AN EXPLORATION FOR THE POSITIONING STRATEGY
OF HERITAGE BRANDS IN THE FAST-FASHION MARKET.
VIEWED FROM THE APPAREL CONSUMER’S BEHAVIOR

JOYCE VAN LOON
Preface

The graduation thesis that is in front of you is written to complete the study fashion management at the Amsterdam Fashion Institute. My subject is formed by my personal interest and the company where I’m currently doing my second internship.

This thesis is of interest for (heritage) brands that are evaluating the current market environment and consumer landscape. Merely, this study might be relevant for people in the fashion world that have an interest for the changed consumer landscape.

My interest for consumer behavior started with an interest for society. I have always been intrigued by the decision processes of people around me. This is in particular focused at what influences and triggers their opinions and decisions. Since I’ve started my study at the Amsterdam Fashion Institute, I’ve developed an interest for consumer behavior. While studying I tried to focus as much as possible on this subject during my exchange program to the Melbourne University and my specialization into sociology. After I started working for the company Calvin Klein this interest developed even more. How do you, as a fashion company, know why consumers buy or do not buy products from your brand?

My focus is especially on the implications of fast fashion and how this changed the consumers’ decision process. The study shows success factors that are effective for the repositioning of heritage/luxury brands.

Acknowledgements

I would like to thank a few people that helped me with gathering information regarding these subjects. First I would like to thank my managers at work, Jenny He and Carola Frensch, for the input and time they have given me to write my final thesis. I would also like to thank the participants of the interviews, without their experience based knowledge my study would have not been so interesting. Lastly, I would like to thank my coach Joop Smit for guiding me during this process.

Declaration of Authenticity

I hereby declare that to the best of my knowledge and belief, this thesis is original and contains no plagiarism material. This study is my own work and all sources used are referenced and acknowledged.

.....................................................

Joyce van Loon
Executive summary

This study is focused on the current fashion environment that has changed the consumer landscape. The emphasis is on the new consumer profile to guide changes that are needed for the positioning of luxury brands. The inducement for this research comes from the luxury brand Calvin Klein, which is re-positioning within the European market to re-gain market share. This research might be relevant to multiple heritage brands that are adapting to change to compete in the fast fashion environment. The main question for this research is how heritage brands should change their positioning in the current fast fashion environment in order to cope with the changed buying behavior.

To understand the decision process of the current buying behavior the study needed to define the main consumer characteristics. The research showed that characteristics cannot be defined in age groups, ethnic background, education level, income or social class. The current consumer is attracted by experience and lifestyle, and is named the post-demographic consumer. Consumers are marked by attitudes, no longer by their demographics. The survey, interviews and online research seem to show a fragmented consumer. The current consumer should be analyzed via an interest-based segmentation instead of target groups based on demographics. This is stimulated by the broad range of access to information and experience, the freedom to be everything, the ability to compare, combine and try different products or brands, and the desire to constantly keep up with the rapid changing social trends. Besides these factors, the decision process seems divided and influenced by sub-conscious factors.

Brand value and willingness to purchase are important factors for the success of a fashion brand. In the current market a positive brand image, distinctive character, showing a total lifestyle, emphasizing retail stores and focusing on key-items seem determining. Brands should use innovative ways to reach the consumer to benefit from the online-world and its interconnections. This communication asks for consistency and the branding of a total lifestyle. Today's consumer asks for enhanced speed to market or more frequent delivery drops in order to attract them to your store. Retail stores are the way to communicate your desired identity and to create positive associations by the in-store experience. Willingness to purchase can be stimulated with the use of influencers that stimulate other consumers to wear certain brands or products. The consumer needs to experience the brand feeling by all communication matters, pre-purchase and post-purchase.

For heritage brands it is needed to re-focus on key-heritage products as their strongest weapon. Luxury brands also need to align sub-brands within the vertical expansion to maintain a total aligned brand identity. In order to keep up with the new consumer, heritage brands can implement more delivery drops or more small seasons to create constant newness on the shop-floor. Innovative ways of communication and shopping platforms are important to gain market share, such as web-stores and social media. Everything should show a total lifestyle aimed at the post-demographic consumer. Besides this, retail stores seem to be very important to create the desired brand image. These are the business card of your brand and should have a strong presence, also to guide the wholesale channel.
To conclude, heritage brands need to emphasize on the importance of a total lifestyle and its implications for communications. The post-demographic consumer should be at the center of a re-positioning strategy, to guide every step on the way.
Table of contents

Chapter 1 | Introduction ............................................................................................................................. 1
  1.1 Rationale and relevance .................................................................................................................... 1
  1.2 Research questions .......................................................................................................................... 2
  1.3 Objective .......................................................................................................................................... 2
  1.4 Research methodology .................................................................................................................... 2
  1.5 Limitations of the research objects and methods used ................................................................. 3
  1.6 Report structure ............................................................................................................................... 3
  1.7 Product ............................................................................................................................................ 4
Chapter 2 | Definitions and description of the phenomena ........................................................................... 5
  2.1 Introduction ..................................................................................................................................... 5
  2.2 The fast fashion market ................................................................................................................... 5
  2.3 Heritage brands ............................................................................................................................... 5
  2.4 Brand positioning ............................................................................................................................ 6
  2.5 Consumer buying behavior ............................................................................................................ 6
  2.6 Propositions ..................................................................................................................................... 4
Chapter 3 | Data collection and analysis .................................................................................................... 7
  3.1 Introduction of the changed fashion environment ......................................................................... 7
    3.1.1 The macro-environment ........................................................................................................... 9
    3.1.2 Changed consumer behavior and willingness to purchase for the apparel market .................. 13
  3.2 Defining consumer characteristics effecting the current purchase behavior ................................ 16
    3.2.1 Changes in consumers characteristics and buying behavior ................................................... 18
    3.2.2 The fast fashion and slow-fashion consumer ........................................................................ 23
    3.2.3 Influences of the changed fashion market in the positioning of heritage brands .................. 24
  3.3 A critical look at brand identity and brand image and its consequences ....................................... 28
    3.3.1 21st century’s critical influences on changing identity and image of apparel brands ............ 29
    3.3.2 Shaping brand associations ..................................................................................................... 29
    3.3.3 Strategies influencing consumers’ willingness to purchase .................................................... 30
Chapter 4 | Case study Calvin Klein ............................................................................................................. 32

Graduation thesis | Joyce van loon | Amsterdam Fashion Institute
Chapter 1 | Introduction

1.1 Rationale and relevance

This research will focus on factors that influence the positioning of established fashion brands in the current apparel market, focusing on the consumer. The inducement for this research finds its origins in the brand Calvin Klein. Calvin Klein is a well-known fashion brand that has incredible brand awareness and is represented world-wide. The brand has a long history, but has lost its innovation and newness over the years. Since PVH took over Calvin Klein via the acquisition of the license company Warnaco, the brand has been trying to reposition and recommunicate its new identity (Perlman, 2013). Calvin Klein has been working on rebranding its identity within the European fashion industry to regain market share and turn their brand awareness into brand consideration to stimulate purchases.

The broader relevance of this research is found in the struggles that the current market evolution brings to established luxury brands, also called slow-fashion brands. As the fashion market is constantly changing at a very fast speed, it’s beneficial to keep looking at the communicated identity and brand image that is seen by the consumers. In a fashion market in which the consumer is more than saturated by the competition, regaining market share and a new brand-image is a difficult process (St-James, 2001). Managing consumer perceptions or aspects that differentiate a brand in this market seem difficult to establish. Accordingly, mapping the current influences and opportunities that are influencing a brand-positioning by looking at the market through the eyes of the consumer, might be beneficial to multiple brands that are struggling.

The theoretical research will focus on the changing fashion brands and fashion consumers in the current apparel market. The study will aim at providing an understanding of the fashion consumers’ needs and characteristics, as well as mapping the changes and opportunities. To do so, theories will be used concerning brand identity, brand image, consumer perceptions and associations with fast fashion or slow-fashion focused on heritage brands. Within this, there might be a need to look at strategies towards competitors and changing environments, as well as looking at determinants of willingness to purchase and perceived brand value. There will also be a qualitative research via interviews and a survey, focused on the current fashion consumer and the influences on heritage brands. Next to this, there will be a case-study focused on Calvin Klein’s changes in positioning in the 21st century.

To summarize, the theoretical research will focus on a research into the current fashion market and consumers, and how heritage brands should consider these aspects while positioning their identity in market.
1.2 Research questions

The starting point and main research question of this thesis will be as follows:

Which steps should heritage brands take to change their positioning in the current fast fashion environment in order to cope with the changed consumer buying behavior in the 21st century?

To guide the structure of the research and to answer the main question, the following sub-questions are formed:

I. What are the defining characteristics of the buying behavior for the 21st century apparel consumer?

II. Which factors are critical to enhance the brand identity and the brand image of fashion brands in order to stimulate the consumer’s definition of brand value and so willingness to purchase?

III. How do heritage brands cope with the current fast fashion environment?

IV. Single case study CK: How can Calvin Klein as a heritage brand, reposition to cater the new consumer and regain market share?

1.3 Objective

The objective of this study is to explain the current apparel consumer’s buying behavior to guide the repositioning of heritage brands in the new market environment.

1.4 Research methodology

The methodology for this research contains a literature review and a qualitative and quantitative research. The literature review will focus on peer-reviewed articles to gain an understanding of the changes in the fashion market, the emergence of the fast fashion phenomenon, the response techniques of heritage brands and the characteristics of the changing consumer.

Next to this, qualitative research is used for gaining experience-based information by doing face-to-face interviews with merchandisers that work for Calvin Klein Europe, Zara or have worked for Hugo boss. Also primary research will be used while gaining insight information by working for the company Calvin Klein. This part of the research will be focused on the European market.
The quantitative part of the research exists of an online survey, with the aim to collect insights of the buying behavior of consumers in the Dutch apparel market. This survey will also give insights on the brand image of Calvin Klein.

1.5 Limitations of the research objects and methods used.

› The quantitative research, as the survey is only done in the Netherlands – not for Europe.
› The data collection via the survey is merely my social group, around the age of 22 years and based in Amsterdam.
› The qualitative research via interviews is focused at Calvin Klein, Hugo boss, Net-A-Porter and Zara. This knowledge will be experienced based and is therefore might not capture the entire industry.
› The qualitative research will include primary research from within the Company Calvin Klein. These findings might be influenced by my interpretation.
› The broad scale of the subjects and the limited time might force the research into focus points that leave out other aspects of changes in the fashion market.

1.6 Report structure

This thesis exists of 5 parts. The first part will introduce the changed fashion market and will define the consequences this brings for the positioning of fashion brands and for the behavior of the consumer. The second part will go into more depth concerning the current apparel consumer, their characteristics and expectations, and the influence on buying behavior. The third part will relate these changes in consumer preferences to the changes into the positioning of fashion brands in the 21st century. The aim here is to map the determinants of brand value in the eye of the consumer, and which implications in strategy or positioning this should bring. The fourth part will focus on the brand Calvin Klein, to look at their history of strategic behavior and how they are reacting to the fast fashion market and its consumers. Eventually, in the fifth part all results of the above named research topics will be used to create a model focused on brand positioning en the new consumer.

