The Effects of Social Media on the Fashion Retail Industry

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Abstract

This research paper examines the use of social media by fashion retail companies. It focuses on how these companies are using social media to effectively reach their target audiences and how their audiences are responding. This research paper also examines the relationship that brands are creating with their consumer base through social media and why people choose to create such a relationship with a particular brand. The objective of this study is to determine if people are interacting with retail brands through social media and if they are, why and how much.
I. Introduction

In just a few short years, social media has revolutionized the way people communicate and share information, turning conversations into 140-word blips and making e-mail – the original electronic communication tool – seem old-fashioned. Now, social media is leaving its mark on commerce, and the apparel industry is no exception (Apparel Magazine, 2010).

The fashion industry has deep roots in traditional business practices and has been late to adopt new technology. Nearly every aspect of the industry relies on people rather than machines, everything from hand-sketched designs to the buying process, where an individual buyer’s personal tastes can dictate what an entire department store orders (Ziv, 2010). Now, instead of relying on people to meet these needs, fashion brands have digital technologies that act in a much faster way.

II. Literature Review

The Social Media Revolution

Apparel brands and retailers that have invested time and resources into creating and maintaining a progressive social media strategy are reaping the benefits. By using this medium they are able to further customer loyalty, raise brand awareness, spread advertising messages, create online communities, communicate with customers, and in many cases, drive sales (Apparel Magazine, 2010). Social media creates a relationship between the brand and its customers. In turn, this relationship drives purchase intent and word of mouth. Additionally social media can help brands and retailers put their best faces forward to an increasingly informed and conscious consumer base (Apparel Magazine, 2010).
When shopping online, consumers are looking to buy products from retail sites they can trust. Social media brings new elements into the online shopping experience and is a potential springboard for additional revenue, giving brands and retailers the ability to place products in front of thousands of potential customers in a familiar and easily accessible environment (Olivier, 2008). Social media sites have the ability to reach large and targeted audiences, the customizable and user-friendly interface of the social networking platform introduces them as an ideal platform to reach a large audience and expand business presence in an interactive environment (Olivier, 2008).

A recent study from eConsultancy shows that social networks and blogs are the fourth most-popular activities online, and that 10 percent of all time spent on the Internet is spent on social media sites (Apparel Magazine, 2010). Now is the right time for social media because growth and interest are high. Statistics on the leading social networking sites are equally as impressive: Facebook now lists more than 500 million users, with an estimated 500,000 new users signing up each day. In total, people spend more than 700 billion minutes per month on Facebook. On YouTube, users are watching 2 billion videos each day and uploading hundreds of thousands of videos daily, while Twitter is now attracting 190 million visitors per month and generating 65 million Tweets a day (Apparel Magazine, 2010).

With all of this time spent on social media sites, apparel brands and retailers are provided with an extraordinary opportunity to promote themselves and customers are along for the ride. According to a 2010 ExcatTarget report, companies active on Twitter are reaching nearly 11.5 million US consumers who use Twitter daily, and 5 percent of US online consumers today follow at least one brand or company on Twitter (Apparel
Among 72 luxury brands (including Coach, Louis Vuitton, Hugo Boss and Ralph Lauren) surveyed for the second annual Digital IQ Index for Luxury, traffic to brand sites from Facebook more than doubled in 2010, growing from 3.4 percent to 7.1 percent (Apparel Magazine, 2010).

According to a recent Nielsen poll, 89 percent of consumers say they trust peer reviews and ratings over company ads. Bloggers and average consumers have become the go-to voices for advice on products and this is a drastic change. A perfect example of the influence social media holds for the apparel industry is demonstrated by Gap’s recent launch of a new logo. Within just days of unveiling their new logo, the retail giant was forced to scrap it after thousands of customers posted on social media sites in support of the original logo that Gap has had for over 20 years (Apparel Magazine, 2010).

