of customers. By offering low-priced fashion items, they attract significant numbers of shoppers, such that they become a natural destination for someone on a fashion quest. These retailers satisfy consumers’ needs to transform their self-image by combining various, temporary fashion items. The low prices for these fashionable offers enable shoppers to make choices without worrying too much about the consequences, whether in terms of prices or self-identification. Rather, the varied possibilities available through fast fashion help shoppers change easily and at little cost, because it requires limited investments, in both monetary and identity terms. Thus, fast fashion has changed not only retailers’ habits but also fashion shoppers’. These customers seek variety in products that provide good value for the money, such that they can access trends quickly and at lower costs than they previously could, enabling them to maintain fashionable looks every day.

Fast fashion runs in parallel to traditional fashion and ready-to-wear industries, but it is not tied to six-month cycles or seasonal calendars. Rather, this sector develops continually changing fashion assortments throughout the year, such that retailers benefit from shorter fashion product life cycles. The traditional seasonal path with two collections Spring-Summer and Fall-Winter is not followed here. Fast-fashion managers do not assume that a single season equals a collection because they think instead in terms of multiple trends that they need to follow.

Doing so means that fast-fashion companies may easily offer more than 40 collections each year to their passionate fashionable customers. As they introduce new products two to three times each week, rather than the 10–12 annual introductions undertaken by traditional fashion stores, fast-fashion retailers have revamped the fashion supply chain, shortening the time between production and distribution, offering a wider assortment of fashion apparel and accessories that changes constantly while still staying affordable.

Today, fast-fashion retailers are becoming important actors in the world of fashion. In Europe, they are expanding in sales and profits by over 20 percent per year.² H&M, Zara, and Mango are the well-known leaders of the fast-fashion world. H&M claims to offer fashion products to everyone at the best price. Zara seeks to position itself as offering medium-quality fashion clothing at affordable prices. The Mango chain sells fashion items at reasonable prices and also tries to provide the feeling of a boutique. They all focus on fashion trends and affordable prices. New entrants into this growing fast-fashion market include Uniqlo, a Japanese casual wear label that continues to expand into new markets, from China to France, England, and the United States. Forever21 is also a fast-fashion place to go. When this retailer first started, its founders sought to import fashion designs from their native Korea and to sell them to teens in the Los Angeles Korean American community. It has grown to become today a competitive force in the fast-fashion market, spanning women's, men's, and children's departments.

With their multiple choices and affordable price ranges, fast-fashion retailers have contributed to the popularization of fashion. They make fashion accessible to everyone at various price ranges. Moreover, fast-fashion companies have helped create new shopping behaviors, which can be characterized as buy it now. Consumers are willing to buy more frequently because they know that next week the beautiful blue shirt they are considering will have been replaced by something else, and a new trend will be dominating the displays. Fast-fashion managers induce consumer desires to encourage purchases, which in turn leads to their unique sales results. Fast-fashion retailers sell almost 85 percent of their collections at full price in a few weeks, compared with 60 percent for traditional stores.³ Their inventory turnovers are higher, and they base their profitability on

a greater volume of sales at lower prices. Zara, for example, turns over its stock 17 times each year.⁴ This speed and constancy of change is closely related to inventory management: Fast-fashion retailers can respond to customers' desires to access new trends at a reasonable price as soon as they arise. They manage closely their collection launch, delivery, and inventory to keep their leadership among fashion competitors.

In this sense, fast fashion involves a new perspective on fashion, in that shoppers' attention centers more on the experience and emotional benefit of the products than on the intrinsic quality of the apparel. Fast fashion has changed fashion retailer business and shoppers' expectations. These customers seek variety and value for money products and have now access to trends quicker and cheaper than before.

As an influential retail business strategy, fast fashion includes powerful actors that cannot be ignored by other retailers. Rather, the retail field in general must adapt its offerings, taking into account the appeal of these new competitors.

Boutiques

A contrasting channel of distribution is boutiques, which offer a specific kind of upscale assortment to a particular, narrow set of customers. These retailers select their shoppers through their selection of fashion products, their location, and their price range. The Chanel and Yves Saint Laurent boutiques on Avenue Montaigne in Paris are good illustrations of the general traits of a boutique: large stores, few items, high prices, upscale atmospheres, and sophisticated salespersons. Wealthy customers visit boutiques to enjoy their selective or exclusive distribution and customers services. In direct contrast with fast fashion, boutiques focus on shallow assortments with high prices. The profit per unit thus is much higher than other retailers, and their overall profitability is based on a few customers' high-priced purchases.

Department Stores

Between fast-fashion retailers and boutiques, department stores try to develop strategies to establish their own positions. The large retail units

host extensive assortments of fashion items that are both wide and deep. Several floors of offerings generally separate into departments, such as women's, men's, and children's. The large selections of fashion apparel and accessories feature average or slightly above-average retail prices, contained within special atmospheres that reflect the department store's brand positioning. National and international brands might maintain their own furniture, displays, and salespeople, to ensure consistency with their dedicated boutiques and stores.

Within this format though, department stores pursue widely varying positioning options. Harrods in London is a very upscale department store, as reinforced by its displays, atmosphere, and choice of brands to sell. Its website announces that its mission is "To be the number one department store in the world for luxury branded merchandise, maintaining an unprecedented level of retail standards, expertise, and profitability. Through a combination of product, innovation and eccentricity, we aim to provide every customer with a truly unforgettable experience in our quintessentially British environment."

Founded in 1834, Harrods has only one store, yet its rich history and heritage grants it an international image, as the largest, most luxurious department store in Europe, with great brand awareness for shoppers worldwide.

Other department stores make different choices in term of positioning, such as JCPenney's focus on promotion. This traditional department store has had a long history of pursuing a low-price strategy, based on marked-up products and frequent promotions. In 2012, new CEO Ron Johnson decided to change the approach significantly, by eliminating all coupons, promotions, and discounts and simply promising everyday low prices. However, JCPenney customers did not understand or appreciate these changes because they had grown accustomed to promotions and liked the feeling of getting a good deal. The no-promotion strategy had drastic, negative effects on the retailer's sales volume and store traffic, leading the company to return to its familiar promotion-based pricing strategy. The reintroduction of markdowns did not lead to an immediate increase in sales though. As this case illustrates, the different strategies chosen by department stores and fashion managers offer lessons for others to consider—mainly, that it is important for

fashion firms to remain consistent in their strategy and not force customers to change their habits abruptly, especially with regard to prices and promotion.

Harrods and JCPenney offer examples of two opposite strategies; other department stores choose from different alternatives too. Macy's in the United States, Galeries Lafayette in France, and Isetan in Japan all follow similar distribution strategies: multiple stores that offer wide, trendy assortments of fashion apparel and accessories. They provide customers with national and international brands, and their prices are average for similar items in the fashion market.

Another option is multichannel distribution, such that brands might appear in department stores, their own stores, and sometimes offer a line of products in some combination stores. For example, Converse maintains its own stores in several malls, leases dedicated areas in some department stores, and offers some models of its apparel and shoe collections in Target.