The logic behind the set structure can be found in the main question for this study. The build-up via the sub-questions is focused on answering the main research question. This is created with a logic structure of what answers need to be found in order to continue the study.
1.7 Product

To summarize, the goal of this research and advice will focus on providing an into-depth research and understanding about the current fashion environment and its consumers. Within this research the main aim is at mapping the influences that shape the current consumer, their perceptions and brand associations and understanding of brand value. Eventually this will show opportunities and points to improve within a brand positioning strategy that are needed to stimulate the change from brand awareness to a stronger consumer willingness to purchase.

The research will give insights into the factors that influence a positioning strategy and which aspects should be evaluated within a brand, both internal and external. It will show insight into the current fashion market and a theoretical framework about how the current customer should be approached.

The practical approach of this research will be focused at the company Calvin Klein but can be used for multiple brands. The aim is to create a clear and focused understanding about the current consumer, to give direction and opportunities to help with the positioning strategy. This makes the goal of this thesis an advice for Calvin Klein’s positioning based on the current consumer needs and profile.

1.8 Propositions

Below are the hypotheses concerning the main issue to guide this study. These will be re-evaluated in Chapter 5.

I. Consumer groups cannot be defined in demographic target groups anymore.

II. Consumer’s preferences changed from investing in quality to purchasing more temporary products unless the product is truly special.

III. The consumer is confused by the sub-brands housed within heritage brands..

IV. Heritage brands focus too much on keeping up with fast fashion brands instead of creating a competitive advantage based on their heritage
Chapter 2 | Definitions and description of the phenomena

2.1 Introduction

This thesis aims to explore the current fast-fashion environment by mapping the changes in consumer buying behavior and brand positioning. Therefore, the starting point for this study will begin with defining the phenomena fast fashion, heritage brands and the terms buying behavior and brand positioning. Within these contexts the corresponding terms that were named in the rationale will also be explained.

2.2 The fast fashion market

Within the apparel industry, which contains the total clothing industry, the fast fashion phenomenon has been a well-discussed subject changing the world of ready to wear. The term fast fashion relates to the changed industry and marketplace that evolved over the last decade. Fast fashion brands are capable to respond quickly to new trends due to short lead times and quick response techniques in production and distribution. Because of these techniques fast fashion brands can always cater to market demands with quick supply techniques. This strategy is made possible by localized production, advanced systems to monitor and constantly replenish inventory, own-operated stores and a well-established monitoring system for consumer preferences and fashion trends (Cachon and Swinney, 2011). It is also said that these brands change consumer purchase behavior due to the disappearance of strict seasons, and the delivery of constant newness in their inventory. The lead time between the design stages and the product being offered in store is only a few weeks, while these brands continue to offer low-cost clothes. According to Cachon and Swinney (2011) it is this balance between supply and demand that gives fast fashion brands significant value. Fast fashion research acknowledges the influence of socio-cultural changes concerning the buying behavior and lifestyle of the apparel consumer.

2.3 Heritage brands- slow fashion market

In this research Heritage brands are the main focus of the slow-fashion and luxury segment. The term heritage brand refers to brands that are known for its long or impressive history. This successful history is called brand heritage, and usually forms the corporate identity of the brand. These brands are often luxury brands that are able to set higher prices due to a meaningful heritage. This can result in well-established brand value and often consumer willingness to pay higher prices (Wuestefeld and Hennings et al, 2012). In opposite to fast fashion brands, slow-fashion brands are known for higher quality, craftsmanship, premium prices and exclusivity. Hence, products bought from slo-fashion/heritage brands are usually seen as a longer investment. Heritage brands usually started as a family business, with a strong focus on the product value. Due to their heritage these brands have strong brand awareness. Because of the long history, the brands strategy is often
not totally applicable in the fast fashion market and the belonging consumers. This makes it interesting to focus on the changes of the current apparel market, to translate them to the positioning of heritage/luxury brands.

2.4 Brand positioning

Brand positioning is used to map the positioning of fashion brands in the apparel market compared to its competitors and its consumers. The brand positioning process was originally defined by the process of creating the brand ‘image’ (Biel, 1993). According to Keller (1993) this comes together by the brand associations that are perceived by the consumer (St-James, Charm 2001). Brand positioning begins with the company’s strategy concerning the place and identity they want in the market. This involves all associations concerning the communicated identity aimed at reaching the consumer. According to St-James, this shows the combination of strategic thinking and the psychological dimensions that are formed in market (Charm 2001). The position in market can be seen from within the company, and the consumer. This difference can be found in the desired brand identity, which is the identity communicated by the brand, and the perceived brand image, which is the identity that is given to it by the consumers. Brand positioning is dependent on the relationship that is created in the mind of the consumer (Okonkwo, 2007). It should establish similarities or differences compared to other brands, to stimulate a brand image that leads to consumer willingness to purchase. Brand positioning is affected by the changing society, competitive landscape and consumer preferences which can lead to a need for re-positioning. This is why the current fast fashion market that is marked by change in the market place, competitive landscape and in the consumers buying behavior creates the importance for Heritage brands to reconsider their positioning.

2.5 Consumer buying behavior

Consumer buying behavior reflects the characteristics and influences on the decision-making process when purchasing products. In this study this is used to map the determinants of consumer’s choice of brands within the apparel market. Buying behavior is influenced by economic, cultural, personal and social factors. Within the apparel market this can explain the choice for fast fashion brands or heritage brands, to create guidance for brand positioning or change management (Gabrielli, Baghi, & Codeluppi, 2012).
When walking through the heart of the shopping life in Amsterdam, it is intriguing to see the continuous herd of people trying to find their way within the overwhelming offer of brands around us. The bags that are being carried vary from H&M or Zara, to Nike, G-star, Tommy Hilfiger or Chanel. A clear distinction between these consumers is difficult to establish. Moreover, when visiting different stores this distinction by looking at the products is sometimes even harder to establish.

The fashion industry has always been a creative and dynamic environment on the forefront of change. Except for creating change by the clothing that is designed, the dynamic fashion world itself is also constantly changing by the high rate of competition and constant demand for new clothes. But which influences are on the forefront of this changing industry and what does this mean for luxury brands? Can we explain the current fast fashion industry, the broad offer of products or the high level of competition? The definition of the current fast fashion market is already explained in chapter 2.2, but it might be interesting to look at the needs that triggered this popular ready-to-wear model.

According to Hennings and Wiedman et al. (2013) the luxury market already changed in 1995 from being mainly exclusive products to accessible products being suitable for a larger consumer group. Due to this growth and larger demand, the luxury brands started expanding across their product lines and started with a so-called vertical expansion (Hennings, Wiedmann, Behrens, Klarmann, & Carduck, 2013). This change was named by Dubois and Laurent in 1995, and can be seen as the forerunner of the changing fashion environment. It can be interpreted that before the fast fashion industry started taking over the 21st century, the expansion of product lines and so the diversifying of fashion brands their product offer started. The so-called vertical expansion might have been the preface of the broad offer that apparel brands offer and that consumers expect in the current market.

So how did fast fashion take over the fashion industry? Fast fashion recently became a leading part of the ready-to-wear market. This strategy offers the consumer a continually changing offer in the apparel assortment, while pressuring the traditional half year process of creating a new collection. Fast fashion brands only need a few weeks for this process (Cachon and Swinney, 2011). As named before, this process is defined by quick response techniques between the production and distribution while offering affordable and fashionable products. The process has developed very efficiently which stimulates fast fashion brands to maintain low prices and a broad offer. This fashion environment is marked by a high rate of competition and a broad offer to fulfill consumers’ needs.
Nowadays, the competition on price level and product level is giving the consumer all rights to compare brands and to choose the cheapest and best option. With the fast fashion brands that are able to cater to every trend or need within 4 weeks, we can wonder if the consumer is starting to get spoiled by a market that can fulfill any need and trend for reasonable prices. This market strategy is consumer-driven and responds quickly to new needs. This means the consumer is getting used to satisfaction in newness and trends being translated immediately from the runway to the shop floor.

If this offer became the standard, it makes sense that heritage brands are struggling to position themselves. It has been confirmed that the rise of the fast fashion brands has created difficulty for the positioning of luxury fashion brands (Busines of Fashion, 2011). Regarding the new market environment Patrizio di Marco, President and CEO of the heritage brand Gucci, also stated that the current consumer is very careful and hesitant when they are considering luxury products (Socha, 2010).

stores as H&M and Zara are doing a fantastic job at bringing products to market, at the right time, place and price. This makes it difficult for the rest of the brands to compete (Gottwald, 2015).

Luxury brands are known for good quality, a heritage of craftsmanship, a good brand name and exclusivity. These brands have strong brand awareness and usually have a global presence. Their collections are often marked by key-items that are recognizable due to the brand heritage. These brands are known and popular due to their brand name, which makes the logo a key part of their collections. In contrast to the continuous flow of new products that fast fashion brands offer, most heritage brands work with a traditional 2 season cycle (Autumn/Winter and Spring/Summer). This means luxury brands are behind when it comes to a quick response technique, and offer less newness on the floor during selling season. Due to their longer lead-time, they are less capable of offering the consumer products that are aligned with the latest trends.

Below table shows the main differences between fast fashion brands and luxury brands:

<table>
<thead>
<tr>
<th>Positioning</th>
<th>fast fashion brands</th>
<th>Slow fashion brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collections</td>
<td>Up to 20 small seasons.</td>
<td>2 main seasons (Fall/winter and Spring/Summer).</td>
</tr>
<tr>
<td>Pricing strategy</td>
<td>Low-segment to mid-segment, broad offer in affordable prices.</td>
<td>Premium prices due to brand name and quality</td>
</tr>
<tr>
<td>Distribution strategy</td>
<td>Own-operated retail stores and web-stores.</td>
<td>Wholesale stores, retail stores and web-stores.</td>
</tr>
<tr>
<td>Supply chain strategy</td>
<td>Partly outsourced within Europe and Asia. Company owned in the case of Zara (EU).</td>
<td>Outsourced and usually Asia based, higher quality in Italy.</td>
</tr>
<tr>
<td>Product strategy</td>
<td>Consumable and ready-to-wear.</td>
<td>Exclusive, timeless and high quality.</td>
</tr>
<tr>
<td>Response technique</td>
<td>Around 4 weeks.</td>
<td>6 months up to a year.</td>
</tr>
</tbody>
</table>
3.1.1 The macroenvironment

A changing society and market place are influenced by multiple factors. To break down external factors that influence opportunities or threats for a business, the DESTEP analysis is a helpful tool. This tool maps the landscape of the fashion branch. For this research this will be used to map the external (macro) environment for fashion brands, focused on the main research question. These external factors are very important to guide strategic decisions. This is focused on Europe and will only describe relevant factors. The analytical tool is divided into 6 subjects, which are explained below.

Demographic factors

Demographic factors that influence strategic decisions can be the projected structure of the population. A recent study carried out by the European environment agency (EEA) shows the expected growth for the coming years. The worldwide population is estimated to grow with 39% percent towards 2050, while Europe’s share of growth is estimated at 1.2% (EEA, 2015). This small growth is caused by a low birth rate in Europe. A slower birth rate and the higher life expectancy leads to a higher average age. According to the EEA (2015) the average age will grow from 28 to 36 by 2050.

