MARKETING FASHION: A GLOBAL PERSPECTIVE
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A GLOBAL PERSPECTIVE

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FAIRCHILD BOOKS
NEW YORK
Dedication

For Phil, Eric, Kiyomi, Dana, Stefani, and Justin
## Contents

Preface and Acknowledgments  

### PART I: DEFINING FASHION MARKETING AND HOW IT WORKS  
xvii  

**Chapter 1:** Developing and Maintaining Profitable Customer Relationships  
1  

**Chapter 2:** Participating in the Global Fashion Marketplace  
33  

**Chapter 3:** Understanding Fashion Consumer and Business Buyer Behavior  
65  

### PART II: BUILDING A FASHION MARKETING STRATEGY  
xxii  

**Chapter 4:** Creating a Company Marketing Strategy  
101  

**Chapter 5:** Obtaining and Using Fashion Marketing Information  
131  

**Chapter 6:** Creating the Right Relationships with Fashion Customers  
163  

### PART III: FOCUSING MARKETING MIX ELEMENTS ON THE FASHION CONSUMER  
97  

**Chapter 7:** Branding Strategies for Fashion Goods and Services  
197  

**Chapter 8:** Developing New Fashion Products and Monitoring Their Life Cycles  
233  

**Chapter 9:** Pricing: Identifying and Promoting Customer Value  
263  

**Chapter 10:** Fashion Marketing Channels and Supply Chain Management  
303  

**Chapter 11:** Fashion Wholesaling and Retailing  
341  

### PART IV: COMMUNICATING FASHION’S VALUE THROUGH PROMOTION  
195  

**Chapter 12:** Promoting Fashion Goods and Services  
372  

**Chapter 13:** Promoting Fashion through Personal Selling and Direct Marketing  
375  

**Chapter 14:** Fashion Advertising, Sales Promotion, and Public Relations  
399  

Appendix A: Sample Marketing Plan  
427  

Glossary  
459  

Bibliography  
462  

Index  
480  

xvii  

vii
# Extended Contents

## PART I: DEFINING FASHION MARKETING AND HOW IT WORKS

**Chapter 1: Developing and Maintaining Profitable Customer Relationships**

1. What Do I Need to Know about Developing and Maintaining Profitable Customer Relationships?  
   - Fashion Marketing in Focus: A World of Fashion and Marketing  
   - Fashion Marketers’ Long-term Goal:  
     - Customer Loyalty  
       - Identifying Customers  
       - Marketer’s Insight: Marketing Beauty Products to Chinese Women  
       - Creating Fashion Products  
       - Building Customer Relationships  
       - Marketer’s Insight: Zappos Makes Customer Service an Obsession  
   - Developing a Fashion Marketing Strategy  
     - Choosing a Marketing Point of View  
     - Creating a Marketing Mix  
   - Fashion Marketing in the Twenty-First Century  
     - Globalization  

2. What Are Marketing and Fashion Marketing?  
   - Marketing Defined  
   - Fashion Marketing Defined

3. Summary  
   - Case Study 1.1: Macy’s New Marketing Strategy Makes Customers the Focus  
   - Key Terms  
   - Review Questions  
   - Discussion Activities and Projects  
   - Your Marketing Plan  
   - References

## Extended Contents

- Social Media and Mobile Communications  
- Marketer’s Insight: Turning Social Networking into Customer Loyalty  
- Ethics and Social Responsibility  
- Summary  
- Case Study 1.1: Macy’s New Marketing Strategy Makes Customers the Focus  
- Key Terms  
- Review Questions  
- Discussion Activities and Projects  
- Your Marketing Plan  
- References

**Chapter 2: Participating in the Global Fashion Marketplace**

3. What Do I Need to Know about the Global Fashion Marketplace?  
   - Fashion Marketing in Focus: The Global Nature of Today’s Marketplace  
   - The Fashion Marketing Environment  
   - The Microenvironment  
   - The Company  
   - Suppliers and Intermediaries  
   - Customers  
   - Competitors  
   - Marketer’s Insight: Max Azria—Global Fashion Marketer  
   - Publics  
   - The Macroenvironment
Chapter 3: Understanding Fashion
consumer and Business Buyer Behavior 65
What Do I Need to Know about Fashion Consumer and Business Buyer Behavior? 65
Fashion Marketing in Focus: Why Customers Buy 66
What Is Consumer Behavior and What Do Marketers Do about It? 67

Focusing the Marketing Mix on the Customer 68
How Much Does the Customer Care? 68
The Buyer’s Level of Involvement 72
Implications for Fashion Marketers 74
The Buyer’s Decision-Making Process 75
Marketer’s Insight: What Do Purchases Say about Us—and Who Cares? 77

The Buying Situation 78
Cultural Influences 78
Subcultures 79
Social Class 81
Social Influences 83
Family 83
Friends and Reference Groups 84
Personal Influences 85
Perception 85
Learning 85
Motivation 86
Attitude 86
Personality and Self-Concept 87
Business Fashion Buyer Behavior 88
Kinds of Business Markets 88
Marketer’s Insight: What Do Foreign Consumers Like to Buy When Visiting the United States? 89
The Nature of Business Buying 90
Buying Methods 91
Types of Buying 91
Ethics and Social Responsibility 92
### PART II: BUILDING A FASHION MARKETING STRATEGY

**Chapter 4: Creating a Company Marketing Strategy**

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
</tr>
</tbody>
</table>

- What Do I Need to Know about Creating a Company Marketing Strategy?  
  - Fashion Marketing in Focus: Knowing Your Customer  
- Planning for Success  
  - Types of Marketing Plans  
  - The Planning Process  
  - Specifying the Company’s Mission  
  - Marketer’s Insight: LG Markets with Lifestyle Approach  
- Marketing Analyses  
  - Types of Analysis  
- Developing a Marketing Strategy  
  - Marketer’s Insight: Technology Takes Analysis to Whole New Levels  
  - What a Marketing Strategy Accomplishes  
  - Types of Strategies  
- Strategy for Growth  
  - Segmenting and Targeting Markets

**Chapter 5: Obtaining and Using Fashion Marketing Information**

<table>
<thead>
<tr>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>131</td>
</tr>
</tbody>
</table>

- What Do I Need to Know about Fashion Marketing Information?  
  - Fashion Marketing in Focus: Where Does Fashion Come From?  
- Fashion Marketers’ Need for Information  
  - Where Marketers Obtain Information  
  - Marketer’s Insight: Web Coupons: ‘We Know Who You Are’  
  - Marketer’s Insight: Trend Forecasting at Your Fingertips  
- The Marketing Research Process  
  - Defining Research Objectives  
  - Creating a Research Plan  
  - Choosing the Research Approach  
  - Marketer’s Insight: The Limited Gains Insight from Traffic-Counting System  
- Applying Research Results to the Marketing Plan  
  - Analyzing Research Data
Chapter 6: Creating the Right Relationships with Fashion Customers

What Do I Need to Know about Creating the Right Relationships with Fashion Customers?

Fashion Marketing in Focus: Selecting the Right Customers

Why Selecting Customers Is Vital

What Is Market Segmentation?

Creating Market Segmentation Categories

Marketer’s Insight: Customer Diversity

Consumer Markets

Business Markets

Global Markets

Targeting Market Segments

Essential Segmentation Factors

Segmentation Profile

Identifying a Targeting Strategy

Concentrated

Customized

Differentiated

Undifferentiated

Positioning the Product

Arranging Information

Completing the Positioning Process

Marketer’s Insight: How to Create a Perceptual Map

Managing Relationships

Marketer’s Insight: Martha Stewart Repositions Her Brand

Customer Relationship Management (CRM)

Customer Experience Management (CEM)

