Marketing practices for Start-ups in the fashion industry

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Declaration of Authorship

I, Andra Adamovica, declare that the work presented in this thesis is, to the best of my knowledge and belief, original and the results of my own investigations. Where I have consulted the work of others, this is always clearly stated.

Signed: [Signature]

Date: June 14, 2018
“There are no magic wands, no hidden tricks, and no secret handshakes that can bring you immediate success, but with time, energy, and determination you can get there.”

Darren Rowse,
Founder of ProBlogger
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Executive summary

This report was commissioned to examine how the marketing and sales related choices for upcoming companies can be guided and influenced to benefit their businesses for a long term period. In order to do that, different views on fashion marketing have been considered and the main challenges that start-up brands encounter have been studied.

The research draws attention to various strategic sets of approaches that companies which were chosen for in-depth case studies practice/d in order to get their ‘foot in the door’. Additionally, there is a hypothesis presented which suggests that instant online sales models (based in social media) would only trigger desirability and action, but not necessarily allow to establish a long-lasting consumer interest and brand awareness. Further investigations reveal authors own critical opinion on the relation of study results and theory findings.

The report evaluates key connections that are made between being available offline (retail), ability to ‘fill a gap’ with the product offering, necessity of resource analysis, out of the box thinking and willingness to take risks. High attention has been paid to the applicability of technology and digital media opportunities within fashion start-up marketing.

As a conclusion, author indicates essential suggestions of what would be the most suitable sets of marketing activities for entry makers in the fashion industry. The main recommendations are subdivided into four fundamental categories regarding brand strategy, offline sales, digital marketing, potential growth and the vision on success. Decisively, these outcomes are summarised in the final article “Marketing lessons learned from successful start-ups in the fashion industry” (the final product of this research paper, see in page 34).
Foreword

By previously working in the sales field for three different start-up brands, I had experienced some difficulties that these young brands need to deal with on a daily basis. Along with this experience, I had stumbled across a few questions which have all led me to starting this research:

- What does it take to get noticed as a brand?
- How do we make 'them' (e.g. retailers) like us?
- Does the number of social media followers convert into sales numbers?
- How to succeed?
- What should we push for more: wholesale or e-commerce?
- Is it necessary to employ a marketing specialist or can anyone ‘just do it’ on the social media?

These and other similar queries always made me curious to find out more about what does it take for a start-up to flourish. With a genuine interest and a corresponding past education emphasis in the marketing field, I had decided to dedicate this research to exploring and analysing various marketing practices applicable for the entry makers in the fashion industry.

Andra Adamovica
Amsterdam Fashion Institute, Amsterdam
May, 2018
Introduction

“Fashion is about escape - an escape from who we really are to who we aspire to be.”

Michael Saren, 2018

Fashion has always fascinated me in ways which I sometimes still find difficult to explain. Once you get involved into this spinning cycle, it's hard to get out. I find the quote above by Marketing Professor Michael Saren very rigorous. I can still recall myself being a kid and flipping through my grandmothers copies of fashion magazines - it always felt like going on a dreamlike journey, picturing myself wearing some of those gorgeous gowns by Dior, Jean Paul-Gaultier, Chanel and many others.

Even these very childhood-like memories make me realise that in a certain way it's an approach that many fashion brands apply today. They develop a beautiful, somehow even magical oriole not only around the brand itself but also around the products that they offer, almost telling us that “If you wear this…, it's going to make you feel like that…". It seems like almost everyone in this business, no matter the size of the company, strives to create a strong glue value with their customers. Very often in fashion literature it's also called “creating a community”\(^1\).

Motive

I believe that the above stated could seem like the ultimate formula of success in the fashion business. If a brand manages to establish and offer this “escape" in a certain way, eventually it will speak to the public, their products will be desired and, therefore, the company will prosper. And yet, despite the most genuine intentions, excellent product offering and a hard working attitude, so many young brands fail to do so. Consequently, they fail to ensure their business survival. What is it that they should do differently? Which marketing tools and strategic decisions can help them to achieve their goals? And is there a formula that can work for all?

Based on various business specifics and strategic differences of young start-up brands, I’d like to identify how the marketing and sales related choices for upcoming companies can be guided and influenced to benefit their businesses for a long term period. In this thesis I will define original sales and marketing approaches that upcoming start-up brands practice in order to achieve their goals and ensure longevity.

Problem definiton

As a starter in the fashion industry, usually you don't have any brand recognition to get you in the door, most often the budget is limited and a lot of times it’s about dealing with potential customers in a completely digital atmosphere. Marketing a start-up can be quite of a challenge as brands are dealing with large competition, the need to generate sales opportunities, barrage of digital marketing opportunities, budget, time and human resource limitations. The business has no history yet, estimates are hard to define and, in addition, the aim is, to a certain extent, survival (Agrawal, 2017). Especially once it comes to the fashion industry, it is also about establishing a 'meaning' and having an added value, not just the products itself. Given these challenges, marketing strategy

in a start-up consists most often of identifying a set of priorities, taking decisions and executing them. For instance, there can be goals such as gaining brand recognition and finding distributors. Very often these goals overlap and/or have an equal importance, therefore it’s necessary to establish balance.

**Research objectives**

A crucial part of my thesis will be to critically relate literature and theory findings to the empirical part of the research in a fashion context. Additionally, I will be looking at few young brands with different business specifics. The aim is to come up with an article which describes and explains whether and based on which factors start-up companies can successfully enter the market and sell their product/s, thus if it's possible to reach their company goals with the help of a corresponding marketing approach/strategy.

**Research questions**

The main research question of my thesis is: *What would be the most suitable marketing approaches (or strategic decisions) for start-up companies operating in the fashion industry?*

Consequently, these are the sub-questions:

1. **How to define fashion marketing?**
   1.1. What are the limitations of different views on marketing?
   1.2. What are the main marketing related challenges that start-up brands encounter?
   1.3. What does a fashion marketing strategy imply?

2. **What are the strategic sales/marketing goals that start-up companies set for themselves?**
   2.1. What are the long-term and short-term goals?
   2.2. How do these goals differ for various start-up brands?
   2.3. Which are the factors that influence these differences and similarities?

**Research methods**

The first chapter of this thesis will be examined by conducting secondary research (theory, literature and industry media study). In order to answer the second research question, a combination of secondary and primary research will be supported by in-depth case studies and interviews with industry professionals. In order to answer the main research question, critical conclusions will be drawn. As a result an article explaining relevant marketing choices for start-up companies will be presented.

**Structure**

Overall structure of this thesis is as follows: theory (Chapter 1), empirical justifications and choices (Chapter 2), case studies and interviews (Chapter 3), and conclusions (Chapter 4).
Chapter 1

1.1. Fashion & marketing

Companies operating in fashion primarily serve as an intermediary between clothing manufacturers and the public. Over time, companies worldwide, including fashion labels, have adopted their business models and brand values to what one can consider the “fashion system”. For brands it means serving as ‘the mechanism that transforms clothing into fashion’ (Saren, 2018). According to Morand (2006; 10), fashion is an economic system and therefore has the following characteristics:

* It involves creative and aesthetic activity,
* It appears in short cycles (marketing, logistics, etc.),
* It is associated with a brand or the identity of a creator/designer,
* It is in line with the “air du temps” and can, in certain circumstances, be ahead of it’s time.

It is true that fashion industry has never been more rapid, dynamic and even aggressively changing than today. It has become more challenging for the brands operating in the luxury sector to continuously present six to eight or even more collections a year instead of what used to be up to four. Lately we’ve seen a high number of creative directors from the big fashion houses resigning. When leaving the position of a head womenswear designer at Christian Dior, Raf Simons compared furniture and fashion industry by saying: “There's no hurry. It's very different to how things work in fashion right now”\(^2\). Even in what should be considered the ‘haute couture’ segment, seems like things have very quickly escalated to the speed of ‘fast fashion’.

The speed of consumption has increased as well. What once used to primarily serve only as a social intermediary between people has now turned into some of the most important selling platforms (e.g. Instagram, Facebook, Tumblr, Pinterest) not only for the luxury segment, but especially for those who are just setting up their (fashion) businesses. It is also known as the social media. The fashion industry and digital media tools have undoubtedly merged together and can’t be seen without each other. Taken all of this into consideration, it is clear that fashion itself is ultimately about change - not only in terms of the changing product offering every season or every month, but also in terms of every other supporting aspect. Over time it has required significant changes in the way that, for instance, the supply side works. Think of how Zalando ensures delivery to their customers within less than two days. Although we do see how brands endorse to this fast paced business environment, what happens on the B2B side is more often hidden or at least unknown and some changes are more difficult to adopt to. I believe this is also one of the barrages that young brands are trying to find their way through. However, first of all, I’d like to look at what does it actually mean to be a fashion start-up.

1.2. What is a Start-up?

As the word itself already implies, “start-up” means that we’re talking about a company which is just starting off with developing it’s business. There are many more specific interpretations of what else is it that it means to truly call oneself a start-up. For an example, according to Investopedia\(^8\), being a start-up means offering a product or service that is not currently being offered elsewhere in the market, or that the founders believe is being offered in an inferior manner. Long story short, as a company you need to be able to somewhat touch upon innovation and find or create that ‘gap’ in the market. If we relate this to the fashion industry, I wouldn’t say that it always necessarily is the case of placing a highly innovative product in the market. The innovation can be seen within other aspects of the business, such as a marketing approach. If we take an example of Daily Paper

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clothing, it's good to see how by tapping into the tribalisation of an African culture, brand has managed to become a high-end streetwear phenomenon in Amsterdam. However, according to Forbes (24), perhaps the most important factor which highly differentiates a start-up from any 'small business' is the fact that start-up is a company designed to scale very quickly. It is this focus on growth unconstrained by geography which differentiates start-ups from small businesses. A restaurant in one town is not a startup, nor is a franchise a startup.

At the same time, many argue that start-ups are also all about the culture within the company. Russell D’Souza, co-founder of ticket search engine SeatGeek has said that “It stops being a start-up when people don't feel as though what they are doing has an impact”. Assuring that the dynamics are running internally and remaining resolutely in control of the company are also crucial aspects of the culture within a start-up. To simplify, probably if you’re flying first class and wearing a suit to work, you’re most-likely not working at a start-up brand. In order to understand the relation between remaining in control and “feeling like making an impact”, I will look at two different directions: post-modern and hyper-modern marketing approaches.

1.3. Post-modern vs. Hyper-modern marketing approaches

When it comes to fashion marketing, it is very difficult to find a suitable explanation of what it exactly means and one that would also be in line with the ever changing environment that the companies operate in. Of course, there are dozens of marketing theories and explanations which in their essence state that marketing, for instance, is “a management process concerned with anticipating, identifying and satisfying customer needs in order to meet long-term goals of the organisation”. It is true that the typical cycle would work in “anticipate, target and shoot” manner. However, in an industry where the market is more saturated with companies than ever and the consumer often might not even be sure of what it is that he/she wants - how can an approach as traditional as this ensure long term success? I strongly believe that what once used to work as a starting ground for brands which can now call themselves ‘well established’ can’t be applied the same way any longer, neither for themselves nor for the starters in this business. One of the main reasons ‘why?’ is not only the fast-paced environment, but also the importance of establishing a meaning around the brand and having some kind of an added value for the consumer.