As we have noted, fashion changes constantly, and so do its channels of distribution. Inspired by the success of food trucks throughout the United States, some small firms have introduced the idea of fashion trucks, and the new method for fashion distribution has raised increasing interest and curiosity from fashion shoppers and designers. To present and sell fashion items, fashion trucks travel to big towns in the United States, Canada, and France. They usually offer a narrow assortment, because of the small amount of space available, often featuring vintage apparel and accessories or new designers' creations. This new retail concept has the advantage of easy access to fashion items for customers. Busy people under strict time pressures can find the trucks nearby and purchase fashion products without having to travel to stores—the fashion comes to them. In this sense, it suggests a new means for fashion retailers to target customers who do not enjoy spending hours shopping in stores. For retailers, the stores on wheels also promise the ability to change locations depending on store traffic, competitors, and special events. Finally, new designers use the fashion trucks to present their collections and attract the attention of fashion customers, without having to pay expensive rents for store space or high lease prices in a department store.

These trucks, thus, present advantages for customers, fashion companies, and designers, increasing the chances that they will become a prominent part of fashion companies' retailing plans, together with more traditional channel choices.

Many fashion brands rely on multichannel distribution, including store-based and nonstore-based strategies, as manifested in the development of online shopping. Fashion companies emphasize their presence on the web through different sites, including social networks, to ensure widespread familiarity with their collections. As more and more brands develop their own websites or sell their collections through retailers' existing websites, online distribution grows every day, though room to grow even further still remains.

A New Means for Fashion Diffusion: Online Sales

In the United States, online sales represented only 7 percent of total retail sales in 2012; online customers are projected to spend \$327 billion in 2016 and €191 billion in Europe, according to Forrester Research.⁵ The portion of this total related to fashion apparel and accessories should reach \$40 billion followed by consumer electronics and computer hardware. Martin Gill, an analyst at Forrester Research, sees some changes in e-business already visible. He says:

We predict a subtle segmentation in the markets across Europe. We will see: Southern European countries experiencing the fastest growth rates. As online shopping becomes a mainstream activity in Spain, and Italy over the next five years, e-Business executives must focus on driving web growth by securing the keystones of e-Commerce: convenience, value, and (most importantly) choice . . .

Northern Europe entering a new phase of competitive expansion. Online shopping is the norm in Northern Europe and increasingly encompasses multiple touch-points. Most retailers now sell online, giving shoppers unprecedented choice. e-Business executives must follow a path of optimization and innovation as they fight to remain competitive.

Modern customers are more informed about and familiar with digital technologies than ever before, and they use their acquired information and easy online access to seek better deals and find original fashion items. For retailers, e-commerce offers a new route to profits but also new competitive threats. Online shoppers seek good deals, wide assortments, and differentiation from others. In turn, the main factors contributing to the growth of e-commerce for fashion apparel and accessories are as follows:

1. Online deals
2. Loyalty programs that offer benefits, such as free shipping
3. The increasing popularity and use of smartphones and tablet computers, which enable shoppers to spend more time online, including for shopping and ease their purchase process

The last factor has a particularly notable impact, in that “The tablet shopping experience also likely encourages shoppers to purchase more products in an impulse fashion,” according to *Forrester Research*.

In addition, many modern customers face challenging time pressures, which can be resolved with online shopping because they do not need to waste time travelling to the store, waiting in line to pay for items, and so on. On average, consumers spend 14.3 percent of their weekend leisure time shopping online and 11.8 percent of their time during weekdays, according to the Bureau of Labor Statistics’ 2012 American Time Use Survey. Such shoppers spend less time in stores and devote their time instead to pursuing good opportunities online.

Retailers use various strategies to attract such customers and enhance this new source of profit, in close competition with other companies that might have initiated their e-commerce earlier. As we previously noted, many fashion companies develop a strong presence through social media to reach and capture more customers, especially those consumers who are comfortable with new technologies and willing to buy online.

For Macy’s, online sales increased dramatically when it undertook an expensive integration of its inventory systems. Good inventory management underlies the ability to offer and deliver the newest fashion apparel to eager fashion shoppers, efficiently and on time. JCPenney relied on the professional expertise of Michael Rodgers, previously an executive for

Saks department store, to help it integrate the retailer's e-commerce with its physical stores. Doing so moved the department store to a number 34 ranking in the Internet retailers Top 500 Guide for 2013.

Inventory management is closely related to another method e-tailers use to attract online shoppers, namely merchandising strategies that demand constant adjustment and improvement. Flourishing fashion websites promise various benefits to customers, beyond online purchases or pick-up in stores. A new service from Gap allows customers in Chicago and San Francisco since June 2013 to reserve in store: Shoppers choose products online, identify which stores have them available, then tag those choices to be set aside, and await their arrival. When the customer visits the store, he or she can proceed directly to the dressing room or checkout. This service forces Gap to manage its inventory more closely, such that it updates availability information every 20 to 30 minutes to ensure that the online assortment is relevant and accurate.

The Tie Bar uses another tactic to attract customers to its website. To make the choice of ties easier, the site matches each available option with appropriate colors and patterns of shirts and suits. Because each tie coordinates perfectly with a selection of shirts, customers merely need to click a few times to put together a fashionable, matching outfit.

These services reflect the strong influence that fashion apparel and accessories have on people's self-image and social judgments, through its consumer-oriented approach, and the benefits retailers and brands can retrieve from e-commerce by offering new services and attracting more customers.

Website design also is very important because fashion apparel purchases are often driven by emotions rather than needs, linked to the creation of an image in customers' minds. By offering an emotional atmosphere throughout their websites, from browsing to payment, fashion firms comfort their customers and enable them to search for novelty, pleasure, and a nice appearance. The store-based assortment and the web assortment both must be presented in a way that indulges potential shoppers, revealing all the possibilities linked to the latest fashion. For example, the photography, descriptions, and site navigation should create a pleasurable atmosphere. Websites that only offer a picture of an item on a plain background are less appealing to customers than pictures of models

wearing the same item, which help shoppers view themselves wearing and enjoying the fashion apparel. To make web shoppers comfortable with browsing the site, they should be able to select fashionable accessories that match their newly purchased shirt or pant and identify with the models wearing these items, which should encourage them to spend more time on the site and perhaps purchase more items.

As online consumers cannot touch the fabric or observe the details of the finish, photographs of the items online must be very clear and detailed. The site also should allow shoppers to zoom in and, rotate the picture of the product to determine and appreciate its quality, and fit. In addition, a detailed description of the product and its different options (e.g., colors, fabrics, sizes) can reduce an online shopper's purchase risk, increase involvement, and facilitate the purchase decision process. However, fashion companies face a trade-off between presenting a complete and objective description of fashion apparel, emphasizing its technical quality, and offering a more emotional description. Furthermore, misleading descriptions or overblown promises create the risk of disappointing customers who ultimately will fail to find all these qualities and thus will return items. There is little chance that these disappointed shoppers will go back to this website. Offering a product that did not meet customers' expectations may mislead them once but rarely twice.

Fashion companies need to gain people's trust if they hope to transform them into regular customers. Thus, all descriptions of fashion apparel online, whether pictorial or textual, must be accurate, relevant, and consistent with the product. Reliable websites achieve profitability because they lower shoppers' perceived risks, leaving them unafraid to buy a fashion product because they can anticipate the quality and fit announced on the website and trust the brand. Some of this trust also depends on logistics management; for example, expected delivery times must be met diligently. Online fashion shoppers also expect packaging of the same quality they would find in stores.

All these aspects must be addressed carefully by fashion firms to encourage consumers' trust, enhance their market opportunities, and boost their online sales.

