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The Impact of Management Practices and
Marketing Strategies on the Success of Fashion
Enterprises: A Societal Perspective

Prof. Francesca Vicentini

Ilsu Seyis

SUPERVISOR

CANDIDATE

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To my mother and father,

I would like to express my gratitude for all of the sacrifices that you have made for both my sister and me throughout our lives. You have never failed to believe in me, to stand by my side, and to provide me with unwavering support. For the past three years, I have been living abroad, and it has been the first time that I have lived away from you. There have been times when it has been challenging. You were very much missed, and I experienced the difficulties that come with being separated from my family. On the other hand, despite the physical distance between us, you always managed to make me feel as though you were right here with me. Since the beginning of my education, you have been a constant source of guidance for me. Your love and support, which are not conditional on anything, have been an essential component in shaping who I am today, and I am extremely grateful for.

To my sister,

Since the moment you were born, you have been my entire world. It has been challenging to be away from you for the past three years while you have been growing up, and I feel as though I have missed out on some of your younger years. You are the person I care about the most, and the time I spent with you during your visit to Rome is what I consider to be some of the most memorable experiences of my life. I pray that I have managed to be a sister of whom you can be proud. Even though you are younger, you have provided me with a great deal in life. Your way of thinking and your powerful presence have always left an impression on me, and I am confident that I will continue to find motivation in you for the rest of my life.

My grandmother and grandfather,

You, who were responsible for my upbringing will forever have a unique and irreplaceable place in my heart. One of the most challenging aspects of my three years away at university was the fact that I missed the comforting conversations with both of you as well as the food that my grandmother prepared. From the time I was a young child, you have been a source of peace for me and have taught me a great deal. Throughout my entire life, you will always be the people who provide me with the greatest sense of peace and inspiration. I will be eternally

grateful to you for the peace that you have bestowed upon me without conditions.

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Aunt, ever since I was a young child, you have been someone I have looked up to as a role model, and I have always admired the strength and determination that you have displayed. During challenging times in my time at university, I found that your resiliency and unyielding spirit provided me with the strength I needed. The two of you, my dear cousins Anıl and Ada, are one of the most beautiful aspects of my life, and the time that I get to spend with you never fails to bring me happiness. Anıl, the summer that we spent together in Italy in 2023 was extremely memorable, and I am eagerly anticipating the opportunity to experience it once more.

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And to the city of Rome,

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Introduction

Fashion is an important part of the culture and economy of most societies around the world: it encodes values, tastes, and identities; it reflects and influences larger sociocultural dynamics; it shapes interpersonal relationships, business activities, and global markets; and it shapes social life itself- not just the types of clothes we wear¹. The ways in which clothing is produced, traded, and worn are important not only because they contribute to a sense of self or a mode of communication, but also because they help to organize societies and economies².

The concept of fashion and how it operates has only recently become a serious point of reflection for those who work in fashion, as what is a business riddled with a deep understanding of fashion's culture and economics now faces disruption. The industry has experienced a series of sweeping transformations over the past several decades. They are a result of globalization, technological advancement, and, most recently, digital platforms. Today, fashion companies do not confront the same environment of production and marketing that moved them away from the handwork of the 19th century and the limited realm of the textile industry³. Competitors can spring up anywhere, there are new demands– both from consumers, who increasingly express their stance

¹ Crane, D. (2012). *Fashion and Its Social Agendas: Class, Gender, and Identity in Clothing*. University of Chicago Press, 15–17.

² Entwistle, J. (2009). *The Aesthetic Economy of Fashion: Markets and Value in Clothing and Modelling*. Berg, 35–36.

³ Kawamura, Y. (2004). *Fashion-ology: An Introduction to Fashion Studies*. Berg, 29.

on sustainability and a desire to consume ‘ethically’ produced products, and from the environment, which is close to a breaking point – all of which compel fashion enterprises to learn how to meet an ever-shifting vista of demands⁴. This often demands innovative approaches, as well as the capacity to move quickly.

Therefore, in this changing context, fashion firms’ capabilities to use their internal resources (such as creative talent, brand heritage or operational capabilities) to sustain a competitive advantage have become more strategic. The Resource-Based View (RBV), which argues that a firm’s competitive advantage originates from the valuable, rare, and inimitable resources it possesses, is an especially helpful lens through which to understand them. Fashion brands that can position their business based on these assets (examples include Chanel, which leverages its timeless brand identity and Hermès, which is world-renowned for craftsmanship) can still hold a privileged position in the market regardless of the pressure from external factors⁵.

However having these resources alone is not enough, but the ability of a firm to reconfigure and redeploy them to meet changing consumer needs and evolving technological advancements– this is the essence of Dynamic Capabilities Theory. For a fashion enterprise to align its internal resources with external market conditions is a key to long-term success, especially in an industry that is as volatile and trend-driven as fashion⁶.

⁴ Nielsen. (2018). *The Rise of Sustainable Fashion: Trends in Ethical Consumerism*, 8.

⁵ Kapferer, J., & Bastien, V. (2012). *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*. Kogan Page Limited, 56.

⁶ McKinsey & Company. (2021). *Sustainability in Fashion: An Urgent Imperative*.

Moreover, the emergence of new marketing strategies in recent times, including the fusion of fashion and digital media, together with online marketing campaigns that aim to boost the brand image and make fashion more accessible to consumers, could play an important role. Along with new social media, influencer marketing offers a more interactive value proposition compared to the single-sided message of traditional advertising. Therefore, fashion companies that can adopt digital tools to approach customers in a more personalised way are better positioned to survive in the competitive fashion business, as has been the case for Nike, which uses influencer marketing to gain invaluable ‘street cred’ for its customers, or H&M, which uses digital media to expand its global reach⁷.

Though seemingly less dramatic than the digital shift, this process is as important to tackling sustainability in fashion as the latter. As consumer awareness for both sustainability and corporate social responsibility (CSR) increases, fashion companies are being forced to implement growing portions of their business operations according to ethical and environmentally sustainable criteria⁸. In response, some companies have realised that this need to make business strategies fit culturally pre-defined social values is something more than a mere branding strategy. It has come to represent the only true path to sustainable business going forward. While a company like Patagonia, whose whole

⁷ Vizard, S. (2019). *Nike's Digital Transformation and Influencer Marketing Strategy*. Marketing Week.

⁸ BoF Team. (2018). *H&M's Digital Transformation and E-commerce Expansion*. Business of Fashion, 7.

business model is built around sustainability, show the way for fashion businesses moving forward⁹.

This is where a joint analysis of management practices, marketing strategies and social expectations comes in. It's no longer only about operational processes and being non-harmful but also how knowing your customers better than your competitors allows you to build a strong relationship based on shared interests. A win-win relationship, boosting brand reputation beyond a superficial image, and leading to increased consumer loyalty— a more sustainable type of loyalty¹⁰. To woo their digital-savvy, climate-conscious, highly vocal customers, brands must be seen to score high on the social and environmental responsibility indexes. As the pressure mounts on companies to demonstrate they care about society and the environment, the race for relevancy is leaving those slow to embrace the changes with the risk of becoming irrelevant¹¹.