Dermody and Scullion (2001; 2) claim that “Contemporary marketing is moving away from means-end relationships, the satisfaction of consumer needs and wants, towards the study of symbolic manufacturing and consumption”. These contemporary competencies required of both long-established and start-up firms can no longer be acquired while working with old models. It basically means that instead of having the “means-end” perspective (figure 1.1), companies must re-think how the analysis of data can create value for their customers.

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Figure 1.1 shows a company-centric, not consumer centric view on the environment. On the other hand, figure 1.2 shows how this perspective can be turned around while having consumers in the centre of the environment and the competing entities around them (Saren, 2018).

These models can be also easily connected to what Marco Mossinkoff (2012; 12) calls “The Hypo dimension” (figure 1.3). He distinguishes main differences between hyper-modern and post-modern marketing approaches. He states that the post-modern approach represents the necessary change for the basic and existing marketing practices as they eventually have failed to be effective.

I believe that this would be a more accurate way of looking at fashion marketing as I find it easy to connect the changing nature of the industry with an approach which in it’s essence implies the same point. Although, it’s equally difficult to identify companies operating in the industry that have been able to fully adopt the approach of having “consumers in the lead”, most of the brands have supported their marketing strategies in a way where it could be placed somewhere in the middle of the scale above. For example, L’Oreal, the cosmetics firm, has dedicated itself to becoming a leader in the online industry, especially once it comes to providing appropriate products in response. By performing constant Google search data mining, the company almost circularly interacts with their consumers and provides enough platform for customers to engage with each other in addition (Karaim, 2017).

It is a good example of how an established brand has managed to achieve success towards reaching their goals, thus, being a leader in the online cosmetics industry. Strategic decisions such as an intense focus on data and analytics has been made. Many might argue that it is mainly not the strategic path that a company the size of L'Oreal takes that provides this success - it has more to do with the financial and human resources that they can afford. However, I would like to agree with what Nicholas G. Carr has said: “What makes a resource truly strategic—what gives it the capacity to be the basis for a sustained competitive advantage—is not ubiquity but scarcity.” According to ‘Investopedia’ (26), in economy “scarcity” refers to limited resources and limitless needs. In this case it can be seen as the resources that company has available for them (time, money and workforce) and the marketing goals that they set. It is equally important both for big corporations and start-ups to find the necessary balance between the two to continuously come up with successful strategic decisions and not to get stuck on a previously set path. Having this kind of flexibility definitely can be one of the key attributes for a start-up in order to, for an example, not just survive but to also prosper.

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1.4. Main marketing challenges (start-ups vs. established brands)

In the introduction I already identified some of the main challenges that starting companies encounter and said that it is important to find “the right balance”. By saying “finding the right balance” I mean that it is necessary to assure which are the priorities that require most in-depth focus. For an example, may it be developing brand’s presence in online platforms, establishing retail connections or putting all money in controversial advertising. Especially once it comes to starters, it would often be easy to loose focus on some of the main goals and instead put all effort into solving short-term fixes. Besides that, everyone must also deal with the high competition, limited marketing budgets and eventually fight their way through barrage of (digital) marketing options while having very little brand recognition (Agrawal, 2017). And on top of everything, an important challenge with start-ups is the necessity to generate sales. Preferably as quickly as possible - to show the investors that they are capable of generating profit. When it comes to already existing labels - their range of problems to deal with is different. If a start-up’s main concern is to get noticed then a brand that’s already been there for a while should continuously remind that “we are still here”.

Since companies at a different stage of their life cycle tend to have various business concerns, it should also mean that the marketing strategies that one or the other adopts vary. Michael Saren (2018; 14) argues that companies are not able to engage with the marketing environment at the same exact level. Depending on their locations, size and resources, they choose to operate in markets at an appropriate level of environment for their capabilities and strategy.

In the article “Why big company sales and marketing is wrong for start-ups”, Chris Grannell states that “ambitious start-ups should resist emulating the sales and new marketing practices of established companies if they want to succeed in new markets”. He suggests involving consumers in the co-creation of the product. According to M.Mossinkoff’s “Hypo dimension” (Figure 1.3), interactive marketing and co-creation is also at the core of an efficiently functioning post-modernist approach. Perhaps when it comes to service-based products (e.g. a delivery service, car-sharing), a co-created product (or service) would really make it work. If we look at fashion, one of the most fascinating things is the fact that consumers are far more often unaware of what it is that they really need or want. Taken that in account, I would have a rather sceptical opinion of wether it’s really necessary to get a consumer involved in the creation of a t-shirt.

One of the many solutions to the marketing challenges, especially for start-ups, is the use of social media. Undeniably it allows for smaller businesses to receive a quick response from their followers and to react accordingly (Hanlon, 2013). Using the tools available on digital platforms can really help a starting brand to build a social following. Crucial to maintaining this following is having a genuine tone of voice which can also entertain instead of promoting.

1.5. The role of digital marketing

As mentioned previously, not getting lost in the endless digital media and marketing possibilities is one of the key priorities for entry makers in the fashion industry. How should a single person starting a brand (a designer, for instance) with no marketing background or extensive social media research experience discover which are the main platforms that the brand should tackle? I assume that quite often this would be the case where many brands get disoriented as they try to make an equally strong appearance everywhere they can - may it be Instagram, Facebook, Pinterest, Snapchat or others. As used as we are to hearing these names of such well-known social media

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sites, approaching each one of them can be very different. It’s perhaps more important to understand what are the main goals to achieve by appearing on any of those platforms. Sonia Gregory (2017; 7) identifies a set of three main directions for brands to set their ‘social media marketing’ goals - sales based, branding based and towards growing a community. Considering one of these directions would be a starting basis to establish focus and efficiency.

When it comes to fashion, for the past few months I have found myself being rather careful in observing ways in which Instagram works and ways in which brands communicate. As I consider myself a fairly active Instagram user, there is also a variety of fashion related accounts I’ve chosen to ‘follow’. Apparently Instagram algorithm has become so ‘smart’ that based on what I choose to ‘like’ or ‘follow’ over there, I also get offered a bunch of ‘sponsored ads’ that should relate to my taste. I have to say that even though I’m often critical towards this ‘cookie’ approach and the fact that a calculated data mining system would guess my aesthetic fashion preferences, it has worked and I have made a number of purchases purely because of these ads. I’m guessing that brands that I came across have paid a fair amount of advertising money in order to appear there. Clearly they have achieved at least one of their goals - to sell. Perhaps a more extensive research that measures how successful this approach really is in terms of financial numbers should be conducted. However, my point here is that this is just one of the ways that brands appear on Instagram, or at least choose to sell their products in a digital atmosphere.

Another way for brands to emerge on social media, and I must say this has sort of become a branding/marketing trend now, is to collaborate with social media influencers. Many brands would say that with the help of these very fashionably looking people they can raise the brand awareness and really get their message across. In a survey about the importance of influencer marketing done by ‘Bloglovin’, 71% of respondents said that “influencer marketing is a great way to grow awareness on various social media platforms” (Morrison, 2018). Of course, a brand would undeniably increase the traffic to their social media account via an influencer/-s and eventually also ensure that the name of the brand becomes known to a certain public. Yet, does this kind of an approach really embrace a long-term relationship between brand and it’s consumers or between the influencer and their audience instead?

Often influencers are considered as advertisers, therefore the question of the ethicality behind it is quite viral. In his article about “Building multi-model marketing partnerships for the digital age”, Stephen Whiteside (2016; 18) states that being honest about what the brand stands for and then being radical in looking for new ways to make it in culture is very necessary. This can also be easily referred to Gilmore and Pine’s (2007; 21) “real/fake matrix”. Each of the four modes of authenticity in this matrix indicate a consumer’s perception of a product or business’ authenticity. Therefore, also what Whiteside suggests is that being in the “real-real” quadrant is important not only because of ethical reasons but also for the sake of simplicity. This way a brand wouldn’t need to pretend or constantly play act. Long story short - it makes the whole process easier if brand manages to stay true/honest to itself throughout all the actions that it takes, also when it comes to working with influencers and using them either as messengers or advertisers.

Be that as it may, both of the above described and Instagram-related approaches can still be out of the budget for some start-up companies. A start-up clothing label called Betabrand had similar issues, so they applied a bootstrap approach to low-cost marketing which involved promoting their products in novel ways. The head of the brand explained that “achievements have been PR-orientated, where the ads that you can’t afford to pay for are given to you by journalists who kindly write about stunts that you pull to get attention online”. This approach definitely involves some distinctive creativity to come up with these “stunts” which can go viral. Still, here is a slight downside to it - often businesses who succeed in going viral might have a temporary traffic or a sales spike, but that doesn’t last for too long.

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Another challenging factor with these approaches and ‘stunts’ being pulled out online is the difficulty to properly measure them. Very often it’s hard if not even impossible to apply traditional metrics, especially once you’re creating something new and there are unknowns.

1.6. Company goals & strategy

I have mentioned that constantly interacting with the market and audience is a critical point in order to apply a more post-modern marketing approach. Having said that, establishing long-term goals that a company would like to achieve also fall under the category of “important”. However, persistently sticking to a set strategic path can rather get a company stuck at certain times. Arranging five to ten year strategy plans for me seems like an almost communist approach and, in a way, can correspond to what I have previously described as a more traditional/hyper-modern marketing study. Consequently, in today’s fast-changing environment, strategy is no longer a matter of positioning a fixed set of activities along that old industrial model. The key strategic task is to reconfigure roles and relationships among a constellation of actors - suppliers, partners, and customers. As a result, company’s strategic task becomes the ongoing reconfiguration and integration of its competencies and customers (Normann & Ramirez, 1994).

Saren (2018; 14) describes that there is a large shift happening between a managerialist and relational approach. He says that companies move from short-term transaction-orientated marketing activities to that of long-term relationship building by utilizing developments in technologies and relationship marketing thinking. According to S. Whiteside (2016; 17), ‘short-termism’ also plays a role here, as fledging companies typically focus on performance-led tactics that deliver immediate returns.

I’d like to look at three value based marketing strategies that M. Mossinkoff (2012; 12) identifies depending on companies business specifics and the capability to co-evolve with their environments:

1. “Trying hard to convince consumers”: for companies that base their value proposition on functional attributes of a product.

2. “Co-evolving, but keeping the lead”: companies that are capable to adapt to the extant zeitgeist and co-evolve. These approaches allow for interdependency between companies and consumers, therefore, include flexibility but should be more informed about company’s resources than consumer’s alleged preferences.

3. “Giving a little help”: the least predictable cases, such as ‘brand hijack’. It also talks about addressing micro-cultures in a way that is specifically tailored for them and becoming congruent with the product’s characteristics.