Finally, websites are a powerful means of communication for fashion brands and retailers. Many companies introduce their new collections,

must haves, and best deals online. For a fashion brand, online channels represent an additional presence in their potential customers' minds during decision-making processes. Some customers browse websites only for information regarding assortment, price because they prefer to purchase items in person. However, regardless of the reason for their visit to the website, fashion companies' websites can encourage the development of customers' knowledge about the latest fashion apparel and thus increase the chances that they will become customers eventually, if not immediately. This method of communication can present many more products at a time, less expensively than an advertising campaign posted in magazines or on television.

Fashion companies' and retailers' websites are a prominent source of information for shoppers eager to discover the latest fashion apparel at a good price; they also are an excellent means of communication, enabling firms to develop their business and increase their sales and profits. Websites offer developing business opportunities for both sides of the market: easing the purchase process and creating access to good deals for fashion shoppers, while increasing sales and profitability for fashion companies. Websites lead to more opportunities to generate and maintain long-lasting relationships in a very competitive market.

Summary

- Fashion companies offer apparel and accessories assortments through one or several channels of distribution.
- To decide which channel fits the best their needs, fashion managers first determine their retail strategy, in terms of assortment, location, target market, and type of store format.
- Nonstore-based distribution is a new alternative that can increase sales and profitability for fashion companies.
- Websites are a crucial means to increase fashion business; to communicate about assortments, special deals, location, events, and sales; and to provide readily accessible, comparative information to fashion customers.

CHAPTER 7

Leveraging Fashion Equity, the Absolute Benefit

In marketing literature, the concept of brand equity accounts for the additional value that a brand brings to a product.¹ This concept has dramatically improved our knowledge of consumers' reactions to and behavior toward branded products. Brand equity from the consumer perspective, as defined by Keller, is "the differential effect of brand knowledge on consumer responses to the marketing of the brand."² It refers to consumers' reactions to an element of the marketing mix for a branded product, compared with their reactions to the same marketing mix for an identical product without any brand. Just as brand equity can explain why high equity brands appeal more to consumers than do low equity ones, fashion adds value to its related products. In this sense, consumer-based fashion equity accounts for the value that fashion adds to apparel and accessories, despite these products' constantly varying attributes.³

The key benefits relate to consumers' perceptions of fashion products' favorable, unique, strong associations, from which they might benefit. Fashionable products appeal to consumers on the basis of the associations they convey, compared with the associations that nonfashionable products convey. In this chapter, we describe two main categories of fashion benefits: symbolic and experiential.

In Search of Symbolic Benefits

Fashion benefits represent personal values that consumers apply to apparel and accessories. The symbolic aspects of these benefits refer to the extrinsic advantages provided by the product and relate to people's needs for social approval and personal expression. These benefits are particularly relevant for fashion products because, as we already have noted, they transmit

nonverbal communication. In particular, fashion apparel and accessories represent social tools that fashion consumers can use to express themselves. That is, fashion is status determining, offering three prominent symbolic benefits: self-expression, social self-expression, and uniqueness.

Self-expression refers to people's reliance on fashion to express themselves. Their choices of fashion apparel and accessories enable shoppers to convey a certain image of themselves and to express their identity.

Social self-expression entails the extent to which consumers use fashion products to present their self-image to others. Fashion products help consumers conform with their social environment; by encouraging consumers to choose products that belong to a particular fashion theme, fashion leads to conformity among all adopters who desire to follow the same trends.⁴ This search for conformity in turn enables people to be perceived as part of fashionable groups.⁵

Yet fashion apparel also helps people appear unique and singular. The search for uniqueness, in parallel with the search for conformity, can be satisfied by the value conveyed through fashion.

As fashion products depend much more on their symbolic significance than their physical characteristics for value, consumers' choices depend on the products' signification rather than their functionality. People choose their apparel and accessories with the knowledge that they offer visible clues of a self-image for others. As one shopper explained,

I only buy fashion clothes which give me the image I have about myself or I want to have. The most important thing for me when I buy a fashion product is the way I look. According to the clothes I choose, I can play with my looks. (Mary M., fashion shopper)

Fashion projects an image and acts as symbolic communication code for others, in this context, the search for conformity is critical, but so is the search for unique, original fashion products. Fashion shoppers want simultaneously to conform to others to obtain recognition and to maintain some level of originality through their fashion choices. This ambivalence mirrors Venkatesan's concept of the degree of liberty: People want to be recognized as fashionable and accepted by their group, but they do not want to be indistinguishable from everyone else.⁶ For example,

It is important for me to fit in my friends' group. I pay real attention to others and what they will think of me. I often buy fashion clothes but if everybody has the same pants or shirt. I don't like too much, so I add some accessories or I change the color to be and feel different. (Lisa T., fashion shopper)

I always follow fashion trends and buy new clothes each season, but I try to keep my originality. I look for something kind of different but still fashionable. (Cindy P., fashion shopper)

As fashion products have the power to convey consumers' self-image, identities, and preferences, fashion companies need to create fashion apparel and accessories that reveal symbolic meanings, so that they can develop strong emotional relationships with their customers. This power represents value that fashion adds to products. This value involves both fashion companies and shoppers. The meaning that shoppers assign to fashion items leads to their desire to purchase fashion products regularly, so that they can remain fashionable and preserve their self-image. Such shoppers also guarantee firms' financial performance. By continuously changing fashion trends and themes, designers give the opportunity to their customers to play with their looks while maintaining their fashionable identities. This drive also results in higher sales volumes and profits for the company. Thus, fashion companies can gain considerable competitive advantages and differentiation by developing fashion assortments that convey specific values for their customers. The desirability of the items increases because they provide fashion equity to consumers, though companies benefit from this equity too. The first to offer the must have item for next season generally enjoys much larger market shares. Among fast-fashion companies, for example, the strategy of maintaining a wide, shallow assortment enables them to vary themes without supporting too much inventory while offering continually symbolic benefit to their shoppers. Many fashion brands and retailers pursue similar strategies to ensure they can react quickly to changes of fashion and offer possible means of differentiation and unique products to their devoted customers. The added values of fashion thus benefit fashion companies too. Fashion equity enables customers to have symbolic benefits and companies to gain

from those values too. Hence, fashion brand managers should leverage these benefits to increase their profitability. This equity is also related to some experiential benefits for customers, established by fashion apparel and accessories.

In Search of Experiential Benefits

According to Keller, an experiential benefit stems from “what it feels like to use the product.”⁷ Regarding fashion apparel and accessories, the two main experiential benefits considered here are hedonism and ostentation. In a fashion context, they describe the specific feelings experienced by wearing a fashionable product. Hedonism refers to the pleasure linked to new fashion apparel and accessories and their variety; ostentation involves shoppers’ demonstration of being fashionable.

In more detail, hedonism involves the pleasure that consumers receive through their consumption; as Hirschman and Holbrook note, products often are bought not for their utility but mostly for pleasure.⁸

Hedonism is a philosophic doctrine that makes pleasure the main goal of life. People inherently seek satisfaction, which is the primary driver of their behavior and helps explain the irrational aspects of some purchases. That is, hedonism affirms that consumer behaviors are not always rational—who among us has never bought something merely for the pleasure of doing so? Fashion shoppers are similarly irrational consumers, in that they buy fashion apparel because of the pleasure they gain from these items. This experiential consumption emphasizes the role of affective variables too because fashion items relate to emotions, sensations, and pleasure, all of which influence shoppers’ decisions and choices.