Marketer’s Insight: Never Underestimate the Value of a Good CRM System

Measurement Tools

Partner Relationship Management

Ethics and Globalization in Customer Relationships

Social Responsibility

Globalizing Ideas

Summary

Case Study 6.1: Stefani B

Key Terms

Review Questions

Discussion Activities and Projects

Developing Your Marketing Plan

References

Part III: Focusing Marketing Mix Elements on the Fashion Consumer

Chapter 7: Branding Strategies for Fashion Goods and Services

What Do I Need to Know about Branding for Fashion Goods and Services?
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Terms</td>
<td>230</td>
</tr>
<tr>
<td>Review Questions</td>
<td>230</td>
</tr>
<tr>
<td>Discussion Activities and Projects</td>
<td>230</td>
</tr>
<tr>
<td>Developing Your Marketing Plan</td>
<td>231</td>
</tr>
<tr>
<td>References</td>
<td>231</td>
</tr>
<tr>
<td><strong>Chapter 8: Developing New Fashion Products</strong></td>
<td></td>
</tr>
<tr>
<td>and Monitoring Their Life Cycles?</td>
<td>233</td>
</tr>
<tr>
<td>What Do I Need to Know about Developing New Fashion Products</td>
<td></td>
</tr>
<tr>
<td>and Monitoring Their Life Cycles?</td>
<td>233</td>
</tr>
<tr>
<td>Fashion Marketing in Focus:</td>
<td></td>
</tr>
<tr>
<td>Fashion Products</td>
<td>234</td>
</tr>
<tr>
<td>What the Customer Gets</td>
<td>236</td>
</tr>
<tr>
<td>Marketer’s Insight: Product Essence and an Engagement Ring</td>
<td>236</td>
</tr>
<tr>
<td>Product Essence</td>
<td>236</td>
</tr>
<tr>
<td>Real Product</td>
<td>237</td>
</tr>
<tr>
<td>Expanded Benefits</td>
<td>238</td>
</tr>
<tr>
<td><strong>Product Fundamentals</strong></td>
<td>239</td>
</tr>
<tr>
<td>Types of Products</td>
<td>239</td>
</tr>
<tr>
<td>Usage Time</td>
<td>240</td>
</tr>
<tr>
<td>Marketer’s Insight: Personal vs. Business Pricing</td>
<td>240</td>
</tr>
<tr>
<td>Product Categories</td>
<td>241</td>
</tr>
<tr>
<td><strong>New Product Ideas</strong></td>
<td>242</td>
</tr>
<tr>
<td>New Product Variations</td>
<td>242</td>
</tr>
<tr>
<td>Marketer’s Insight: New Products</td>
<td></td>
</tr>
<tr>
<td>Aim for Market Appeal</td>
<td>243</td>
</tr>
<tr>
<td>Segmenting Fashion Products</td>
<td>244</td>
</tr>
<tr>
<td>Influences</td>
<td>244</td>
</tr>
<tr>
<td>New Product Development</td>
<td>245</td>
</tr>
<tr>
<td>Marketer’s Insight: “Couture Frenzy”</td>
<td>246</td>
</tr>
<tr>
<td><strong>Major Stages of Product Development</strong></td>
<td>248</td>
</tr>
<tr>
<td>Product Life Cycle</td>
<td>251</td>
</tr>
<tr>
<td>Rate of Adoption</td>
<td>253</td>
</tr>
</tbody>
</table>
# Chapter 9: Pricing: Identifying and Promoting Customer Value

## What Do I Need to Know about Pricing to Identify and Promote Customer Value?

### Fashion Marketing in Focus:
- Getting What You Pay For

## What Is Price and Why Is It Important to Fashion?

### What Is Price?

### Why Price Is Important to Fashion Markets

### Marketer’s Insight: Comparison of Price Levels for Women’s Apparel

## Compete on Price or Some Other Way?

### Pricing Objectives

- Profit-Oriented Pricing Objectives
- Sales-Oriented Pricing Objectives
- Status Quo Pricing

## How Demand and Supply Determine Price

### What Is Demand?

### Supply and Its Effect on Fashion Pricing

### Cost-Based Pricing

<table>
<thead>
<tr>
<th>Pricing Decisions</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand-Based Pricing Decisions</td>
<td>290</td>
</tr>
<tr>
<td>Marketer’s Insight: Price at the High Fashion Level</td>
<td>293</td>
</tr>
<tr>
<td>Cost-Based Pricing Decisions</td>
<td>295</td>
</tr>
<tr>
<td>Marketer’s Insight: Steps in the Pricing Process</td>
<td>296</td>
</tr>
<tr>
<td>Steps in Setting Prices</td>
<td>296</td>
</tr>
</tbody>
</table>

## Law, Ethics, and Social Responsibility in Pricing

## Global Pricing

## Summary

### Case Study 9.1: Forever 21—Really Fast Fashion

## Key Terms

## Review Questions

## Discussion Activities and Projects

## Developing Your Marketing Plan

## References

---

# Chapter 10: Fashion Marketing Channels and Supply Chain Management

## What Do I Need to Know about Fashion Marketing Channels and Supply Chain Management?

### Fashion Marketing in Focus:
- Sean John Rethinks Its Marketing Channels

## Summary

### Case Study 9.1: Forever 21—Really Fast Fashion

## Key Terms

## Review Questions

## Discussion Activities and Projects

## Developing Your Marketing Plan

## References
The vibrant field of fashion marketing contributes frequently and heavily to society’s swiftly changing moods. Marketers of fashion navigate customer whims and continually develop new offerings as they strive to persuade customers to take part in their latest innovations. In accomplishing its objective, fashion marketing provides a range of opportunities and challenges for dedicated students. Careers in product design and development, research and trend forecasting, retail buying and merchandising, sales, advertising, and promotion, among other areas of expertise, all make up the field of fashion marketing—a field replete with many creative and rewarding occupations.

The fashion marketing process, while following traditional marketing in theory, has many unique applications. Up until now, no textbook firmly anchored in marketing theory and practice has existed to specifically cover the fashion universe. Marketing Fashion: A Global Perspective accurately and engagingly presents theories and best practices current among fashion marketing businesses today.

**Organization of the Text**

The premise of this book is based on a definition of fashion goods that includes all currently popular designed products from apparel to automobiles and from cosmetics to kitchen equipment. Further unifying elements include a focus on how marketers find their customers and determine their fashion needs, and how they then center their strategies on reaching their twin goals of maintaining consumer satisfaction and corporate profitability. The overarching themes of globalization and ethics as they apply to all aspects of fashion marketing are discussed in every chapter.

*Marketing Fashion: A Global Perspective* is organized in four parts to guide the reader in a logical way through the processes and practices of marketing.

**PART I: DEFINING FASHION MARKETING AND HOW IT WORKS**

The first chapter opens with an overview of marketing and fashion marketing, explains the marketer’s long-term goals and the basic elements of the marketing process, and outlines the direction fashion marketing is moving in the global economy. Chapter 2 examines the various internal and external elements that impact fashion marketers today, and describes how those entities and forces influence the way fashion businesses operate in the global marketplace. The third chapter explores the topic of consumer behavior from the fashion marketer’s point of view. It explains how a customer’s level of involvement with a product or buying situation influences the purchase process, and looks at the internal and external influences that have an effect on both consumer and business buyer behavior.
PART II: BUILDING A FASHION MARKETING STRATEGY

The fourth chapter describes the purpose of the marketing planning process and the mission statement. It then explains how to formulate a competitive analysis, develop a marketing strategy and a marketing mix, and measure the results. Chapter 5 explores fashion organizations’ need for marketing information in order to create their strategies. This chapter details the available research sources, the marketing research process, and the uses of research findings. Creating the right relationship with fashion customers is the topic of Chapter 6, which describes market segmentation, targeting, and positioning, and the resulting application of the marketing mix.

PART III: FOCUSING MARKETING MIX ELEMENTS ON THE FASHION CONSUMER

Chapter 7 describes the importance of branding and building brand loyalty with consumers. It differentiates among various types of brands including designer, private label, and generic, and discusses how fashion marketers make decisions about product lines and mixes and branding strategies. Fashion marketers continually need to develop new goods and services, and the product development process is the topic of Chapter 8. The many factors that fashion marketers must consider in establishing prices for their products is the subject of Chapter 9. This chapter looks at aspects of pricing including the customer’s estimate of the product’s value, production and marketing costs, and various pricing strategy options. Chapter 10 covers marketing channel activities and supply chain management practices in marketing fashion goods. Channel organization, distribution intensity, and international marketing strategies are all explored. Fashion wholesaling and retailing are the topics of Chapter 11. Included is description of the marketing practices of fashion wholesalers, organizational characteristics of global fashion retailers, and activities of Internet fashion businesses.

PART IV: COMMUNICATING FASHION’S VALUE THROUGH PROMOTION

Fashion promotion objectives, making customers aware and persuading them to buy, are the topics of Part IV. The promotion mix is defined in Chapter 12, with an overview of how the five major promotional elements work separately and together in an integrated marketing communications strategy to convey a marketing message to target customers. Chapter 13 delves more deeply into the promotional elements of direct marketing and personal selling, describing their use and effectiveness in marketing fashion products. How fashion marketers create awareness and stimulate customer demand through advertising, sales promotion, and public relations is the subject of the final chapter, which details the goals and activities involved in developing advertising campaigns, sales promotions, and public relations plans.

KEEPING AN EYE ON GLOBALIZATION AND ETHICS

Increasingly today, consumers demand fashions from throughout the world, while fashion businesses seek out products and expanded customer markets across the globe. The importance and application of global marketing, therefore, is woven
into each chapter throughout the text. In addition, because consumers prefer to patronize businesses they recognize as ethical and socially responsible, examples of the way fashion marketers demonstrate social responsibility and ethical business practices are also an integral part of every chapter.