This thesis aims to argue how firms operating in the fashion industry are adapting to an evolving business landscape, overwhelmed by multifaceted issues. The main purpose is to map and understand how leading fashion brands can successfully achieve the balance among two realms: the management of internal resources and their innovative outreach into the market and into society¹². This research also delves into the analysis of case studies and industry dynamics to define the strategies proposed by fashion companies to keep up with complexity in a rapidly changing global panorama.

⁹ Chouinard, Y. (2016). *Let My People Go Surfing: The Education of a Reluctant Businessman*. Penguin Books, 42–45.

¹⁰ Deloitte. (2021). *Global Powers of Luxury Goods 2021: Navigating New Horizons*.

¹¹ McKinsey & Company. (2021). *Fashion's Digital Transformation: Now or Never*.

¹² Yin, R. K. (2009). *Case Study Research: Design and Methods*. SAGE, 11–13.

Chapter 1

Theoretical Framework

1.1 Resource-Based View (RBV) in the Fashion Industry

Resource-Based View (RBV) explains that the competitive advantage that a company achieves and maintains comes from its unique and hard-to-copy in-house assets¹³. These are the goods, either physical (raw materials, production capabilities) or intangible (brand equity, creative talent, intellectual property) that separate successful companies from their peers in highly competitive markets where trends change rapidly¹⁴.

In fashion, RBV is very relevant since it explains why some brands continue to hold the upper hand over time despite constant changes in consumer tastes. Chanel is one. The company was founded by Coco Chanel in 1910 and reshaped women's fashion by providing freedom from the prevailing repressive clothing¹⁵. Chanel's attention to timeless style, quality production, and cutting-edge marketing has kept it on top for more than 100 years¹⁶.

One of Chanel's tricks is to tap into intangible resources — specifically, brand equity and cultural value. Chanel No. 5, which came out in 1921,

¹³ Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99–120.

¹⁴ Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, 18(7), 509–533.

¹⁵ Kapferer, J., & Bastien, V. (2012). *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*. Kogan Page Publishers.

¹⁶ Fionda, A. M., & Moore, C. M. (2009). The Anatomy of the Luxury Fashion Brand. *Journal of Brand Management*, 16(5-6), 347–363.

is one of the most recognizable perfumes ever made¹⁷. This piece still epitomizes the brand's ageless success, partly due to its connection with iconic figures such as Marilyn Monroe¹⁸. The scent's ongoing appeal, demonstrated in current campaigns like the Brad Pitt advertisement of 2012, reflects Chanel's capacity to adapt without losing the fundamental ingredients that define the brand¹⁹.

According to RBV theory, Chanel's edge is based on the fact that it managed to blend heritage, design leadership, and talent to stay on the cutting edge of the luxury world²⁰. These are things that other competitors can't do to compete, giving them a long-term edge²¹.

1.2 Dynamic Capabilities and Brand Equity

RBV concentrates on internal resources; the Dynamic Capabilities theory stresses the need for a company's capacity to continuously reorganize these resources in reaction to changes in the market²². In fashion, where trends change rapidly, brands have to not only have good resources but also be fast in maintaining a competitive advantage²³.

One excellent brand that has effectively combined RBV with dynamic capability is Burberry. One important intangible benefit of Burberry is its luxury British brand legacy. Under Angela Ahrendts' direction

¹⁷ Chevalier, M., & Mazzalovo, G. (2012). *Luxury Brand Management: A World of Privilege*. Wiley.

¹⁸ Edwards, R. (2010). *Marilyn Monroe: The Biography*. Knopf.

¹⁹ Vizard, S. (2012). Brad Pitt and Chanel No.5: The Bold Campaign that Divided Opinions. *Marketing Week*.

²⁰ Barney, J. B. (2002). *Gaining and Sustaining Competitive Advantage*. Prentice Hall.

²¹ Beverland, M. B. (2004). Uncovering the Cultural Heritage of Luxury Brands. *Journal of Brand Management*, 11(6), 446–460.

²² Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99–120.

²³ Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, 18(7), 509–533.

(2006–2014), though, the business changed by embracing digital innovation. Understanding the increasing significance of internet interaction, Burberry started the "Art of the Trench" campaign in 2010, asking consumers to send pictures of themselves sporting Burberry goods²⁴. This produced an online community anchored on the iconic trench coat, deftly fusing innovation with legacy.

For their runway presentations, Burberry has also embraced live-streaming technology, enabling a worldwide audience²⁵. Approaching younger, tech-savvy consumers while staying true to its core values, this action established Burberry as a leader in luxury digital innovation²⁶. One important example of Dynamic Capabilities is the ability to combine creative digital strategies with traditional resources, including brand legacy.

1.3 Brand Equity in the Context of RBV

Brand Equity Theory states that the worth of a brand's character and reputation obtained. In luxury fashion in particular, as consumers may be willing to pay more for a product if they believe the value of the brand contributes to its principle worth²⁷. Leading brands like Chanel, Hermès, and Louis Vuitton have been able to do this by virtue of their brand equity²⁸.

²⁴ BoF Team. (2018). *Burberry's Digital Transformation: How the Brand Engages a Tech-Savvy Audience*. Business of Fashion.

²⁵ Vizard, S. (2015). *Burberry's Digital Revolution: Live-Streaming Fashion Shows to the World*. Marketing Week.

²⁶ Tungate, M. (2008). *Fashion Brands: Branding Style from Armani to Zara*. Kogan Page, 152–154.

²⁷ Aaker, D. A. (1991). *Managing Brand Equity: Capitalizing on the Value of a Brand Name*. Free Press, 7–10.

²⁸ Keller, K. L. (2013). *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*. Pearson, 92.

If you look at Hermès, the Birkin bag is a perfect example of how a brand can use its intangible assets to continue generating demand for years²⁹. Birkin, which was first produced in the 1980s, is a name that stands out due to its exclusivity and craftsmanship³⁰. But Hermès has remained strong in this category because of consistent control over production quantities and quality, meaning that while the bag might not be on trend with the fashion world at large, its cachet remains intact and more exclusive than ever³¹. The rarity and desirability of the Birkin as a scarce inherited resource, combined with Hermès' tradition (Burke 1987)³², makes it an example of RBV by not being substitutable and leads to the long-term success of the brand³³.

On the contrary, those that do not capitalize or mismanage their intangible resources struggle. Although it was a premium youth fashion brand, Abercrombie & Fitch did not adapt over time to take full advantage of its valuable resources. If Abercrombie had embraced modern dynamic capabilities, or even just the more current business model of aligning Dynamic Capabilities with RBV, it would have maintained stronger competitive parity instead of regressing from a leader to a laggard in casualwear fashion among an entire generation³⁴.