In this discussion, we do not refer to apparel in general, which may have key functionalities, such as a coat to keep people warm in winter. Rather, we consider fashion apparel bought for the meaning and sensation it conveys. Pleasure goes beyond functionality for fashion apparel and accessories and, hedonic consumption relates more to symbolic elements than to tangible aspects of the product.

In addition to emotion and pleasure, hedonism pertains to the search for variety. Fashion apparel and accessories offer repeated and continuous changes; through this diversity of choices, fashion creates the potential for

people to apply or modify their self-image.⁹ Consumers search for variety in fashion products so that they can experience a new form of pleasure each time trends change, as they can experiment with new items and, still remain fashionable:

I always feel great with new fashion clothes. Fashion is exciting and fun. For me, it is really enjoyable to look for and to buy a new fashion top for example. I like that. Ninety percent of my fashion purchases are made only because it pleases me. (Mary M., fashion shopper)

If shoppers feel any culpability for these hedonic purchases, they can find justification in apparel's ability to conform with the social environment. Through the benefits they offer, fashion apparel and accessories support the development of pleasure and conformity, such that customers avoid the risk of being judged as laggards or being rejected by their peers. In turn, fashion purchases enable shoppers to gain more self-confidence in social contexts because they adopt the same looks as others, change when others change, and follow fashion trends. To leverage this form of justification, fashion managers should ensure that they offer a variety of products that change regularly to stimulate shoppers and induce new purchases. Changes in products create new experiences for shoppers, and thus more hedonism.

Ostentation is the other key experiential benefit of fashion products. People pay attention to the indirect effects of their choices when their consumption can be observed by others. This social effect is relevant for fashion products, which are highly visible. As fashion consumption is public, fashion shoppers can send messages to their social environment and demonstrate that they are fashionable. Moreover, ostentation implies a tendency to improve the person's self-image through consumption, such that people define themselves and others with respect to what they possess.¹⁰ However, when people notice a difference between the way they appear to others and the way they want to be, they may feel unsatisfied. Shoppers' reactions to this dissatisfaction often include purchasing new products to change or improve their appearance and come closer to their ideal image of themselves. Fashion apparel and accessories offer

easily accessible means to achieve this change, because of their variety, and usually affordable prices. Thus, fashion products enable shoppers to reveal and convey to others the chosen image of themselves. Fashion customers enjoy displaying their new fashion purchases, talking about them, and sharing ideas, experiences, and advice about new trends especially through the development of social networks.

Veblen notes the importance of conspicuous products in social interactions.¹¹ Consumption enables fashion shoppers to exhibit their wealth, taste, and knowledge about what is fashionable. Such benefits, achieved through the adoption of fashion products, in turn change customers' social status by reflecting their personal self, identity, and social self. Tangible, visible products that express fashion symbolism affect consumers' relationships with others, including the arousal of desired reactions. Thus, this conspicuous consumption can be explained by interpersonal influence and the potential to demonstrate social status, as the following quote indicates.

I like when my friends notice the new fashion apparel I just bought. I talk a lot with my friends about what I bought or will buy. I usually share my shopping experience with my friends. Fashion gives me the opportunity to show others who I am. Fashion products convey an image of ourselves and give us a status among others. (Kate C., fashion shopper)

Figure 7.1 details the main benefits that fashion possesses and transmits to shoppers, according to a two-level approach, individual and social.

		Benefits level	
		Individual	Social
Fashion benefits	Symbolic	Self-expression Uniqueness	Social self-expression
	Experiential	Hedonism	Ostentation

Figure 7.1 Fashion benefits

By being fashionable, a product owns and transmits added value which benefits to its owner. Fashion equity, thus, spans both individual and social levels, and the benefits can be defined as symbolic or experiential. For example, a shopper benefits from the hedonic value of fashion at the interaction of the individual and experiential levels. Hedonism acts at the individual level because fashion shoppers benefit from enjoyable purchases and the variety they can access. Chosen fashion items convey this benefit to the person, rather than to the social environment. In contrast, ostentation benefits the shopper but also exerts an influence among others.

For fashion managers, fashion equity is a critical consideration, insofar as it offers a competitive advantage for fashion companies through added value, beyond the novelty or physical characteristics of any particular product. As multiple fashion products appear every day, managers must manage them closely to develop their fashion equity, through well-understood, strongly communicated benefits. By integrating considerations of fashion equity into their marketing efforts, managers may better maintain fashionable perceptions of their products, accelerate their adoption, and facilitate their diffusion. Then, fashion firms must make the most of these benefits to attract customers continually, regardless of changes in trends. In particular, they should determine appropriate marketing mix activities to interact with and communicate to shoppers, to prompt them to buy the latest fashion apparel and accessories. Targeting customers is an important step; it is in the best interest of fashion companies to focus on specific shoppers and become the epitome of the fashionable brand or retailer chosen by passionate fashion consumers.

Among the primary marketing mix activities, attractive pricing and promotion policies can convey both symbolic and experiential benefits and draw shoppers' attention and desires. Companies also can adjust their retail store selection, store atmosphere, and displays. Such tools related to the point of sale lead fashion shoppers to enjoy their experience and want to spend more time in stores. Knowledgeable salespeople, who help shoppers find the best fit or give advice about the latest trends, also represent resources fashion managers can use to emphasize the hedonic experience of shopping, thus making shoppers more comfortable so that they stay longer, roam more, and maybe purchase additional items.

Macy's went beyond this idea of helping their customers. To offer the best to its shoppers, Macy's created Macy's College, which trains the people who work in its stores, according to various profiles, from product development to store management. Through these programs, Macy's teaches its employees how to best serve their customers, catch their attention, develop good customer relationships, and ensure positive experiences. By investing in training and developing customer services, Macy's achieves a good return on investment, in the form of increased sales and profitability.

To emphasize uniqueness benefit, fashion firms can offer limited collections and collections cobranded with upscale designers. H&M is pioneer among fast-fashion retailers to enhance uniqueness thanks to specific collections. Each year, fashion fans wait for the announcement of H&M's latest collaboration with a well-known designer. Karl Lagerfeld came first in 2004 and created a limited collection with this fast-fashion retailer; he was followed by many others designers, such as Viktor and Rolf in 2006, Roberto Cavalli in 2007, Sonia Rykiel in 2009, Lanvin in 2010, and Versace in 2011.

Private labels are another means to create uniqueness, leading many retailers to create their own brands and associated communication. These labels represent a tactic for retailers to present unique fashion collections to their shoppers at affordable price. As we noted previously, Target produces several private brands, such as Mossino, to attract fashionable shoppers to its stores across different products lines. Target customers may feel special by wearing the latest trendy trench created by this retailer.

Avant Premiere, Briefing, Jodhpur, and Version Originale are private labels owned by Galeries Lafayette in France, created to appeal to its different target markets. Each private label provides ready-to-wear offerings for women, men, and children, as well as home goods.

Such private labels establish specific atmospheres in stores, with a feeling of uniqueness surrounding the specific collection and assortment for fashion customers. Thus, these distinctive offers benefit both shoppers, who can not only conform with fashion trends but also achieve some differentiation, and the fashion firms, which enjoy increased margins and profits.