**LEARNING RESOURCES AND ACTIVITIES**

*Marketing Fashion: A Global Perspective* contains a wealth of color illustrations, case studies, and other current examples of fashion marketing practices that create for students a vivid portrayal of fashion marketing theories, concepts, and real-life applications. The text contains a number of engaging special features designed to actively involve students in the learning process. Many of these features may be used for class discussion, research, and individual and group projects. They include:

- **Opening Statement.** Each chapter begins with a brief statement regarding its contents. It is suitable for quick reading as an overview and also as a class topic for preliminary discussion.
- **What Do I Need to Know about ...?** A list at the start of each chapter presents the major concepts that students will find covered therein, laying a roadmap for their study and an easy reference to ensure they have met the objectives upon completing the chapter.
- **Fashion Marketing in Focus.** Each chapter begins with a fashion marketing observation or scenario that pertains to the chapter’s content and leads into its introductory topics. As a basis for opening class discussion, students may be asked to introduce similar examples they’ve encountered from their own experiences.
- **Marketer’s Insight.** Boxed sidebar features in each chapter bring the chapter’s content to life and offer further enrichment, often through real-world examples that help illustrate key concepts. Some may be a basis for additional research and individual and group reports to the class.
- **What’s Your Point of View?** Select boxed features include questions that ask readers to consider the sidebar content as it applies to their own experience.
- **What Do You Think?** Questions for classroom discussion or individual consideration are scattered throughout each chapter to offer readers the opportunity to pause and reflect on key concepts fresh in their minds.
- **Summary and Review.** Each chapter contains a brief summary of the chapter contents, giving students an opportunity to synthesize and internalize what they have studied and reflect back on the questions posed at the chapter’s introduction. A list of the chapter’s Key Terms provides an opportunity for increasing fashion marketing vocabulary. Review Questions reflect the chapter objectives, while Discussion Activities and Projects encourage students to explore the chapter’s topics more broadly, offering opportunity for hands-on projects or further research related to what they have just learned.
- **Fashion Marketing Case Study.** Each chapter contains a fashion marketing case study related to the content of the chapter. Students may respond to the questions posed about the case and do further research as the instructor deems suitable.
- **References.** The references cited apply directly to the chapter content and may serve as sources
for additional student research on particular related topics.

DEVELOPING YOUR MARKETING PLAN
Each chapter contains instructions for a course-long project in which students develop their own marketing plan for a business they have selected, using what they have learned in the chapter to build each segment of their overall plan. Included as an appendix is an example of a marketing plan, which the students will be encouraged to use as a reference but not as a model, since it is emphasized throughout the book that every marketing plan must be created to target its own set of goals.

INSTRUCTOR’S GUIDE AND POWERPOINT
The instructor’s manual contains an assortment of useful resources. These include general teaching suggestions as well as suggestions specific to each chapter. Outlines for each of the chapters are provided, as are answers to the Review Questions, Discussion Activities and Projects, and tips on how to help students develop their Marketing Plans. A test bank and answers are also provided, along with additional activities and resources. In addition, PowerPoint lectures have been developed for each chapter.
Acknowledgments

The authors wish to express deep appreciation to our many colleagues in academia and business whose interest and enthusiasm helped move this text toward its goal. In particular, we thank Fairchild’s Executive Editor, Olga Kontzias, who imagined this text and propelled it along to production, plus the entire group who helped convert our manuscript to final text, including Executive Director and General Manager Michael Schluter, Development Editor Rob Phelps, Production Director Ginger Hillman, Production Editor Jessica Katz, Assistant Art Director Sarah Silberg, Graphic Designer Vanessa Han, and Ancillaries Editor Amy Butler.

Our special appreciation goes to Dr. Stewart Husted, who, as expert reviewer, guided us through some of the subtleties of marketing with patience and enthusiasm. His focus and attention to detail significantly enrich the outcome. We also express appreciation to Fairchild’s peer reviewers: Emily Davis, Woodbury University; Beth Hinckley, FIDM; and Kate Schaefer, Columbia College Chicago.

Among the business and academic communities, we are grateful to Wilma Kozar for her original suggestion for the text, and to Sandra Henderson-Williams for her contributions to the development of its early outline and chapters. We also appreciate the interest and contributions of the following: Dr. Alexxis Avalon, Dr. Karen Janko, Judy Aronson, Lee Collingwood, Philip R. Nielsen, Margot A. Wallace, Inese Apale, and Nicholas Braggo.
Part I

DEFINING FASHION MARKETING AND HOW IT WORKS
**BEFORE YOU CAN** understand the process and practices of marketing fashion, you need to understand the fashion marketer’s long-term goals, the basic elements of the fashion marketing process, and the direction fashion marketing is moving in the global economy. This includes the various internal and external elements that impact fashion marketers today, and involves how those entities and forces influence the way fashion businesses operate in the global marketplace. Fashion marketers must be alert to the many ways potential customers may behave in the marketplace. They must also develop a keen sense of the level of involvement the customer has with a product or buying situation that influences the purchase process; then they can begin to explore the internal and external influences that have an effect on both consumer and business buyer behavior.
Developing and Maintaining Profitable Customer Relationships

This chapter offers an overview of marketing and fashion marketing, explains marketers’ long-term goals and the basic elements of the marketing process, and outlines the directions fashion marketing is moving in our global economy.

WHAT DO I NEED TO KNOW ABOUT DEVELOPING AND MAINTAINING PROFITABLE CUSTOMER RELATIONSHIPS?

- How to define marketing and fashion marketing
- What the long-term goal of marketing is, and some of the ways fashion marketers build customer loyalty
- What the basic fashion marketing process encompasses
- The components of the marketing mix and their function
- Major trends that impact fashion marketing in the twenty-first century
- The importance of ethics and social responsibility in fashion marketing
FASHION MARKETING IN FOCUS:
A World of Fashion and Marketing

Whoever you are and wherever you live, if you are like the vast majority of people inhabiting our planet, there are two things that have an influence on you virtually every single day—fashion and marketing.

Fashion surrounds you constantly in the things you see, use, wear, watch, and do. There is fashion not only in the clothes you put on this morning, but in everything from the sheets on your bed, to the iPhone you may be carrying, to the new film all your friends are buzzing about or the trendy café where you like to meet after class to relax over the latest flavor of cappuccino.

Marketing is equally pervasive. It’s what catches your eye as you walk past a department store window. It pops up on the screen when you surf to a favorite Web site. It’s an integral part of why your best friend just bought those stylish boots and how your parents decided on the particular flat-panel TV they mounted on the family room wall. It’s what persuades you to go shopping when you receive a 15 percent discount offer in the mail or by e-mail, and what gets you to purchase the same well-fitting brand of jeans over and over again … or maybe tempts you to try on a new brand that promises to fit even better and whose maker donates a portion of profits to fight world hunger.

There is no question that both fashion and marketing influence many facets of our daily life, even when we’re not directly aware of that influence. Fashion adds newness and freshness to the clothes we wear, the products we use, the cars we drive, and the activities we enjoy. Marketing not only informs us about the existence of those fresh new offerings, but it is also a driving force behind how new products are conceived and designed, how they are presented and sold to us, and at what point they make way for even newer versions.

Put the concepts of fashion and marketing together, and you’ve got one of the most dynamic, exciting segments of business—and the subject we will explore in depth in this text. Let’s begin with some definitions.
What Are Marketing and Fashion Marketing?

The term “marketing” brings to mind different things to different people. Some may think of marketing as a dirty word: businesses foisting things off on people who don’t really want or need them. Others think of marketing as simply television commercials and ads in magazines or on websites—which is indeed an aspect of marketing, but hardly the whole picture.

In reality, marketing is a complex system that, when well planned and effectively executed, makes customers the central focus and builds long-term relationships that are rewarding both to customers and to the marketer. Like fashion, marketing is constantly evolving... as customers change their minds about what they want, as technology advances, as global markets emerge, and as concepts of ethics and social responsibility mature. Each of these conditions contributes challenges and compensations to the vibrant field of fashion marketing today.

MARKETING DEFINED

According to the American Marketing Association (AMA), an international association of professionals and organizations involved in the practice, teaching, and development of marketing, "Marketing is an organizational function and a set of processes for
creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.” Another way of stating it is that marketing is “the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.”

Let’s look more closely at elements within those definitions. Both mention value. The value that marketers provide to customers is derived from the product they are offering, whether it’s something to fill a need (like food or shelter) or something to satisfy a want (like a videogame or a motorcycle). In the AMA’s definition, there are three specific components relating to that value: creating, communicating, and delivering. Creating a product involves inventiveness and design skills, but marketing is what directs the creative process to ensure that the product has value for customers. Once a product is developed, it requires a coordinated plan of advertising and other forms of marketing communication to get the word out to customers about its features and benefits so they will understand its value. Determining the best retail stores or other channels for delivering the product into customers’ hands is also an important function of marketing because it helps to reinforce the marketer’s value message.