In the fashion industry, most of the brands would most likely adopt one of the first two directions. Speaking of start-ups, it would be quite difficult to address something like a ‘brand hijack’ (the third approach) when there’s very little brand recognition. However, being able to speak to micro-cultures from the very beginning in a way that is specifically tailored would be an interesting approach to put in practice. Additionally, even though it seems like the most risky tactic to undertake, my guess is that despite the unpredictable outcomes of this practice, it could also potentially mean that this way the biggest ‘success stories’ are born.
1.7. Chapter conclusions

The secondary part of the research (discussed in chapter 1) has been conducted in order to mainly answer the first research question (e.g. *How to define fashion marketing?*) and its sub-questions:

1.1. **What are the limitations of different views on marketing?**

- "Contemporary marketing is moving away from means-end relationships, the satisfaction of consumer needs and wants, towards the study of symbolic manufacturing and consumption" (Dermody and Scullion, 2001).
- Post-modern marketing approach represents the necessary change for the basic and existing marketing practices as they eventually have failed to be effective.
- It is easy to connect the changing nature of the fashion industry with an approach (post-modern) which in its essence implies the same point.
- Constantly interacting with the market and audience is a critical point in order to apply a more post-modern marketing approach.
- Re-thinking how the analysis of data can create value for their customers is one of the views on post-modern marketing.

1.2. **What are the main marketing related challenges that start-up brands encounter?**

- It is important for start-ups to find the necessary balance between limited resources and limitless needs to continuously come up with successful strategic decisions and not to get stuck on a previously set path.
- Necessary to assure which are the priorities that require most in-depth focus, for example, may it be developing brand's presence in online platforms, establishing retail connections or putting all money in controversial advertising.
- The fashion industry and digital media tools have undoubtedly merged together and can’t be seen without each other.
- One of the many solutions to the marketing challenges, especially for start-ups, is the use of social media. Undeniably it allows for smaller businesses to receive a quick response from their followers and to react accordingly (Hanlon, 2013). Using the tools available on digital platforms can really help a starting brand to build a social following. Crucial to maintaining this following is having a genuine tone of voice which can also entertain instead of promoting.

1.3. **What does a fashion marketing strategy imply?**

- Persistently sticking to a set strategic path can rather get a company stuck at certain times.
- Strategy is no longer a matter of positioning a fixed set of activities along that old industrial model. The key strategic task is to reconfigure roles and relationships among a constellation of actors - suppliers, partners, and customers. As a result, company's strategic task becomes the ongoing reconfiguration and integration of its competencies and customers (Normann & Ramirez, 1994).
- There are three value based marketing strategies that M.Mossinkoff (2012; 12) identifies depending on companies business specifics and the capability to co-evolve with their environments: "Trying hard to convince consumers"; "Co-evolving, but keeping the lead"; "Giving a little help".

In the previous chapter I have also briefly elaborated on the second research question (e.g. *What are the strategic sales/marketing goals that start-up companies set for themselves?*). At the same time, I will still continue to discuss the corresponding topic during the empirical research.

2.1. **What are the long-term and short-term goals?**

- It is important to understand what are the main goals to achieve by appearing on any of the online/social media platforms (e.g. sales based, branding based or towards growing a community).
Companies move from short-term transaction-orientated marketing activities to that of long-term relationship building by utilizing developments in technologies and relationship marketing thinking. According to S. Whiteside (2016; 17), ‘short-termism’ also plays a role here, as fledging companies typically focus on performance-led tactics that deliver immediate returns.
Chapter 2

2.1. Empirical justifications and choices

As I’ve been able to learn through the literature study in chapter 1, there are many variations and opinions when it comes to views on marketing (traditional vs. post-modern). Yet, I have been slightly missing the relation of applying a certain marketing approach/setting and the exact outcomes that it bring to the company, especially in a more tangible/measurable way. This is the reason why I have decided to look at the “AIDA” model which is widely applied in formulating marketing strategies. The emphasis is given to the recognition of the existence of a product or service (Hanlon, 2018). As seen in the figure 2.1, it basically commends that for a consumer to place a purchase, he/she needs to go through three stages starting from the top (awareness, interest and desire) until finally reaching the point of “action”, thus buying a product.

(Figure 2.1) The “AIDA” model

In the first chapter I was describing my own buying behaviour by being active on social media platforms, such as Instagram. I also entailed that by coming across a ‘suggested ad’ on Instagram and eventually placing an order via, because of coincidental aesthetic vs. price match, wouldn’t necessarily mean that I could remain a loyal customer of that specific brand.

Given this example, I would rather describe the buying behaviour of a fashion consumer as not such a linear process, which is what the “AIDA” model represents. A fashion consumer often becomes aware of the purchased goods and hence the brand only after placing the order or trying the item out. Often it has a relation with emotionality. Therefore, the order of the four mentioned stages (awareness, interest, desire and action) can also happen in a totally random structure. Yet, I do see a strong relevance of those four proposed values, despite the exact order in which they appear.

2.2. Hypothesis

By referring to “AIDA” model (figure 2.1) and based on the arguments that I proposed earlier in the first chapter about consumer’s buying behaviour on social media, I would like to propose a hypothesis for the next phase of this research:
"If start-up brands apply instant online sales models at the core of their business, they would rather trigger desirability and impulse purchase of the product, instead of establishing a longer-lasting interest and brand awareness."

To see the connection between rather measurable stages of an outcome (e.g. “AIDA” model) and brand’s set of marketing approaches, I have created a framework (figure 2.2) which will be used in the following process of conducting case studies and interviews with representatives of various start-ups. Although I have positioned the expected results in a linear placement (e.g. Strategic activities of Companies W, X, Y, Z), my goal is not to prove this expectation, but more of an exploratory nature.

![Hypothesis framework](image)

The framework above (figure 2.2) has been created by using the metrics of “AIDA” model: action, desire, interest and brand awareness. On the X (approach) axis I have used a scale which refers to M.Mossinkoff’s “Hypo dimension” (figure 1.3) and implies the shift from transactional marketing practices to building relationships and co-evolution.

2.3. Empirical research methods, expectations and criteria

My main theory and expectation is that, for instance, if a brand with the help of certain strategic activities only manages to establish a transactional relationship with it’s customer, it mostly only allows to bring out the ‘action’ part in the process. It can be seen as a one time coincidental purchase. By moving up the X (approach) scale, companies would be able to reach all the other important levels of “AIDA” (desire, interest and awareness) which I see as a more durable outcome that can bring repeated profits for the brand in a long-run. Accordingly, what can be expected is a rather diagonal line of strategic activities in the framework above (figure 2.2). At the same time, I wouldn’t want to exclude possibilities of cases where, for an example, a company applies strategic
ventures that could be classified in between ‘transactional’ and ‘interactive’ but at the same time manages to gain repeated interest. In this case, my goal would be to find out what are the exact reasons behind such a result.

In order to test this theory and apply it to the framework, I will be conducting research on the overall strategic movements that four different fashion start-ups practice/-ed. The following companies are currently rapidly growing and have already gained certain recognition in the public. One of the key points has been to choose companies with as different business specifics as possible, hence the product offering, price range, strategic placement in the market and, of course, the way of entering the market. Nonetheless, I have also chosen a few unifying factors in order to ensure topmost relevance of the outcome. I have only looked at companies who are based in The Netherlands and are especially recognisable on the social media platforms. According to the definition of a start-up given in the first chapter, all of these companies have merely recently started their businesses and are still in a ‘young’ phase of their lifecycle. To assure inconspicuousness, I will not mention names of the brands, instead “Company W, X, Y and Z”.

The research includes in-depth case studies of each company and their strategies (online and offline) plus an interview with a representative. These interviews will be conducted in a written form, by participating in an online webinar and in a company organised workshop, along with handling face-to-face conversations.

2.4. Interview set-up

The main research objective of conducting interviews is to find out how have these four developing companies managed to achieve their first successes, gain certain brand recognition and which online and offline marketing tools have helped them to ‘get there’. I set up four main topics to discuss with each of the brands, respectively: **brand strategy, offline sales, digital marketing** and brand’s vision on the potential **growth**. Under each category some basic key questions along with specified questions have been tailored for each company individually.

Hereby, the **basic interview set-up:**

1. **Brand strategy**

1.1. What would you say has been the “kick-off” point for your company? What kind of effects did it have?
1.2. What has been the most important thing relevant for the business that you have learned so far through a marketing practice?

2. **Offline sales**

2.1. How do you establish your retail relationships? What is the main criteria for that?
2.2. Why is it important for your label to be available at bricks and mortar stores?

3. **Digital marketing**

3.1. Have you discovered a certain digital marketing approach that works exceptionally well? What kind of goals does it help you to reach?

4. **Growth/Expansion**

4.1. What does “growth” and “success” mean for your brand? How are you going to get there?
4.2. Do you have certain goals that you are willing to achieve in a near future?
Chapter 3

3.1. Case study of Company W

I chose Company W for a case study as I noticed their extremely recognisable presence on social media, mainly thanks to social media influencers. Seemed like their products (wrist watches) were everywhere, on most 20-25 year old girls Instagram pages. As soon as I dived more into it, I realised that social media apparently wasn’t the only area in which this company was doing well. In a time frame of 2 years they managed to tremendously grow their retail network. I found this mixture of obvious online and offline peak very interesting and alluring.

Company W started off in 2013 and right now is still a fast-growing company offering minimal design watches and jewellery for women. Next to that, they also quickly recognised that their ideal customer was more likely to be inspired by social media than flipping through a magazine. They bypassed ‘traditional marketing’ and went straight to what would become it’s greatest source of brand awareness - Facebook and Instagram. With this in mind, Company W teamed up with Facebook for a campaign that included boosted posts. As the brand itself states, this really worked in order to grow exposure and familiarity. However, concerning digital marketing, Company W also payed a lot of attention to smart optimisation algorithms, using unique features such as Hyper Optimisation. Automatisation and optimisation of campaign conversions and KPI’s is at the core of it. Besides that, Company W claims that they are constantly trying to find the perfect balance between brand awareness, engagement and performance driven conversion campaigns.

So far, I haven’t researched possibilities within the tech-scene as much in-depth, however these findings give me a brief insight that not only Company W has embodied the full meaning of what a start-up is or should be (taking in mind the Silicon Valley-based image), but also an understanding that perhaps fashion and tech-world is not such separate entities as it might seem. It is true that technology has been widely incorporated in fashion when it comes to design features of a garment or production processes. According to Edgar Alvarez’s article on Engadget, the line between these two worlds is blurring more and more. At the same time, there is not exactly such pre-assumed or given image of how exactly should nor are these two worlds merging when it comes to marketing, sales or other practices to grow fashion brand’s awareness.

3.1.1. Interview findings
(For a more extensive reference, please see pages 41-43 in the Appendix)

I conducted both a face-to-face interview with a group of representatives (more specifically, ‘influencer marketing’ department members) and participated in a company organised workshop. In the following bullet points I’d like to present the main findings according to the key discussion topics:

1. Brand strategy

Company W really emphasised the fact that they have found themselves ‘kicking-off’ at the right time, right place and with the right methods. They find the fact that they launched their brand

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7 This engine optimises campaigns automatically by shifting budget to the best performing target groups, ads and prevents ad fatigue by ad rotation. (29)

8 For a more detailed source of information, please contact the author.

9 A region in the southern San Francisco Bay Area of Northern California, referring to the Santa Clara Valley, which serves as the global centre for high technology, venture capital, innovation, and social media. (7)
largely at the same time as Instagram becoming a very determining factor of their success story in terms of brand recognition. This way, they were able to pioneer on this platform and grow simultaneously. Next to this, they mention that they were really able to offer a new watch type to the market. By differentiating from their competitors has also been significantly important.