Special in-store presentations, displays, and discounts for new collections also help arouse the appeal of fashion-related benefits. According to their communication style, fashion companies reach different customers and emphasize particular fashion values. For example, Ralph Lauren's advertising campaigns often show a group of models, wearing apparel that adopts the same fashion theme, such as college days or rugby. For its Spring-Summer 2013 collection, Tommy Hilfiger relied on a marine theme, exhibited by dozens of models representing different ages and ethnicities. The ads also emphasized a team spirit, with the same kind of clothes appealing to diverse persons, in line with ideas of both conformity and fashion's symbolic value for social self-expression. In turn, it helped shoppers identify themselves with a group of their choice.

Fashion companies have many tools at their disposal to interact with shoppers and emphasize the value added by fashion through their apparel and accessories. Fashion reveals benefits that can explain why these products attract consumers' interest, even if they offer few innovative features. It is up to fashion managers to deliver and emphasize these benefits to fashion customers.

Summary

- Fashion adds values to apparel and accessories, despite their constantly varying attributes.
- Fashion benefits can be symbolic (self-expression, social self-expression, uniqueness) and experiential (hedonism, ostentation).
- Fashion shoppers and fashion companies both benefit from these fashion's added values.

CHAPTER 8

Handling Managers' Challenges for Successful Fashion Products

What is important for fashion managers is that customers regularly buy their fashion products, whatever the trend is. To ensure they buy the specific products the managers are selling, fashion companies must keep two important concepts in mind: attachment and loyalty. Although attachment and loyalty may seem counterintuitive when it comes to fashion, considering the continuous changes to fashion products, themes, and trends, their importance is clear when we consider fashion as an overall concept, not a specific product that will be fashionable for a short time. Fashion persists, whatever the particular products or trends are as the concepts of brand or luxe do. Therefore, it is not just appropriate to consider fashion attachment and loyalty but critical for the success and profitability of fashion companies.

Building and Maintaining Fashion Loyalty

Managing values associated with fashion is crucial for fashion companies to achieve fashion attachment and thereby develop consumer-based fashion loyalty. That is, fashion attachment is a prior and necessary condition for the creation of fashion loyalty. As we have noted, consumers become attached to fashion because of the value that fashion adds to apparel and accessories. This added value influences fashion shoppers' attachment to fashion items and their decision to adopt these products or not.

Fashion attachment mediates the relationship between fashion equity and fashion loyalty. The influence of fashion equity on fashion loyalty may not arise without an existing fashion attachment. Consumers

regularly adopt new fashion products because they are attached to fashion in general, regardless of the products' characteristics. Thus, we consider attachment an important concept for understanding consumer behavior, in that it helps explain fashion product adoption.

The theory of attachment, as developed in psychology by Bowlby, explains that attachment predicts the interaction between the individual and a product.¹ Traditionally, attachment referred to an emotional link between persons, such as romantic relationships or friendships, but it also can apply to a person's attachment to an object or brand.² In this latter sense, attachment denotes a psychological state of mind that ties one individual to another, whether a person or a brand. According to various studies, brand attachment differs with the nature of the product and is most predominant for visible products.³

However, attachment to a specific fashion product is not particularly relevant because fashion products constantly change, so the attachment lasts only for as long as the product is fashionable. From a consumer behavior perspective, attachment occurs at the general level of fashion, rather than at the level of specific apparel or accessories. Attachment to fashion is an interesting concept for managers to examine, considering its function in enabling consumers to express their integration with, or differentiation from, their social environment over time. When consumers develop an interest in the value added by fashion to products, this fashion equity leads to the creation of a persistent emotional bond between the consumer and fashion.

According to Park, MacInnis, and Priester, brand attachment occurs if a brand enables consumers to achieve self-expression.⁴ Attachment exists if shoppers recognize the brand's value and believe it offers positive benefits to or is of interest for him or her. Brands as fashion represent an extension of the self-concept, so if a brand provides leverage in terms of self-image improvement, an attachment develops.⁵ This fashion attachment exerts a real influence on fashion product adoption, through the symbolic and experiential benefits that enable shoppers to express themselves. In terms of the social visibility and self-expression associated with fashion products, fashion attachment is important and spans seasonal changes in apparel and accessories. Fashion customers are attached to fashion because it enables them to reveal something they like about

themselves. Moreover, these customers can be recognized and considered fashionable in their social environment because they constantly wear the latest pants, coat, or shoes. The distinctive and valued benefits offered by fashion urge these consumers to develop this attachment so that they can maintain their fashionable image. They attribute value to fashion apparel that nonfashion products lack, creating the attachment that influences their decision and adoption process.

Thanks to the attachment developed through fashion equity, fashion customers remain linked to fashion to obtain its benefits, its added values, including self-expression, social self-expression, uniqueness, hedonism, and ostentation.⁶ Such attachment pertains to visible, symbolic, and experiential products, and it is critical to both shoppers and fashion companies. The shoppers can express themselves and change or improve their self-image, through the bond they develop with fashion; the companies benefit from fashion attachment through growth in their business. Particularly relevant for fashion companies is that the emotional ties between shoppers and fashion apparel and accessories imply long-term relationships. In any industry, a central goal for companies is to develop and maintain long-lasting relationships with their core customers.

With the knowledge that fashion shoppers are not attached to specific fashion items in one season, but rather are attached permanently to fashion, fashion managers can seek to benefit from these connections. This long-term aspect is critical for firms because it leads to fashion loyalty with increased potential for profits.

As introduced by Aaker, brand loyalty is “a biased behavior response expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of such brands.”⁷ If consumers develop brand loyalty, they engage in regular and increased consumption, as a consequence of their equity and attachment. The concept of loyalty inherently suggests long-term relationships and their benefits in terms of profitability and growth.

Customer loyalty can be manifested as behavioral, which implies repeated purchases, or attitudinal, which entails a favorable attitude developed by shoppers. Usually, these two aspects are interconnected, with one leading to the other. If a consumer has a favorable attitude toward

fashion, he or she may be more likely to purchase fashion items repeatedly. In turn, fashion firms need to understand why a shopper is loyal.

For their sales, fashion companies rely on the assumption that a loyal customer will constantly and repeatedly choose their products instead of competitors'. But after how many purchases can a shopper be classified as loyal?

Brand loyalty research suggests three consecutive purchases of the same brand is enough to consider someone loyal.⁸ But other studies argue that repetitive purchases are not sufficient to demonstrate loyalty, especially when we consider that two consumers may be loyal for different reasons. Repeated purchases do not offer any insights into why consumers buy repeatedly: Out of convenience? For the pleasure of wearing new clothes? Or because of a strong emotional bond with a brand or a retailer? In this sense, shoppers seemingly need to develop a positive attitude toward a brand or fashion to be considered loyal. Different reasons furnish explanations of loyalty, in its various types,⁹ including the following:

- Loyalty by inertia, when shoppers buy the same product because doing so is the easiest decision during the purchase process. The repeated behavior is mainly explained by habit or, routine.
- Loyalty by conviction, in which case the shopper is sure that this choice is better than any alternatives, because he or she has compared several alternatives and made up his or her mind about fashion apparel and accessories.
- Loyalty against potential risk, such that the shopper is afraid of change and prefers to stick with previous choices. The perceived risks of change force him or her to keep the same product and buy it over and over.
- Loyalty by satisfaction, when the shopper is satisfied and therefore keeps buying the same product.