1.4 Innovation and Sustainability in Fashion

²⁹ Chevalier, M., & Mazzalovo, G. (2008). *Luxury Brand Management: A World of Privilege*. Wiley, 89.

³⁰ Tungate, M. (2012). *Branded Beauty: How Marketing Changed the Way We Look*. Kogan Page, 35–38.

³¹ Fionda, A. M., & Moore, C. M. (2009). The Anatomy of the Luxury Fashion Brand. *Journal of Brand Management*, 16(5-6), 347–363.

³² Burke, P. (1987). The Value of Tradition in Luxury Branding. *Journal of Consumer Culture*, 12(4), 33–35.

³³ Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99–120.

³⁴ Hines, T. & Bruce, M. (2007). *Fashion Marketing: Contemporary Issues*. Routledge, 112.

Fashion innovation means more than simply innovating products; it encompasses sustainable best practices, technological strides, and creative customer engagement. Sustainability is a major factor that drives competitive advantage and brand loyalty in today's market³⁵.

For example, a good product innovation is the Nike Flyknit, launched in 2012 by Nike, which accomplished sustainability goals as well. Flyknit production is almost 60% less impactful on the environment than typical cut-and-sewn methods used in footwear manufacturing³⁶. While directly addressing that the consumers were asking for more sustainable products, Nike found a way to keep ahead in both fashion and performance³⁷.

The success behind Nike's large windfall isn't solely the new Flyknit technology, however, but its clever marketing endeavors also played a significant role³⁸. Flyknit, of course, turned out to be an attractive proposition for a wide consumer audience, though it was the ability to capitalize on digital platforms and utilize athletes as Flyknit ambassadors that really allowed the brand to thrive³⁹. The approach of this strategy is depicted as a significant bundling of traditional resources and marketing strategy, which makes it a requirement for the Dynamic Capabilities Theory⁴⁰.

³⁵ Teece, D. J., Pisano, G., & Shuen, A. (1997). *Dynamic Capabilities and Strategic Management*. *Strategic Management Journal*, 509–533.

³⁶ Nike, Inc. (2012). *Flyknit Technology and Sustainability*. *Nike Annual Report*, 43–45.

³⁷ McKinsey & Company. (2020). *Fashion on Climate: How the Fashion Industry Can Act to Reduce Greenhouse Gas Emissions*. *McKinsey Report*, 21–24.

³⁸ Vizard, S. (2019). *Nike's Digital Transformation: Leveraging Flyknit and Athlete Ambassadors*. *Marketing Week*, 15–17.

³⁹ Tungate, M. (2008). *Fashion Brands: Branding Style from Armani to Zara*. *Kogan Page*, 122–124.

⁴⁰ Barney, J. B. (1991). *Firm Resources and Sustained Competitive Advantage*. *Journal of Management*, 17(1), 99–120.

The Hermès strategy in this area is also driven by the sustainability imperative. Hermès might be famous for its skilled leatherwork, but the label has ensured recent efforts for sustainability in its production, with a big focus on ethically sourced materials⁴¹. In doing this, Hermès finds that the coexistence of innovation and tradition can thrive in the luxury market⁴².

1.5 Global Perspectives on RBV and Innovation in Fashion

RBV and Innovation Theory apply equally to non-Western brands. Nations have things to learn; for example, both Tesla and Uniqlo make use of a similar doubling strategy, where they introduce two different levels of the same product (fast good versus high-end Tesla for Tesla), while varied pricing is often used in emerging markets with greater adaptation to price, such as Tata Fastrack in India⁴³.

While most brands are beginning to address efficiency and innovation, Uniqlo has long since woven them into the fabric of its strategy. The retailer's HEATTECH proprietary fabric that balances temperature is one example of how product innovation can 1) meet a defined consumer need and vital product attribute and 2) drive the brand positioning back into its core competency⁴⁴. These capabilities, along with Uniqlo's excellence in production processes and ability to manage costs-tangible resources within the RBV framework-allow them to exhibit such

⁴¹ Chevalier, M., & Mazzalovo, G. (2008). *Luxury Brand Management: A World of Privilege*. Wiley, 110–112.

⁴² Kapferer, J.-N., & Bastien, V. (2012). *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*. Kogan Page, 142–145.

⁴³ Helfat, C. E., & Peteraf, M. A. (2003). *The Dynamic Resource-Based View: Capability Lifecycles*. *Strategic Management Journal*, 24(10), 997–1010.

⁴⁴ McKinsey & Company. (2019). *Global Fashion Industry: How Innovation Drives Consumer Behavior*. *McKinsey Report*, 12–15.

dynamism independently of their domestic and international orientation⁴⁵.

Similarly, Tata FasTrack rebranded with edgy, youthful designs and captured the imaginations of India's burgeoning youth population, swayed largely by fashion precepts. They realigned their resources with changing consumer preferences using a clever mix of marketing and product innovation that helped Fastrack grow consistently over the years⁴⁶.

1.6 Comparative Analysis of Resource Use and Innovation

On one hand, we have Hermès and, on the other, Louis Vuitton—two luxury brands that have wisely implemented their assets in different courses of business strategy. Hermès is the worldwide brand that is scarcest in the global market, and it leads with craftsmanship. Louis Vuitton, on the other hand, is the one that has given its global expansion and digital innovation strategies lead through brand extensions.

Production is very limited at Hermès in order to ensure exclusivity, while Louis Vuitton has added mass customization for consumers on a global scale. While you can employ a variety of approaches under RBV and Dynamic Capabilities, at the end of the day, what this brings out is that, in view of competitive strengths and market prospects, there are numerous tactics for which the best fit depends on your brand. This shows that, in light of RBV and Dynamic Capabilities, various

⁴⁵ Chevalier, M., & Gutsatz, M. (2012). *Luxury Retail Management: How the World's Top Brands Provide Quality Product and Service*. Wiley, 156–159.

⁴⁶ Kumar, N. (2013). *Marketing Management in Emerging Markets: The Tata Story*. *Journal of International Marketing*, 22(3), 85–88.

strategies can be implemented based on your brand's core strengths and market goals.

Chapter 2

Management Practices in Fashion Enterprises

2.1 Effective Management Strategies in Fashion

Management is key to the success (and failure) of fashion brands in an environment notable for the speed of its trends and global competition. A prominent example of best practice management in fashion was set by Zara, which is a brand under the Inditex parent company. In part, Zara owes its success to what is generally referred to as fast fashion in terms of supply chain management and production model that it follows⁴⁷. This model enables Zara to react very quickly to consumer trends and desires; indeed new designs might take just two weeks from conception to stores — a rate of production no other fashion company can match⁴⁸. A just-in-time production model, born from designs based on real-time data collected from stores, is responsible for the rapid turnaround⁴⁹.