The other key concept in both definitions cited above is that of building and managing customer relationships so that both customer and marketer benefit. This final component involves an exchange—or in marketing terms, any activity, such as buying and selling, in which one party receives something by voluntarily giving something in return. The exchange activities in marketing are what provide value back to the marketer, allowing the company to earn profits, and sometimes foster goodwill, as well.

To illustrate how those aspects might manifest themselves within a total marketing plan, consider the Tommy Hilfiger brand.

► Creating. For nearly three decades, Tommy Hilfiger has designed high-quality fashions that have been proven to appeal to customers the designer wants to reach.

► Delivering. In 2008, the Hilfiger company made a strategic decision to partner with Macy’s as the exclusive U.S. department store to sell its men’s and women’s sportswear lines.

► Communicating. The retailer and designer began working together to promote the availability of the sportswear at Macy’s to consumers, not only through advertising and other communications.
but also via special events, such as an appearance by Hilfiger himself at Macy’s Union Square store in San Francisco to celebrate his company’s twenty-fifth year in business.

Exchanging. As part of the event, customers who purchased $75 worth of Hilfiger apparel received priority seating at a free concert by alternative rock band Third Eye Blind, held in Union Square the same day as Hilfiger’s appearance—providing value to customers (desired apparel plus better concert seats) and value back to Hilfiger (profits from the apparel sale plus goodwill from attendees at the free concert).

Later chapters will discuss in more detail how activities and processes such as these are developed and incorporated into a company’s comprehensive marketing plan. But whatever specific plan a marketer establishes, the marketing process generally begins with the company looking at itself from the consumer’s point of view and determining its capabilities to supply something the customer needs or wants. It then creates, prices, delivers, and promotes a product that it believes customers will deem valuable to their lifestyle. If the item is well conceived and timely, and more important, if customers buy it, then the process is successful—and ideally, satisfied customers will reward the marketer with loyalty and future purchases. In short, the ultimate goal of marketing is to bring continuing satisfaction to the customer and ongoing profits to the marketer. Or, as Tom Asacker puts it in A Clear Eye for Branding, the purpose of marketing is “to create and maintain a strong feeling with customers so they are mentally predisposed to continually choose and recommend you.”

FASHION MARKETING DEFINED

Adding a focus on fashion does not change the basic marketing concept, but it may introduce new elements in how a marketing plan is executed, since fashion goods require a somewhat different marketing approach from that of many non-fashion products and services. First, let’s define what is meant by fashion: A fashion is any designed product that is currently popular, that is of the moment and subject to change, and that people consider desirable and appropriate at a given time.

Clearly, our definition of fashion encompasses apparel and accessories, including footwear, jewelry, cosmetics, and fragrances, which tend to be the first categories most people think of when they think “fashion.” But the concept of fashion extends much further than that. Fashion plays an important role in home furnishings, including textiles (microplush throws, animal print bolster pillows), furniture (clean-lined minimalist tables, Mission-style futons), and appliances (electric cooktops, gourmet coffeemakers). There is also fashion in toys, in cars, in consumer electronics, and in architecture. Fashion even exists in films, music, television programs, food, vacation hot spots—anything that is in favor at a given time. We will use that broad definition of fashion throughout the text, with a primary focus on designed goods, which we’ll describe further in a moment.

Fashion marketing, then, can be defined as the application of marketing processes and activities to currently popular designed products. It encompasses everything that goes into the creation and development of a fashion product, through its presentation and promotion to customers, through
FIGURE 1.3 Fashion can be found not only in clothing and accessories but in home furnishings, automobiles, consumer electronics, architecture, food, films, and other currently popular designed products.
its purchase and support after the sale. Fashion marketing employs the same general concepts, activities, and processes as the marketing of other products, but it has its own challenges and opportunities that arise from the continually changing nature of fashion. Think of it this way: How often are you inspired to buy a new brand of corn flakes or laundry detergent? But in the past six months, how many new items of apparel did you buy? Did you upgrade your MP3 player because you liked the color offered in a newer model? Fashion marketers, more than marketers of basic or commodity-type items, must work to address that consumer desire for newness, stay ahead of fast-moving trends, and apply creative marketing to capture the attention and interest of often fickle but also savvy customers.

**Putting the Fashion Marketing Process into Action**

The process works like this: Say that a fashion marketer learns that more people are taking up skiing, so it decides it would like to offer a collection of practical yet fashionable skiwear. First, the company determines exactly who its customers will be and what kinds of garments they would prefer and find useful. For example, what features and styling do customers want in a ski jacket? Using market research, the company determines the number of potential customers for its ski apparel, where/how they prefer to shop, and what types of ski jackets are already being sold by other companies; then, also through research, it learns about the details customers might want in a ski jacket and the price they’re willing to pay. Armed with this information, the company designs a ski jacket in a fresh style, color, and fabric it believes customers will like. It oversees production of the jacket, determines where it will be sold, and communicates information about the new garment through a variety of media it thinks will reach the right customers. As a result of these activities, skiing enthusiasts become aware of the jacket through a Web site or an ad in a ski magazine, learn where they can purchase the jacket and how much it costs, try it on in the store or order it online to try at home, and decide to buy. After wearing it on their next ski trip, some of those customers are so pleased with the style, fit, comfort, and other features of the jacket that they return to the marketer to find out what additional products are offered that they might want to buy.

In this scenario, the marketer has approached potential customers with an integrated marketing plan. It identified what customers want that the company can best provide. It reached out to selected customers with information about its product and made the product readily available at an acceptable price. Customers responded with a purchase, were satisfied with the product, and rewarded the marketer with repeat business. These are fundamental marketing elements in action, where the customer’s point of view is a marketer’s primary consideration and both parties benefit from the exchange. Figure 1.4 illustrates the basic steps in the marketing process.

**Fashion Marketers’ Long-term Goal: Customer Loyalty**

As stated, the ultimate goal of fashion marketers is to gain and keep customers over time. Long-term customer loyalty is important because returning
customers tend to generate more profits for a company—so much so that in describing customer loyalty, marketers often refer to the 80/20 rule: A company obtains 80 percent of its business from 20 percent of its customers.

In order to identify the customers most likely to become loyal purchasers, marketers learn all they can about the needs and wants of customers they hope to attract. A need is something a person cannot do without, whereas a want is something a person craves or desires, influenced by his or her personality, culture, and society. For example, you need food, but you want a Taco Bell burrito. For the most part, marketers of fashion address consumers’ wants more than their needs. In addition, to achieve the long-term goal of customer loyalty, marketers must appeal to their customers by creating products that offer the right value, as well as by nurturing relationships with customers to keep them coming back for more.

**IDENTIFYING CUSTOMERS**

With any product, fashion marketers must know to whom they want to sell. This means identifying the
MARKETER’S INSIGHT:
MARKETING BEAUTY PRODUCTS TO CHINESE WOMEN

Understanding the needs and wants of target customers is always crucial to successful marketing, but perhaps especially so in the category of cosmetics and skin care. Even though the definition of “beauty” has become homogenized by the globalization of media, there are distinct cultural and societal differences that affect the way women in different countries view and use beauty products, especially in China.

Beauty treatments are still relatively new to Chinese women since Mao Tse-tung forbade the use of cosmetics until the 1980s. As a result, while today’s western women generally are initiated into the beauty ritual by their mothers, Chinese women are dependent on outside sources for their beauty information. So education is a valuable tool for consumers—and an opportunity for skin care and cosmetics marketers. Many companies have stepped in to fill the void and offer training programs to their consultants at department store counters, where well over half of all beauty products are purchased. The payoff of that investment in education is that Chinese women are more likely to use all the products recommended to them.

Of course, those products still must meet their needs and wants; and the Pao Principle, a New York-based global business consulting firm, conducted a study of more than 1,000 Chinese women ages 20 to 29 to help marketers better understand these customers. Among the findings were that Chinese women—unlike many American women—understand that using effective products early in life can positively impact their skin. However, while skin care use starts at an early age, color and fragrance usage normally is delayed until after a Chinese woman finishes high school. In addition, when they find something that works, Chinese women are generally loyal to that product.

Unlike western women, who like to experiment with small, indie brands, the Chinese beauty consumer prefers to use big, well-known global brands. Shiseido was the most-used skin care brand cited by the panelists, who believe that Japanese technology is the most cutting-edge, and also that, because Japanese skin is close to theirs, Shiseido has the best understanding of their skin care needs. For color cosmetics, however, Maybelline was the favored brand—an unsurprising finding since L’Oréal Group (the parent company of Maybelline) has aggressively focused resources on all elements of the marketing mix in China, including sharp pricing, creative promotions, and heavy ad campaigns featuring global and local celebrities and models.

market, or the group of actual and potential customers who have both an interest in and the ability to buy the company’s product. The market for athletic shoes, for instance, is all of the people who buy or might buy athletic shoes.