Loyal fashion shoppers are convinced that fashion, because of its added value, provides specific benefits that other apparel lacks, so that fashion apparel and accessories represent their best choice. Fashion

benefits also contribute to shoppers' satisfaction and enable them to avoid perceived risks. If they keep buying items from fashion brands and retailers, they can maintain their fashionable self-image. Therefore, fashion customers express different aspects of loyalty to retain the value attributed to fashion. Loyal customers regularly patronize their favorite brands or retailers because they trust that through these companies' products and image, they can project the self-image they desire.

In turn, it becomes important for fashion managers to consider the critical influence of the consumer's state of mind—that is, feeling attached to fashion values and benefits—on the likelihood that the customer will remain loyal to fashion. These emotional ties ensure that the brand or retailer remains in the customer's consideration set during the decision-making process and encourages customer loyalty. For the fashion firm, loyalty helps prevent customers from switching to competitors. If they can create strong emotional connections, customers have less incentive to visit competitors or consider buying from them. Loyal fashion consumers are committed to purchasing fashion products from their preferred brand; they resist efforts of competitors to attract their patronage. In addition, they need to maintain this emotional bond with their favorite brand or retailer to maintain their self-image, which offers managers a potential source of sustainable competitive advantage.

The emotional connection develops most strongly when shoppers receive personal attention. Thus, fashion loyalty is closely linked to customer services and the various loyalty programs often adopted by fashion companies. With these programs, firms seek to stimulate long-lasting relationships with their customers, using different types of rewards:

- Social relational rewards: Companies grant loyal customers access to VIP events or invite them to fashion shows.
- Economic rewards: Customers benefit from price reductions or purchase vouchers.
- Informational rewards: Fashion brands or retailers give information about new products to their loyal shoppers first.
- Functional rewards: Companies might offer free valet parking or deliveries.

These different rewards appeal to fashion shoppers, who then feel appreciated and, special to their favorite brand. Loyalty programs honor these regular and repeated shopping behaviors and stimulate fashion purchases.

To create and maintain this special feeling among customers, fashion managers use various communication, promotion, and assortment strategies. Increasing loyalty is a company-wide marketing effort; depending on its strategy, each company makes specific choices of promotional and emotional rewards.

For example, Nordstrom invites its loyal shoppers to fashion openings, pampers them during private shopping parties, and offers them free concierge services and alterations. Such special types of attention are highly appreciated by customers, more so than conventional discounts.

Neiman Marcus has a unique and specific program for its loyal customers, called Neiman Marcus's InCircle Program. The retailer's best customers receive special awards and services, gain priority access to designers' limited collections, and are invited to luncheons on their birthday. They receive the latest editions of the InCircle newsletter and a semiannual magazine. This retailer even invites its loyal customers to join a board, to provide feedback and suggestions to improve shoppers' experiences.

Such companies invest heavily in ensuring positive experiences for their customers, to build and manage their emotional connections, which in turn establish important avenues for developing loyalty. These customers' advantages nurture their relationships with the retailers and encourage their attachment and loyalty.

Customer loyalty also represents a means for fashion firms to differentiate themselves from competitors, and thus to increase their profits. As one shopper explained,

I consider myself a loyal customer. I go and shop there because I like their offers, their price ranges too, but mostly because I really enjoy their customer services. I got free valet parking, I even got a birthday card, and every time I need them, I got free alterations from my clothes. If I change, I won't have that anymore. (Julia M., fashion shopper)

Loyalty suggests that shoppers will constantly buy fashion apparel and accessories from the same provider, which means that the fashion company can reduce its marketing costs, as it does not need to invest as much in advertising. Loyal fashion shoppers already know it, trust it, and dedicate their fashion budget to it. For fashion managers, it is highly worthwhile to focus on this loyal target market.

On the basis of this loyalty, some fashion managers choose to apply premium prices to increase their margins and reduce their reliance on discounts. But caution is required, because modern shoppers are well informed and price sensitive. If the company betrays customers' trust by overcharging them, it also will lose their loyalty. Thus, fashion companies must find a balance between price policies and loyalty. On the one hand, fashion managers can be tempted to earn higher profits by charging premium prices to loyal and trusting customers, who are not too price sensitive, and who prefer extensive customer services and advantages. On the other hand, to keep price-sensitive loyal customers, they might need to lower their prices, which means lower profits. As long as they achieve a certain amount of sales, even if their profit per unit is low, their overall profit will be high enough. However, this trade-off between price policies and profit outcomes cannot interfere with the development of long-lasting relationships with loyal customers, if managers hope to maintain their prized positions with these shoppers.

Leveraging loyalty as a source of competitive advantage and sustainable profitability thus remains a daily challenge for fashion managers, who must address both increasing competition and new customer expectations.

Developing Ethics in Fashion

Fashion is usually synonymous with choice, variety, pleasure, desire, and fun; it is often associated with frivolity and unnecessary products though. Talking about ethics in fashion may seem somewhat contradictory, but it refers to increasing concerns among both consumers and managers to create fashionable, affordable designs that avoid societal or environmental damage. For example, when fashion industries seek to speed up the processes of designing, manufacturing, shipping, and delivering fashion

apparel and accessories to eager fashionable shoppers to beat their aggressive competitors, they might resort to different means that are not always ethical.

As companies adopt vertical integration strategy and outsource manufacturing to external suppliers, the fashion industry has grown more geographically dispersed, with manufacturing operations spread across multiple different regions and countries. The main goal of such outsourcing is to gain competitive advantages through decreased costs, but this practice can lead to unethical production condition. Fashion firms want to be the first to receive deliveries and, the first to offer the latest fashionable trend at a reasonable price on the market, but that pursuit might lead them to engage in questionable practices such as sweatshop labor. In sweatshops, factory employees work unreasonably long hours in dangerous and unhealthy conditions for low pay.

The following list enumerates several unethical practices that remain too common in many factories that support the fashion industry:

- Long hours: 120 hours of work per week is not uncommon. In China, some people work seven days a week, 12–14 hours a day. In Thailand, during peak season (i.e., to produce the main fashion collections for Spring-Summer and Fall-Winter), workers continue on to a night shift after working a day shift to deliver the fashion brands' requests on time.¹⁰
- Hazardous work conditions: Old equipment, dirt, dust, heat, nonhygienic environments, and a lack of proper ventilation represent some hazardous work conditions. The main goal of a sweatshop is to produce more for less costs and as quickly as possible. To do so, manufacturers ignore workshop safety, use shoddy construction, and disregard equipment safety issues; they also are reluctant to invest in improving working conditions. Reducing costs is the priority, as a means to attract new orders, and nonhygienic or unsafe settings are not really a concern, as long as they can have the collections ready for on-time delivery.
- Low pay: Workers need a minimum living wage, defined as an amount sufficient to provide for their families' basic needs

(food, housing, education). However, in most developing countries, workers in the fashion industry earn less per month than the price of a Ralph Lauren casual shirt. In Vietnam, the minimum wage is between \$80 and \$112 a month, depending on the region;¹¹ in Cambodia, it is \$75 per month,¹² and in Bangladesh, it is only \$68.¹³