Businesses, especially retail brands, cannot afford to ignore social media. The list of social media sites is constantly growing, and every month there is a new “must” join site. “It’s connectedness on an entirely different level. It’s building communities that people have never seen before. So the question becomes for you as a business: What are you doing to swim where the fish are?” says James Andrews, a managing partner of Everywhere, an Atlanta-based social media communications company. “The new empowered consumer wants to be heard, they’ve made that loud and clear,” Andrew adds, “and you have to meet them with your social media strategy. To not have a stake in the real estate, to not be involved in social media is detrimental to your personal brand and your business.” (Gumbs, 2010).
Blogging, Twitter, YouTube, Facebook and “Deal-a-Day” Websites

The popularity and uptake of retail brands on social networking sites shows no signs of slowing down. In fact, the majority of retailers have more than doubled their following on various social media platforms in the past year. New research from eDigitalResearch, a leading provider of digital market research, shows that Facebook remains the most popular site for retailers to connect with online users. Their research has also found that fashion retailers still have a significantly strong presence across all social media platforms than other retail sectors (M2PressWIRE, 2011).

Consumers are increasingly using social media platforms to communicate issues and ideas to retailers and so it is vital that fashion retail brands have a stronger presence on social media sites (M2PressWIRE, 2011). The social media phenomenon is reshaping not only interpersonal communication, but also how apparel products are marketed and sold. Fashion retail brands are tweeting, blogging, and updating their profiles in an effort to sculpt their brand personalities on a real-time global platform. These fashion houses, designers and retailers are putting forth this immense effort in hopes of forming relationships with a community of customers who are technology savvy and who are constantly craving more media (Stephenson, 2009).

In March 2009 Facebook re-launched its company page platform. This feature is now equipped with more options for businesses to elevate “the power of the brand,” said Tom Arrix, vice president of US sales at Facebook. The result is a company page that resembles a user’s page, with a “Wall” where the company and its fans can post messages, photos and video. There is also a tab for company information, and additional tabs where everything from sale promotions to trailers for new ad campaigns can be
found. Facebook users have the ability to become a fan of the page by “liking” it. Once a user has “liked” a page, that company has direct access to them and is able to send messages and updates via constant news feed on the user’s homepage (Stephenson, 2009).

Twitter functions similarly to Facebook in the sense that once a user “follows” a company, the user’s homepage is refreshed with every update that company sends (Stephenson, 2009). A real example of the power of social media was during a 2009 round of fashion shows. A tweet from Lady Gaga caused so many people to click on the live streaming of Alexander McQueen’s fashion show that the site’s servers crashed (Michault, 2009). According to Agatha Szczepaniak, public relations director for Betsey Johnson, brands see social media, especially twitter, as an opportunity to reach out to customers, to use it as free advertising and be a human voice of the brand (Stephenson, 2009).

Kate Spade coined the term “Tweeterwriter” which is a combination of “Twitter” and “typewriter” as a tool in the company’s venture into social media. The Tweeterwriter is an antique typewriter that was placed in the Kate Spade store on Fifth Avenue. Staff at the store encouraged customers to type messages they would like to see on the Kate Spade Twitter page. The aim of this social media effort was to project a collective point of view from Kate Spade customers (Stephenson, 2009). Many brands are tapping into social media as a way to be more creative in the ways they reach their audiences.

Luxury brand Coach wanted to promote its Poppy line of affordable but still luxury fashions. For this line they chose to run a social media campaign. When the line launched in 2009, Coach leaned on Facebook and tapped into its fan base, Facebook fans
were given a gift when they visited a Coach store (Morrissey, 2010). The Lil Bee, a fashion and design blog, which promotes Coach’s Poppy line, is one of hundreds blogs that are part of a network that added a small piece of code to their sites that acts as a mini discovery tool, along with a game for users to grow the poppy image on the site by their visits or using Twitter to broadcast a message. David Duplantis, senior vice president of global Web and digital media at Coach, says, “We felt the organic nature of poppies growing in social media was a home run.” He also adds, “Fashion brands are engaging in an interesting way. People need to find what platforms are right for their brand.” (Morrissey, 2010)

First there were blogs, Facebook, YouTube and Twitter. Now, the up and coming social media trend are “deal-a-day” websites such as Groupon, Living Social and exclusive sites such as GiltGroupe.com. Businesses, including fashion retail companies, are flocking to these sites to promote their products (Hempel, 2010).