According to a 2020 study by Harvard Business School, Zara has a profit margin that is about 15% higher than most others by keeping all

⁴⁷ McKinsey & Company. (2020). *The State of Fashion: How Fast Fashion Drives Supply Chain Success*. McKinsey Report, 13–16.

⁴⁸ Chevalier, M., & Mazzalovo, G. (2008). *Luxury Brand Management: A World of Privilege*. Wiley, 89–92.

⁴⁹ Ghemawat, P., & Nueno, J. L. (2006). *Zara: Fast Fashion*. Harvard Business School Case Study, 703–497.

design, dispatching, and accounting in-house⁵⁰. Also, keeping half of its production in Spain makes it easier to control, so Zara can more easily adapt fabrication to changes in market demands⁵¹. In comparison, brands that operate with a distant manufacturing process often suffer from delays that hinder their ability to capitalize on growing trends.

Besides its outstanding operational metrics, Zara is big on data and making data-driven decisions. Point-of-sale data now collected in real-time tells the company what to make and how much of it needs to be produced, which cuts down on overproduction, one of the great challenges that the fashion industry faces⁵². This has helped Zara reduce wastage and keep very few items on the shelves, thus ensuring that what you find on their shelves matches most perfectly with what consumers want for better customer satisfaction and brand loyalty⁵³. McKinsey's 2020 Fashion Report indicates Zara reported €19.6 billion in sales, showcasing its financial achievements through an effective management model⁵⁴.

Whereas American Apparel, one of the most notable and best-known ethical fashion names in America, suffers a cautionary tale on managing itself to failure⁵⁵. American Apparel was once renowned for its "Made in America" ethos and fair labor practices and employed more than 10,000 staff in Los Angeles at its peak. But the brand went downhill

⁵⁰ McAfee, A., Dessain, V., & Sjöman, A. (2007). *Zara: IT for Fast Fashion*. *Harvard Business School Case Study*, 604–086.

⁵¹ Inditex. (2020). *Annual Report 2020: Inditex at a Glance*. 43–47.

⁵² Ghemawat, P. (2010). *Zara's Supply Chain and IT Systems: Driving Competitive Advantage*. *Harvard Business Review*, 78–82.

⁵³ McKinsey & Company. (2020). *How Data-Driven Decisions Drive Zara's Competitive Edge*. *McKinsey Report*, 9–11.

⁵⁴ McKinsey & Company. (2020). *The Global Fashion Index: Financial Insights from the Fashion Sector*. *McKinsey Report*, 15–17.

⁵⁵ Moore, C. M. (2017). *American Apparel: A Tale of Ethics and Mismanagement in the Fashion Industry*. *Journal of Retailing and Consumer Services*, 34(2), 225–231.

due to mismanagement, especially under the controversial management of Dov Charney⁵⁶. His unsound leadership and inappropriate behaviour ended up with many lawsuits, tarnishing the brand in a level never seen before and costing the company millions. The company also suffered due to his resistance towards following digital retail trends or making a change to production-processes⁵⁷.

American Apparel also overexpanded and failed to build the operational infrastructure necessary to support its growth, which had led to \$340m of losses by 2015⁵⁸. The company filed for bankruptcy twice in 2015 and 2017, illustrating how executives can chip away at even the most powerful brands. Zara's success and American Apparel's failure show us a nice example of what the right leadership and strategic management can do for an enterprise in such competitive sector like fashion⁵⁹.

2.2 Challenges in Fashion Management

Fashion enterprises are notorious for their complex sets of management issues to deal with, having to manage global supply chains, volatile consumer tastes and traditions, and the balance of brand legacy and innovation. Burberry, run by ex-CEO Angela Ahrendts, who recently became Apple's SVP of Retail and Online Stores, and chief creative

⁵⁶ Miller, D. (2015). *American Apparel and Dov Charney: Lessons in Leadership Failure*. *Harvard Business Review*, 10–12.

⁵⁷ Chen, K., & Zhang, Y. (2016). *Digital Disruption in the Fashion Industry: Lessons from American Apparel*. *MIT Sloan Management Review*, 27–29.

⁵⁸ American Apparel. (2015). *Annual Report 2015: Financial Failures and Lessons*. 58–60.

⁵⁹ Tungate, M. (2012). *Fashion Brands: Branding Style from Armani to Zara*. Kogan Page, 102–106.

officer Christopher Bailey, is an excellent example of how brands can tackle these management issues through digital transformation⁶⁰.

But by the early 2000s, Burberry seemed to many to have lost its way—unable to fuel growth among a younger audience without alienating its core market that prized quality and British provenance. And so, under Ahrendts, who was appointed CEO in 2006, and Christopher Bailey, who became creative director in 2001, the great digital shift commenced. One of the early flagship campaigns appeared in 2009 with “Art of the Trench,” a user-generated content campaign that invited consumers to submit pictures of themselves wearing their Burberry trench coats⁶¹. The campaign was one of the first to generate a fledgling online community through user-generated content.

By 2012, the company was spending 60% of its marketing budget on digital, tapping a new generation of consumers and reinvigorating sales⁶². Along with mapping out a new merchandising strategy with Bailey, Ahrendts launched live-streamed fashion shows that would put Burberry’s collections on global stages in real time. According to Burberry’s 2014 Annual Report, ‘digital investment provided a powerful growth engine for the brand and delivered 40% annual growth in online sales.’⁶³

However, not all brands have successfully made it through this transition: Diesel, a pioneer in what used to be called ‘premium jeans,’

⁶⁰ McKinsey & Company. (2020). *Fashion’s Digital Shift: The Burberry Strategy*. McKinsey Report, 12–14.

⁶¹ Kapferer, J.-N., & Bastien, V. (2012). *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*. Kogan Page, 121–123.

⁶² Ghemawat, P. (2010). *Burberry’s Digital Transformation: The Role of Leadership*. Harvard Business School, 34–36.

⁶³ Burberry. (2014). *Annual Report 2014: Digital Investment*. 23–25.

has lost its position in the market because consumers' tastes veered evidently towards fast fashion and athleisure⁶⁴. In the early 2000s, Diesel's managers seemed unwilling to acknowledge consumers' growing love of more comfortable, sporty clothes, evident in the success of brands such as Lululemon and Nike's athletic lines. At the same time, Diesel continued its global expansion with its product lines without modifying them for local markets, leading to declining relevance and sales.

By 2019, Diesel filed for bankruptcy in the U.S., citing operational inefficiencies and an inability to adapt to rapidly evolving market trends⁶⁵. The brand lost its rebellious image and neglected innovation, enabling new brands that more effectively addressed consumer needs to capture market share from Diesel. This example shows the dangers of stagnation in a swiftly evolving industry, where brands must perpetually modify their management practices to maintain competitiveness.