The society is estimated to have a higher rate of elderly people, growing from 8 to 16 % by 2050 (EEA, 2015). The ageing society will influence overall buying behavior and purchasing power. A UK-based research showed that the baby-boom generation is very active and is not settling down. They are estimated to make up two-third of the retail spending growth within the next decade (KMPG, 2013). Because this generation grew up in economic growth their spending habits are stable. Also their online presence cannot be ignored, proved by Twitter who shared that their fastest growing age group is 55 to 64, which grew with 79% (Trend watching, 2014). In addition, generation Y is named as the group that will have the highest purchase power in the future. This group grew up in the digital age and is estimated to change the consumer landscape. This group is
named the millennials and is driving demand that exceeds the baby-boom generation. Because of the high education level this group is expected to have a high purchasing power (Trend watching, 2014).

Europe is also marked by a high migration rate. There is a clear migration pattern from less-developed countries to developed regions (EEA, 2015). This leads to mixed cultural influences and a global culture, which will be further explained within social factors.

To summarize, consumer behavior can be focused on 3 groups, the millennials, the middle group around the average age of 28 to 36, and the baby boom generation that are still maintaining stable spending habits. These groups are cross-cultural and influenced by a global culture.

**Economic factors**

In the past years economic uncertainty has been a problem due to the stagnation of job offers, the decline of disposable income and declining export rates. However, a recent report shows that the purchasing power in Europe has grown with 2% in 2014, with the highest power in Scandinavia (GFK, 2014). The economic situation seems to be stabilizing and is showing a small growth. The European commission forecasted a growth of 1.3% for the coming year, which would be the highest growth rate for Europe since 2011 (The Economist, 2015). In the Netherlands they forecasted a growth of +2% for the coming year (Telegraaf, 2015).

The millennials are suffering from the economic recession, which leads to a higher unemployment rate because the growth of job offers did not meet the growth of graduates. This uncertainty can influence consumers’ confidence due to uncertainty in their personal income and future stability, which is decreasing spending habits (Sikich, 2014). The future outlook with this generation does project economic growth due to a higher education level and a higher rate of people following secondary studies.

![Annual GDP growth forecast](image.png)

The dollar is strengthening which is causing a higher production price for products. Fashion companies need to compensate the higher exchange rate, which means either raising their prices or taking a hit on the margins (Chaudhuri, 2015). Companies need to make the choice between making the consumer pay more or making less profit.

The gross domestic product is used to show the economic health in a country. Overall, the gross domestic product is showing a small growth in the
European markets (Economist, 2015). This means markets are recovering from economic instability and consumer purchasing power will enhance.

Social and cultural factors

Cultural factors are very important when assessing buying behavior and consumer’s needs. In our culture, individualization is a known trend. Traditional social connections are decreasing, since religions became less present and interconnections are becoming larger due to the online web. It’s been said that the current society is marked by fragmentation via informal networks instead of the feeling of coherency (World Press, 2014). A consumer is not looking for social coherence but a personal feeling with products purchased rather than fitting into society. Identification via brands is becoming more popular, and consumers nowadays tend to buy brand-orientated instead of product-orientated.

Our current society is also marked by globalization, and is said to be a global culture. Via the online world and migration popularity, countries are mixed with different cultures and consumers. This is changing the ethnic, cultural, social and religious mix in Europe. This is generalizing consumer preferences and mingling local tastes, which makes it harder to specify expectations (Euromonitor, 2015).

We live in a culture of consumption that is also being generalized to the expansion of business throughout the world. Local brands have less chance to become truly profitable, as the global brands are dominating the cultural consumption practices (Keller, 2015).

The paradox of choice is making it difficult for consumers to choose which products to buy. The current market is saturated by brands and products, and the consumer is constantly stimulated to purchase. This can lead to a doubt-culture and difficulty to make decisions and can also lead to fewer purchases.

Most importantly all these factors created an experience-society in which the consumer expects a certain experience when purchasing products.

Technological factors

On the forefront of the technological influences is the new distribution channel created by the Internet. Brands are selling via online web shops, accessible via laptop, tablet or even smartphone.

The internet has created the need for transparency in business policies, production matters and communication of brand identity. Due to the possibility to compare product online brands have to enhance their visibility and online presence. Consumers are constantly getting busier, and research has shown that consumers are using the online web-stores to orientate before doing an in-store purchase (World Press,
The World Wide Web made price and product comparison very easy, and consumers use this knowledge to choose the best or cheapest options. The internet created critical consumers that are able to see every move and share their opinions via online channels. Besides, consumers often prefer to buy online instead of going to big stores. A response to motivate them to come in the store is smartphones location-advertising aimed at targeting possible consumers nearby. According to the Interactive Advertising Bureau, world-wide spending’s that target mobile advertising have grown to 19.3 Billion in 2013. This almost doubled compared to 2012 (The economist, 2014). Consumer became moving targets, which can be used to stimulate spontaneous store-visits and purchases.

Big data is the collecting of constant information via the online web tracking consumer’s preferences and behavior. This data can be a strong help in collecting consumer insights to specify needs and identities. Also, the presence of new technologies as Nano-technology or 3D printing can change production matters in the near future.

Ecological factors

Corporate social responsibility has become a must in the current business model. Companies have to act environmentally friendly by being aware of their environmental footprint. For fashion companies this is especially relevant for the production of clothes. Consumers are increasingly motivated by responsible actions and seem to evaluate the impact on the world and society when purchasing products (Euromonitor, 2015). This economy is also called a sharing or caring society, that thrives to do good. Companies are becoming positive towards input for a better world and are listening to society’s interest in a responsible consumption pattern. This counterculture seems to be understood and is named ‘brand activism’ (Euromonitor, 2015).

Consumers are acknowledging sustainable clothes and materials, and are selecting brands that make them socially responsible. This created the need for transparent and responsible business operations visible via the online identity.

Political factors

India and China are becoming more prominent in the international business world. A lot of European companies are dependent on production in China or India, and are influenced by changed legislation. Besides these factors, luxury products are often bought as a statement of wealth. As high tax rates in Europe are narrowing the income gap, income equality could decrease spending on luxury products. (Euromonitor, 2015).

Commotion and conflicts in countries as Russia or the Middle-East are influencing global businesses and trade-agreements. Europe is interdependent on Russia concerning economic situations and energy sources.
Politics have been balancing the decision to give the country economic sanctions while acknowledging the consequences this has for European economic markets. These sanctions are affecting multiple markets, and will result in a decline of jobs (Loffe, 2014). This means that overall purchasing power will decline. The crisis and sanctions in Russia and Greece have a big influence on fashion companies (Gottwald, 2015).

3.1.2 Changed consumer behavior and willingness to purchase for the apparel market.

The characteristics that involve the change to fast fashion are stated in numerous articles. This part of the study will focus on the changed buying behavior and decision process. As explained earlier in chapter 2.5, consumers buying behavior reflects the characteristics of the decision process when purchasing products. This research uses this term to analyze the determinants of consumer’s decision process concerning apparel products.

Determinants of consumer’s decision process are used to analyze buying behavior when it comes to purchasing products. This behavior can be influenced by cultural, social, personal or psychological factors. These factors influence the norms and values of the consumer. Cultural factors are characterized by the consumer’s culture, sub-cultures or the social class they’re part of. Social factors are characterized by the people surrounding them. This means relationships with relatives, friends or colleagues that directly or sub-consciously influences the consumer. Personal influences are factors that form the personality, the life stage the consumer is in (age), the economic situation, their interests or hobbies and their self-image. Lastly are psychological factors that influences decisions based on personal perceptions, beliefs and attitudes (Tintin, 2015).

Companies’ approach to consumers became a dynamic and proactive approach. In order to aim your strategy at the consumer, the above process can be a helpful tool. What triggers the apparel consumer to feel the need to buy? What is the reaction to this need, does the consumer orientate before he evaluates and compares
products? Or do current consumers buy in a momentum without any research? The last point in the arrow is very important for the value experience, the post-purchase experience usually determines if the consumer will stay brand-loyal.

This will be used to guide the study into the current decision process of the 21st century apparel consumer.

The recognition for a need or stimulants to ‘want’ a product can come from external or internal stimulants. Internal stimulants come from within the consumer, for example this can be created by a change of lifestyle, specific needs due to circumstances or positive memories/experiences with a brand or product. External stimulants can be found in social factors and cultural factors that motivate the consumer to purchase a product as a response to for example advertisements, opinions of social contacts or promotions (Lombardo).

In fashion an internal stimulants can be a change of body shape, a favorite jeans that got damaged or emotional feelings that stimulates the consumer to treat themselves to a nice purchase. An external stimulant can be that nice shirt your friend just bought, a celebrity who is wearing a certain brand or advertisements that trigger the need for a new product. These processes help this study to define the current stimulations for a purchase to compare the fast fashion consumer with the luxury consumer.

Due the stable spending habits of the middle class and the improved rate of income equality luxury products are not only available to wealthy consumers. In the recent years, luxury brands have attracted a new audience of consumers that can afford higher priced products every once in a while. Dubois and Laurent (1995) named this change the "democratization of the luxury market" (Hennings, Wiedmann, Behrens, Klarmann, & Carduck, 2013). This resulted in luxury brands becoming more accessible for a broader consumer scope by responding with vertical expansion. This means that these brands extended their offer with the launch of ‘sub brands’ that were aimed at this new consumer group.

This mid-consumer segment is known for shopping in different channels and price levels. With the rise of fast fashion brands and the created interest of luxury brands for downgrading strategies, the consumer segments started to get mixed. The interesting part is what effect this had on the perceived brand value, as different consumer and brands are becoming comparable. What do these brand extensions mean for the total brand-image/perception and so consumers’ willingness to purchase? This will be further examined in chapter 3.3.

Value proposition and life expectancy

Changed buying behavior has been an interesting subject for studies in the 21st century. One important find is that consumers changed their behavior to purchasing more products, while giving it a shorter life expectation (Gabrielli, Baghi 20). This change influences the consumer on the norms of quality and price. If a product is expected to have a shorter life cycle, the level of value for money decreases. When the product is expected to
live a shorter life, the consumer might find reason to search for affordable offers that don't need to be of the highest quality.

Hence, this can influence the perception towards luxury brands' products. When clothes cost more, but the expected time-period that it will be worn is shorter, the clothes become less valuable in the post-purchase life. Even though these clothes are usually timeless, produced under better circumstances and are made with better materials, the current consumption environment makes it challenging to create lasting value. The disappearance of seasons and the constant replenishment of new items in fast fashion stores have taught the consumer to look for new items, and make clothes out-of-date sooner. The lifecycle has changed and became shorter, but because heritage brands have longer lead-times it's hard to compete towards this process (Gottwald, 2015).

The consumer is also influenced by social and personal needs that trigger consumers to purchase more often to keep up with the trends and surroundings, while enjoying the pleasure of consumption. Consumption is often a psychological need. A research done by Psychology Today showed that 51% percent of unplanned consumptions are triggered by a happy feeling, or as an attempt to feel happier (Samson, 2013).