The market for any given product or for any particular marketer is never the entire universe of consumers. A customer who buys athletic shoes as everyday footwear will not be as likely to buy a pair of high-tech, feature-laden running shoes—and a serious runner might not take a second look at basic sneakers designed more for fashion than for function. So marketers go further and undertake market segmentation, defining smaller, more homogeneous customer groups based on similar customer characteristics. A single market segment, then, is a group of consumers displaying like needs, wants, values, and buying habits. Different market segments within the athletic shoe market might be kids, basketball players, joggers, or casual wearers. (See Chapter 6 for more detail on choosing and segmenting markets.)

When they select one or more segments on which to concentrate, marketers are identifying their target market, the group of customers deemed most likely to purchase a given product and on whom the company’s marketing efforts will be focused. Depending on their offerings, fashion companies often have different target markets for different portions of their product lines. Donna Karan, for instance, targets a different group of consumers for her sophisticated Donna Karan New York collection than for her hipper DKNY fashions.

CREATING FASHION PRODUCTS

Knowing the consumers they are trying to reach is the critical first step for fashion marketers in order to create the right offerings for their target customers. That understanding of who their customers are and what they want, coupled with the mission and capabilities of the company, forms the foundation for development of the company’s products.

In marketing terms, any offering that marketers create and present to target markets is called a product. Products include goods, tangible items such as coats and hats, iPods, or a Louis XV ormolu mirror. Products also include services, helpful or professional activities provided to another, such as hair styling, wardrobe consulting, a concert, or an airplane ride. Some products are a combination of goods and services, such as a meal in a restaurant, a manicure, automobile detailing, or the work of a personal shopper. Products can also be ideas, such as views on social issues like climate change and sustainability, or the views of a political candidate.

WHAT DO YOU THINK?

What goods are fashionable today among college students? What combinations of goods and services are in fashion? Which fashion services seem to be popular?

Miniskirts, Flat-Panel TVs, and Social Media

Like other marketers, fashion marketers develop their products influenced by knowledge of the wants of their target market—but the nature of
fashion adds a twist: A new fashion product can actually influence customers’ wants. The inherent creativity and innovation that bring about changes in fashion mean that marketers often anticipate what their customers want even before those customers know it themselves. So in creating products, fashion marketers must not only be on top of the latest trends, but sometimes a step or two ahead of them. Back in the 1960s, for example, British designer Mary Quant was making a dramatic break from the styles of the day when she introduced her famous miniskirts. But young women worldwide quickly validated her vision and marketing savvy by snapping up the ultra-short skirts.

Similarly, up until recent years, most consumers were satisfied with their traditional televisions; but once they experienced the high-definition picture quality and slim styling of the newer flat-panel sets, most were eager to own the fashionable new technology. In turn, as flat-panel televisions grew in popularity, furniture companies began phasing out heavy wall units and armoires designed for the bulkier tube models and introduced new styles of stands and mounts that complement the sleekness of the thin TVs. Going further, furniture companies targeting the more affluent end of the market added desirable but more costly features such as motorized lifts that raise or lower the panel at the touch of a button, discreetly hiding the television in a stylish cabinet when not in use. These marketers understood that the higher-end market segment did not necessarily want the television to be a focus of their décor, so they created a product designed with those customers’ desires in mind.

**Figure 1.5** Fashion marketers’ products can include goods, services, or a combination of the two. Boots are goods. A professional wardrobe consultation that leads a customer to buy the boots is a service. If the customer gets the boots resoled, the shoe repair shop is offering a combination of goods (new soles) and service (putting the soles on the boots).
At the same time, some fashion marketers are taking advantage of the two-way communication made possible by the Internet via blogs, social communities, and other sites, and are using direct customer feedback to help shape their products. At Threadless.com, for instance, the entire premise is to have users submit original T-shirt designs and other users vote on their favorites, with the most popular designs getting made and sold on the site. Other fashion marketers may not take consumer input to quite that level. But virtually all are using or exploring the use of social media as a way to gain deeper insight into how customers feel about their products, in order to continue to create products that meet customer needs and wants.

**BUILDING CUSTOMER RELATIONSHIPS**

Attracting customers and keeping them are two different matters. With so many businesses competing for consumers’ attention and dollars, marketers can never rest on their laurels, assuming that success today will automatically translate to success tomorrow. Especially in today’s world, where information about people and products travels around the globe in an instant, it takes continuous effort—and a willingness to adapt quickly to new trends and new customer demands—for fashion marketers to sustain strong relationships with their customers. For that reason, an increasingly important aspect of marketing is **customer relationship management (CRM)**, the overall process of building and maintaining profitable customer relationships through providing superior customer value and

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**FIGURE 1.6** Fashion products are influenced by marketers’ knowledge—and sometimes anticipation—of target customers’ needs and wants. Sony met customer needs by taking an existing product (cassette player) and transforming it into the stylish, easily portable Walkman; then later updated it as consumers trended to CDs. MP3 players were a completely new concept to most consumers when first introduced, but Apple knew its customers would be eager to transport all their music in one device when it launched the iPod.
satisfaction.5 (See Chapter 6 for more discussion of this topic.)

Managing customer relationships and building customer loyalty is a multifaceted effort. As discussed above, it is based in part on understanding target customers’ wants and needs and creating products that meet or exceed customers’ expectations—in other words, delivering a product with a high perceived value, a customer’s internal calculation as to whether or not a product is worth its cost (both in money and in effort to obtain it). In deciding on a purchase—whether it’s a Starbucks Frappuccino, a silk shirt, or a BMW sedan—consumers weigh the actual cost of the product against the benefits they believe they will gain from it. If the product’s benefits equal or exceed its cost in a consumer’s mind, the perceived value makes the purchase worth the money and effort.

Wherever they fall in the price range, fashion marketers’ aim is to communicate to customers how their products’ benefits exceed their cost—in other words, to enhance the perceived value of their offerings for their target customers. When Walmart, for example, touts its “always low prices,” cost-conscious customers perceive value in the fact that they’re paying less than they would elsewhere for the same or similar goods. At the other end of the spectrum, when Hermès has its artisans layer each color on separate screens and then hand-roll the hem of its designer silk scarves, it hopes that customers will perceive that the quality and uniqueness of the scarves offer value to match or exceed the lofty price tag. Or when the now-defunct Filene’s Basement held its renowned periodic bridal gown sales, customers would line up long before the doors opened and were willing
MARKETER’S INSIGHT:
ZAPPOS MAKES CUSTOMER SERVICE AN OBSESSION

When Zappos first began selling shoes on the Internet, consumers were skeptical about buying footwear that they couldn’t first try on. So how did the company overcome that hesitation? It made customer service a cornerstone of its marketing strategy—a strategy that remains solidly in place even after Zappos’ sale to Amazon.com. And its customer-centric approach runs the gamut from everyday free shipping and free returns to first try on замок. It also involves directing consumers to competitors if the company doesn’t have a style or size available.

Zappos pays close attention to all details of customer service. Its customer service center is staffed 24/7 with 500 employees answering 5,000 calls a day. The service reps do not rely on scripts, but rather engage in regular conversations with customers, and are given latitude to go the extra mile to address customer needs. For example, when the payment deadline for shoes a customer had ordered came and went, a Zappos rep e-mailed the woman to remind her the money was due. The woman told the rep the reason: She had meant to send back the shoes, which were for her ailing mother, but in the meantime, her mother had died. The company rep arranged to have UPS pick up the shoes; then actually sent the woman a flower arrangement and condolence card. A blog the customer wrote about the event, “I Heart Zappos,” bounced around the Web, with other customers contributing their own good experiences with the company.

That culture and philosophy starts at the top with Zappos’ CEO, Tony Hsieh, who once announced a surprise happy hour on Twitter and bought drinks for the 200 people who showed up with “Zappos” written on their hands. To make sure the customer obsession permeates the entire organization, Hsieh requires each new hire—everyone from the chief financial officer to the children’s footwear buyer—to go through four weeks of customer loyalty training. Customer service reps are trained to look at least three rival Web sites if a shopper asks for specific shoes that Zappos doesn’t have in stock.

“My guess is that other companies don’t do that,” Hsieh states. “For us, we’re willing to lose that sale, that transaction in the short term. We’re focused on building the lifelong loyalty and relationship with the customer.” Does his philosophy work? No question about it: Some 75 percent of Zappos’ sales come from repeat customers.

to scramble for the merchandise because the perceived value of a designer gown at a discounted price made the search well worth the effort.

**WHAT DO YOU THINK?**

What has a fashion marketer done recently to attract your interest and loyalty? A fashion show? Discount coupons? Gifts-with-purchase? Did that effort win you over? Why or why not?