- Child labor: The minimum age for employees often is not respected. This minimum is often very young (e.g., 12 years), yet many factories use children of just 6 years of age as workers. India holds the sad record for the highest rates of child labor in the world. More than 55 million children go to work in factories daily.¹⁴
- Use of chemicals and pollutants: Manufacturing often requires various chemicals and pollutants to inject color or soften fabric, but these practices are done without authorization, without proper handling procedures, without treatment after exposure, without recycling, and without protection for workers. In China, the textile industry discharges more than 300,000 tons of chemical oxygen demand. In 2012, the China Pollution Map Database recorded 6,000 textile factories in violation of environment pollution regulations (e.g., discharge of untreated pollutants, wastewater contamination).¹⁵ The pollutants and pesticides spread to the air, soil, and water result in environmental contamination; their consequences for workers handling them are even more serious. Such unethical practices are common in sweatshops in developing countries; according to the fibre2fashion website, “nearly 2 billion USD worth of pesticides are used annually, of which pesticides worth about 819 million USD have been declared toxic as per the guidelines of the WHO. The health of the workers spraying pesticides in cotton fields and the people living around these fields are adversely affected.”¹⁶
- Use of endangered species: Fur from almost any animal is banned by many countries but still used in some fashion collections. The uses of leather, fur, and even wool have been condemned by associations dedicated to preventing cruelty to

animals. One well-known example is People for the Ethical Treatment of Animals (PETA), which argues, “Animals are not ours to eat, wear, experiment on, use for entertainment, or abuse in any way.” Fashion consumers increasingly denounce the use of animals in fashion trends, contending that people can easily be fashionable without harming animals. Public figures, such as the singer Pink, the U.S. swimmer Amanda Beard, and the actress Pamela Anderson, have joined and testify in this organization to fight against cruelty to animals used in the clothing industry.¹⁷

These details reveal the state of unethical practices in the fashion industry and the critical needs for improvement, especially as multinational fashion firms continued to be accused of damaging the environment and infringing on human rights, merely to increase their profitability.

A recent dramatic event in a fashion factory awakened many occidental consumers to these issues, when a building collapse in Bangladesh killed thousands of workers producing clothes for well-known international brands. Many shoppers claimed they had been unaware, and some just preferred not to recognize that their desires for more and more diverse fashion apparel and accessories nurtured an unethical industry.

However, such awareness is growing among fashion companies, factories, and consumers. Therefore, ethics is emerging as a new expectation for the fashion industry, and shoppers are pursuing more information and awareness of the disasters and their impacts on their environment and society.

Many actors are responsible for the *laissez-faire* attitude of the fashion industry. Governments in both developed and developing countries make the laws related to the labor force, working conditions, and pollution prevention; it is their responsibility to identify violators that subvert human rights and pollute various regions and populations. With the emergence of awareness of ethical issues, and ethical demands from customers, fashion companies also have been forced to adopt more ethical practices and try to correct their subcontractors' poor practices. For decades, these companies tended to deny their responsibility, pleading a lack of knowledge about the practices of different contractors used by overseas agents. These

arguments reflected the view of the Nobel Laureate Milton Friedman, who famously declared in the 1970s that the only moral obligation of a company is to produce profit for shareholders. However, times have changed; modern fashion companies must take more responsibility for their manufacturing processes and develop corporate social responsibility programs. Companies from developed countries need to find alternative ways to improve their supply chains and profitability without endangering others' lives and health or the environment.

Corporate social responsibility refers to self-regulation processes implemented by companies to ensure the application of ethical practices and international norms. Although no universal standard exists for these programs, some guidance is available to fashion companies through the International Register of Certificated Auditors to improve their practices. Other organizations offer assistance to companies that want to prevent the use of unethical resources and enhance social and environmental conditions. The Fair Trade Certified movement promotes high standards for international labor and, social and environmental production. The Ethical Trading Initiative (ETI) implements codes of conduct to improve working conditions. Fashion companies that adopt ETI commit to enhancing the working conditions in their supply chain, and an annual report summarizes their performance.

Yet from a business perspective, sweatshops persist because they are lucrative, for the firm and, in some sense, for their workers. In developing countries, workers often struggle to satisfy their basic needs and accept poor treatment as a means to survive. Jobs in the fashion industry entail long hours, unsafe and unhealthy conditions, and low wage—but for some people, they are still a job. As one Bangladeshi worker explained during an Ethical Fashion Forum, “This job has given me power to make my own decisions for myself. . . . Earning money has allowed me to send my daughter to a school.” The fashion industry provides work, orders to fulfill, and a possible means of survival for people in developing country. Still, unethical working conditions cannot be the solution, and maximizing profit for brands in developed countries cannot be the only goal.

Fashion shoppers also have a responsibility: They cannot be too naïve about such improvements. Fashion brands are not charity organizations and must generate profit to be able to survive and offer nice, fashionable

apparel and accessories at an affordable price. Ultimately, fashion consumers have the power to insist on ethical fashion. Although some consumers are engaged by ethical considerations, others are not really motivated to change their habits. Ethical production practices can lead to higher retail prices, and some shoppers remain unwilling to pay a premium for ethical fashion products.

As Rob Bogy, CEO and founder of IRII, Industrial Revolution II, an ethical apparel factory in Haiti, recognizes, “tougher regulations and more stringent factory audits are not enough. Consumers have the ability to demand that the brands they buy make more responsible sourcing decisions, using their collective wallet as both the carrot and the stick. There is a lot of power at the top of the chain and as brands increasingly realize that consumers care deeply about this issue, real change will begin to happen.”¹⁸

To achieve this change, and covert fashion shoppers into ethical ones, customer education is necessary to make people more aware of the different practices in developing countries. Giving them a reason to pay more may lead to more ethical working conditions.

In particular, fashion shoppers need more information to be able to make better ethical judgments; usually, the only information available to a customer at the point of sale is a Made In tag that reveals the country of production, the wash care instructions and the fabrics used. Fashion companies should communicate their ethical practices more effectively to help shoppers make conscious decisions.

Hence, three main actors can influence the development of ethical practices:

- Governments from developed and developing countries: by mediating with factories and suppliers for minimum wage and labor regulations.
- Fashion industries: by having more control over their supply chain, their suppliers’ suppliers and negotiating fair price with them.
- Fashion consumers: by demanding more ethical products and being ready to pay few more dollars to improve social and environmental conditions.

These shoppers are not limited to green customers. They also include fashion-conscious consumers. Their ethical concerns are gaining recognition among multinational firms, leading to the emergence of alternatives such as recycled apparel. Such firms commit to enhancing working conditions and reducing their environmental impacts, in an effort to convince shoppers of the value of their ethical products and to gain their favorable judgment. As an element in their brand promise, ethics can help preserve customer loyalty, whereas unethical practices can lead shoppers to switch to more ethical competitors. By offering ethical fashion apparel and accessories, fashion firms thus add attractive value for customers. Ethics is increasingly valued by fashion consumers, who demand that their favorite brands exhibit ethics that are as irreproachable as their designs. Fashion companies will confront ever increasing pressure to change their supply chains and show their customers that they appreciate their social and environmental responsibilities. Following this ethical path, fashion firms can avoid the potential damage to their image caused by unethical revealed practices, as well as the loss of their customers' trust.

Ethics is becoming a value for fashion companies that completes their brands' promises. This new added value preserves customers' loyalty whereas unethical practices are now drawing more attention and can twist these shoppers' purchase decisions.

Several examples are instructive. Some fashion companies are committed to ethical organizations or created their own sustainable standards. For instance, The Gap Inc. has adopted several corporate social responsibility programs. Aware of the impacts of its outsourcing production in terms of ethical practices, this company tries to lessen the possible negative outcomes. First, it conducted assessments to determine its environmental footprint precisely. With this knowledge, this company could focus on specific elements in its supply chain that offered the potential for sustainable improvement and solutions to reduce environmental impacts. Second, the company began conducting unannounced interviews with employees to monitor working conditions and ensure its sustainable standards were being correctly applied. Even though The Gap Inc. manufactures almost all its apparel and accessories outside the United States, it can assess suppliers' efforts and remains closely involved in the different production steps through its corporate social responsibilities programs.