Company W confirmed one of their most successful marketing lessons being the ability to quickly adapt to every innovation and react to what’s happening on social media. This proves that being this type of a fast reacting brand relates to the theory findings - explaining the key attributes for start-ups to survive and prosper. Nevertheless, brand also emphasised that it’s crucial to afford enough human resources to be able to use enough time and energy for data analysing. They mentioned this as a possible key aspect for a potential future growth. Despite all of the previously mentioned aspects of a rather post-modern marketing approach, brand representatives said that at the moment instead of purely relying on a reactive behaviour, they are trying to implement a more strategic concept. Meaning, deciding up front what kind of goals should be achieved and working towards the intended result.

2. Offline sales

The brand has faced a rapid growth in terms of retail connections from 2014 to 2015. They explain this extreme success by saying that they have really aimed to create a full brand experience for their customers and to acquire a seamless involvement. Equally important is to ensure full brand resonance with an offline appearance. I found it very interesting to discover that brand representatives especially pointed out that despite the stereotype\(^\text{10}\), being available only via web is not enough, also in terms of generating the utmost possible revenue. Another thing which I would like mention is what company’s CEO said in one of the label’s informative videos about a smooth brand experience: “It’s very technology driven, in order to offer our customers a seamless experience. This is also something that we believe will separate the brands who will survive and who won’t make it in a longer run”\(^\text{11}\).

Naturally, these seem like logical steps. Yet, based on my own experience of working in wholesale, I have to admit that it can be very challenging to ensure this seamlessness as basically you’re giving away a lot of power and responsibility to the third parties. I believe it is still a struggle for brands to uncover the necessary balance and to find ‘the perfect partner’ to work with - one who pays in time and allows you to present your brand the way you want it in their retail space.

3. Digital marketing (e.g. Influencer marketing)

As I found out, even in their internal department structure, Company W divides digital marketing (e-commerce) from social media platform specialists (influencer marketing). This is a very unique organisational set-up compared to the ‘old’ business model within fashion where everything that takes places in a digital atmosphere falls under the same supervisory umbrella. With this in mind, Company W puts Influencer marketing at the top of their marketing funnel. While working with influencers, they have set three strategic points to consider: influencer’s resonance, relevance and reach. As they say, this is still a very new and untraditional method which is hard to measure. Another important factor to indicate - the brand sees the benefits by working with influencers falling into two categories - influencers who bring direct sales and influencers who rather represent the brand and assure resonance and awareness. The ones who really bring in the ‘fast cash’ can be seen as celebrities and therefore, have collaborations with the brand which tend to sell out

\(^\text{10}\) Referring to an article “The future of Retail is End of Wholesale” on Business of Fashion: "E-commerce will rapidly reshape the entire economic model of retail, spelling the end of wholesale, argues Doug Stephens, founder of Retail Prophet.” (27)

\(^\text{11}\) For a more detailed source of information, please contact the author.
immediately. In the meantime, the same people might not always be the the most suitable ‘faces’ to represent the brand. Perhaps the influencer is more fitness orientated while the brand would like to be associated with travelling. It is great to see that what normally works the same way in wholesale (applying a very similar strategy when working with retailers) is actually comparable to the way in which Company W works with social media influencers.

4. Growth/Expansion

When I asked “what does success mean for your brand?”, brand representatives said that they would like to define company’s character on a stronger and more established basis: who exactly they are, what and where do they want to be. All of this, in order to make a positive impact so people could really identify themselves with it. I find this as an obvious step in the lifecycle of the company. Curious to see that in practice things really don’t necessarily happen according to the ‘traditional marketing theory’, where you are supposed to build up your identity and clearly communicate about who you are right from the start. Apparently, it is totally possible to see these kind of actions taking place in a later stage, when the brand has already gained certain power and aims to become more established.

3.1.2. Conclusions

Taking in consideration that Company W has so smoothly managed to find it’s ‘formula of success’ thanks to such a contemporary set of approaches (such as influencer marketing), I have decided to call this strategic setting “Tapping into the Hype”. I see the company now in a slightly challenging position where they rather quickly need to define their identity and find the correct tone of voice to continue as successfully. All in all, it is also a place where it is crucial to not let go of the existing boost. Other than that, all the other aspects (high focus on technology, digital and social media marketing) are none the less but assuredly attributes for a start-up to construct ‘hype’.

I consider “Tapping into the Hype” in between an ‘interactive’ and ‘co-evolution’ stage on the approach axis. As the company representatives have mentioned, they see themselves as a highly reactive company and that is something that’s been also proved in practice. Based on the tools
they use to reach and speak to their customers, I believe they are on a path to also start ‘co-evolving’ at some point. The fact that the company recently held a workshop\textsuperscript{12} which was aimed at creating content and activities together not only with students, but also with brand’s core audience - is a good proof for that.

### 3.2. Case study of Company X

A company that’s seeking to break the cycle of unsustainable mass production is definitely Company X. They are a fast-growing, sustainable denim brand. Besides the fact that Company X is a pioneer in adopting a circular business model, they have also introduced a model in which their customers can lease a pair of jeans and return them afterwards. This way Company X really embraces conscious shopping and tells their story in an almost educational narrative.

The brand started off in 2012 and now sells over half a million pairs of denim every year. On the background of the rest of the denim industry, Company X still sees themselves as ‘starters’ and is seeking to eventually make an even larger impact by proving that it is possible to offer a highly desired product while also establishing mindful production and recycling processes\textsuperscript{13}.

### 3.2.1. Interview findings

(For a more extensive reference, please see pages 44-46 in the Appendix)

In order to conduct an interview with Company X, I participated in a joint online webinar where I was able to share my questions with other students and talk to the CEO of the brand. Although this was a great opportunity to share similar questions, due to limited time appointed for each student to speak with the CEO, some of the questions were not answered to a full extent. Withal, I’d like to look at some of the most interesting findings according to the initial interview topics:

1. **Brand strategy**

Company X noted multiple times that what they see as their main ‘kick-off point’ was the decision to tackle some of the uncomfortable topics in the fashion industry, such as the harmful way of producing jeans. Since jeans take up a big product share in the market, they discovered that offering denim would make the most sense. Being one of the first fully ‘circular companies’\textsuperscript{14} immediately triggered media and consumer attention.

When I asked about the ways in which Company X sees themselves activating their customers, brand’s CEO mentioned that introducing the ‘vintage jeans’ line has really helped the company to display a platform for their consumers to share stories and to express their affection towards the message that the brand carries. They see themselves being able to grow a community which they even call a ‘family’. Next to this, brand’s CEO mentioned that even while having such a concept doesn’t help raising extra revenue, it does help to gain free publicity and to generate resonance.

\textsuperscript{12} A collective student gathering (workshop) that was held at Amsterdam Fashion Institute by Company W, where the author participated in order to conduct research.

\textsuperscript{13} For a more detailed source of information, please contact the author.

\textsuperscript{14} A circular economy can be achieved through long-lasting design, maintenance, repair, reuse, remanufacturing, refurbishing, and closed recycling loops. This is in contrast to a linear economy which is a ‘take, make, dispose’ model of production. (6)
2. Offline sales

When speaking about the offline points of sale, Company X admitted that they are working with sales agents who are responsible for growing the retail network and representing the brand. Additionally, most of their retail partners have expressed an interest themselves. It is a very captivating encounter as it proves that by being able to capture sympathy and certain acceptance publicly first, the work that a brand needs to do in order to convince retailers about the relevance of their products gradually gets less.

3. Digital marketing

Company X tells that in terms of digital exposure, they are always trying to provide content which could be interesting. For an example, they are allowing full company transparency and showing how exactly the jeans are being recycled or in what other ways brand is contributing to the circular system. All in all, they see and describe their online actions as small elements which are all used in order to reach-out as widely as possible. Similarly as Company W, also Company X confirmed that Instagram works the best in order to retain attention. In comparison to Company W, I see that Company X is using the digital media tools to rather indulge and tell about all the positive effects that they are developing and bringing to the industry, whereas Company X uses it to assure complete exposure. Next to that, Company X also mentioned how important digital platforms are in order to not only gather all the consumer data, but to also perform consumer research - by looking up customer’s personal accounts, seeing what kind of activities these people do and what kind of things they ‘like’. To me, this is another creative addition to the already familiar usage of ‘Google analytics’ or website cookies.

4. Growth/Expansion

When asking about the ways in which the company sees themselves growing in the future, I understood that the word “growth” might be seen in a slightly sensitive manner (taking in account the circular economy model). Just as I expected, the CEO described that perhaps the next logical step would be to follow the idea of ‘doughnut economy’. At the same time, he mentioned a couple of rather contradicting statements, saying that he would love to see the brand grow and really revolutionise the denim industry to make a visible footmark. On top of that, achieving success for Company X means seeing the consumer behaviour change, to see more people consume in a conscious way and, to see a much bigger company starting to apply a similar business model.

3.2.2. Conclusions

Seeing Company X adopt a business model which is so contrasting compared to how the rest of the ‘big fashion industry’ works, I would describe their marketing strategy setting by calling it “Rebelling against the industry”. They have been one of the denim pioneers to work according to a circular model while mainly communicating with their audience in a positively educating manner. They allow their customers to believe that by purchasing their products it’s possible to contribute to having ‘a better world’, where there is less waste and less harm done to the environment.

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15 The idea is that in order to harmoniously coexist with our environment and each other, there are target boundaries within which we should aim to be i.e. the doughnut 'filling'. However, exceeding our environmental limits pushes basic resources out of the doughnut and failing in our social targets leaves people stranded in the middle ‘hole’. (22)
I see “Rebelling against the industry” as a more “Co-creative” set of approaches than “Tapping into the Hype”. Compared to each other, I consider Company X being more able to interact with their consumer in a genuine way by having a strong glue value with their audience and, as they also mention it, by having built a ‘family’ (e.g. community). At the same time, having such a different communication model compared to Company W, Company X might not be able to reach the same level when it comes to resonance (e.g. brand awareness). This could explain one of the challenges that was also mentioned by company’s CEO - the brand aims to speak to a larger audience and the ‘normal’ consumer. Yet, right now they are mainly able to really engage with a much more ‘conscious’ group of consumers.

3.3. Case study of Company Y

Company Y has been established in 2009. As the head designer of the brand explains, recognising both a challenge and an opportunity, he started to design - following his vision of creating a unique shoe. A shoe that would bridge the gap between streetwear and high-end fashion. After introducing the first collection to his friends, family and some stores - it instantly got appreciated. Right now, brand’s collection consists of a variety of contemporary shoe models, they are widely recognised both online and offline (selling in over 450 stores, in 42 countries). Company Y is steadily becoming a real global brand, current and previous collaborations with Barney’s, Mr.Porter, Puma and others have also been important milestones on the way to that.