By using social media customers can feel like they are a part of a brand’s extended family. Additionally the interactive element of social media deepens that relationship (Stephenson, 2009). The Internet has made drastic changes to the fashion industry; this includes faster purchases of products and the ability to have open communication with brands themselves. Fashion requires social media and vice versa to enable consumers to keep up with the ever-changing fashion trends.

The Element of Uncertainty

Fashion retail brands were some of the last to jump on the social media bandwagon. Being open to social media was a challenge for many fashion retail brands because it is almost too open for them; they have invested heavily to create value in their
brands and have been hesitant to give up control over the images they have developed so carefully (Morrissey, 2010).

At first these brands were unsure of how they could use social media in an effective way to reach their consumer base. Once one brand started, the rest were quick to follow. Now, the fashion industry is all over social media and they are using it in new and creative ways in order to engage online users and promote their products.

The fashion industry might be new to the social media scene, however, these brands have been quick to figure out the best ways in which they can utilize social media as an effective tool to create and build a lasting relationship with their consumers.

III. Method

An online survey was administered via e-mail and Facebook to hundreds of people with a range of ages from 18-36 and over. The survey was created using Survey Monkey, which is an online survey program. The survey consisted of 13 multiple-choice questions and could be completed in approximately 5 minutes. Respondents to this survey were asked about their social media usage, particularly Facebook and twitter. Respondents were asked if they use social media, if they use it to follow fashion trends, if they use it to find out about retail promotions, etc. The survey also included questions regarding demographic information such as; age and gender. Those who chose to complete the survey will remain anonymous. This survey was be open for 2 weeks and reminders to complete the survey were sent out every 5 days to emphasize the importance of the research and to thank those who had already completed the survey.
Participants in this survey include both males and females. Respondents to the survey ranged from college students to both young professionals and experienced professionals. They are all users of social media and their ages fall anywhere between 18 and 36 and above. All respondents are in some way consumers of retail brands and have shopping experience.

A major limiting factor for this study was the sample size for the survey. Even though the survey was sent out to more than 500 people, only a fraction of these people completed the survey. While the sample size captured is not large enough to be statistically representative, it is a useful directional indicator of social media impact on consumer interactions with fashion industry brands.

IV. Results

The goal of this current study was to see if people actually do use social media outlets such as Facebook, Twitter, Fashion blogs, and Deal-a-Day Websites to stay current with fashion retail brands. The study also focused on the amount of fashion retail brands people connect with through social media platforms and their reasoning for doing so.

Demographics/ Participants:

Participants in this study included both male and female college students, young professionals, and experienced professionals from various parts of the country. Their ages ranged from 18 to 36 and over. A total of 106 people participated in completing the survey, 27.4% were male, 72.6% were female, 42.5% were between the ages 18 and 21,
54.7% were between the ages 22 and 25, 0.9% were between the ages 26 and 30, 0.9% were between the ages 31-35, and 0.9% were over 36 years old.

*Facebook*

Of the 106 people that completed this survey, 100% of them answered yes when asked, “Do you use Facebook?” Next, participants were asked, “If you use Facebook, do you ‘like’ any clothing brands?” 38.7% of respondents answered “Yes” and 61.3% answered “No.” All 106 participants answered both of these questions.

When participants were asked, “If you do ‘like’ clothing brands on Facebook, how many?” There was a vast range in responses. Of those who did respond, 19.5% said that they “like” one clothing brand on Facebook, 39% “like” two clothing brands on Facebook, 14.6% “like” three clothing brands on Facebook, 14.6% “like” four clothing brands on Facebook, and 12.2% “like” five or more clothing brands on Facebook.

Participants were then asked, “Why do you ‘like’ the brand(s) on Facebook? (Check all that apply)” This question was not mandatory and 64 people skipped this question. The majority of people stated that they ‘like’ the brands on Facebook because they offer promotional deals for their products (64.3%) and because they like keeping up with everything the brand is doing (52.4%). Other respondents stated that they want to read peer reviews of products before they purchase them (19%) or that they like to be a part of an online community that they share common interests with (33.3%). With this question there was also the option to fill in your own reason for “liking” the brand. One respondent wrote “I really only ‘like’ them if someone invites me to (usually a friend who works for the brand or has some other tie to it). Another wrote, “I never really thought about ‘liking’ clothing companies on Facebook, I usually just get e-mails from
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the stores I like, or ShopMail, Ruelala, etc.” Others also commented that they “like” brands on Facebook because they are employed by the brand, the brand itself has asked them to “like” them or someone they know has asked them to “like” the brand.