As a result of these efforts, The Gap Inc. is emerging as one of the most responsible firms in the fashion sector, named as one of the “100 Top MBA Employers” in 2010. Furthermore, this company enjoys a real and growing environmental and social sustainability reputation among its stakeholders and customers.

Marks and Spencer is also committed to sustainable programs, leading it to launch its “General Merchandise Living Wage” agreement. Mike Barry, Head of Sustainable Business, explained that the purpose of this program was to implement “a process to ensure our clothing suppliers are able to pay workers a fair living wage in the least developed countries we source from, starting with Bangladesh, India and Sri Lanka by 2015. We will achieve this by ensuring that the cost prices we pay to our suppliers are adequate to pay a fair living wage and by rolling out our ethical model factory program to ensure the cost price benefits are paid to workers.”¹⁹

Some designers also create fashion differently, to improve their ethical practices. The designer Stella McCartney, for example, refuses to use any fur or leather in her collections. She is a member of PETA, pledged to the causes of animal protection and rights. As she has said, “we address ethical or ecological questions in every other part of our lives except fashion. Mind-sets are changing, though, which is encouraging. As a designer, I like to work with fabrics that don’t bleed; that’s why I avoid all animal skins. You can buy cruelty-free fashion all over the place now, since demand is always increasing as people learn the dark truth about the fur and leather and exotic-skins trade.”²⁰

Recycling is another means to introduce ethics in fashion. Galeries Lafayette emphasizes the concept of empty dressing to encourage recycling of fashion pieces. Space in its stores is allocated to collect fashionable apparel and accessories for recycling and exchange—following the trends of the season, of course. Even ethical shoppers want to stay fashionable! The department store’s slogan for the operation is “Fashionable Recycling: Renew Your Dressing Responsibly.” The idea is not to offer dated fashion products but rather to exchange items during their current fashion season when consumers no longer enjoy wearing them. In return, the ethical consumers may choose from others’ discarded fashion apparel or receive a gift card from the department store.

As these examples show, various ideas are flourishing to produce and offer ethical products to informed consumers and to support sustainable ways for them to become more ethical in their daily consumption behaviors. These different sustainable programs or initiatives by fashion companies, designers, and retailers reflect the rising awareness of ethical issues. As environmental and societal factors are more prominent in the decision-making processes of both fashion firms and consumers, these ethical trends should persist, especially if consumers start to avoid socially irresponsible fashion companies and reward responsible ones. To leverage the added value of ethical fashions, companies must make sure those values are visible and explicit for customers, such as through special advertisements and, communication about ethical programs, uses of organic materials, or recycling for example.

Another significant determinant of the development of fashion ethics is the question of price. The price of ethical fashion apparel cannot be so high that it prevents customers from obtaining it. They seek fashionable, ethical designs that are not priced too high. Shoppers cannot be expected to bear all the costs associated with improving the sustainability of their favorite brand. Rather, the costs and the benefits should be shared. Fashion companies can reduce their margin to allow higher living wage or better working condition in developing countries and thus attract more conscious shoppers. Fashion consumers can enjoy lessened their culpability when they buy fashion items that they know have not come from any child labor or caused any pollution. At the same time, producing ethical apparel and accessories is a way for fashion firms to improve their image. As ethical items are more attractive to more conscious shoppers, they enhance the development of ethical fashion attachment and loyalty, which leads to greater profits for ethical fashion companies.

Summary

- Fashion equity leads to fashion attachment and then loyalty, so fashion companies should manage carefully the values associated with fashion to achieve fashion attachment and develop consumer-based fashion loyalty.

- Ethical practices raise more attention from fashion companies and shoppers; both become more involved in the benefits arising from a socially responsible behavior.
- Ethics in fashion represents a new value for fashion companies and customers.

Conclusion

Fashion interacts with several economic, financial, psychological, and sociological factors, which reinforce the importance and need for fashion companies to understand their customers' behaviors. Fashion participates in, find inspiration from, and adapts to the evolution of societies as it manages the relationships between eager fashion shoppers and competitive fashion firms.

Today's fashion shoppers are more informed and, aware of companies' practices—and more demanding too. Facing this challenging demand, fashion managers use different elements in their marketing mix to stimulate these shoppers' appetites and convince them to purchase the items produced by their fashion brands. To attract customers, then create and affirm their loyalty, fashion companies rely on fashion benefits. Fashion adds substantial value to products because it enables shoppers to develop, improve, and play with their self-images. Beyond the well-established symbolic and experiential benefits offered by fashion, managers should pursue ethical benefits. Ethical apparel and accessories represent a significant new stake to captivate fashion shoppers.

Fashion has always entailed fluctuations, but the changes occurring today—including new distribution channels, new means of communication, and growing ethical concerns—demand greater adaptation and reactivity by customers, to maintain their fashionable image, and by firms, to continue to offer attractive fashionable apparel and accessories while continuing to lead the industry and outperform their competitors worldwide.

About the Author

Caroline Le Bon is Adjunct Professor of Marketing at the University of Houston-Downtown and a Research Associate at Aix Marseille University, France. She received a Bachelor of Arts in Applied Economics and a Master in Retail Management, Logistics and Negotiation from the University of Paris Dauphine; a Master of Science in Marketing from the University of Paris Sorbonne; and a Ph.D. in Marketing from Aix Marseille University. Her research, conducted in France, Asia, and the United States, focuses on the role and importance of fashion equity and fashion brands in consumer behavior.

Before joining academia, she spent 10 years as a buyer at Galeries Lafayette, a leading French department store, working in the accessories, women's, and men's fashion divisions. She oversaw the selection, negotiation, and procurement of apparel and accessories for more than 60 Galeries Lafayette stores in France. She was also responsible for sales revenues, prices, margins, promotional activities, and inventory management for all the national and international brands within her divisions. Keeping her division up-to-date with the latest design, colors, and fabrics, while discovering new designers and fashionable brands, was her favorite challenge. She has lived and worked in Europe, Asia, and the United States and was born in France.

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Fashion Marketing Influencing Consumer Choice and Loyalty with Fashion Products

Caroline Le Bon

Fashion is everywhere! It transcends domains and applies to almost any kind of product (e.g., apparel, cars, digital devices, food, literature, travel, music, house decoration, and personal wellness). Fashion greatly influences public interest, media coverage, and product success. The global fashion industry is among the most important in terms of investments, trade, and employment, despite its dependence on unpredictable demand.

This book focuses on the fashion apparel and accessories industry in an attempt to help managers answer the following questions: Why and how do fashion products appeal to consumers, despite their constantly varying attributes? What specific elements and benefits of fashion influence consumers, and how can companies exploit them and gain from these? Which marketing strategies and tactics should companies use to increase fashion products' success while communicating and managing customers' image? How can companies maintain customer loyalty and generate higher profits with fashion products? By undertaking deep analyses of manufacturers and retailers' best practices, interviewing customers and companies, and reviewing recent academic research on fashion marketing, this book answers such questions and thus helps managers leverage the value that fashion adds to products while creating loyal customers in truly competitive fashion markets.

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