3.3.1. Interview findings

Although I was able to begin a conversation with a marketing representative from Company Y, unfortunately, I couldn’t receive the desired response to the interview questionnaire in a timely manner. Despite this limitation, I have still considered the set of Company Y’s approaches in my research as I find it differing from all other cases studies and unique in it’s way.

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16 For a more detailed source of information, please contact the author.
3.3.2. Conclusions

I have called the set of approaches performed by this company “Collaborating with the ‘big names’”. Although the brand has grown largely and is perhaps further in its lifecycle than the other companies that I’ve looked at, I see their key success point being the ability to trigger interest of other brands. This way they had been able to collectively produce collections with Puma, Mr.Porter and Barney’s. Recently the brand has also introduced a limited edition RTW line. This setting is perhaps not only a smart financial choice (shared products, shared expenses), but also an agile marketing move. As a smaller company you instantly become exposed and able to interact with a much bigger audience. Consequently, I see Company Y reaching all levels of ‘AIDA’. At the same time, I consider “Collaborating with the ‘big names’” slightly less able to genuinely interact and co-evolve with their customers than the other two strategical settings. The reason behind that might be the fact that the Company Y is mainly recognisable because of the product quality/design/price match, plus a well positioned exposure, instead of anything else.

3.4. Case study of Company Z

Company Z started off in 2014, when the designer behind the brand decided to introduce a tailor-made lingerie concept to followers on her social media. When her account got more and more followers worldwide and the first orders came in, she realised that a ‘dream’ could become reality. By gathering exclusive materials (lace, silk) she created a system where one can design a set of lingerie to have it made in a perfect fit. More than that, the designer also offers an atelier space for a comfortable shopping experience to her customers by holding in-house appointments17.

Although the brand started with only having an atelier-like approach, right now the company likewise produces a ready-to-wear line and sells both online and in other retail spaces. Brand has

17 For a more detailed source of information, please contact the author.
gained certain recognition throughout the Dutch media as the products and social media boost has added to earning publicity.

3.4.1. Interview findings
(For a more extensive reference, please see pages 47-49 in the Appendix)

Conducive to hold an interview, I went to visit the designer at her studio (atelier) and had a face-to-face conversation. It was a very casual and comfortable setting in which I was able to tackle various topics arising in the flow of the discussion. By means of this, below are the most relevant findings corresponding to each of the discussion topics:

1. Brand strategy

The idea to start producing and selling lingerie came from the growing interest of followers on designer’s Instagram account. By seeing the visual content that she had created herself, people almost implied on purchasing the goods. The idea of an added ready-to-wear line came together with the brand growing it’s horizons and starting to offer products outside the online world. When I asked how the designer sees the ‘storytelling’ part being transmitted to her audience, she noted a couple of times that although she identifies a lot of importance in it, she isn’t able to deliver to a level that she would like due to limited resources. Instead of having a set of ongoing priorities to work on, she describes the work behind the brand as a continuous learning process, as a constant trial and error attitude. While understanding the perks behind being a ‘one person company’, I really felt that in this case, more than in others, you could really feel the absence of additional human resources and an extreme time limitation factor. The main issue might not even be the ability to set a list of priorities, but to mainly keep focus and lead ideas to a complete execution.

2. Offline sales

Similarly to the way that the designer had started off with her brand, she also gives examples of establishing retail relationships. She says that most of the partners had been interested themselves and came to her with business proposals. Right now the brand is stepping into a more strategic way of working offline - by partnering with sales agents to represent the company in showrooms and to grow the network. As the designer addresses, with this also a few challenges will arise. For example, ensuring price stability in a process, where an agent gets involved. Since the retail price is already rather high, in a near future this kind of strategy could potentially require a different choice of materials and/or a possibility start assembling in a factory.

3. Digital marketing

What comes to ways in which the brand communicates online, I understood that largely there is no clear path in it. I asked if they had discovered a way in which their online communication seems to be the most beneficial, but as the designer said - so far she hadn’t had a good chance to thoroughly analyse it. Brand has tried out working with social media influencers, as well as ad placements on Facebook and Instagram, however so far no clear consequences or effects have been acknowledged.

4. Growth/Expansion

I couldn’t notice any clear future goals that the brand would like to achieve or the exact direction in which the designer sees it growing. She mentioned expanding production to factory facilities as
one of the main concerns, however, I really missed out on a more distinguished marketing vision. What comes to brand's idea of success, the designer affirmed having a very sensual and almost dream-like oriole around the brand as her idea of satisfaction. Being able to allow women a brief relaxation moment and the ability to take care of themselves while shopping for a well-fitting set of lingerie is the main value that the brand should offer and, when reaching it, also signifies success.

3.4.2. Conclusions

I would describe this way of entering the market by calling it “Unforeseen hobby realisation”. This kind of a setting has risen rather unexpectedly, by collective requests arriving from the interested clients. Even though it is probably coming from a very post-modern point of view, I believe that in order to capture audience’s interest, and to turn it into a business - it requires internal expansion from being just a ‘one person company’. Before we can tackle anything else in depth, perhaps one of the most confronting factors really is the limited cause of a human capital.

![Diagram](image)

I see this strategic setting being placed in between ‘Desire’ and ‘Interest’ on the ‘Outcome’ axis. Taking into consideration the way that the designer describes the ‘kick-off’ point, I really see the brand being able to trigger these two levels. At the same time, by working with this approach, brand isn’t comprehensively able to interact or react. This is something that I had noted multiple times in the answers during the interview where there was a lack of analysis and explanation behind the decision making process. This being one of the most crucial aspects on the way to reaching effective interaction is perchance something for Company Z not to miss out on in the future.
Chapter 4

4.1. Reflection on hypothesis and the initial research question

One of the points that really showed to be functioning according to my expectations in practice (during the case studies) was the randomness in the structure of “AIDA” model (figure 2.1) values. The model originally is intended to function in a linear system, where in a process of purchasing a good customer goes through four different stages before physically acquiring it. Before conducting empirical research, I proposed that the order in which brand awareness, interest, desire and action gets triggered can also happen in a rather arbitrary way. As I noticed in the cases of Company W and Y (“Tapping into the Hype” and “Collaborating with the ‘big names’”), brands have been able to simultaneously reach all of the above mentioned levels. On the other hand, Companies X and Z (“Rebelling against the industry” and “Unforeseen hobby realisation”) have been able to generate a certain layer of interest and desire, however unlike the other two companies, are still slightly struggling to push for sales. In this case, one of the possible solutions could potentially be creating a single product or series of products only aimed to expand sales. It could be done by introducing something in a more affordable price range which could eventually become a “never out-of-stock” merchandise. In this case, an idea comparable to the way luxury brands use their perfume and accessory lines as the main sources of revenue could be applied.

Although the importance of generating sales has not only been proven in my theoretical findings, but also while handling interviews with brand representatives - being mindful in this area is crucial to succeed in long term. This has been one of the main reasons coming of with the initial hypothesis:

“If start-up brands apply instant online sales models at the core of their business, they would rather trigger desirability and impulse purchase of the product, instead of establishing a longer-lasting interest and brand awareness.”

As I’ve been able to find out, none of the companies that I looked at throughout the case studies are really keen on purely selling online. As a matter of fact, I was quite surprised to find out that all of the company representatives emphasised the necessity of being available offline. For instance, Company Y has based their whole ‘success story’ in building wholesale relationships and being offered at the best retail spots worldwide (Barney’s, Selfridges, etc.). Quite opposite to the stereotype that I mentioned previously and my own belief in the continuous elevation of e-commerce, my conclusions are pretty much differing from what I had expected. In such a position, I believe that in order to answer this hypothesis to a full extent, more analysis should be done. It would be essential to also look at start-up brands that are only doing e-commerce. Consequently, findings from a combined research (thus, cases studies mentioned in this thesis, plus additional ones) would have an even higher level of relevance.

Withal, I’d like to say that brands which I have studied don’t apply ‘instant sales models’ at the core of their businesses. At the same time, there might be other factors influencing the longevity of interest and brand awareness, as well as the lifecycle of a company. I will elaborate further on numerous of these aspects in the next sub-division of this chapter (e.g. “Captivating findings”).

One of the very common things that I noticed in the cases of all researched strategic sets of marketing activities that Companies W, X, Y and Z practiced is the fact that all of them were able to offer a somewhat unique product. If referring back to theory, looking at the expeditionary marketing methods could be applicable. According to Marketingschools.org, “expeditionary marketing suggests analysing the physical, financial, and intellectual resources of a company, and then

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18 Referring to an article mentioned under footnote Nr.10, in page 19.
finding new markets where to apply those resources. It identifies new opportunities and minimises the risk of new corporate strategies. It tries to give companies an advantage by helping them move into new markets before their competitors do. Expeditionary marketing is less about designing advertising messages and more about the research and planning necessary to develop new products and markets. Since it is such an aggressive strategy, it involves a high-level of boldness and out of the box thinking”\(^{19}\). When analysing the key case study findings, I see a good relation to the above described theory and can also link it to the main research question:

“**What would be the most suitable marketing approaches (or strategic decisions) for start-up companies depending on their business specifics?**”

As I already explained in Chapter 3, it is not just one approach for a start-up that determines a successful entry in the market. It is rather a set of various strategic marketing activities. As the theory of expeditionary marketing implies, it involves the analysis of all resources available to the company, out of the box thinking and willingness to take risks. I started off this research by thinking that it should be possible to somehow strategically plan and apply a certain method/-s which would help start-ups to enter the market. In an honest manner, it is just now that I realise this kind of expectation/thinking only allows room for a very traditional way of marketing. Instead, it is largely about identifying opportunities and spending the start capital in product development and team-building. As reported by Lee Iacocca: “In the end, all business operations can be reduced to three words; people, product and profits. Unless you’ve got a good team, you can’t do much with the other two.”

And of course, since it is the fashion industry, all of these elements should also have a little bit of emotionality added. After all, it is very much about doing what feels right and less about planned, mathematical steps. All things considered, it is very difficult to identify suitable marketing approaches or strategic decisions right from the start. As simple as it sounds, my assumption lies in having a courageous organisation idea at the very core - may it be a circular business model, influencer (or tech-related) marketing scenario or having your brand do a collaboration together with Puma.

### 4.2. Additional findings

In furtherance of supporting answers to hypothesis and the initial research question, I’d like to present some of the most interesting findings that I came across during interviews and case studies. For the sake of comprehensiveness, I have structured them in two sub-categories - ‘expected’ and ‘unexpected’.

#### 4.2.1. Expected results

Prior to starting this research, I had some assumptions and ideas of what the final conclusions might be concerning digital marketing, offline sales and brand strategy. I was able to gain a more in-depth insight with the help of interviews and, therefore, support examples that I’ve already encountered throughout theory and my own experience.

1. **Experiment, evaluate, execute**
   
   Having an already established strategy laid out in steps is hard to follow at a young stage of brand lifecycle. With the application of trial & error it’s easier to adjust and react.