The fact that consumers have changed their decision process is confirmed in the interviews held with the senior merchandisers for the retail department from Calvin Klein. What the consumers need to find are good reasons and proof of value to choose a luxury item over, for example, a Zara item. The quality needs to visually be better or the brand image should provoke a proud feeling to be seen with the brand name.

Within the value proposition, social factors are a strong influence. The brand image that is created by the consumers and the people that are seen wearing the brand are strong factors for the perceived brand value. The survey confirmed these findings, with 56% percent of the participants rating the importance of social associations with a 6 and higher, on a scale of 1 to 10.

*Marketing and online influences*

This is also a reason why the in the current environment, brands are repeatedly mentioning the need for proper marketing. Marketing needs to seduce the consumer to want to be associated with the brand and to enhance the perceived value. This is why marketing through celebrities or bloggers has become such an omnipresent phenomenon (Euromonitor, 2015). This way of promoting your brand, also called influencer marketing, is a strong way to communicate with potential customers without directly trying to sell a product (Pullizi, 2013). This way of approaching the consumer is known for establishing an emotional connection, and is proven to be very successful by looking at the success of the blogosphere.
The effect of the online world and all interconnections established within the online community cannot be ignored. Fashion is all-about self-expression, and online blogs or tweets have the same purpose.

A luxury brand that has been extremely successful with re-launching the brand and a digital strategy is Burberry. Burberry also struggled with keeping up in the fast fashion market, and started a new strategy focused on the consumer experience (Swire, 2014). Being present online gave Burberry a new platform to communicate their vision and products. The current society belongs to the digital world and as a brand, you cannot stay behind. The use of bloggers, the launch of E.com sites, online advertising and marketing of new products seems to be the way to go. Especially while luxury brands are all focusing on younger consumer groups, the online web is the easiest and broadest channel to reach them.

(Miller, 2014)

Another influence on consumer willingness to purchase is standard markdown periods. Research has shown that consumers are aware of future markdowns and anticipate their buying intentions towards these periods (Rozhon, 2004).

The consumer landscape seems to have changed to a mixed society, where the consumer is difficult to analyze. In a consumption society where online and offline channels are being evaluated to meet expectations that seem to focus on quantity and a shorter-lifecycle, we can question what the defining characteristics are that trigger purchases. The next part of the study will go into more depth concerning the consumer and its behavior.

3.2 Defining consumer characteristics effecting the current purchase behavior

After analyzing the new fashion environment, the growing competition, the macro influences and the start of a new consumer landscape, the defining characteristics of this new consumer seems intriguing. This part of the
study will compare the purchase behavior of fast vs. slow fashion consumers. This means consumption of ‘fast’ fashion products marked by lower prices and short production lead-times, and the ‘slow’ fashion products that are marked by a higher value, longer production lead time and a longer expected life cycle (Watson & Yan, 2013).

Fashion itself has a functional and a social use. Besides clothes to cover your body and to keep you warm, fashion is a social form of expression and identification. Fashion is a behavioral process that evolved over the years. Especially since the society of mass-consumption which decreased structural differences regarding purchase behavior. This purchase behavior used to be class-based and defined by social order, but is now marked by collective tastes, lifestyles and social identification (Martins, Farhat, & Swason, 2012). Fashion itself is built upon social motivation and is strongly influenced by changes in society. When this study examines the changed fashion world and competitive landscape, the consumer culture is most important.

“The fast fashion model is also characterised by the absence of ties to the personality of a single stylist or a specific place; it belongs to today’s global culture of fashion and brands” (Gabrielli, Baghi, & Codeluppi, 2012).

As stated above, the fast fashion world influences specific taste’s and links to personality. It has a very free and diverse nature, which can make it difficult to distinguish target groups. We can wonder if the fast fashion model, together with technological enhancements as the online web, created a versatile customer and a global culture of consumption.

The leading consumer culture has a strong influence within society and changes the characteristics of buying behavior. According to Singh (2011) this culture is marked by a large scale of consumption and production, which stimulates the economy and re-establishes consumer perceptions, desires and their idea of value. Eventually these aspects form the personal identity, attitudes and the consumer’s lifestyle. There is not a lot written about consumer’s habits when it comes to fast fashion, but it has been suggested that the ready-to-wear phenomenon could not have succeeded in the way it did unless it fitted the changes in consumer’s culture (Bhardwaj and Fairhurst 2010, cited by Gabrielli and Baghi 2011).

Postmodern perspective
The postmodern perspective has been used often to explain the changed society and preferences. This perspective looks at society as a construction of meaning, which emphasizes the subjectivity and the theory that social factors and linguistics form our idea of reality. It denies any reason, and gives an interesting view on consumer culture (Singh, 2011). Viewed from the postmodern perspective, consumer culture is formed by buying characteristics that shape the consumer. These characteristics are a response to the changing society and fashion brands. Consumers are not set out to be ‘something’, but become the consumer that the (fast
fashion) environment teaches them to be. This means brands might have the power in their own hands to create a consumer group that is attracted by their brand identity and culture. Through promoting the brand and creating a lifestyle that people can identify with, consumers grow towards your brand. What is needed for this is a very clear and distinguishable brand identity. It is only in this way that consumers can form a brand image that can shape their buying behavior towards your products. The identification process between the brand and the consumer needs to be guided. Brand associations are in this case a leading factor to stimulate willingness to purchase.

As said before, the characteristics of the current consumer culture are marked by more purchases while giving products a shorter life expectancy. This desire to prefer quantity over quality and variety over scarcity is motivating society to create a preference towards retailers as H&M or Zara (National Post 2009 cited by Bruce and Daly 2006). It creates a vicious circle that made consumers’ expectations more demanding and trend-conscious, forcing brands to enhance product-to-market and development speed (The economist, 2005).

3.2.1 Changes in consumers characteristics and buying behavior

But what is really stimulating the characteristics and behavior of the current consumer? Martin Lindstrom wrote a book called ‘Buyology’ that aims to explain buying behavior (2008). Most consumers tend to think that purchases are rational decisions. However, the aspect he found most intriguing is that purchase decisions are mostly influenced by our sub-conscious thoughts. It’s often hard to explain why you bought a certain brand of shampoo, cheese, t-shirt or scarf. He started his study with the aim to explain this purchase behavior to guide marketing activities (Lindstrom, 2008). This 3-year research focused on consumers, brand and science. Lindstrom has been a strong player when it comes to marketing research and consumer buying behavior. His study, which focused on brain activity while purchasing, showed that 85% of what we do comes from our subconscious mind (Lindstrom, 2008).

Our cultural influences, traditional behaviors, our upbringing and society structure have a strong sub-conscious influence on our purchase decisions. Sub-conscious factors as sense, religion or sex appeal seem to have a strong hand in whether we purchase a product or not. Factors that influence on an emotional or personal level are key matters for brands when it comes to convincing the consumer to buy your products. It shows the need for local marketing activities focusing on the society, preferences and tastes. A brand identity needs to create a lifestyle that fits into these preferences and tastes, so the consumer feels a connection. This connection is built on coherency and transparency. The Dutch participants of the survey done for this study confirmed the need for this experience based economy. The ‘total’ experience created by the brand seems important. Factors as getting the feeling of a brand, the brand name and experience with the brand are
repeated in the top 4 of influences on decision behavior. This feeling can be seen as identification within the phase of evaluation to decide if the brand fits your lifestyle.

The study also examines the factors influencing a decision to purchase from luxury brands. It showed that when considering luxury products the part of the brain that triggers doubt is a lot stronger compared to considering cheaper products. At the same time, the part of the brain that creates a rewarding feeling is more active when purchasing luxury products then when consumers purchase cheaper products (Lindstrom, 2008). It seems that the consumer is then making a choice between ‘rewarding’ themselves with a more expensive product, or a less doubtful choice while making a lower investment for a lower-priced item. It seems that higher priced products are more enjoyable after the purchase took place. If luxury items are seen as rewarding purchases, it makes sense that this decision process searches for identification and personalization. When the investment is higher, consumers need to see enough reason to allow themselves to buy. These reasons are often the level of ‘coolness’ created by positive associations and the affinity with the brand identity.

The important aspect to take from this research is the apparent fact that consumer’s behavior is mostly subconscious and is often not rationally reasoned. This is probably a reason why the current fashion market is strongly influenced by bloggers, celebrities and social groups. The consumer finds inspiration in influential people that tell them what is ‘cool’ and worth their money, to create a positive association with a brand.

When a product is worth their money consumer’s willingness to purchase enhances. Consumer willingness to purchase is formed by the price they are willing to pay for a certain product or brand. As named before, this is currently influenced by the increasing competition in market, the shorter life expectancy and by the broad offer of products. These factors combined with the transparency that the online web created to compare products, have had a big influence on consumers’ willingness to purchase products. This is especially for products with a higher price. Recent research shows the importance of perceived brand value and the brand image
(Hennings, Wiedmann, Behrens, Klarmann, & Carduck, 2013). The value that is given to a brand’s image determines the brand loyalty and preference that consumers create in their mind. Communication, alignment and identification methods are important to establish this loyalty.

Online studies confirm these thoughts as they analyze the success of fast fashion stores as H&M and Zara. Beside the short-lead time advantages, the communication concerning the brands identity is often named as a crucial factor for their success (Smith, 2015). Their format for emails and web-content is set out in a story telling way. They seem very aware of their customer group and adjust their visual communication towards their lifestyle. The models are often placed in approachable settings showing a home, party or social environment. Next to this H&M even has a page called H&M LIFE, showing articles about fashion, culture, beauty and food. They feature celebrities and bloggers and combine this with showing their collection. Other fast fashion brands as Zara, Topshop or Bershka are doing the same. The identity set out by the company creates a very clear brand image in the mind of their consumers, and are right in line with consumer expectations (Smith, 2015).

Fast fashion brands interpret luxury in a way to make it very affordable for the masses. According to Gottwald (2015) the reality also is that so many people don’t have a high disposable income. So by offering higher priced items you already exclude a certain market, in the case of luxury brands. The interviews done for this study all acknowledge the fact that brands have to act stronger to build on customer value. Consumers want the brand identity to be clear and noticeable when they purchase items from a brand. Consumers are looking for identification and a certain lifestyle. Why is the consumer buying the item? This is the most important question for fashion companies to assess their market. It should be a fashion forward brand which the consumer wants to be identified with, and is proud to wear a product. They confirm the thoughts of fashion being a sociological process, in which you need to stimulate the consumer to 'want' your product. And especially in a market place where consumer are used to getting a total lifestyle brand, luxury brands need to set themselves apart. It’s not about keeping up with the fast fashion brands, but it is about accelerating what makes your brand truly special. According to Rony Zeidan, a successful luxury re-branding emphasizes and builds on the brands unique and distinctive character that sets their positioning in the market, and shows this with aligned communication (Zeidan, 2012).
Distinctive character is what consumers need to see, to be able to give your products meaning. The more forward collection that makes statements by the quality, designs, promotion or innovation is what creates attention. Consumers nowadays, fast fashion or slow-fashion, have one thing in common. They need to visualize the image a brand provokes and which association’s people will have when they wear the clothes. In order to do so, companies need to act from a consumer-based approach.