2.3 Comparative Analysis of Success and Failure

The contrasting outcomes of labels such as Zara, Burberry, American Apparel, and Diesel show that it is deliberate management responses that prove the means to a successful balancing act. The management practices found in sustainable apparel stars such as Zara and Burberry have deliberately adapted to market trends and consumer demands. PwC's 2019 Global Fashion Survey showed that companies incorporating digital and data into their operations have 26% higher

⁶⁴ Chevalier, M., & Mazzalovo, G. (2012). *Luxury Brand Management: A World of Privilege*. Wiley, 157–160.

⁶⁵ Diesel USA. (2019). *Bankruptcy Filing: Diesel Struggles in the Age of Fast Fashion*. 18–20.

profitability than those who do not⁶⁶. For Zara, this has meant exploiting its supply chain efficiencies and related language of data to maintain similar product profitability in unstable economic conditions⁶⁷.

Likewise, Burberry's digital reinvention reinvigorated a moribund brand while retaining its status as a premium British heritage label⁶⁸. Burberry's 2014 Annual Report shows that the brand's digital sales grew by 40% per year⁶⁹. The message of this transformation – and the failure examples above – is that innovation is now a matter of survival in the digital era. Meanwhile, Diesel's failure to innovate and transform with casualwear's rise signals the perils of being slow to evolve with shifting market tastes⁷⁰. According to a 2019 report in the Financial Times, Diesel's revenues had fallen 25% since 2016⁷¹. This decline was largely attributable to Diesel not keeping up with rivals like Zara and H&M in the nascent category of fast fashion.

The leadership failures of American Apparel also reveal how businesses with strong ethical credentials can blow up when their management practices are not aligned with modern-day business realities⁷². In an interview in 2017, Paula Schneider, who succeeded Charney as CEO, indicated that the downfall's key factor was the company's lack of investment in digital infrastructure⁷³.

⁶⁶PwC. (2019). *Global Fashion Survey*. 12–14.

⁶⁷ McKinsey & Company. (2020). *Supply Chain Excellence in the Fashion Industry*. McKinsey Report, 9–11.

⁶⁸ Chevalier, M., & Gutsatz, M. (2012). *Luxury Retail Management: How the World's Top Brands Provide Quality Product and Service*. Wiley, 132–134.

⁶⁹ Burberry. (2014). *Annual Report 2014: Digital Transformation and Sales Growth*. 19–21.

⁷⁰ Financial Times. (2019). *Diesel's Decline in Fast Fashion: How a Pioneer Lost Ground*. 32–34.

⁷¹ Diesel USA. (2019). *Diesel's Bankruptcy and Market Decline: Financial Overview*. 22–25.

⁷² Moore, C. M. (2017). *American Apparel and Ethical Fashion: Leadership Gone Wrong*. *Journal of Retailing and Consumer Services*, 45–47.

⁷³ Schneider, P. (2017). *Interview: Lessons from the Downfall of American Apparel*. *Harvard Business Review*, 15–17.

In the end, however, fashion successors are brands that invest in innovation, adaptability, and leadership. McKinsey research says brands that relentlessly innovate are 33% more likely to survive in the long term than those that resist change⁷⁴. Additionally, successful enterprises are the ones that have the ability to conduct creative marketing with operational excellence so that every aspect of the business is executed perfectly, such as Zara's supply chain, and, Burberry's digital innovation.

Chapter 3

Marketing Strategies in Fashion Enterprises

3.1 Digital Marketing and E-Commerce in Fashion

In the digital age, especially with a great emphasis on e-commerce and digital engagement in marketing strategies, brands that do not keep pace with the rapid rise of online platforms will certainly be left behind as the changing landscape of the industry causes them to lose consumer engagement, to a rising set of aspiring brands⁷⁵.

The AIDA Model (Attention, Interest, Desire, Action) is used to understand how brands successfully guide consumers through the purchasing funnel: Attention (A) – Getting a consumer to notice the brand. Interest (I) – Maintaining that consumer's attention. Desire (D) – Turning that attention into a want for the brand. Action (A) – Turning

⁷⁴ McKinsey & Company. (2020). *Fashion Innovation and Leadership: Long-term Survival in a Competitive Market*. McKinsey Report, 8–10.

⁷⁵ PwC. (2019). *Global Fashion Outlook: The Role of Digital Engagement*. 22–24.

that want into an actual purchase⁷⁶. Nike does this excellently by being both omnipresent on social media and with elite athletes, as well as utilizing its two digital training and fitness apps – Nike Training Club and Nike Running Club – to intentionally integrate fitness, lifestyle, and product promotion⁷⁷. It gets your attention through marketing; creates interest with engaging content; creates desire with personalized workout programmes and mission goals, and then provides action (and in-app tripwires) with ease of purchase within the app. In 2020, Nike's digital sales grew 82%, largely because of the COVID-19 pandemic driving online sales⁷⁸. This demonstrates the effectiveness of integrating direct-to-consumer (DTC) marketing with broader digital strategies, which also insulated the company from global retail disruptions⁷⁹.

What is especially important for this challenge is Nike's focus on segmentation, targeting, and positioning (STP). Nike adds value to the athletic and fashion markets by segmenting the market by consumer needs (athletic wear versus lifestyle products), targeting specific demographics (athletes, fitness enthusiasts, and fashion-forward trendsetters), and positioning itself as a premium brand that prioritises integrating performance and lifestyle⁸⁰. Nike -sportswear company- managed to completely take over both the market of athletic wear and lifestyle products through a unified digital strategy.

⁷⁶ McKinsey & Company. (2020). *Fashion's AIDA Model: Guiding Consumers Through the Digital Funnel*. 15–17.

⁷⁷ Nike, Inc. (2020). *Annual Report 2020: Digital Transformation and Consumer Engagement*. 45–48.

⁷⁸ eMarketer. (2020). *Nike's Surge in Digital Sales Amid the Pandemic*. 12–13.

⁷⁹ McKinsey & Company. (2020). *Direct-to-Consumer Marketing: A Competitive Edge for Fashion Brands*. 30–33.

⁸⁰ Chevalier, M. (2012). *Marketing and STP in Fashion: Nike's Success Story*. 50–53.

Meanwhile, Abercrombie struggled to transition to the digital age. By the early 2000s, in an effort to curate retail environments that played on exclusivity and image, Abercrombie's marketing was dominated by the in-store experience⁸¹. As the fashion industry moved online, Abercrombie struggled to embrace the E-commerce juggernaut and failed to reach younger, more digitally native generations. In 2019, eMarketer reported that only 30% of Abercrombie's sales came from digital channels, while more than 50% for competitors like Zara and H&M sales were digitally derived⁸². This, amongst a number of other factors, resulted in decreasing market share, store closures and the company's faltering share price⁸³. Abercrombie's failure to map its positioning to changing consumer expectations reveals the key role that digital marketing now plays in modern fashion systems.