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2. **Issues with wholesale**  
There are still a few very challenging financial and information factors when it comes to wholesale. The flow of money from the third parties requires a lot of time and gives more of an economical power to retailers than it does to brands. Retailers also have a firsthand when it comes to retrieving consumer information and service. It often doesn't get shared with brands and, if is, can still be inaccurate and is a difficult measure for statistical purposes.

3. **Hiring an Instagram wizard**  
Brand’s appearance on Instagram is key when it comes to social media presence and is perhaps more crucial to have strong engagement there than on any other platform. For a start-up to be able to afford a social media/digital marketing analyst role in the team is a far-reaching investment. Today this shows to be one of the highest added values to the back-office of the brand.

4.2.2. **Unexpected results**

Furthermore, I came across various comparatively unanticipated findings. It was interesting to discover that few of these results were even opposite of what I had assumed. On top of that, I believe that the below described points can also be elements for a continuous and a more extensive research proposal.

1. **First take a risk, plan later**  
As I described previously, having a set strategy is hard to follow. Instead, I have noticed that brands I’ve looked at have made their entry thanks to a relatively risky set of marketing activities. This has helped them to grow and to reach a certain point of power, to somehow become more ‘adult’. As soon as this point is reached, brands mentioned that they should now start working according to a more strategically planned model, therefore set the targets in advance and aim to meet them. This is something that also relates to what Lew Platt (CEO of Hewlett-Packard) has said: “Whatever made you successful in the past, won’t in the future.”

2. **Seamlessness in everything you do**  
As mentioned by the CEO of Company W, most likely enterprises that are able to adopt to technology and allow a seamless brand experience will ‘make it’ in a long-run. It is interesting to fully uncover what is it exactly that ‘brand experience’ implies. According to the CEO of Company X, today’s contemporary consumer is actually more interested to find out about what’s ‘behind the brand’ (e.g. transparency), instead of it’s ‘story’.

3. **No need to chase retailers if they know who you are**  
By working with a few start-ups in the past myself, I had always thought that one of the important challenges is trying hard to convince retailers to purchase your product in order to get some wholesale exposure. Opposite to this, I was able to find out that because of the buzz that the interviewed companies managed to create, most of the retailers expressed the interest to start a collaboration themselves. If you can accomplish to offer a somewhat unique and catching product, plus if someone finds what you’re doing interesting enough to talk about it - most likely you’ve succeeded in getting the necessary attention.

4. **Fashion/tech start-up?**  
Another uniting factor that I’ve noticed throughout most of the activities of interviewed brands was the high focus on technology, especially when it comes to digital marketing tools. I’ve ben able to discover that there’s a much stronger connection between tech-world\(^{20}\) and fashion

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\(^{20}\) According to Karehka Ramey: “Businesses use communication technology tools to facilitate the flow of information in a workplace, to help in decision making, to serve customers needs and requests, to promote new products or services to targeted consumers and so much more." (23)
marketing than I had expected. Perhaps it is actually an idea to apply a tech start-up (offering fashion products) approach as another way to be able to prosper.\textsuperscript{21}

5. Making a visible impact

Undeniably, financial prosperity is one of the drivers for companies in order to grow. With that in mind, I expected that this would also be one of the key components of what start-up representatives consider as the most favourable outcome. Unlike my expectation, the main idea of success lies in something a little less tangible. Seeing and feeling that a brand has made an impact and set footsteps towards a ‘positive change’ (and there are many speculations of what exactly that could be) seems like the utmost long-term goal and overall mission.

4.3. Research limitations

In the research process I had a few encounters which might have a resulted in having a limited depth of several findings. Due to time limitation, I had not been fully able to also consider economic and financial factors behind the considered start-up marketing practices. Ideally, a relevant next step would be to conduct a detailed industry research which could support my current conclusion with concrete financial figures. As mentioned in the very beginning, money often is one of the biggest challenges of establishing a company, therefore data relevant for this would been very helpful.

Time limitation has also payed it’s role when in came to establishing communication with companies that I conducted interviews with. Ideally, I would have liked to be able to perform face-to-face interviews with all of the representatives. Another aspect in this situation is the availability of these professionals and has therefore in times also appeared as a limiting factor, especially concerning the extent to which they could elaborate on each of my questions.

\textsuperscript{21} According to Jamie Hinton: “You don’t even have to sell technology directly, or as a service. If the contribution of technology to your business and your customers becomes an integral part of your operations, then it’s time to ask yourself if you’re a company in X industry, or if you’re a tech company that also happens to be in X industry. The shift in focus might unlock your next level of growth.” (14)
Afterword

During this research I’ve been able to gain a new perspective on a topic where initially I thought I already had a great deal of experience. This perspective has helped me to open up to a certain level of creativity when it comes to start-up marketing and sales. Additionally, it has taught me that in times it’s necessary to work from a completely different starting point. Instead of addressing consumers in an advertising-like manner and hoping that eventually they’ll get hooked, brands should spend more time listening and less time advocating the public.

Moreover, I’d like to thank my main coach Marco Mossinkoff who has helped me throughout the process with valuable guidance and ideas. Marco’s critical comments have helped me to structure the arguments in a coherent manner and to create an overall consistency.

Nevertheless, this research has brought me to understand whether or not it is a good idea to establish yet another fashion brand. Perhaps not, but if you are willing to take a chance, to most likely fail more than you’ll succeed, but to eventually create something uncommon and if you believe you can fill some kind of a gap and there’s an added value to it - you might as well take that risk.

Andra Adamovica
Amsterdam Fashion Institute, Amsterdam
May, 2018
“Marketing lessons learned from successful start-ups in the fashion industry”

As a starter in the fashion industry, usually you don’t have any brand recognition to get you in the door, most often the budget is limited and a lot of times it’s about dealing with potential customers in a completely digital atmosphere. Marketing a start-up can be quite a challenge as brands are dealing with large competition, the need to generate sales opportunities, barrage of digital marketing opportunities, budget, time and human resource limitations. The business has no history yet, estimates are hard to define and, the aim, to a certain extent, is survival (Agrawal, 2017). Especially once it comes to the fashion industry, it is also about establishing a ‘meaning’ and having an added value, not just the products itself. Given these challenges, marketing strategy in a start-up consists most often of identifying a set of priorities, taking decisions and executing them. Very often the intended goals overlap and/or have an equal importance, therefore it’s necessary to establish balance. By saying ‘establishing the right balance’ I mean that it is necessary to assure which are the priorities that require most in-depth focus. For an example, may it be developing brand’s presence in online platforms, establishing retail connections or putting all money in controversial advertising. Especially once it comes to starters, it would often be easy to lose focus on some of the main goals and instead put all efforts into short-term fixes.

What some start-ups often do is look at examples given by big corporations and trying to apply similar tactics to their businesses. In his article “Why big company sales and marketing is wrong for start-ups”, Chris Grannell states that “ambitious start-ups should resist emulating the sales and new marketing practices of established companies if they want to succeed in new markets”. Perhaps this really isn’t the most efficient way to start-off, as the main difference between a start-up and an already established brand is the fact that start-up as a company is designed to scale very quickly. It is this focus on growth and getting noticed, instead of continuously reminding that “we are still here”.

Peter Drucker has said: “whenever you see a successful business, someone once made a courageous decision”. I believe this could also be one of the key reasons why there is no strategic setting or an approach that would guarantee the same kind of an outcome for two different start-ups. Despite that, there surely are lessons that young creatives willing to start a business can learn from others who have already managed to gain some recognition and open a wedge in the industry. By performing in-depth case studies, I have identified four different strategic sets of approaches which have helped different (once) start-up brands to make their first impressions.

**Tapping into the Hype**

This particular setting has a lot to do with presence on digital platforms. For example, by recognising that your ideal customer would more likely to be inspired throughout social media than flipping through a magazine. Bypassing ‘traditional marketing’ and going straight to what would become the greatest source of brand awareness - Facebook and Instagram. Consequently, this also involves paying a lot of attention to smart optimisation algorithms and using unique features such as hyper optimisation. Automatisation and optimisation of campaign conversions and KPI’s are at the core of it. It requires to constantly find the perfect balance between brand awareness, engagement and performance driven campaigns. Nevertheless, ability to quickly adapt to every innovation and react to what’s happening on social media is crucial - may in be offering a t-shirt

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22 As requested by companies which are subject of my research, I have agreed to ensure full anonymity and put all emphasis on their applied marketing practices instead.

23 This engine optimises campaigns automatically by shifting budget to the best performing target groups, ads and prevents ad fatigue by ad rotation.
with a catchy slogan, communicating a captivating message through an ‘Instastory’ or holding an open discussion event in a retail environment.

With that in mind, an offline appearance isn't less important. Ensuring full brand resonance everywhere is what works. And yet, it is an equally technology driven goal to provide a seamless experience. Not to be mistaken, even though this particular setting might seem like a quick tool to boom and generate sales, it is the willingness to make a positive impact and to allow consumers to identify with your product that determines durability at the end of the day.

It is definitely a very contemporary set of approaches (e.g. smart optimisation algorithms, influencer marketing scenario), however may as well bring in a few challenges. When reaching a certain level of power, brand would eventually need to, rather quickly, define their identity and find the correct tone of voice to be able to continuously grow.

**Rebelling against the industry**

As the title itself implies, this setting entails doing something that’s the opposite of the norm or what the consumer would commonly be used to. I will use an example of applying a circular business model and embracing conscious shopping while telling the ‘story’ in an almost educational narrative. The decision to start such a concept comes from having the determination to tackle some of the uncomfortable topics in the industry, such as the harmful way of producing apparel. Being one of the first in doing something like this automatically helps to trigger media and consumer attention. Long story short - free exposure and publicity is almost assured. It also helps to speak to a very engaged group of people in a truly genuine manner. Subsequently, having a practically committed community around the brand does well. When it comes to the way of communication, it’s more the story ‘behind the brand’ not ‘about the brand’ that gets told. However, most possibly when applying such a business idea, the ultimate goal would either be to revolutionise the field (to eventually reach the ‘mainstream’ level) or to see a much bigger cooperation acquiring the same kind of an idea.

**Collaborating with the ‘big names’**

One of the other ways to make sure your name gets heard is to somehow get ‘under the wing’ of another, much bigger brand. It would most likely mean doing something that the ‘big brand’ is currently not offering as they are not willing to take the risk of the possible failure. If you manage to offer a good balance between design uniqueness, product quality and an affordable pricing - that could be just the right starting point. In the researched case, one of the secrets was the previously mentioned ability to find the correct balance and making sure that brand is available in all of the best retail environments worldwide (e.g. Selfridges, Barney’s, etc.). Even if is not the easiest decision to go for, it is the ability to stay committed to a certain resolution as well as having a flexible approach that works. Ultimately, after making the first entry and having the name out there can bring in collaboration offers. For instance, it can translate in a form of a collective limited edition product line. After all, it is a pretty smart move financially as well - shared products, shared expenses.