3 famous fashion bloggers (Fashionista, 2015)

The retail merchandise manager of Calvin Klein explained that ten years ago the customer was not as educated as they are today (Schmuck, 2015). Now you have almost the same qualities, price points or materials used by a lot of different players in the field. A lot of brands are competing in house as Bershka, Zara or Cos and H&M. They are targeting with the same material to the same market while the consumer is different. The consumer recognizes this, and is getting used to have quality for a lower price.

Retail stores seem to be the way to communicate the identity how the company intents it to be. Via wholesale this is a lot harder. The fast fashion model is characterized by a retail-distribution strategy. Luxury brands are mainly characterized by wholesale, complementing this with retail stores. The retail store is the way the consumer gets educated about your brand. Merchandise managers from Calvin Klein and Hugo Boss have acknowledged the importance to grow the retail business. Retail stores should be the business card of the company, creating clear brand associations and identification. Via retail stores you can create a lifestyle; you can show the whole picture of your brand.

There has been a lot speculated about the idea that consumer’s preferences would grow towards online channels while leaving physical channels behind. However, a recent study performed by the International Business Times showed that especially the young consumer uses online channels or apps for orientation, and prefers to eventually buy the product in a physical store (Caulderwood, 2014). When they have found the product they’re looking for, they look up the retail store nearby and purchase the product via the normal distribution channels. Reason for this seems to be the speed of delivery. When consumer purchase online, it takes time for the product to arrive, while a visit to the retail store gives the consumer direct ownership.

This research proves the opposite of the predictions that consumer would mainly start to purchase via online channels, while leaving physical retail channels behind them. While the online channels are a strong tool to stimulate sales, for the younger generation it does not seem to have the preference. Touching and feeling products, especially for clothes is still an important factor in the decision-making process of consumers. At the same time, a visit to the retail store gives the consumer a stronger shopping experience and feel of the brand identity than an online store will give. This indicates that online channels create, next to online purchases, an
indirect stimulation of physical in-store purchases. Online channels trigger the consumer to pay a visit to the local store selling the brand.

The column shows the size of online retailing compared to store-based retailing in 2014, which clearly shows that the online channels are nowhere near replacing store-based retailing. (Euromonitor, 2015)

The current consumer needs a clear vision on the brands' communicated identity, to be willing to pay a higher price. This is tested within the Netherlands via the Survey, which showed that 40% of the participants need to feel a connection with the brand image that is seen in market. Next to this, they value the quality, the experience they have with a brand and if their friends also wear it. This is confirmed in other questions where they state that the associated people they have in mind concerning a brand, have a high influence on whether they purchase luxury products. They repeatedly select choices that show emotional or social factors. When asked for the most important aspects when considering brands the highest rated choices are quality, experience with brands, connection with identity and friends. Also for the question what the clothes they wear need to say, they select ‘a connection with the brands’ identity’, ‘to be different’ but also ‘easy going’.

“People – of all ages and in all markets are constructing their own identities more freely than ever. As a result, consumption patterns are no longer defined by ‘traditional’ demographic segments such as age, gender, location, income, family status and more” (Trend watching, 2014).

The survey, interviews and online research seem to show a fragmented consumer. Their characteristics cannot be defined in age groups, ethnic background, education level, income or social class. The current consumer is attracted by experience and lifestyle, and the brand value process is created by the identification process of the brand’s image in market and the personality the consumers want to show (Euromonitor, 2015). Consumers are marked by attitudes, no longer by their demographics.

This is why the current consumer landscape should be defined on an interest-based segmentation instead of target groups based on demographics. As named by trendwatching.com (2015) we live in a culture marked by post-demographic consumerism. This is stimulated by the broad range of access to information and experience, the freedom to be everything, the ability to compare, combine and try different products or brands,
and the desire to constantly keep up with the rapid changing social trends (Global trend briefing trendwatching, 2014) Identity has become a free process of construction and consumption patterns are now linked to identification and lifestyle. These characteristics can be helpful for brands to adapt communication towards the changed society.

### 3.2.2 The fast fashion and slow-fashion consumer

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Fast fashion consumer</th>
<th>Slow fashion Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product</strong></td>
<td>Trend-conscious, Fashion forward</td>
<td>Timeless, high quality, simplicity</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>Lower to mid-price segment</td>
<td>Mid to high-price segment</td>
</tr>
<tr>
<td><strong>Purchase need</strong></td>
<td>Buy regularly new items while giving them a shorter life expectancy. More about quantity. Quick style turnover. Keeping up with trends</td>
<td>Purchase products as an investment or reward, with the intention to have a long-lasting wardrobe. More about quality. Emotional connections, value due to good materials and care.</td>
</tr>
<tr>
<td><strong>Social values</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Preferred shopping channels</strong></td>
<td>Retail stores with a broad offer, online channels.</td>
<td>Retail stores or department stores.</td>
</tr>
<tr>
<td><strong>Stimulations for a purchase</strong></td>
<td>Impulsive, temporary use.</td>
<td>Planned purchase, wardrobe building.</td>
</tr>
<tr>
<td><strong>Consumer expectations</strong></td>
<td>Temporary, variety, replaceable, trend conscious</td>
<td>Timeless, long lifespan, high quality, uniqueness.</td>
</tr>
</tbody>
</table>

An interview with Michal Rydzewski, who is the merchandise manager at Calvin Klein Menswear and former merchandise manager at MR-Porter, part of the Net-A-Porter group explained the key characteristics of the luxury consumer (2015). Natalie Massenet, the founder of the luxury high-end web store Net-A-Porter, created her successful business by focusing on the personal experience and service towards the consumer (Rydzewski, 2015). The luxury consumer is used to a certain level of service to personalize the shopping experience. This is why Net-A-Porter felt the urge to create a lifestyle, which resulted in big investments for the web-store and delivery experience. They build a relationship with their elevated customer by putting the consumer in the center and sticking to the thought ‘service always starts with you’ (Rydzewski, 2015). They added a same-day delivery service, always packed the products in the famous elevated boxes and even provide a suited-up guy delivering the product to your front door (Net-A-Porter, 2014).
Additionally she provides a tailor-service that comes to your home to measure and personalize the product (Rydzewski, 2015).

Besides the web-shop, they also launched a magazine featuring the products and lifestyle of the main consumer. This main consumer also gets first hand picks on new collections, before the products go live. The message to remember is that luxury products need that special aspect to enhance the consumer experience to differentiate from the competition.

On the other side, the fast fashion consumer is more looking for a life-style brand that offers a broad range of products. They prefer to try on multiple clothes without getting service, and to buy multiple items with a shorter life-expectancy. They expect constant newness and fashion-forward clothes. The shorter life expectancy also decreases the need for personal service.

3.2.3 Influences of the changed fashion market in the positioning of heritage brands.

The focus of this study is placed on the influences of changed market and consumer preferences have on the positioning of heritage brands. This chapter will focus on the behavior of heritage brands to map the factors that mark change. What did this environment and new consumer mean for heritage brands?

Online publications are constantly stating facts concerning brands as Prada, Gucci or LVMH that are struggling to keep revenues stable or growing (Business insider, 2015). Besides the influence of economic instability of the recent years, luxury brands are trying to adopt strategies for the new market place. Luxury brands that are often based on heritage and history have to re-consider set strategies as the consumer landscape and society changes.
Luxury brands as well as mid-segment brands as Esprit are struggling to maintain a stable growth. The challenge for brands that come from the demographic-based society is to keep up with innovation, technology and competition on price level. This part of the study will focus on luxury brands that have accomplished a secure position in the new society.

“Consumers want something they can believe in, and heritage is the best anchor that luxury brands have. It allows luxury brands to communicate a longer-term value that goes beyond the ticket price,” (Socha, Back to their roots: ‘Heritage key focus for fashion brands, 2010)

Especially in a competitive fashion world as Europe is facing today, heritage can be a strong aspect to get through to the consumer. A brand history can show value, emotion and trust when it is used in an innovative way. A heritage brand that has been very successful at turning their focus around, while placing emphasis on their heritage is Burberry. Burberry seems to be a leading brand when it comes to adjusting strategy’s to the new society. After facing decreasing sales numbers the brand re-positioned in market by going back to their roots.

Angela Ahrends became the brands’ CEO in 2006 and emphasized on streamlining design and focusing on their key heritage items (Ahrends, 2013). Her first question was, ‘where are the trench coats’? (2013). Burberry’s famous item was no longer present in the design processes, or the sales numbers. She felt the company had lost its focus during their global extension and was feeling the pressure to compete. The brand became omnipresent without a clear distinctive character. She felt the iconic items are the strongest weapon a luxury brands has in house, and placed the Burberry trench coat on the center of their design (Ahrends, 2013). The management managed to reinforce the roots of the brand in an innovative and optimizing way.

Besides this she noticed that such a big fashion brand, catering to multiple sub-categories almost functions as a department store with no clear alignment. She changed the brand’s structure to be able to focus on the whole picture of the brand. Besides these changes she strengthened retail operations in areas where competitors were already present, to create contact with the luxury consumer. The in store experience was also enhanced by giving more training to the sales people and demonstrating Burberrys craftsmanship. She wanted to show the consumer why their products are worth the investment (Ahrends, 2013).

The brand was one of the first to include Ipad and audiovisual technology to enhance the in store-experience, and ever since they have been a frontrunner in using innovative technology to communicate to their consumers. Recently the brand launched a project called ‘Shop the runway” in collaboration with Twitter (Luxury Daily, 2014). This concept allowed the consumer to purchase items directly of the runway while using
the new twitter buy button. The idea behind it focusses on exclusivity. While ordering the products directly of the runway, consumers are given the opportunity to purchase products that will not be sold in stores until 6 months later. Complementing this is the opportunity to customize your products with you initials (Burberry, 2015). Next to innovation they also cater the need for personalization. This project is a follow-up on a project Burberry set-out in 2012. The brand created campaigns that feature clothes that are directly purchasable. The video created interaction with the viewer by giving the opportunity to click on the items showed to directly choose your size and color, and to purchase the products shown (Carreon, 2014). Also, their website shows the total identity of the brand. The front page will always show a Burberry trench coat, while showcasing every facet of the brand. As Ahrends (2013) says, “the site is designed to speak to that millennial consumer through emotive brand content: music, movies, heritage, and storytelling”.

The brand managed to double their revenues in five years, with apparel taking a 60% share of the total revenue (Ahrends, 2013). Burberry is a great example to show the repositioning heritage brands need to undertake to compete in the new market environment. Stay true to your brands heritage, but re-position to make it suited for the post-demographic consumer. Ahrends set out an aligned brand identity while using innovative and new ways to reach the consumer (2013). She focused on the Burberry lifestyle, and the aspects that create value in the mind of the consumer. She made it personal, specific, special and customized.
When the market environment triggers a need for change in the positioning of established brands, it indicates a change in consumer attitudes and needs. The concepts brand identity, brand image and brand equity will be further explained to give guidelines for mapping change.

According to ST-James the repositioning of a brand became increasingly popular in the 21st century. In the current mature and saturated apparel market, that shows a high level of competition and constantly evolving consumer preferences, competing brands have to act to maintain or grow their position (Charm, 2001). The variable consumer preferences and their choice freedom, caused by the wide range of brands to choose from, make it difficult to establish focused brand equity, which is needed for a successful brand positioning.