Enhancing a product’s perceived value is just one component of building strong customer relationships. Nurturing those relationships also involves developing trust and ensuring customer satisfaction. Both of those aspects may be influenced by what a marketer does that goes above and beyond the product itself. When cosmetics companies offer a gift-with-purchase, or when electronics marketers bundle free movies with a Blu-ray player, they are hoping that the extras will please customers and cause them to think of their company the next time. On the flip side, customer trust and satisfaction can be undermined when there is a problem with a product. If the heating element on an espresso maker stops working after a month or the seam on an expensive new jacket rips the second time it’s worn, consumers will think twice about buying the brand again—unless the marketers respond in a way that overrides customers’ negative feelings. The company offering the espresso maker might offer a replacement and also give the customer a coupon for free coffee; or the marketer of the jacket might offer an immediate exchange with a handwritten note of apology for the customer’s inconvenience. Marketers need to build trust with their customers by ensuring that their products perform as expected, and they need to ensure satisfaction by listening to consumers and offering excellent customer service if something should go wrong. These are important aspects of the overall marketing process that we’ll explore further later in the text.

### Developing a Fashion Marketing Strategy

We’ve seen some of the basic steps that fashion marketers must take on the road to their long-term goal of customer loyalty. Now let’s look at how they go about developing a marketing approach that fits their business, and the elements that go into a marketing plan.

As part of their strategy, fashion marketers need to decide in what ways they will serve their customers, how they stand out from the competition, and how they want consumers to see their unique features. The sum of all benefits that marketers offer customers is known as the company’s **value proposition**. For example, when Sean “Diddy” Combs launched his Sean John sportswear, he differentiated his apparel by designing it to “fill a void in the market for well-made, sophisticated fashion forward clothing that also reflected an urban sensibility and style.” He also stated that the company would “use all of our resources to ensure that quality in both design and production of Sean John always exceeds your expectation.” From those statements, you could glean that distinctive
styling, high quality, and dedication to customer satisfaction are all part of the value proposition of Sean John apparel. The value proposition is often proclaimed in a marketer’s slogan. Consider tag lines such as American Airlines’ “We know why you fly,” L’Oréal’s “Because you’re worth it,” or Nike’s “Just do it.” Each of these slogans underscores the companies’ value proposition and why consumers should believe their products will offer greater benefits than those of the competition.

**FIGURE 1.8** The value proposition of Sean John apparel includes its fashion-forward styling, urban sensibility, high-quality construction, and customer satisfaction.

**CHOOSING A MARKETING POINT OF VIEW**

No two organizations are the same, so every company has to approach marketing in a way that makes sense for its specific mission and capabilities, and for its goals regarding profitability and customer relationships. But there are five basic points of view, or marketing orientations, that marketers can adopt: the *production concept*, the *product concept*, the *selling concept*, the *marketing concept*, and the *societal marketing concept.* In most cases, fashion marketers will focus on the final two, but let’s look at all five and how they differ.

**The Production Concept**

One of the earliest guiding concepts used in marketing, the production concept is one in which marketers operate under the principle that customers want products that are inexpensive and readily available. This orientation focuses less on the changing wants and needs of consumers and more on creating efficiencies in production and distribution in order to keep volume high and costs low. A company making plain, solid-color baseball caps or basic toys like beach balls or jacks probably follows the production concept.

**The Product Concept**

The product concept is based on the idea that customers want high-quality products that offer performance and innovative features. Under this orientation, a marketer’s product development is based less on acting on its customers’ desires than operating from its own design capabilities. An example of a company using the product concept might be the...
DeLorean Motor Company, whose single product, the DMC-12 sports car, featured a striking stainless-steel design and gull-wing doors (you may remember it from the Back to the Future movies). Despite its innovations, the car did not generate the necessary interest and sales, causing the company to go out of business after just a few years.

The Selling Concept
The selling concept works under the theory that goods will not be purchased widely enough unless they are aggressively sold and promoted. Most frequently used with products that consumers are not actively seeking, such as extended service plans, the selling concept may be employed for some fashion goods, such as the accessories or cosmetic “as seen on TV” items that are the subject of seemingly constant commercials. Some new fashion looks may also be at least partially marketed via the selling concept if they are too different to be accepted right away, such as an unusual new combination of plaids and prints. The marketer might arrange to have celebrities wear the look, have it featured in fashion magazines, give it prominent placement on the home page of its Web site, and offer incentives to store salespeople to persuade customers of the benefits of the fashion. The emphasis of the selling concept is on pushing the new look or product to customers and not primarily listening to what it is that customers want, so its effectiveness in marketing fashion is limited.

The Marketing Concept
Probably the most widely followed marketing philosophy today, the marketing concept begins with the customer as the focus. Rather than simply trying to sell what the company has produced, companies operating by the marketing concept determine what customers want and then supply it. The rationale is that by satisfying customers, the marketer will achieve profits.

Eileen Fisher offers an example of the marketing concept in action. The designer originally offered stylish but comfortable apparel for more

**FIGURE 1.9** Marketers operating under the production concept, product concept, and selling concept do not have customer wants as their primary focus.
mature women, such as loose-fitting jackets, long skirts, and wide-leg pants. Over time (and with some strong “hints” from her teenage daughter), Fisher realized that younger women appreciated the timeless look of the apparel but wanted a greater selection of styles to match their lifestyle. As a result, the company began taking younger looks, like skinny jeans, and translating them into apparel in keeping with the company’s overall signature design—being careful not to alienate its core customers as it updated its look for new customers. Eileen Fisher was responding to the desires of a new target market while not losing sight of what the company’s loyal customers wanted. In the process, the company satisfied both its established and new customers, as proven by the fact that the company’s sales have shown solid growth since the new designs were introduced.

Companies using the marketing concept are often called customer driven, because they look at the desires of their target customers, rather than just their own capabilities, when developing and marketing their products. Fashion marketing is customer driven even when companies anticipate what customers will want before the customers know themselves, since it is based on the marketer’s knowledge and understanding of its customer base.

The Societal Marketing Concept
A marketing philosophy that is seeing increasingly wider adoption, the societal marketing concept goes beyond satisfying immediate consumer needs by questioning whether or not a product is good for the general welfare of all of society. Marketers who follow the societal marketing concept work to balance satisfying consumer wants and the company’s need for profits with the long-term well-being of society as a whole. Developers of electric cars, for example, are addressing a consumer desire for vehicles that cost less to run because they don’t need gasoline, but they are also offering a solution to improve the environment through the cars’ zero emissions. Another example is sportswear manufacturer and marketer Patagonia, whose mission includes sourcing materials and using processes that are less harmful to the earth, without compromising the quality of its products. As the company’s Web site notes, “To us, quality is not only how well a product performs and holds up, but also how it’s made.” Among the “e-fibers”—as it calls environmentally friendlier fibers—the company uses are recycled polyester, organic cotton, hemp, chlorine-free wool, and recycled nylon; and when customers no longer plan to wear a piece of apparel, many Patagonia garments can be returned to the company to be recycled into new clothing. We’ll discuss social responsibility more later in this chapter and throughout the book.

What Do You Think?
What do you think of the societal marketing concept? Which fashion businesses can you cite that are using this concept? In your opinion, what motivates them to do so? Profits? Societal welfare? Other reasons?

Creating a Marketing Mix

With their direction chosen regarding target markets, intended value proposition, and marketing point of view, companies are ready to develop a
specific marketing plan by which to carry out their strategy. They do this through the marketing mix, or the combination of marketing tools that a firm uses to offer its customers value and to pursue its own sales and profitability goals.

The marketing mix is composed of four basic elements: product, price, place, and promotion.

Product
As we’ve discussed, a fashion marketer needs to design and develop products that address the needs and wants of its target customers. Since fashion and fashion customers constantly change, products must evolve with the times to remain in demand.

For example, the Burberry trench coat was originally created by the British apparel company in the late nineteenth century and adopted by the military; but before long, Burberry realized that consumers appreciated the garment’s sturdy construction and timeless style, and adapted the trench coat for the consumer market. Over the years, the company has continued to introduce new design adaptations of its classic trench coat to reflect changing consumer tastes. In the fall of 2010, for instance, when Angela Ahrendts, Burberry’s CEO, announced plans to visit the company’s 50-some stores in China, she wore a current version of the coat. In addition, Burberry has built on the reputation and popularity of its

FIGURE 1.10 Patagonia is one of a growing number of fashion marketers that use the societal marketing concept as their philosophy.
outerwear by expanding its offerings into men’s wear, women’s wear, children’s apparel, and more, as it recognized additional opportunities to meet its customers’ product needs and wants.