**Unforeseen hobby realisation**

This might be one of the most common cases when it comes to the fashion industry. Doing something that you personally like and making it public online can eventually captivate the interest of your ‘followers’. In some way, this kind of a business is likely to rise rather unexpectedly, by collective requests arriving from the attentive clients. Even though it is presumably coming from a very post-modern point of view, I believe that in order to capture audience’s interest and to truly turn it into a business - it requires internal expansion from being a ‘one person company’, which
could most likely be the case. Before we can tackle anything else in depth, perhaps one of the most confronting factors really is the limited cause of a human capital. Hereby, I’d like to refer to what Lee Iacocca has said: “In the end, all business operations can be reduced to three words; people, product and profits. Unless you’ve got a good team, you can’t do much with the other two.” Having said that, a good organisational system within the back-office can be a fundamental stone on the way to prosperity. Therefore, instead of having an ongoing set of priorities to work on, the work behind the brand is much more likely a continuous learning process, a constant trial & error attitude.

In order to summarise and draw a clear framework, I have structured the main outcomes of the above described case studies in four subdivisions: brand strategy, offline sales, digital marketing and growth/success.

1. **Brand strategy**
   Having an already established strategy laid out in steps is hard to follow at a young stage of a brand lifecycle. With the application of trial & error it’s easier to adjust and react simultaneously. Finally, it can help to grow and to reach a certain point of power. As soon as this point is reached, it is only then that working according to a more strategically planned model, therefore setting targets in advance and aiming to meet them really makes sense.

2. **Offline Sales**
   While you’re still in a starters position, doing wholesale to ensure offline presence is the most likely scenario. At the same time, it can be very tough to persuade buyers to purchase your product. Next to this, there are other challenging financial and information factors. The flow of money requires a lot of time and gives more of an economical power to retailers than it does to brands. Retailers also have a firsthand when it comes to retrieving consumer related information. It often doesn’t get shared with brands and, if is, can still be inaccurate and is a difficult measure for statistical purposes. And yet, if you can manage to offer a somewhat unique product that someone finds interesting enough to talk about, possibly you can also succeed in attracting retailer attention.

3. **Digital marketing**
   For a start-up to be able to afford a social media/digital marketing analyst role in the team is a far-reaching investment. Today this shows to be one of the highest added values to the back-office of the brand. With current high focus on technology, there’s a much stronger connection between tech-world and fashion marketing than it might appear to be. Applying a tech start-up (offering fashion products) approach could be another way to scale very quickly.

4. **Growth/Success**
   Undeniably, financial prosperity is one of the drivers for companies in order to grow. With that in mind, it can also appear to be one of the key components of what start-up representatives consider as the most favourable result. Unlike my expectation, the main idea of success actually lies in something a little less tangible. Seeing and feeling that a brand has made an impact and set footsteps towards a ‘positive change’ (and there are many speculations of what exactly that could be) seems like the utmost long-term goal and overall mission.

Overall, it is not just one approach or a previously planned strategy that determines a successful entry in the market. It is rather a set of various marketing activities and could ultimately be related to the theory of ‘expeditionary marketing’. It involves analysis of all resources available to the company, out of the box thinking and willingness to take risks. Since we’re talking about the fashion industry, all of these elements should also have a little bit of emotionality added. After all, it is very much about doing what feels right and less about planned, mathematical steps. All things considered, it is very difficult to identify suitable marketing approaches or strategic decisions right from the start. As simple as it sounds, my assumption lies in having a courageous organisation idea at the very core - may it be a circular business model, influencer (or tech-related) marketing scenario or having your brand do a collaboration together with Balenciaga.
A conclusive article by Andra Adamovica which is the final product of the original Bachelor’s thesis study “Marketing practices for Start-ups in the fashion industry” at the Amsterdam Fashion Institute.

References used in the article


Source list


Appendix

Company W interview summary

Impressions concerning each topic have been retrieved in various ways: by handling a face-to-face interview with influencer marketing department representatives of the company; by participating in a company organised workshop and by studying brand's informative video/-s.24

1. Brand strategy

1.1. What would you say has been the “kick-off” point for your company? What kind of effects did it have?
The brand really started off at the same time as Instagram became more and more widely used (2013). We used this in order to inspire, especially the millennial woman (video).
When the brand started with extending the collection by offering a new watch type to the market. A different product compared to the ones that competitors were having, of course, combined with the influencer marketing strategy on Instagram (individual conversation).

1.2. What has been the most important thing relevant for the business that you have learned so far through a marketing practice?
Ability to quickly adapt to every innovation, also in everyday company life. Reaction, especially since we work a lot with social media. We are always trying out new things and coming up with new ideas. Also when it comes to using different materials, such as marble. We’re a fast reacting brand. Now we’re going towards a more strategic approach, deciding up front what we would like to achieve and working towards that goal. Since we’re a new company which is growing very fast, we now also have more people and human resources to be responsible for different things. We have all this data and we have people who are able to analyse it. It really helps a lot (individual conversation).

To add (video):
We dived into using marble and pearl also because we noticed this as a rising trend on Instagram. This is what worked out really well and we also got really good feedback on it.
The woman of our brand is strong, independent and interested in expressing herself through accessories and how she looks. The aspect of social media is very, very present. Being independent but socially active.

2. Offline sales

2.1. How would you explain the rapid growth in terms of offline retailers in the period between 2014 and 2015?
In the beginning we were just agreeing to work with any parties who wanted to distribute us. We grew up and we started noticing that creating brand experience is very important, not only online, but also offline (video).
It is equally important to have a retail presence in order to ensure that people see the product in reality and to have a full resonance. Online and e-commerce alone is not enough to establish full brand awareness and also successful sales (workshop).

24 For a more detailed source of information, please contact the author.
2.2. How come you still aim to sell at bricks and mortar stores since you clearly have such strong engagement from your consumers via social media, for example?
We are putting a lot of effort into creating this branded experience also in our retail network. In some cases we had to stop working with certain partners because they couldn't ensure this (video).

*Brand's experience (video):*
We try to achieve a seamless experience. No matter, offline or online. We really pay attention to the packaging, which is something that people see. There shouldn't be a difference between how people perceive the brand, no matter where exactly they encounter it. It's also very technology driven, in order to offer your customers a seamless experience. This is also something that we believe will separate the brands who will survive and the brands who won't make it in a longer run.

3. Digital marketing (e.g. “Influencer marketing”)

3.1. Have you discovered a certain digital marketing approach that works exceptionally well? What kind of goals does it help you to reach?
We started off with Instagram, and from the very beginning it was clear that this is where our focus should be as this was a platform that allowed to share a lot of visual content. Especially during the first couple of years, it worked out really well. It's also where the phenomenon of an influencer popped up. This is something that created a very interesting channel for us (video).

When it comes to marketing, we really put the “influencer marketing” at the top of our funnel. However, we do divide the approaches that we practice through influencer marketing and the ones we apply in e-commerce and digitally (workshop).

The key difference is the fact that digital marketing, for example, focuses more on demographics and really statistical data, getting on the right platforms. It's also pretty much the funnel thing, where “influencer marketing” is on top of the things (brand awareness) and digital marketing is more conversion driven. Such as the search engine, ad placement, getting the traffic to the website. Another difference is the measurement tools. It's really hard to see how much benefits a specific influencer advertisement has gained, for example (individual conversation).

3.2. How do you choose to work with social media influencers? What kind of effects/results does have on your business?
That's very much our key strategic points (3 points: resonance, relevance and reach). It's hard to measure it though, cause it's still a very new technique which isn't really defined yet. Therefore, it's kind of a trial and error - to see what works, what doesn't. Also, who to approach and how to strategically choose these things. Pretty much later you start having a feeling that you rely on (individual conversation).

3.3. On what kind of criteria do you base relationships with your Brand Ambassadors?
Some of our ambassadors are people that we use purely to drive sales and some to boost the brand image. For example, we have Pamela (in Germany), she collaborates with various brands, like Puma, there are always tons of people waiting just to see her and buy whatever it is that she advertises. She really has a faithful audience. Same was with Negin, when we did a collaboration and it was sold out immediately. People just love everything they create or take a part in (individual conversation).

—> But doesn’t that also motivate you? Like if you work at a company and you see something like that really working, to be like “okay, this works, let's do it more!”

For example Pamela, her feed is mostly fitness related. Her style is not exactly relatable to our brand. We can’t only do that because we also really need fitted content to the image that we have and create. There are others that might not be directly selling watches or you cannot directly measure in terms of “how much”, however they carry out the brand image. If they are not passionate about it, we don’t really continue working together. We know wether or not it's the case
because we communicate with them on a daily basis. There are people who would only do the agreed number of posts, but there are also people who post stuff that’s not in the contract. They genuinely like the brand, so they want to wear the product. We also do a lot of influencer meetings to connect more with them and to develop personal relationships.

4. Growth/Expansion

4.1. What does “growth” and “success” mean for your brand? How are you going to get there?
Success, I would say, is to define our character on a stronger and more established basis. Like, who we are exactly and who we want to be. Also, to make a positive impact. Now that we have gained some power, it’s about deciding how we would want to use it. Like, what we would like to change and achieve. What is that positive change? One thing, of course, is to stand out and have unique products where people can really identify themselves with (individual conversation).

4.2. Do you have certain goals that you are willing to achieve in a near future?
The core market at the moment is Europe, which is where the main focus lies. However, at the same time we see what’s happening in Asia as it’s rapidly growing both offline and online. That’s why we’re staring our first Asian office. There’s a great fit between the Hong Kong culture and our brand, which is the reason why we’re launching our jewellery line there. The reason behind launching also a jewellery line is that people like to combine watches with bracelets. This is something we noticed on Instagram, so we decided to dive into it ourselves. This is our main focus for 2018. When it comes to offline expansion in Asia, we’re not really interested in the number of sales points, as much as we are interested in the quality and possibility to ensure full brand experience (video).
Company X interview summary

In order to conduct an interview with Company X, I participated in a joint online webinar session where I was able to share my questions with other students and talk to the CEO of the brand. Although this was a great opportunity to share similar questions, due to limited time appointed for each student to speak with the CEO, some of the questions were not answered to a full extent.

1. Brand strategy

1.1. What would you say has been the “kick-off” point for your brand? What kind of effects did it have?
We chose to dive into fashion industry by tackling some of the uncomfortable topics, such as the harmful way of producing jeans. As this is a very big product category in the industry, we decided that it would be the right product to make. Being one of the first circular companies was also something that gave us a lot of attention boost.

1.2. You are saying that your customer’s adventures create unique stories that live in your vintage jeans collection. How exactly do you see that coming across?
From a business perspective, it doesn’t really bring us anything economically. We have so much work, money and effort that we need to put into making this happen. We need to wash the jeans, to repair them. The buying price of vintage jeans is basically more expensive than of a new pair. We do it because we believe that it’s the best way to recycle this used product, which can still be worn. It is also better for the environment to use it until the end of it’s life. Speaking of the stories, it’s really important. I see that people really love our brand because of that and it works well. We have even people sending us handwritten letters, being very passionate. We have a wall full of agreements, where people say that they will return their jeans after use. In that way it helps us to grow the community and the company. Once you’re a member of the family, you feel like you’re on the road of really changing the fashion industry. We do see it as a tool to activate members of our community and to even get them to think in creative ways.