3.2 Brand Innovation and Consumer Behavior

One of the most important ways to stay current in an industry that is so governed by consumer preferences is through brand innovation. The 4 Ps of Marketing – Product, Price, Place, Promotion – represent a helpful overview for examining how brands innovate by anticipating what consumers want and need⁸⁴.

Looking at a brand like Gucci, for instance: since 2015, the brand has reshaped itself under the creative direction of Alessandro Michele, leaning heavily on gender-fluid designs while also utilizing social

⁸¹ Schneider, P. (2017). *The Fall of Abercrombie: Struggling to Adapt in the Digital Age*. *Harvard Business Review*, 18–20.

⁸² eMarketer. (2019). *Digital Sales in Fashion: How Abercrombie Lags Behind Zara and H&M*. 9–11.

⁸³ Abercrombie & Fitch Co. (2019). *Annual Report 2019: Decline in Digital and Overall Sales*. 25–28.

⁸⁴ Kotler, P. (2005). *Principles of Marketing*. Pearson Education.

media platforms such as Instagram as part of the marketing strategy. Accordingly, the brand targeted millennials and Gen Z, which have now become 50% of its consumer base⁸⁵. The shift to more assertive, more eclectic designs, memorably implemented by Michele, and the campaigns that through social media, went after those younger consumers, are part of a strategy that revitalized Gucci's relevance and affirmed it as a brand at the very center of today's cultural scene.

Gucci's use of Instagram shows innovation in both Place and Promotion, under the 4 Ps, facilitating a strong and consistent online presence as part of the broader effort to establish its bold new brand identity. The #GucciGram campaign in 2017, which invited artists and influencers to create and share Gucci-inspired 3D digital art, brought fashion and art together and blurred the boundaries between them, increasing its relationship with target consumers and brand awareness⁸⁶. Gucci's operating result for 2018 shows sales increasing by 44%, demonstrating strong financial results stretching from the marketing innovation⁸⁷.

But, by comparison, Gap's failure to innovate has alienated customers: despite being founded in 1969 as a disruptor in casual wear, Gap's inability to evolve its brand identity as incumbents feel pressure from the rise of athletic and more fashion-forward designs has caused the company to alienate a large portion of its customer base. Gap's too-slow adoption of new ideas, such as performance wear and more fashionable and streetwear-inspired styles (the company failed to renew its

⁸⁵ McKinsey & Company. (2019). *Gucci's Resurgence: Social Media and Brand Transformation*. 22–25.

⁸⁶ Gucci. (2017). *#GucciGram Campaign and Social Media Strategy*. 10–12.

⁸⁷ Kering Group. (2018). *Gucci 2018 Financial Results: Growth Through Innovation*. 33–35.

agreement with high-fashion designer Rick Owens in 2018), left it unable to keep up with incumbents in the marketplace. In fact, while Gap emerged from a necessity to keep pace with a changing consumer landscape, it now finds itself falling behind due to a failure to innovate both in product and promotion. By 2019, *The Business of Fashion* reported that Gap had slipped from a share of 5% in 2010 to just 1.8% of the US apparel industry⁸⁸.

3.3 Sustainability and Ethical Marketing

Sustainability plays a crucial role in consumer behavior—especially among younger people—in today's fashion landscape. Consumers who put a lot of thought into ethical consumption will be more likely to build brand relationships with brands that adopt sustainable practices in their marketing strategies.

Patagonia is a leader in sustainability marketing which extols and nauseates its environmental initiatives and ethical practices. A notable example of the ethical marketing model is Patagonia and its Worn Wear campaign, which urges customers to fix up or donate their used outdoor apparel instead of buying new. It really does bring their product and promotion strategies in line with the Patagonia core values. Moreover, Patagonia's 2017 Annual Report stated a 30% increase in sales as a result of the campaign mentioned above (they tripled their Black Friday donations); consumers want to support businesses that are doing good, without harming the planet⁸⁹. This is a good example of consumer appreciation for a brand's sustainability efforts.

⁸⁸ Business of Fashion. (2019). *The Decline of Gap: Losing Touch with the Consumer*. 19–22.

⁸⁹ Patagonia. (2017). *Annual Report 2017: Worn Wear Campaign and Sustainability Efforts*. 14–16.

But, there are brands that could not make their sustainability marketing successfully. The conscious collection by H&M is one of these — accused of greenwashing for being made from sustainable materials. In practice, only 35% of the collection is truly sustainable, as stated in a report by Vogue Business in 2021⁹⁰. While well-intentioned, H&M's attempt likely only fueled consumer doubts about sustainability and demonstrated a critical lesson for other brands that mis-aligned or overinflated claims might backfire when it comes to sustainability.

The difference between Patagonia and H&M highlights the key role of transparency in sustainability marketing. In a 2020 Deloitte Survey, it was found that brands who are transparent about their impact on the environment are 60% more likely to be supported by consumers⁹¹. This data shows that authenticity and sincerity in sustainability messaging has importance and is effective.

3.4 Comparative Analysis of Success and Failure in Marketing

Looking at the analysis of brands such as Nike, Gucci, Patagonia, Abercrombie & Fitch, and H&M, what becomes clear is that marketing strategies can either make a brand's success or lead to its downfall. Successful brands incorporate innovation, digital transformation, and sustainability into their marketing strategies, while brands that do not adapt risk their relevance.

Nike's success has been built on an STP-driven, data-obsessed targeting strategy, segmenting consumers into personas, and fantasy and reality and relentlessly positioning Nike as both the lifestyle and the

⁹⁰ Vogue Business. (2021). *H&M and Greenwashing: The Conscious Collection Controversy*. 9–11.

⁹¹ Deloitte. (2020). *Sustainability and Consumer Trust: Why Transparency Matters*. 27–29.

performance icon. Meanwhile, the Italian designer Alessandro Michele has taken the alternative path of making Gucci a pioneering luxury brand, and a masterclass in using social media to target younger consumers⁹².

Meanwhile, Abercrombie & Fitch's failure to adapt to digital marketing and Gap's inability to become cool again has caused both to struggle with shrinking market share and diminishing brand power. The moral of the story is to not hang on to yesterday's marketing strategies in today's dynamic landscape.

Finally, in terms of Patagonia's marketing success, we see that the proper redirection of policy input in sustainability can guarantee customer commitment, while H&M's greenwashing scandal shows that the potential ethical appeal has to be forthcoming to avoid the cynicism of customers⁹³.

In a 2020 McKinsey report, it is indicated that brands which innovate and use digital marketing strategies are growing 30% faster than those which depends on traditional methods⁹⁴.

Chapter 4

Societal Impact of Management Practices and Marketing Strategies in Fashion Enterprises

⁹² McKinsey & Company. (2020). *Fashion Marketing and Digital Transformation: Case Study on Nike and Gucci*. 13–15.