**Price**
Looking at the second element of the marketing mix, clearly any product a marketer introduces has to be available at a price customers are willing to pay. So in the marketing process, companies must look at a variety of expenses—including the raw materials and labor that go into production, shipping, advertising, and so on—to know the base cost of a product before they add on a suitable margin for profit. If the resulting price is higher than they believe their customers will pay, they must reexamine all the cost components and try to revise the price to an amount that offers customers the right perceived value. The target customers for a Burberry trench coat are more than willing to pay its designer price because they value the quality construction, details, and mystique. Other
companies, targeting less affluent customers, have created their own versions of the trench coat at a lower cost, putting the price within the reach of a different market segment.

**Place**
The third element of the marketing mix refers to ensuring that products are available to customers when and where it is convenient for them to make a purchase. Fashion marketers’ knowledge of their target customers helps them determine the best places for selling their products, including the appropriateness of selling them online. For instance, Burberry sells its high-priced coats primarily in cities, which have a greater number of consumers with the taste level and means to purchase them, and sells them in its own stores or in other high-end stores, such as Saks Fifth Avenue, frequented by its target customers. Other considerations go into choosing appropriate places to sell fashion products. Winter coats are not heavily marketed in warmer climates, for example, whereas in regions that have cold winters, swimwear is sold mostly in spring and early summer.

**Promotion**
The final element involves all the ways in which marketers communicate information to consumers about their products, including advertising, personal selling, sales promotion, fashion shows, blogs, and more. Integrating and coordinating the four elements of the marketing mix becomes the basis for the implementation of a company’s marketing strategy. How each element of the marketing mix is developed and used will be covered fully in Chapters 7 to 14.

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### Fashion Marketing in the Twenty-First Century

Marketing in the twenty-first century still serves the same basic purpose that it did in the past. But its tools and implementation have changed dramatically in the past decade—and continue to change, as technology “shrinks” the world and enables unprecedented innovation, and as global issues such as climate change and fair trade move front and center in the public consciousness.

As a result, fashion marketers face greater opportunities and challenges than ever before as they work to keep pace with new trends and new markets. Three broad areas having perhaps the most impact are globalization, social media and mobile communications, and ethics and social responsibility. Later chapters will address these influences as they relate to the specific marketing topics being discussed, but let’s look briefly at each one for a basic understanding of its role and impact on fashion marketing today.

### GLOBALIZATION

Selling their products in other countries is nothing new for fashion marketers. Consumers in the United States, for example, have long had access to a range of fashion goods produced by companies around the world, including apparel and accessories (Benetton, Chanel), home furnishings (IKEA, Royal Doulton), automobiles (Volkswagen, Porsche), electronics (LG, Samsung), and more. At the same time, American companies such as Guess, Apple, Ralph Lauren, and Walmart have long sold their goods to customers outside the United States.
In recent years, however, there has been an acceleration in the number and types of products whose market has been expanded to include even larger portions of the globe. A number of factors are contributing to the increased globalization of fashion marketing, not the least of which is rising income levels in some regions and countries, giving more consumers the means to purchase a broader range of fashion goods. In addition, when marketers believe they have reached as many target customers as they can in their existing markets, they may look to new markets in other countries as a way to increase their sales. What’s more, there is growing interest in fashion products on a worldwide scale thanks to the Internet and mobile communications, which enable faster and wider communication of fashion news to virtually all corners of the globe. We’ll take a more detailed look at the global fashion marketplace in Chapter 2.

**SOCIAL MEDIA AND MOBILE COMMUNICATIONS**

As stated earlier, communication is a key component of marketing, but in the past, most of the communication between marketers and customers flowed...
MARKETER’S INSIGHT: 
TURNING SOCIAL NETWORKING INTO CUSTOMER LOYALTY

Whether they take advantage of communities such as Facebook, tools like Twitter, or the power of apps, savvy marketers know that social media can help their customer relationship management efforts. And as social and mobile technologies continue to experience explosive growth, marketers are transforming them into high-performance loyalty tools by not only participating in digital communities, but by organizing and promoting their own programs that cultivate a brand’s loyal following of friends.

Take Victoria’s Secret Pink. With more than 6 million “friends” and counting in its Facebook community, Pink maintains an ongoing conversation with its loyal fans, providing tools that help manage the brand’s identity as well as opportunities for customers to win gift cards, receive special offers, enter contests, and much more. For one special “Pinkapalooza” event in Los Angeles, featuring the band Fall Out Boy, Facebook friends could download an invitation online, participate in games and contests via mobile, and afterward received an mCoupon on their mobile device for in-store specials on merchandise.

Similarly, marketers ranging from Best Buy and Barneys to designers Diane von Furstenberg and Nicole Miller are turning to Twitter to communicate with target customers about anything from up-to-the-minute inventory information from the sales floor, to special sales and contests, to troubleshooting a problem product. Gap Outlet, for instance, sent its Twitter followers an offer for 15 percent off purchases of $75 or more; and Mall of America used its Twitter page one holiday season to alert consumers that two of its parking areas were at capacity, and their best bet was to park near IKEA. Said Greg Ahearn, senior vice president of marketing and e-commerce for Toys “R” Us, “It’s one of the greatest emerging communication channels out there. This is a way people can stay connected with the brand in a way they’ve never been able to before.”

in just one direction, with companies pushing their message out to consumers. The growth of social media and mobile communications, however, has altered that pattern radically, turning marketing into a two-way street where consumers are active participants in responding to, and sometimes actually shaping, the message.

As a result, marketers are scrambling to keep up with the rapidly changing landscape, which includes media tools—and therefore requires media strategies—that did not exist just a few years ago. Fashion marketers realize that staying up-to-date on these new marketing techniques is critical if they want to maintain a competitive edge. As one expert stated, “Studying how shoppers use social media not only provides an understanding of shoppers, but it also represents a vehicle for getting relevant information to shoppers when and where they need it.” From what are now relatively standard company Web sites and e-mail marketing programs, companies have expanded their efforts to include blogging, creating Facebook and Twitter accounts, and developing mobile marketing strategies that send up-to-the-minute information to consumers’ smartphones and other handheld devices, all in order to convey their marketing message to consumers where they are most likely to see it and respond to it. Marketers are also monitoring blogs and social media sites to learn what consumers are saying about their products so they can themselves respond or adjust their own marketing messages. And by the time you are reading this, technology applications that impact marketing strategies will very likely be evolving even further.

**ETHICS AND SOCIAL RESPONSIBILITY**

Other major influences on fashion marketing in the twenty-first century are ethics and social responsibility. **Ethics** is a system of moral values, or a set of principles that define right and wrong. Both businesses and consumers engage in ethical or unethical behavior. Purchasing an outfit with the intent to wear it to a special party and then return it to the store is unethical consumer behavior. A business that realizes it produced flawed merchandise and immediately alerts customers to arrange an exchange is acting in an ethical manner. Ethics are not always so clear-cut. To some consumers, the use of fur in clothing or the testing of cosmetics products on animals signifies unethical behavior on the part of marketers, while other consumers may see nothing wrong with those practices.

Companies are only as ethical as the people who run them, and most businesses recognize that sound ethics engenders trust among a company’s **stakeholders**—that is, those people and organizations that have an investment or other interest in the business, including its customers, employees, stockholders, suppliers, and government. A business that is trustworthy is one that customers tend to return to time and again. On the other hand, poor ethics discourages customers from repeat purchasing. Say that a design company intentionally orders inferior fabric for its upholstered furniture, or purposely cuts corners in its manufacturing process in order to make a bigger profit for itself. When customers buy and use the chairs and sofas and find that the products don’t hold up as expected, they lose confidence in that
marketer’s goods. Table 1.1 describes sample ethical issues related to the marketing mix.

Closely related to ethics is the issue of social responsibility. Social responsibility refers to the principle that everyone is responsible for making the world a better place for all its inhabitants. Among the areas in which fashion marketers may exercise social responsibility include protecting the environment, ensuring that their workers have safe conditions and receive a fair wage, and giving back through community service and charitable donations.

Fashion organizations that practice the social marketing concept build their marketing efforts on a foundation of striving to maintain society’s well-being while satisfying customers’ needs and wants. For example, Gap and Nike, among others, carefully oversee the manufacture of their goods in developing nations to verify that factory employees are paid fairly and have a safe workplace. In addition, many fashion companies donate certain profits or hold events to raise funds for charitable causes, such as Banana Republic’s fashion show to benefit the Leukemia and Lymphoma Society.

### Environmental Responsibility and Fashion Marketing

The environment is among the most prominent issues of social responsibility that fashion marketers are addressing today, whether through adopting more ecologically sound manufacturing practices, reducing their waste and carbon footprint, or practicing sustainability through recycling and use of renewable resources. Creating a more
not use pesticides or chemicals in the growing process, or using renewable materials such as bamboo, which is plentiful and replenishes itself quickly. In addition, because dyeing fabrics such as denim can be a harmful source of water pollution, some cotton farmers have begun growing cotton in shades of green, gray, and beige to be woven into fabrics that need no dyeing.