In the current Retail market, the high level of competitors put the consumer in a luxury position, which makes them harder to catch. As technology is also constantly evolving, and the pace of change keeps enhancing, retail brands need to act fast to maintain their relevance. According to St-James this asks for continuously reinventing their image to maintain market share (2001). Especially for brands that established their identity in a fashion market that was way more readable than the current diverse market, it can be a challenge to adapt to change. In particular, which inducements for change are most relevant? As the shift of the last years gave more freedom of choice to the consumer, their luxury position should be taken into consideration when positioning the brand. After all, consumers are the ones that judge a brand on appearance and image to make up the perceived brand value.

"The unique challenge of a repositioning strategy thus lies in rejuvenating the brand image to make it relevant in an evolving environment, while honoring the brand equity heritage" (St-James, Charm 2001.)

In the article St-James also explains the difficulties that a re-positioning strategy brings across (Charm 2001). Creating a new brand image needs to go in line with respecting the heritage that the brand has established. While a retail brand tries to re-brand its image, it states that the new ‘desired’ image should be able to build on the established image. This should focus on enhancing competitive advantage and differentiation (Corstejens and Dotyle 1989, cited by St-James). These concepts view re-positioning as a strategic direction that should be followed in order to enhance and stimulate brand perceptions and associations.

The vertical integration that was explained earlier can also be difficult for the consumer to understand. In the case of Armani, Calvin Klein or Hugo boss there is a noticeable difference between the different sub-brands housed in one luxury brand. In order to cater to the new consumer group, that can afford luxury every once in a while, luxury brands created sub-brands as Armani Jeans or Boss orange, that are offering lower price points and a more accessible product. As named in the case of Burberry, their brand functioned as a department store in which each division or team only took responsibility for their specific part. The challenge in
this structure seems to be alignment. When you aim at different segments with different prices and qualities, it is important to make sure the overall picture still fits the desired brand image.

The interview with Francisco, a former employee of Zara, also emphasized the importance for a central management and creative team that aligns all design processes. He explained that all processes within the brand start centrally and are focused on the consumer, from there onwards the rest of the divisions start their processes (Ochando F., 2015). This process also proved to be successful for Burberry, with the addition of focusing on the Heritage products.

It’s all about responding to the changing needs of the consumer landscape, being able to responds quick and listens to the market.

3.3 A critical look at brand identity and brand image and its consequences

This chapter will give a concrete and focused overview of the current consumer needs for the brand’s identity and brand image for luxury brands. Building on chapter 3, this part of the study will aim at giving concrete statement concerning the new market environment. The 2 concepts named are brand identity and brand image, which is the identity set out by the company and the perceived brand image in the market place.
3.3.1 21st century’s critical influences on changing identity and image of apparel brands.

The key brand characteristics for heritage brands to form a clear identity and establish a clear brand image are stated on the next page.

Brand identity

- Product alignment focused on key heritage items
- Online communication consistency
- Marketing activities that communicate a total lifestyle
- Enhanced product to market speed
- Distinguishable brand identity
- Embracing technology and innovative ways to reach the consumer
- Interest based segmentation towards the consumer
- Create constant newness on the shop-floor
- Innovate the brand’s heritage
- Re-emphasize on histories success factors

Brand image

- Positive brand associations via relevant celebrities of influencers such as bloggers.
- Possibility to personalize products
- Create a consumer experience via stores and purchases
- Enhance customer service
- Show a lifestyle via online channels
- Enhance presence of retail-stores
- Create clear separations between sub-brands
- Maintain the same look and product direction between sub-brands
- Combine marketing activities from owned and licensed products
- Good level of service aimed at personalization

3.3.2 Shaping brand associations

Brand associations are meant to construct a community around a fashion brand in which the consumer represents a lifestyle and a personality (Gabrielli, Baghi, & Codeluppi, 2012). Characteristics of the brand then associate with the characteristics of the consumers’ personality. The post-purchase product life and its influences on brand popularity are dependent on the consumers’ consumption. According to Gabrielli et al, it is this translation that is very important for the perceived brand value and popularity because it forms the
foundation for product associations and interpretations (2012). Brand associations are so formed by the post-purchase life, the consumers’ lifestyle and of course via marketing campaigns. Products become popular due to the experience and positive consumption creating emotional stimulants. This translates to the need of a total lifestyle, positive influencers, distinctive character and key items to relate with.

“a brand is no longer what we tell the customer it is – it is what customers tell each other it is” Scott Cock (Forbes, 2012)

As said before, in a competitive fashion world as Europe is facing today heritage can be a strong aspect to get through to the consumer. A brand history can show value, emotion and trust when it is used in an innovative way in alignment with the brand identity while using innovative and new ways to reach the consumer (Ahrends, 2013). The consumer searches for a lifestyle, which asks for personalization, specifics, distinctiveness and innovation.

3.3.3 Strategies influencing consumers’ willingness to purchase.

Factors that are important to simulate willingness to purchase is a clear brand identity, aligned with communication and marketing. Collections should be recognizable and emphasizing on key-items. A high level of service stimulates the consumer the buy. Personalization and exclusive offers create willingness to purchase for the luxury consumer.

The vertical expansion of luxury brands should show clear alignment in communication to make sure the brand identity is still seen as a whole. For this marketing can be used, with a broad scope of product placement to show a total lifestyle. Strategies should be focuses on stimulating a positive consumer perception. For luxury brands it is important to communicate the desired identity and store-experience via retail stores, placed at high-traffic locations where the competitor is also present. This can stimulate wholesale channels to communicate the same brand image. Willingness to purchase can also be enhanced by establishing more frequent newness on the shop floor. Either by implementing more season in smaller quantities or by implementing more delivery drops (Frensch, 2015). This will stimulate the consumer to visit the store frequently and purchase sooner because the product will not be in stores for a long-time period.
The following chapter is placed under Embargo and **cannot** be shared via online channels or without authorization of the Author and the Company Calvin Klein.
Calvin Klein is one of the best known designer names in the world, offering a modern design aesthetic. The Calvin Klein brands—Calvin Klein Collection, Calvin Klein (platinum label), Calvin Klein (white label), Calvin Klein Jeans and Calvin Klein Underwear—provide us with the opportunity to market products both domestically and internationally at various price points, distribution channels and to different consumer groups than most of our Heritage Brands business product offerings. Global retail sales of products sold under the Calvin Klein brands were approximately $7.8 billion in 2013 (PVH, 2013).

Calvin Klein is housed by the Phillips-Van Heusen Corporation that acquired multiple global brands. PVH completed the acquisition of The Warnaco Group in February 2013, who maintained all licenses for Calvin Klein. With this acquisition they reunited the ‘House of Calvin Klein’ (PVH, 2013).

Calvin Klein was founded in 1968 by Calvin Klein himself. He started out with small savings and the help of his friend and business partner Barry Schwartz. Initially the brand created suits and woman’s coats, but soon added a sportswear line to the collection. His collections became extremely popular in the 1970’s, when he even received an award for his designs. He managed to drive the revenue up to 30 million annually by 1977, and established a popular and healthy brand in 9 years (Esquire, 2015). Calvin Klein didn’t only drive popularity with his products, but also created a lot of awareness with his daring marketing activities. The CK Jeans campaign starred the 15 year old Brooke Shields asking the audience, “Do you want to know what comes between me and my Calvin’s? Nothing” (Esquire, 2015). It created controversy and feminism critics, but resulted in 400,000 pairs of jeans sold. He has been known for the fact that he revolutionized advertisement with the sexy, provocative and daring CK campaigns. In 1982 he added the underwear business with continues provocative images and young models. Calvin Klein changed men’s underwear from being only functional, to being desirable and commercial (Esquire, 2015).

His clothing was recognized by the earth tones used, the classic fabrics, minimal shapes and timeless designs. Calvin Klein described his clothes as ‘they're clothes for Americans who like simple, comfortable but stylish clothes--but with nothing over scale or extreme” (International Directory of Company Histories, 2003).

Besides the collections the brand became extremely popular with the perfume called ‘Obsession’, featuring Kate Moss. The foundation for a life-long brand was placed, and Calvin Klein decided to explore licenses to grow the business into a new chapter. The current ownership of the brand is held by the Phillips-Van Heusen Corporation, which completed the ownership in 2013 with the acquisition of the Warnaco Group. This meant a shift for Calvin Klein from being License-driven to being a directly operated business (PVH, 2013). This direct business now also expanded to a headquarter in Europe, Asia and Latin America. PVH acknowledges the
The Calvin Klein business needs to be regained, upgraded and stabilized (PVH, 2013). The first investments were focused on the infrastructure, the alignment of all systems and investing in new employees. After this process completed the company aimed at repositioning the brand, focusing on CK Jeans to enhance the product and designs. The first goals were set to align the branded products under Calvin Klein and to upgrade the wholesale distribution channel (PVH, 2013). The brand suffered under the leadership of Warnaco. They tried to stimulate sales as much as possible and did not take care about the brand. They didn't take care of the product, qualities and distribution channels that fitted the brand's original identity (Frensch, 2015). This created a company that was more a discount brand with opening prices and a huge market in Italy (Gottwald, 2015).

The brand needed to regain their identity and enhance their designs and qualities in order to relaunch the brand in Europe. Carola Frensch explained that the last year within Calvin Klein was especially focused on looking at what happened, what the brand did the last years and which basic structures need to be in place to grow (Frensch, 2015). The focus is really on which direction the brand should go (Frensch, 2015).

The underwear division is doing great and maintains to be market leader. The Accessories division is growing and the Menswear division is seeing a small incline as well. CK jeans remain a challenge, as the sales have decreased over the last year. The company is looking at pricing structures, country differences, mark ups and market knowledge to evaluate the strategies (Frensch, 2015).

The brand is maintaining stable revenues and is showing a strong growth after the acquisition (PVH, 2015). Total revenues more than doubled and the world-wide presence is still positive.
The interviews within the company show a lot of trust in the company, but a need for more strategic direction. The difficulty for a brand that is housing multiple collections that are created by different divisions and teams is to get everyone to face the same direction. Especially, when the brand's image does not seem that clear to the consumer.

The survey that is done in the Netherlands shows that the competitors that come to mind when thinking about Calvin Klein vary in a broad scope. The main choices are Hugo Boss and Emporio Armani with 45%, and Tommy Hilfiger and Scotch and Soda with 39% percent. Other Stories and Cos or All Saints and Acne are present in a small percentage. The brand's identity is mostly communicated with the words minimal, clean, sophisticated, timeless, daring and provocative (Calvin Klein, 2014).

Hugo Boss identifies with authentic and understated luxury, while offering modern and refined business or evening wear. Next to this they offer a lower priced line focused on easy-going lifestyles with a personal mindset (Hugo Boss).

The Armani brand stands for trendy luxury ready to wear and haute-couture, with body-conscious and authentic designs (Mahala, 2014). In opposite, Tommy Hilfiger identifies with the classic American cool style, colorful collections with a preppy twist and premium quality and styling (Tommy Hilfiger).