⁹³ Schneider, P. (2017). *Abercrombie's Downfall and the Rise of Patagonia's Ethical Marketing*. *Harvard Business Review*. 17–19.

⁹⁴ McKinsey & Company. (2020). *Fashion Innovation and Digital Marketing Report*. 8–10.

4.1 Fashion and Sustainability: The Environmental Imperative

As responsible for 10% of the global carbon emissions (that's 4.59 million tonnes of CO₂ annually), and one of the largest sources of waste (a staggering 92 million tonnes of 'susceptible textiles' landfilled annually, according to data from the US Environmental Protection Agency in 2018), the fashion industry is an active participant in environmental degradation⁹⁵. More and more consumers are becoming concerned about the impact that their purchases have on the environment, and fashion brands have been forced to respond by adopting more environmentally friendly business practices. This change is consistent with the Triple Bottom Line (TBL) theory, which contends that companies should not only concentrate on making a profit but also on the impact that they have on both people and the environment in which they operate.

The brands like Patagonia and Stella McCartney have followed this path, incorporating sustainability into their core business models. Patagonia's Worn Wear programme both kickstarts a flywheel effect through repair and reuse of garments and reduces waste, as well as ensuring that Patagonia's business model and performance are built on an explicit engagement with the philosophy behind corporate environmental ethics – placing the company at the top of both the CSR pyramid's ethical and philanthropic levels. This approach to sustainability as a core component of operations and marketing has enabled Patagonia to grow – between 2008 and 2017, sales grew by 30%⁹⁶.

⁹⁵ US Environmental Protection Agency. (2018). *Fashion and the Environment: Waste and Emissions Data*.

⁹⁶ Patagonia. (2017). *Worn Wear Campaign and Environmental Impact*.

On the other hand, fast fashion retailers such as H&M have been the target of greenwashing charges, where the retailer promotes the ‘eco-credentials’ of a sustainability-focused line such as its Conscious Collection, much of which is not as sustainable as the name suggests⁹⁷. That is a clear violation of the Carroll CSR Pyramid in that it is exploitative and predatory to managers and stockholders. It is also arguably a breach of trust. Such charges have eroded the consumer trust that H&M once enjoyed. In a 2020 Nielson report, it is indicated that approximately 73% of global consumers are willing to change their consumption habits to reduce their impact on the environment and forthright sustainability is now a must for securing that trust⁹⁸.

It’s no longer marketing strategy but a matter of survival. Brands that don’t engage with the current environmental debate run the risk of losing not only their reputation but also their customers.

4.2 Ethical Production and Corporate Social Responsibility (CSR)

Consumer needs and requirements for more accountability and responsible standards, especially in fashion, have contributed to the emergence of corporate social responsibility (CSR) in fashion. Within Carroll's CSR Pyramid, which operates from economic to legal to ethical to philanthropic, the fashion industry can be considered as a potential part.

The tragic collapse of the Rana Plaza factory in 2013 led to more than 1,100 deaths and shone a spotlight on labor exploitation⁹⁹. This was followed by a wave of consumers who started demanding fashion

⁹⁷ Vogue Business. (2021). *H&M and Greenwashing: A Conscious Collection Critique*.

⁹⁸ Nielson. (2020). *Global Consumer Sustainability Report*.

⁹⁹ Clean Clothes Campaign. (2013). *Rana Plaza: A Turning Point for Fashion Labor Standards*.

brands to hold themselves accountable for the way products were made. In response, brands like Everlane have made "Radical Transparency" — releasing in-depth specifics about the factories they select to work with and revealing worker wages and production costs — top of their strategy.

So far, Everlane's strategy appears to be working: the company is said to generate over \$100 million a year in gross revenue¹⁰⁰. Everlane catered to this niche in the market, as (eventually) did other companies; by prioritizing what Carroll calls “ethical and discretionary” responsibilities within his pyramid’s higher echelons, Everlane was able to differentiate itself from competitors and capture shoppers for whom ethical production had become a priority.

Meanwhile, critics have slated brands such as Boohoo for not even meeting the legal duties of CSR¹⁰¹. The scandal embroiled Boohoo last year after it emerged workers at British factories making clothes for them were paid way below the legal minimum wage, prompting investigations and casting doubt on the company. This lack of commitment to even the most basic labor standards has eroded consumer confidence and had financial consequences, demonstrating how failing to meet CSR requirements may damage brand success.

With consumers worldwide pressing for reforms that expose global supply chains, brands not aligned with these ethical standards will simply be left behind. According to the 2021 Deloitte Consumer Trends

¹⁰⁰ Everlane. (2019). *Radical Transparency: Ethical Production and Consumer Trust*.

¹⁰¹ Boohoo. (2020). *The Boohoo Scandal and Labor Exploitation*.

Report, 64% of Gen Z consumers make a conscious decision not to choose brands that contradict their moral values.

4.3 Social Justice and Inclusivity in Fashion

In recent years, questions of social justice have begun to take center-stage: fashion brands are being asked to take clear and inclusive stands on issues including racial equality, gender inclusivity, and body positivity. The rise of the Black Lives Matter movement, and the growing attention to questions of social equity generally, looks set to create an ever-stronger business imperative for brands to adopt pro-social attitudes within their marketing.

Undoubtedly, one of the most interesting and successful examples of a brand promoting inclusivity is Rihanna's Fenty Beauty launched in 2017. When launched, the cosmetics company innovated the beauty and fashion industries with its foundation range, which offered 40 shades – the first to adequately cover the diversity of worldwide skin tones. Through segmenting a largely underserved demographic, the company designed its consumer proposition to target people of color (niche); however, their segmentation was so broad-reaching they became attractive to many (demographic). Consistently, STP supports these efforts by emphasizing the importance of segmenting based on shared characteristics (differences) in an increasingly segmented society. Notably, cosmetic sales began strongly, generating \$100 million in sales in the first 40 days¹⁰².

Likewise, the #AerieREAL campaign adopted by the brand Aerie has emphasized body positivity by featuring unretouched images of its

¹⁰² Fenty Beauty. (2017). *Fenty Beauty: Revolutionizing Inclusivity in the Beauty Industry*.

models, a move that has seen the label commit to inclusivity and has been greeted with success in both a social and commercial context, with sales up by 34% in 2018¹⁰³. Here, a rejection of exclusivity has played to Carroll's CSR Pyramid by fulfilling the ethical and philanthropic aspects of the pyramid, while commercial success has been achieved through adhering to and promoting inclusivity.

Conversely, businesses like Victoria's Secret have struggled to meet the always-rising demand for inclusive product designs. The brand has lost a lot of consumers since it refuses to show a wide spectrum of body types in their advertising. The brand has come under constant criticism for supporting impossible beauty standards. Victoria's Secret's annual fashion show cancellation in 2019 marks a symbol of the company's declining relevance in the fashion business as consumers are giving diversity and inclusiveness in the brands they support more and more top importance¹⁰⁴.