Twitter

All 106 were required to answer the question, “Do you use Twitter?” 59.4% answered “Yes” and 40.6% answered “No.” Following this question participants were asked, “If you use Twitter, do you follow any clothing brands?” Of those that responded, 33.3% stated “Yes” they do follow clothing brands on Twitter and 66.7% stated “No” they do not follow clothing brands on Twitter.

Next, participants were asked, “If you do follow clothing brands on Twitter, how many?” This question, again, did not require an answer and had an extremely low response rate compared to other unrequited questions. Only 26 people answered this question and their responses were; 23.1% follow 1 brand, 34.6% follows 2 brands, 0.0% follows 3 brands, 3.8% follows 4 brands, and 38.5% follows 5 or more brands.

Participants were then asked, “Why do you follow the brand(s) on Twitter?” Again, this question generated a low response rate with only 27 people choosing to answer the question. Of those that did answer, the responses were; 66.7% stated that they follow the brand(s) on Twitter because they want to be current with everything the brand does, 77.8% said it is because they like to see the promotions they post, and 51.9% said that they want to feel connected with the brand.
Fashion blogs & “Deal-a-Day” Websites

Lastly participants were asked about fashion blogs and “deal-a-day” Websites, which are on the rise. When asked, “Do you read fashion blogs?” Only 28.3% answered “Yes” and 71.7% answered “No.” Participants were then asked, “Do you use “deal-a-day” Websites such as, Groupon or livingsocial?” 57.5% stated that yes, they do use these types of sites and 42.5% stated that no, they do not use these types of sites. Participants were also asked, “If you do use “deal-a-day” Websites, how often do you purchase the deals?” This was not a mandatory question to answer and 41 people skipped this question. Of those that did choose to answer, 55.4% stated that they subscribe but have never purchased a deal, 43.1% stated that they buy about 1 deal a month, and 1.5% stated that they consistently purchase the deals that are offered.

V. Discussion

Before the study was conducted, the following hypotheses were developed; social media allows fashion retail brands to reach their target audiences directly and on a personal level to help brands build relationships with consumers and social media can be used as a way for fashion retail brands to promote their products and offer specials and deals to customers.

Both hypotheses were proven to be correct, according to the study 38.7% of people “like” clothing brands on Facebook and 33.3% of people follow clothing brands on Twitter, two of the top social media platforms. This means that people are connecting with brands on a more personal level and taking a strong interest in the brands that they
choose to “like” or follow. Additionally people are looking to create relationships with retail brands for reasons other than just receiving promotional deals and specials.

Although 64.3% of those who “like” retail brands on Facebook said they do so because brands offer promotional deals for their products, 52.4% said they like keeping up with everything the brand is doing and 33.3% said they like to be a part of an online community that they share a common interest with (Table 2 in Appendix B). Similarly, 77.8% of people who follow retail brands on Twitter follow them because they like to see the promotions that they post, however, 66.7% say they want to be current with everything the brand does and 51.9% say they want to feel connected with the brand (Table 4 in Appendix B).

Traditionally promotions have been sent out in the mail and no connection was ever made between the brand and the consumer, this is changing. People are connecting with the brands of their choice through social media outlets and receiving promotions in a more personal way. People are interested in to staying up to date with brands in order to feel included as a particular brand’s community. The bond that social media creates between the consumer and the brand is crucial for retail brands to understand in order to drive their sales in the future.