Also Scotch and Soda focuses on unique clothes that is wearable for everyone, always with rich detailing, bright colors or prints that stand for creativity and individuality (Scotch and Soda). Cos and Other Stories also stand for timeless designs, good quality and design details aimed at personal expression and styling (H&M Group).

In the survey the question is repeated without pre-set answers, which shows that the consumers associations vary even broader. Brands as Bjorn Borg, Donna Karen or Ralph Lauren are also repeatedly mentioned. It seems that the brand image in the market is not aligned as it could be, probably caused by the differences in
the sub-brands and collections housed in Calvin Klein. As named in 3.2.3 vertical brand integration can be confusing for the consumer if the products to breathe the same look and feel (St-James, 2001).

Internal research has shown the same broad scope when it comes to competitors, with even more varying brands across divisions this can be seen in attachment 1. The internal divisions are still trying to figure out what they want to bring across and what they want to be, within this process a clear perspective on the competitors and current consumer could be very helpful (Gottwald, 2015).

In order to stimulate the market share of Calvin Klein, this study examines improvements that can be implemented to enhance consumer’s willingness to purchase. Calvin Klein has incredible world-wide brand awareness (PVH, 2013). However, it seems that the brand is difficult to place for the current consumer. In the 1990’s when the brand was mainly licensee driven, the brand was already difficult to understand due to the broad range of different products at different price points (Ritson, 2008). This has been a subject of attention within the brand since the acquisition, to make all divisions, products and prices more aligned (Schmuck, 2015). An area that has room for direction is a clear consumer profile. A consumer profile can make it clear for every team which consumer the company is approaching, which eventually can lead to more alignment and a clearer brand image in market (Ochando F., 2015).

At the moment the brand is catering more to country-based needs than specific consumer needs (Schmuck, 2015). It’s a good thing to have local offices that know their market inside-out, but it can be challenging to cater to all these different needs. The merchandisers within the company feel they’re not in the position yet to...
have full control of which products are placed in the collections, which makes the planning merely history-based. Until the brand really picks up, the divisions have to listen to the local knowledge (Frensch, 2015). History planning is always a very important aspect of collection planning, but during a repositioning it is also very important to push for the fashion-forward products that can enhance consumers' brand experience (Ahrends, 2013). A(n) opportunity in this can be the key-heritage products that the brand is known for.

The company is trying to find out which products sell best via small capsules, as for example the reissue project (Schmuck, 2015). This logo emphasizing collection was received very well and received highly visible placements in stores as Urban Outfitters and the Dutch department store De Bijenkorf. The product was sold out via online and offline channels and created more visibility for the brand. This shows that the consumer can identify with the heritage of the brand, and is still attracted to products that emphasize on their history. This can be a clear focus to stimulate consumer-awareness and brand consideration.

In Hugo Boss they have a very clear consumer profile per sub brand. This profile is the starting point of each collection, and is developed over time as the market changes (Schmuck, 2015). Also Burberry placed the emphasis on the consumer experience while rebranding their brand, which gave a very clear direction to the collection process. For example, Burberry's CEO explained that if the management team does not even wear the brand's clothes, in her case the trench coat, then why would the consumer buy the products? (Ahrends, 2013). Besides these examples, fast fashion brands as Zara or H&M start every process with the emphasis on the consumers' expectations and experience (Ochando F., 2015).

Performing a rebranding that is influenced by history and local management activities is a challenge. A successful rebranding for a luxury band should emphasize and focus on the distinctive character and products, while pushing distinct communication regarding the identity through the use of media (Zeidan, 2012). In this process marketing is a very important aspect. Communication is very important during a relaunch in Europe while a company is moving in a totally different direction. It can give that impulse for a subconscious feeling for why you would actually want to buy from Calvin Klein to attract new consumers. Calvin Klein still
Marketing is a huge factor in creating the consumers' associations. Especially for a brand as Calvin Klein that already has an established brand-image in market; it can be a game-changer to reguide the consumers' perspective. Calvin Klein successfully launched the Justin Bieber and Kendall Jenner campaign in the last year. The Justin Bieber campaign created an increase of 300% for the website visits and made all featured underwear sold out (Frensch, 2015). It can be questioned if the presence of Bieber is helping the brand with creating a new identity. Justin Bieber was even named the worst celebrity of 2014, and is for a lot of guys an example of who they don't want to be associated with (Hanley, 2015). Besides the positivity of the social-and online attention it created, the campaign does not really seem to fit the brand's identity in the long-run. The brand describes themselves as; “Calvin Klein is a global lifestyle brand that exemplifies modern, sophisticated style, while remaining true to our pure, natural and often minimal aesthetic” (Calvin Klein). Justin Bieber on the other hand has constant negative publicity, emphasizing the struggles of a teenage idol. While the brand is now also embracing Kendall Jenner, they made clear the new target is the millennial generation. If the brand is able to attract this customer, and maintain their presence in the coming years it can become a good foundation (Frensch, 2015). This group is expected to have the highest purchasing power in the future, but is also known for their brand disloyalty (Euromonitor, 2015). A point of improvement might be the product placement in the advertising. The campaigns do not show the full jeans product, or a total lifestyle with the addition of multiple product groups. The current consumer landscape ask for identification, and through the marketing of multiple products it can be a chance to show that Calvin Klein Lifestyle. Especially since the European society do not seem aware of all products that the brand creates (Rydzewski, 2015). The hash tag-my-Calvin's also proved to be a big success, creating a lot of attention online by celebrities and consumer posting selfies with their Calvin underwear. The brand even used influencer marketing to stimulate consumer's in different markets to share their picture. It proved to be a great success, but was focused mainly on the USA (Calvin Klein). It could be beneficial to stimulate this campaign via European local influencers. The distribution channel that was inherited from Warnaco proves to be challenging. The license company did not protect the brands identity and sold the brand to every store interested. Especially in Italy the brand is sold in stores that are positioned in low-barrier, cheaper segments (Gottwald, 2015). The control of distribution is locally managed which makes it difficult to influence. Besides, the revenue coming from these stores is still a high number, which makes them important for the total sales value. Something to consider might be a quote from an interview done for this study, 'Sometimes you have to cut the tree on the sides to make it grow' (Schmuck, 2015). But the right balance between the old and new customer is difficult to find.
Another way to improve the influence of the distribution channel is to enhance the presence of the retail channel. This is why the brand is focusing on closing existing retail stores and opening improved retail stores on high-level locations (Gottwald, 2015). As she explained, the retail store is the business card of the company (2015). With retail stores you have a full house dedicated to look, feel and breathe your brand. You can decide on the product merchandising, the visual merchandise and the sales staff to create the customer experience that fits with the desired brand identity. If these stores become popular, there is a big chance that wholesale channels will follow the store experience that is set out (Gottwald, 2015). Both channels are strong especially for a wholesale orientated company as Calvin Klein, but retail stores can create the alignment between all different markets and owners.

The pricing strategy has been another big focus of the brand. Especially for the Jeans product the company has been trying to find the right place in the market. The Jeans have decreased in price, to start with an 89, price entry. The company is selling more, but the values do not seem so different (Schmuck, 2015). To generalize pricing strategies is also difficult when you have such a broad scope of distribution channels and store segments. The brand is in a lower segment than most luxury brands due to the price strategy. This means the brand is seen as a high-end luxury brand while providing accessible products for a large target group. The pricing strategy belongs more in the mid-segment. This is a competitive advantage.

Last year the company finally launched the E.com site for Europe, adding a new distribution channel to the business. The site is in its early stages, and does not offer a consumer experience yet. It's not yet constructed.
For the mobile phone, you can only pay by credit card and the products are not as easy to find. The site is not as user-friendly as the websites of the competition (Ochando F., 2015). Other brands are showing a lifestyle, featuring bloggers, stylist and news. The website of Calvin Klein is not showing a total lifestyle aimed at the customer. The Calvin Klein website is visually not that attractive yet, and lacks matters to identity with from a consumer's perspective (Ochando F., 2015). Especially now the brand is creating marketing campaigns that trigger people to visit the website, this is a point of attention.

A successful brand has to be aligned in communication and collections to provide consumers with a specific identity. The clearance/outlet business of the brand is a huge part of the annual sales. It is difficult for a consumer to understand the difference between the high-priced, and the discounted products. The brand has to be careful on deciding which products can be offered at discount, as for example the new Menswear collection was almost sold to a discounted website (Ochando F., 2015). For a starting collection, this can scare away the consumer group that was willing to pay the full amount for the product. Ochando thinks store segmentation and collection segmentation are the most important aspects for your brand (2015). Brands as Zara and Nike have implemented segmentation to divide the collection into different groups and distribution channels, aimed at different consumers. This can be a strong tool to watch over the perceived brand image and create more focused designs. However, interviews have shown that the brand in Europe might be too small to differentiate into segments (Frensch, 2015).

Another important challenge for the brand is collection lead-time. To keep up with the changed consumer, brands need to continuously add newness to the floor. The general lead-time at the moment is 6 months up to a year, which makes it difficult to implement the newest trends. This influences speed to market and gives a disadvantage compared to fast fashion brands that offer newness every week. An opportunity could be the strategy that Calvin Klein underwear is now implementing. The division is implementing more delivery points to monthly provide stores with new products. It can make sure that the consumer comes back frequently. This together with small injections of products that are influenced by the latest trends, can give the company great advantages in market. This is a very difficult process to implement due to the supply chain and logistics factors (Frensch, 2015).

As mentioned in chapter 4.2, Calvin Klein describes the brand identity on social mediums as Twitter as "a global lifestyle brand that exemplifies modern, sophisticated style, while remaining true to our pure, natural and often minimal aesthetic" (Calvin Klein).
The survey showed that the words that come to mind when Dutch people think about Calvin Klein are: Classic, minimal, expensive, sophisticated, clean and obsession. Most of these words are aligned with the brand's website that uses the words minimal, clean, sophisticated, timeless, daring and provocative (Calvin Klein, 2014). This confirms that the associations with the brand-name are complementary to the desired identity.

Within the group that filled in the survey 38% bought a product of Calvin Klein, against a percentage of 62% that never purchased products of the brand. The bought products are mainly underwear, perfume and the logo t-shirts.

The analyzed data from the CK.com website show that the main bulk of purchases come from the United Kingdom with a share of 53.6% on the total sales between September and December 2014. The UK-based customer is known for being very fashion-forward and adopts quickly the new trends (Gottwald, 2015). That this consumer is picking up the brand is a good sign, hopefully marking the beginning of the majority following the early adopters.

The small percentages in the rest of Europe show that the perceived brand image does not stimulate the consumer to purchase online sales. The reasons might be the young age of the website or the preference to buy in-stores, but it does give a clear overview of the online presence of the brand.

Over the span of 3 seasons, 68% of the units sold are underwear products, 15% come from CK Jeans, 6% from CK Accessories, 4% from Menswear and 3% comes from Womenswear. Given the early stage of the website the consumer scope is mostly early adopters, and will not represent the total consumer scope of Calvin Klein. It does show that the consumer that is attracted to the web-store is mostly focused on the Underwear collection. This can be explained with the company’s marketing activities in Europe, which mainly focus on promoting CK-underwear.
Calvin Klein is a brand that is partly managed from the head office in New York, which also gives difficulties in adjusting marketing activities to the European market. Opportunities for Calvin Klein are focused on a stronger approach towards the new post-demographic consumer. The brand is still in an early stage for rebranding the identity in the European market, but according to this study the following applications could enhance consumers’ willingness to purchase.