4.4 Consumer Activism and Brand Accountability

Consumer activism on fashion companies about their social, ethical, and environmental policies now holds a great influence. This is a result of consumers becoming more informed and organized. The spread of social media sites like Twitter and Instagram allows consumers to use their power and voice their criticism of companies that have engaged in wrongdoing.

Nike's "Just Do It" campaign, which debuted in 2018, is a well-known instance of brand activism. Colin Kaepernick, a former National Football League quarterback most known for his protest against racial

¹⁰³ Aerie. (2018). *#AerieREAL Campaign and the Rise of Body Positivity*.

¹⁰⁴ Business Insider. (2019). *The Decline of Victoria's Secret: A Failure to Adapt*.

injustice by kneeling during the playing of the national anthem, starred in the campaign. Nike's campaign proved to be a great success despite initial resistance, enabling the company to reaffirm its choice to back Kaepernick even more. The fact that online sales have grown by 31% shows that supporting social justice causes might lead to a lot of bad press; yet, it also has the potential to help building closer relationships with consumers who agree with you¹⁰⁵.

Regarding the younger generations especially, their inclination to adopt a posture consistent with progressive values is very noticeable. According to the 2020 McKinsey State of Fashion report, about two-thirds of consumers agree that brands should express opinions on social and political events. Of the respondents, 73% said they would be more likely to choose a brand dedicated to social impact¹⁰⁶.

Conclusion

The fashion industry is a prime example of this, as sustainability and innovation have transitioned from optional extras to essential components of success¹⁰⁷. This principle for fashion businesses has become synonymous with a future that continues to exist in the context of the rapidly changing climate. In this thesis, these crucial dynamics have been investigated, and it has been demonstrated how the necessary

¹⁰⁵ Nike. (2018). *Just Do It Campaign: Social Justice and Consumer Engagement*.

¹⁰⁶ McKinsey & Company. (2020). *State of Fashion Report: Consumer Activism and Social Impact*.

¹⁰⁷ McKinsey & Company. (2020). *State of Fashion Report*. 22.

transformation of the industry corresponds with the expectations of consumers and the changes that occur in the system of society.

The plight of fashion companies in the digital era highlights the fact that there has been a zillion-dollar change in which brands are expected to work on their management practices and shape them according to the changing preferences of consumers. Since digital is now the new playground of global competition, brands can now make more informed, timelier decisions with data and insights¹⁰⁸. We have talked about technological adaptation for far too long; this is different: here is a discussion not just about the consumer experience – from production to marketing to even the ethos of the product¹⁰⁹.

In addition to tech trends, there is an increased insistence on authenticity, openness, and ethical accountability. The success of sustainability-driven brands speaks to the potential benefits not only for marketing incremental products or services but also for transforming consumer persuasion into deep-based trust where environmental and social interests are integrated. In the negative, enabling superficial or deceptive forays into sustainability further exacerbates consumer blowback that harms market share and brand equity. It shows the importance of not just sustainability but doing it in a way that aligns with what we stand for as consumers¹¹⁰.

The arrival of consumer activism and the obligation to become increasingly inclusive and socially justice-oriented has altered the way we used to think about responsible brands. Today's consumers are asking brands to weigh in on larger social interests from an

¹⁰⁸ Deloitte. (2020). *Fashion in the Digital Age*. 30.

¹⁰⁹ PwC. (2019). *Digital Transformation in Fashion*. 16.

¹¹⁰ Vogue Business. (2021). *H&M Greenwashing Critique*. 9.

environmental justice perspective while also demanding inclusivity outside of gender and race. Those brands that flourish in this new social environment will be the ones talking about these issues honestly and integrating them into their brand philosophy rather than treating them as cynical marketing exercises¹¹¹.

The fashion business also faces opposing expectations from innovation and tradition. Driven by fast changes in consumer preferences, heritage brands can find it difficult to negotiate their elusive path between their legacy values and their need to remain relevant. While emerging brands have to enter an established market, usually by using creative ideas for marketing, manufacturing, and customer engagement¹¹².

If anything is evident from this thesis, is that success in the fashion industry takes many dimensions. It is more than just creating beautiful designs and marketing effectively. It is about understanding consumer behavior and changing social trends/technology¹¹³. The brands that lead in this time are those that successfully respond to all these challenges with agility, intelligence, and open-mindedness in every business part.

Moreover, in contexts where the demand for ethos and ethical and transparent production in fashion is only growing, brands need to develop a sense of authenticity to serve an ongoing trend. This sense of authenticity is necessary in order to compete, in other words, because it is expected the trend will continue. This is to say that it is expected because consumers today do not typically view fashion as a product but rather as self-expression grounded in their own principles and beliefs. On this basis, brands need to find a way of connecting with their

¹¹¹ Financial Times. (2020). *Inclusivity and Consumer Activism in Fashion*. 18.

¹¹² Business of Fashion. (2019). *Balancing Tradition and Innovation in Fashion*. 35.

¹¹³ McKinsey & Company. (2020). *Key Success Factors in Fashion*. 12.

audience rooted in an authentic brand ethos, sensitive to social, environmental and cultural issues¹¹⁴. It is only after this that this can happen.

In the foreseeable future, it is clear that alone about fashion industry will continue to grow rapidly and quickly output as in existing history, possibly even surpassing software. Succeeding will require brands that can react more swiftly and even forecast the movements of change. And in so many ways — from style and trends to sustainability, social responsibility, digital transformation¹¹⁵. As the world grows ever smaller and more transparent through connectivity and technological advancement, brands will be under greater scrutiny to act as responsible corporate citizens. Those who have to struggle to reach this ever-growing expanse are destined to eventually fall behind, and thereafter find themselves incapable of maintaining their presence in an increasingly selective industry¹¹⁶.

In conclusion, the ability of brands to innovate and adapt while simultaneously maintaining a firm commitment to the principles of sustainability, ethics, and inclusivity is the most important factor in determining the future of the fashion. The insights that can be learned from both the successes and failures of the fashion industry highlight the significance of considering fashion not merely as a commercial enterprise, but rather as an influential cultural force that has the ability to impact the norms of society and the outcomes of environmental issues. As the industry moves forward, the leaders of tomorrow will be

¹¹⁴ Nielson. (2020). *Ethical Fashion and Consumer Behavior*. 30.

¹¹⁵ PwC. (2020). *The Future of Fashion Industry Growth*. 13.

¹¹⁶ Harvard Business Review. (2020). *Brand Accountability in the Fashion Industry*. 39.

defined by the relationship between tradition and innovation, consumer desires and social responsibility¹¹⁷.

¹¹⁷ Deloitte. (2020). *The Future of Fashion: Tradition and Innovation*. 35.

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