One apparel marketer, Fashion & Earth, sells nothing but “green fashions”—that is, apparel made from organic and sustainable textiles including bamboo, organic cotton, hemp, and soy. The company states that it is “championing a new kind of business model that makes doing good for the earth second nature, starting with the products we offer.” Retailers such as Lululemon, H&M, and Target are demonstrating social responsibility by responding to consumers’ requests for green fashions and providing garments clearly labeled “sustainable” or “organic.” These goods appeal to an increasing number of customers who are concerned with protecting the environment for today and for the future.

**WHAT DO YOU THINK?**

Which fashion businesses stand out in your mind as demonstrating social and environmental responsibility? How are they doing this?
Summary

The purpose of marketing is to create, communicate, and deliver value to customers and build strong customer relationships so that marketers receive value in return. Fashion marketing applies marketing processes and activities to currently popular designed products. Because of the changing nature of fashion, fashion marketing is dynamic and must constantly evolve to keep pace with trends and address consumers’ desire for newness. The long-term goal of any marketer is customer loyalty.

Marketing begins with identifying the customers the company can serve best and then working to build strong customer relationships. The fashion marketing process involves researching customer needs and wants and selecting appropriate target markets; creating a product that offers a high perceived value to target customers; developing a customer-driven marketing plan that communicates the product’s benefits to customers; and building trust and satisfaction with customers for long-term loyalty and profitability.

Most fashion organizations use either the marketing concept or the societal marketing concept as the approach to their marketing strategy, since both focus on the desires of target customers. Under the marketing concept, companies determine what customers want and then supply it, knowing that if they satisfy their customers, they’ll achieve profits. With the societal marketing concept, fashion marketers focus not only on what customers want but also on what is good for society as a whole. To carry out their chosen strategy, companies develop marketing plans that incorporate the elements of the marketing mix: product, price, place, and promotion.

In the twenty-first century, several major trends are having a strong impact on fashion marketing. Globalization is opening new opportunities for more companies than ever to seek out additional markets for their products around the world. Social media and mobile communications are dramatically changing the way marketers communicate with customers. And ethics and social responsibility are playing an ever-greater role in fashion companies’ marketing strategy, as consumers seek products from marketers they trust to act in the best interest of both customers and society, including by protecting the environment.
CASE STUDY 1.1

Macy’s New Marketing Strategy Makes Customers the Focus

The overriding importance of putting customers first is not news to anyone in the business of fashion marketing. But it is news when a leading fashion marketer undertakes a major overhaul of its marketing strategy in order to better address its target customers’ needs and wants—which is precisely what Macy’s recently did.

It began with an intense research project aimed at better understanding Macy’s current customers. The company conducted dozens of focus groups and talked with nearly a thousand people walking out of its stores. It leveraged research data from The NPD Group, a leading market research firm, for a holistic understanding of its customers, and combed through all their transactional data to discover themes in buying patterns and shopping habits. From all those efforts, the company identified one overwhelming finding. As stated by Peter Sachse, chief marketing officer, “What we don’t need to do is get new customers. We realized that all we need to do is take care of those who already love us.”

Operating with a new customer-centric focus, Macy’s set out on a goal to encourage each existing customer to visit the store one more time each year. “Half the battle is won if we can get them to walk into our store,” Sachse said. “And if we convert them [to a sale] during that visit, our [same] store sales will explode.”

To accomplish that goal, there are a number of customer-focused marketing tactics Macy’s is employing. These include the following:

- **Creating a customer-champion team.** At Macy’s, Chairman and CEO Terry Lundgren calls himself the “chief customer officer.”
- **Using the Web site as the hub of the brand.** “Anything and everything a customer should ever want to do, they should be able to do on Macys.com,” Sachse said. “There isn’t anything more powerful that I have in my hands than Macys.com as a marketing tool.”
- **Finding a campaign and a cause that customers—and employees—will rally around.** For Macy’s, with its long, storied history, one such program was its “Believe” campaign, where for each letter to Santa brought into Macy’s, the company would donate $1 to the Make-A-Wish Foundation. As an impetus to bring people to the stores, the campaign was very successful. “We had classrooms that used the Santa letter as a writing lesson—then they came as a field trip to bring them all in,” Sachse said. What’s more, the company received thousands of e-mails from its own employees about how proud they were of Macy’s commitment to give back to communities. And employees feeling good about their company ultimately leads to a better customer experience.


QUESTIONS

1. Why do you think Macy’s undertook the dramatic overhaul of its marketing strategy?
2. Why was it important for Macy’s to use the knowledge it had gained about its target customers when making decisions about its merchandise assortments?
3. Macy’s “Believe” campaign showed social responsibility, as well as building customer and employee loyalty. What would you suggest as a future campaign for Macy’s that would build further on those goals? What cause would it benefit, and how would it engage customers and employees?
**KEY TERMS**

- customer relationship management (CRM)
- ethics
- exchange
- fashion
- fashion marketing
- goods
- green marketing
- market
- market segment
- market segmentation
- marketing
- marketing plan
- marketing mix
- need
- perceived value
- product
- services
- social responsibility
- stakeholders
- target market
- value proposition
- want

**REVIEW QUESTIONS**

1. Write a comprehensive definition of the term “marketing.” Explain fashion marketing and describe the meaning of the term “fashion.”

2. Explain the long-term goal of marketing and, using examples, describe how fashion marketers build customer loyalty.

3. Citing an example, explain the fashion marketing process.

4. Draw a diagram showing the components of the marketing mix and state their function.

5. How are social media and mobile communications affecting fashion marketing? Give an example.

6. Explain the importance of ethics and social responsibility to fashion marketers and to society.

**DISCUSSION ACTIVITIES AND PROJECTS**

1. As you go through the day, make note of ten examples of fashion marketing that you observe or hear, and record what they were and where you noticed them. Report your results to the class.

2. Select a fashion product or company that you feel loyal to, and describe how the elements of the marketing mix are influencing your loyalty.

3. Search your closet and identify five items that were each produced in a different foreign country. What similarities did you find? Share your findings with other class members.

4. Go to the Web site of a fashion marketer, and look for two or three examples of how that company incorporates social responsibility in its business. Write a brief report giving your opinion of how effective the company’s efforts are in improving society or protecting the environment.
YOUR MARKETING PLAN

A marketing plan is a written document that indicates the tasks that are to be accomplished in order to reach an organization’s objectives; it is the foundation of the company’s marketing strategies. The marketing plan charts the course of the product or company and provides direction and control in reaching its goals. Every company that sells products develops (or should develop) a marketing plan for the company itself, as well as for its goods and services. Other types of organizations, such as universities, museums, and charities, also create and utilize marketing plans in order to accomplish their

TABLE 1.2 Components of a Marketing Plan

<table>
<thead>
<tr>
<th>Plan Component</th>
<th>Component Purpose</th>
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<tbody>
<tr>
<td>Executive Summary</td>
<td>Offers a brief overview of the total marketing plan for easy reference to key points</td>
</tr>
<tr>
<td>Analysis of Market Environment</td>
<td>Examines the current market situation for the company and its products, including research on target markets and competition, as well as on external factors influencing the market, such as economic trends, technology advancements, new legislation</td>
</tr>
<tr>
<td>Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis</td>
<td>Analyzes the company or product in relation to competitors, and assesses areas that could open beneficial avenues to pursue or create stumbling blocks to avoid</td>
</tr>
<tr>
<td>Marketing Objectives</td>
<td>Sets forth the specific, measurable goals the company wants to achieve through the marketing plan, usually within a specified time frame</td>
</tr>
<tr>
<td>Marketing Strategies</td>
<td>Outlines the methods that will be used to attain the company’s marketing objectives, describing strategy for each element of the marketing mix and how the strategy addresses opportunities, threats, and other issues raised previously in the plan</td>
</tr>
<tr>
<td>Marketing Implementation</td>
<td>Details how the marketing strategies will be put into action, including specific activities, timeline, budget, and assignment of responsibilities for each activity</td>
</tr>
<tr>
<td>Evaluation and Control</td>
<td>Explains how results of the plan will be measured and evaluated for effectiveness, allowing management to review results and make any necessary adjustments to the plan</td>
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objectives. Many individuals have developed useful marketing plans for themselves as guides toward attaining their career objectives.

A course project for you as a student is to develop a marketing plan for a company or product, according to your instructor’s directions, creating each part as you study it throughout the course. You will note at the end of each chapter this section entitled “Developing Your Marketing Plan,” which will indicate the activities you are expected to complete to build your plan. Please look over the sample marketing plan outline in Table 1.2, and refer back to it as you develop your own with each chapter in this book. Every marketing plan is, of course, unique; however, it will also be useful for you to review Appendix A: Sample Marketing Plan at the back of this book.

Best wishes to you as you set out on this fashion marketing endeavor!

REFERENCES