Calvin Klein can enhance the consumer experience by streamlining designs and placing a clear emphasis on the company’s heritage products. Interviews showed that this heritage focuses on the Calvin Klein Jeans and Calvin Klein Underwear. As underwear is still the market leader, the company emphasizes more on the Calvin Klein Jeans. An opportunity could also be the heritage of Woman’s coats, while re-introducing Calvin Klein Women’s wear in Europe. There is a great potential in the marketing of the product. Within this the consumer is looking for matters to identify with, such as celebrity endorsement or the role of influencers. The role of influencers within Europe can be enhanced by sponsoring bloggers or local celebrities. The approach towards the consumer should be a more centralized approach that benefits from local knowledge. Following the example of H&M, Zara or Burberry, there are opportunities in enhancing the total lifestyle. This alignment starts at centralized design within the company, improving the website and creating identification areas. The current consumer is looking for a personal feeling with the brand or product that fits within their lifestyle. A key focus within this is to emphasize on your key-items. As said before, heritage is the strongest weapon that luxury brands house. Within Calvin Klein the key heritage items are the Logo-boxer, the denim jeans, the women’s coat and the business suit. These products should guide the collection development processes, to make the divisions more aligned.

The consumer shows interest in heritage products as the reissue logo project. This shows that the brand has strong opportunities in using the company’s history. Campaigns as ‘nothing comes between me and my Calvin’s’ or the strong email strategy the company used to follow have the ability to regain attention if they are innovated to fit the 21st century landscape. In the 1980’s Klein used to work with 3 models that all represented different age groups. Via these personalities he focused on the sophisticated 13 year-old, the mid-20s professional and the middle-aged urbanite (Michael, 2014). The y created email addresses for the models, so the consumer had the feeling they could really develop a ‘relationship’. He started to communicate via the
After the success of the hash tag my Calvin's campaign, the re-branding in Europe asks for a specific marketing effort aimed at local markets. The survey also shows that the consumer recognizes the brand mostly from the CK perfume advertisements (34%). This could be an opportunity for the brand to combine these campaigns with more product placement of the apparel collection. Even though this is a license driven business, streamlining these advertisements can give the consumer a clearer identity and lifestyle association. The focus should be on enhancing the consumer experience, based on an interest-segmentation. To stimulate this experience attention is needed to enhance the website, local marketing activities, a clear consumer profile, the growth of retail stores and emphasize on key items that tell the heritage story. The brand needs to know who the consumer is, and the consumer needs to clearly know where the brand stands for. Influencer marketing within Europe can help the brand with creating positive associations for the re-positioning in market. Furthermore, enhancing the time-to-market or implementing more delivery drops can create more traffic and will stimulate the consumer to regularly visit the brand. Another aspect the brand can benefit from is creating a Womans wear line for Europe, so they are able to get free publicity by sponsoring famous people or influencers with a strong online presence.

To conclude, willingness to purchase is dependent on positive associations and the perceived brand image that consumer have. This should be constantly stimulated during a re-branding to guide the consumer towards the perceived identity in market. If all communications, designs and distribution matters are aligned, the brand will start attracted their lifestyle based consumer group.
(Calvin Klein, 2015)
Chapter 5 | Conclusions

This study was focused on researching the current fashion market and consumers, and how heritage brands should consider these aspects while positioning their identity in market. This research also focused on a case-study for Calvin Klein. The conclusions will be given by answering the main questions and the set propositions. These answers will eventually form the final conclusion.

Sub-questions

I. What are the defining characteristics of the buying behavior for the 21st century apparel consumer?

The current fashion market is catering to a post-demographic consumer. This consumer can no longer be targeted by demographics, but form their buying behavior according to lifestyle and experience. Income equality, globalization and the consumption society have played a big part in this change. Their characteristics cannot be defined in age groups, ethnic background, education level, income or social class. The current consumer is attracted by experience and lifestyle, and the brand value process is created by the identification process of the brand’s image in market and the personality the consumers want to show. Consumers are marked by attitudes, no longer by their demographics. The survey, interviews and online research seem to show a fragmented consumer. This is why the current consumer landscape should be defined on an interest-based segmentation instead of target groups based on demographics. This is stimulated by the broad range of access to information and experience, the freedom to be everything, the ability to compare, combine and try different products or brands, and the desire to constantly keep up with the rapid changing social trends.

Identity has become a free process of construction and consumption patterns are now linked to identification and lifestyle. Buying behavior is characterized by the absence of clear patterns, and is influenced by the brand experience, total lifestyle, newness on the floor and positive brand associations via influencers.

To conclude, the current consumer characteristics are focused on behavioral and psychographic instead of demographic or geographic characteristics. The psychographic characteristics are focused on attitudes, values, opinions and interests. The behavioral characteristics are focused on lifestyle, use of product, social forming and identification. Besides these the cultural characteristics are marked by a global culture and individualization. Social characteristics are marked by the need for positive brand associations via influencers and friends. Personal characteristics are mainly focused on the consumer's lifestyle, personality and self-concept. Lastly, the psychological needs are focused on attitudes, brand and consumer perceptions.

II. Which factors are critical to enhance the brand identity and the brand image of fashion brands in order to stimulate the consumer's definition of brand value and so willingness to purchase?

Critical factors to enhance a clear brand identity and a positive brand image are alignment, distinctive character, showing a total lifestyle, emphasizing retail stores and focusing on key-items. Brands should use innovative ways to reach the consumer to benefit from the online-world and its interconnections. This communication asks for consistency and the communication of a total lifestyle. Today's consumer asks for enhanced speed to market or more frequent delivery drops in order to attract them to your store. Retail stores are the way to communicate your desired identity and to create positive associations by the in-store experience. Service and personalization are important aspects within fashion stores. Positive brand associations can be created by the use of influencers that stimulate other consumer to wear certain brands or products. Influencers are accessible and especially in an environment where in the online channel is used for
research and brand comparison, this is a critical factor in winning market share. The consumer needs to experience the brand feeling by all communication matters, pre-purchase and post-purchase.

Iconic items and a distinguishable brand identity are leading factors to separate your brand from the competition. Characteristics of the brand are personalized to fit the consumers’ characteristics, which constructs a brand community. Within this, the consumer’s consumption represents the lifestyle and personalization of products post-purchase life. Products become popular due to the experience and positive consumption creating emotional stimulants. This translates to the need of a total lifestyle, positive influencers, distinctive character and key items to relate with.

III. How do heritage brands cope with the current fast fashion environment?

Heritage brands are feeling the need to adjust their positioning the new market environment. This can mean upgrading or downgrading pricing strategies. Brands have used vertical expansion to create sub-brands that are accessible for the mid-segment. Besides, the value of retail stores is acknowledged and heritage brands are growing their presence. In order to keep up with the new consumer, heritage brands can implement more delivery drops or more small seasons to create constant newness on the shop-floor. Heritage brands are starting to embracing technology via twitter's purchase button or online web-stores. Burberry is a key example when it comes to repositioning to the new fashion environment. The brand re-emphasized their key-heritage items and upgraded the Burberry trench coat. They streamlined all design activities around their key item, and aligned all creative activities. The brand closed down old stores and replaced them with upgraded retail stores that show the Burberry lifestyle. This lifestyle is also clearly communicated via an upgraded website and the use of influencers and celebrities. Besides they used technological developments to innovate the consumer experience. They show that a repositioning in the current market ask for re-emphasizing on your heritage in an innovative way together with a focus on your consumer experience. They combine this with a retail-strategy and website that shows the total lifestyle. In every step the brand seems to be very aligned which is creating a clear brand-image towards the new consumer, which will stimulate willingness to purchase.

V. Single case study CK:
Hypotheses concerning the main issue

I. Consumer groups cannot be defined in demographic target groups anymore.
II. Consumer’s preferences changed from investing in quality to purchasing more temporary products unless the product is truly special.
III. The consumer is confused by the sub-brands housed within one heritage brands.
IV. Heritage brands focus too much on keeping up with fast fashion brands instead of creating a competitive advantage based on their heritage.

The above propositions written at the beginning of this study are partly proven to be correct. Consumer cannot be defined by demographic target groups, but should be approached via a interest-based strategy focussing on lifestyle and experience. Consumer’s preferences did change to purchasing more products, but this didn’t decrease expectations when it comes to quality. Fast fashion brands as Zara are great at providing a good balance between price and quality, and the consumer still values good materials. The consumer can get confused by the different sub-brands housed in a luxury brand. After the phenomena of vertical expansion, luxury brands have to pay attention to the communication of the brand identity as a whole. This can be stimulated by showing a total lifestyle and experience via the web-store or retail stores. Heritage brands should emphasize on innovating their heritage as distinctive character instead of keeping up with fast fashion brands. The consumer is looking for prove of value that sets them appart, and gives value for money.

Main research question

Which steps should heritage brands take to change their positioning in the current fast fashion environment in order to cope with the changed consumer buying behavior in 21st century?

To conclude, heritage brands have to acknowledge the post-demographic consumer to reposition in the current market environment. This consumer is looking for a total experience and lifestyle. In a competitive fashion world as Europe is facing today heritage can be a strong aspect to get through to the consumer. A brand history can show value, emotion and trust when it is used in an innovative way in alignment with the brand identity. The consumer searches for a lifestyle which asks for personalization, specifics, distinctiveness and innovation. Brand communications should be in an innovative way to reach the consumer, while embracing technology. Staying true to the brands heritage is important, but use it in an innovative way. Design activities should be centralized and overseen by an aligned design team to protect the overall brand image. Make it personal, specific, special and customized. A clear consumer profile should be the focus of all decisions made regarding design, distribution, pricing strategies and collection structures. Besides these factors, retail-stores and the web-store are the strongest factors in creating an aligned image in market. These channels should show the total brand feeling and communicate towards the consumer lifestyle.
Chapter 6 | Product outline

The product will be a model showing how to approach the new-consumer. Within this all steps of the consumer experience, brand communication, product focus and lifestyle identification will be explained. This model aims at being easy-understandable and especially useful for slow-fashion brands. This tool will be designed with the goal to guide a re-positioning strategy and to find the right consumer in market.

Within this tool emphasis will be placed on the post-demographic consumer and the 21st century fashion market. Key subjects within this are brand identity, brand image, the post-demographic consumer, online communications, influencer marketing, distribution channels and speed-to-market.
Bibliography

Interviews


Ochando, F. (2015, April 22). Senior Manager Planning and Control for Calvin klein, Strategic teacher and former Planning and control manager for Zara womenswear. (J. v. Loon, Interviewer)


Articles and online sources


KMPG. (2013). How will demographic trends affect the retail sector? United Kingdom: KPMG.


Samson, A. (2013, September 25). *Seven reasons why were irrational shoppers*. Retrieved April 16, 2015, from Psychology today: https://www.psychologytoday.com/blog/consumed/201309/seven-reasons-why-were-irrational-shoppers