1.3. You say that thanks to the “Lease A Jeans” concept you have been able to surround yourself with a community of forward thinking people. What kind of effects does having this kind of a community have?
It’s great to gain a lot of free publicity because of this kind of approach. However, it does create a lot of economic challenges and we don’t really always find that as the most feasible option. And yet, it does create some buzz and noise around the brand which is necessary. Since we’re a rather exceptional company, a lot of (young) people end up talking about it.

To add:
Choosing to be a part of a “beCorp” has a lot of positive effects on the company. This way, for example, a lot of young and talented people want to join the company and to be part of it. Because of this, we get a lot of specialised orders form other companies. For an example, there are companies who want their aprons produced with us, so it’s quite beneficial. There are only a few other smaller companies doing what we are doing - fair trade, circular approach.

We found out from a research company in NYC that todays contemporary consumer is actually more interested to find out not about the story of the brand but what’s behind the brand, meaning the transparency.
On of our main goals is to be able to break-even and raise certain profits to invest into growth. At the moment, every year our company is growing 100% per year.
2. Offline sales

2.1. How do you establish your retail relationships? What is the main criteria for that?
We have agents that are representing us. They are running around with our collection and getting in touch with the retailers. Also, we really pay attention to the challenges in the back office and that this process works seamlessly. Right now we have around 300 stores selling our product.

2.2. How do you see your retail partners getting across the story of your brand which seems to be a very crucial part/point of your business?
Most of the stores that we work with have found us and have been interested in working with us themselves. So this way we find them being very enthusiastic and therefore also trustworthy.

To add:
We work with our retailers in a way that we are never out of stock, there’s only as much in one store of our jeans as they are capable of selling. Like, if the collection sells well, they can re-order, but it’s not going to be too much. At the same time, you’ll never find our jeans on sale, because there’s simply no left-overs.

One of our goals is to expand in the offline segment by not only having very ‘green-thinking’ retail spaces, but to also enter more the ‘mainstream’ level. So that people would buy it because the fit is fantastic and because the colour is beautiful.

3. Digital marketing

3.1. How would you describe your marketing approach through social media channels?
We try to use social media to create good content that’s interesting for people. For example, we’re allowing a full transparency and showing people how we’re actually recycling jeans. Also, that people who work with us, work with fair conditions. It’s really showing who we are. However, it’s also hard to reach out. Sometimes we also struggle in terms of budget that’s left for it and we see these all as elements to “shout out”.

3.2. Have you discovered a certain digital marketing approach that works exceptionally well? What kind of goals does it help you to reach?
We use a “re-pack” packaging for our B2C customers and for products that we sell online. When you join the “re-pack” family, as a customers you’ll get a discount. And also this is a way to be part of the community where more people get to hear about you. It’s all kind of small things we try to twist and touch upon to make people talk about us on social media platforms. Having a newsletter actually also helps us a lot. And yes, Instagram is definitely the best tool to use for reaching out. We are going to start doing Instagram product placement soon as well. Those kind of things are working.

To add:
It’s quite hard to make profits because of the margins that we have if we want to keep a fair price for the pair of jeans. We also had some events that we organised, for example a small fashion show in Amsterdam, but that’s not something that would drive your sales. You need to be very smart to reach out to a lot of people with limited money resources. We actually also did a lot of research to understand who our customer is and what do they like. For example, we used Facebook to find out about the people who buy our products - what kind of pictures they share, what else is it that they like. With this info we found out that our customers are starting 25 years old, mostly with kids and mostly conscious users. When speaking of e-commerce, it’s extremely important to ensure that we’re never out of stock. All the sizes in all the colours and fits have to be available.
4. Growth/Expansion

4.1. What does “growth” and “success” mean for your brand? How are you going to get there?
Growth is a difficult word. Speaking of circular economy, technically the next step would be to follow doughnut economy. And yet, even with my company, I want to grow. In my eyes success would be seeing another company doing the same thing as we are, a much bigger thing. Seeing consumers change their behaviour. Part of our mission is to really embrace the slow fashion movement.

4.2. Do you have certain goals that you are willing to achieve in a near future?
In the coming half a year we want to focus on the UK and French market. It’s because we can see in our Google analytics that the most clicks are coming from UK and France. So far we’re not doing much in these areas, so we feel that there’s a lot of potential. The few shops that we work with over there are really enthusiastic already. We’re also having a retail event in June, so it will be a ‘kick-off’ point for UK. Concerning France, we will be part of another event called “Anti-Fashion”. Additionally, if we can get a hand on some good agents there, it will be helpful. It usually starts with those kind of things.

To add:
What we are aiming to do is to try and grow quickly and to really make a revolution in the jeans industry. On the other hand, we would also be happy to become an example company for a bigger corporation and to make them follow what we’re doing. In that case, they should apply this business model all the way in every process, not just partially.
Company Z interview summary

Conducive to hold an interview, I went to visit the designer at her studio (atelier) and had a face-to-face conversation. It was a very casual and comfortable setting in which I was able to tackle various topics arising in the flow of the discussion.

1. Brand strategy

1.1. What would you say has been the “kick-off” point for your company? What kind of effects did it have?
When we started, we didn’t really have a website, just an Instagram account. It started on Instagram, however it was easier to grow as the Instagram algorithm functioned differently, was easier to gain recognition. That is the place from where the interest came from the clients. Right now its much more difficult as you first need to find the following base and then work with it.
I’ve been waiting for a new platform to arise, one where we could “kick-off” again. It’s sad that not everyone who follows me sees my content, therefore making sure that my followers see my content is also a pretty big challenge.

1.2. One of your main brand values is ‘tailor-made lingerie’. Why did you decide to also introduce a RTW line?
Because I work with retailers and I got a lot of requests from outside of Holland. First I did that in tailored products, but if someone measures themselves and it’s not the right fit - then all the shipping costs and import duties back and forth don’t pay off. That’s why the RTW. Also if you have something tailored, you want it to be perfect, which is hard to do if you don’t meet the person in real life. Also we wanted to start working world-wide. We still get tailor-made orders both from an already established client base, as well as from new clients. We also do some adjustments to products which people see in the retail stores and that won’t fit perfectly, that’s when they come for sizing adjustments. Anyhow, if I really want to grow, I should think of outsourcing this. I think if I would have an assistant on the production of RTW, that would help a lot for me to focus on other things. Having a marketing person would also be necessary.

1.3. In an interview with Fashionweek.nl you have mentioned that “storytelling’ is important because the audience must be able to identify with the story and the brand”. How do you see this happening?
At this point, it’s not as present as it should be. It’s not totally on point, mainly because I don’t have the time to pay the attention that I would want to pay. For me, there is the kind of a mindset that I would like to change for women. Everyone around me is having a burn-out, it’s crazy the way that people live. Basically, not taking enough care of themselves, which is where I’d like to put my attention. With this you can go also further than just lingerie, also with homeware products, for example. And yet, at this point, I have too little time to work this idea out properly. What I want to reach eventually is that it would be more of a content into an e-commerce website. I really love to refer to Net-a-porter as an example. That’s what I want to reach, but to do that, I first need to find an investor.

1.4. What has been the most important thing relevant for the business that you have learned so far through a marketing practice?
I really started through trial and error. It wasn’t the fastest way to get there, but it was the only way to get there. I had to see every aspect of business - doing photography, etc. I wouldn’t advise that though. For me it was a great experience to realise how much time every aspect takes in order to get things done. Yet, I think it’s necessary to outsource things that other people could probably do better. You shouldn’t spend too much time on stuff that someone else can do better, because at the end you’re the only one who can grow the brand. Also, I think that having an already established strategy laid out in steps is hard to follow. Because what do you do if something doesn’t work out? With trial and error it’s easier to adjust things. For instance, for me it was starting a RTW line.
Another thing I discovered is that I probably never want to work with interns again. It’s in the little steps that you take which you learn from. That’s the only way not to get stuck.

2. Offline sales

2.1. What is it that you do in order to establish successful wholesale relationships?
I don’t actually have that many retailers. There are a few that I found and a few who got interested in the brand thanks to Instagram. From next season on we will be working with an agent in Belgium, and therefore they will be responsible for offline sales, which is going to probably be a struggle. Because, if I want to keep the best materials and still have good pricing, it’s hard when there’s an agent in between. Another struggle is that a lot of retail stores don’t want to pay in a timely manner. We chose this agent/agency because they fit the brand best. Normally they also represent other brands that really fit us in terms of price points. Plus, they work world-wide and they also travel to NYC and Paris four times a year, where they do their showrooms and selling. They can reach a quite big market like this, so I think it’s a good step to expand in wholesale.

2.2. Why is it important for you to be available at bricks and mortar stores?
It has something to do partially with the positioning of the brand. For example, by being available at Margreeth Olsthoorn in Rotterdam, is a nice way to get a brand “in the door”. If people don’t see or find me online, then this is another way to get their attention. This way they can actually see, feel and try out the product.

3. Digital marketing

3.1. Have you discovered a certain digital marketing approach that works exceptionally well? What kind of goals does it help you to reach?
A lot of people say that Facebook works great, but I’ve never really tried it out. Somehow that’s something that I don’t really pay attention to. Doing sponsored ads every once in a while doesn’t really work, you need to do that continuously.

3.2. You have so many social media channels that you approach: which one do you think has the most efficient performance for your business and why?
We basically only use Instagram and then it automatically goes everywhere else. I actually don’t think my target audience is that much “in online platforms”. I have discovered that most of my clients are lawyers, and in this case I’m still curious to find where would be the best place to advertise. I also almost always ‘google’ who buys my product. Theres so much you can find out in terms of customer research. When it comes to retailers, I actually have no idea who is buying our products there as I haven’t really researched that.

3.3. How did you choose to work with social media influencers? What kind of effects/results does have on your business? On what kind of criteria do you base relationships with the social media influencers?
I have worked with a couple of smaller influencers and perhaps a few people know about the brand because of that. It's important that people see it everywhere, not just once, otherwise it doesn't work. I also work with sponsored ads, but somehow I haven't really looked into how it works or what kinds of outcomes it brings. Since I'm pretty much a “one person company”, it's hard for me to also be the best google analytics specialist. I wouldn't advise anyone to start a business only by themselves, not if you also have to do the production at least.

Original question: At this point there are only a few that still have an impact. It’s hard, especially for the small brands, as the influencers ask money for it, which we don’t have. For example, there’s Negin - I’ve sent her some stuff, she even has used it for a campaign, but she doesn't tag us in the pictures. So it basically has no effect. I don't really see this kind of collaborations converting into sales numbers, not at least if they don't see the brand or the product elsewhere as well.
4. Growth/Expansion

4.1. What does “growth” and “success” mean for your brand? How are you going to get there?
Well, if a client comes here today and is happy - that's success for me. I mean, of course I do have my goals sky-high, like having a second office in NYC for an example. I would love to have stores with beautiful displays that I would design myself. But yeah, one step at the time. Anyways, if I have happy customers and customers that I can activate to kind put a “pause” on their lives and take a little “me-time”, that's already success. If I can create this kind of oriole, it gives me a good feeling, it doesn't have to always come in sales figures for me.