VI. Conclusion

In conclusion the majority of people who use social media to connect with retail brands do so in order to receive promotions from that brand. However, by connecting with a brand through social media they are building a new type of relationship that brands have never been able to form with consumers before. Along with this new type of relationship, a new type of online community is born and embraced by those who share a
common interest in the brand. Additionally, many people want to feel like they are creating a personal bond with a particular brand by staying current with everything that the brand does through a real-time social media platform. The continuing dramatic increase in social media participation across all demographic groups, as well as the data resulting from the subject survey, provide strong impetus for companies to continue to utilize creative strategies through social media to engage consumers directly and more personally with their fashion brands. These strategies are likely to drive greater sales, but at a minimum will drive stronger brand-consumer engagement, which every brand company seeks.
References


Retailers more than double their following on social media sites. (2011). M2PressWIRE, Retrieved from EBSCOhost.


Appendix A: Survey Questionnaire

1. Please specify gender
   a. Male
   b. Female

2. Please select your age range
   a. 18-21
   b. 22-25
   c. 26-30
   d. 31-35
   e. 36+

3. Do you use Facebook?
   a. Yes
   b. No

4. If you use Facebook, do you “like” any clothing brands?
   a. Yes
   b. No

5. If you do “like” clothing brands on Facebook, how many?
   a. 1
   b. 2
   c. 3
   d. 4
   e. 5 or more

6. Why do you “like” the brand(s) on Facebook?
   a. They offer promotional deals for their products
   b. I like keeping up with everything the brand is doing
   c. I want to read peer reviews of products before I purchase them
   d. I like to be a part of an online community that I share common interests with
   e. Other (please specify)

7. Do you use Twitter?
   a. Yes
   b. No

8. If you use Twitter, do you follow any clothing brands?
   a. Yes
   b. No

9. If you do follow clothing brands on Twitter, how many?
   a. 1
   b. 2
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c. 3
d. 4
e. 5 or more

10. Why do you follow the brand(s) on Twitter
   a. I want to be current with everything the brand does
   b. I like to see the promotions that they pose
   c. I want to feel connected with the brand

11. Do you read fashion blogs?
   a. Yes
   b. No

12. Do you use “deal-a-day” Websites such as Groupon or livingsocial?
   a. Yes
   b. No

13. If you do use “deal-a-day” Websites, how often do you purchase the deals?
   a. I subscribe but I have never purchased a deal
   b. I buy about 1 a month
   c. I consistently purchase the deals that are offered

Appendix B: Data Tables & Graphs from Survey Monkey

Table 1. Social Media and Retail Brands Question 5

If you do "like" clothing brands on Facebook, how many?

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20.0%</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>37.5%</td>
<td>15</td>
</tr>
<tr>
<td>3</td>
<td>15.0%</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>15.0%</td>
<td>6</td>
</tr>
<tr>
<td>5 or more</td>
<td>12.5%</td>
<td>5</td>
</tr>
</tbody>
</table>

answered question 40
skipped question 0
Table 2. Social Media and Retail Brands Question 6

**Why do you "like" the brand(s) on Facebook? (Check all that apply)**

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>They offer promotional deals for their products</td>
<td>63.9%</td>
<td>23</td>
</tr>
<tr>
<td>I like keeping up with everything the brand is doing</td>
<td>52.8%</td>
<td>19</td>
</tr>
<tr>
<td>I want to read peer reviews of products before I purchase them</td>
<td>16.7%</td>
<td>6</td>
</tr>
<tr>
<td>I like to be a part of an online community that I share common interests with</td>
<td>36.1%</td>
<td>13</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*answered question 36*

*skipped question 4*

Table 3. Social Media and Retail Brands Question 9

**If you do follow clothing brands on Twitter, how many?**

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>25.0%</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>29.2%</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>4.2%</td>
<td>1</td>
</tr>
<tr>
<td>5 or more</td>
<td>41.7%</td>
<td>10</td>
</tr>
</tbody>
</table>

*answered question 24*

*skipped question 16*

Table 4. Social Media and Retail Brands Question 10

**Why do you follow the brand(s) on Twitter?**

<table>
<thead>
<tr>
<th>Answer Options</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>I want to be current with everything the brand does</td>
<td>63.6%</td>
<td>14</td>
</tr>
<tr>
<td>I like to see the promotions they post</td>
<td>77.3%</td>
<td>17</td>
</tr>
<tr>
<td>I want to feel connected with the brand</td>
<td>54.5%</td>
<td>12</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*answered question 22*

*skipped question 18*