

Taking H&M as an Example to Analyze the Value Production of "Fast Fashion" Brands in Online Media Communication

Jingyi Dong^{1,a,*}

¹*Beijing Normal University Affiliated High School (100050), Beijing, China
a. Jennie_dong77@hotmail.com*

**corresponding author*

Abstract: Under the background of rapid economic and technological development, the author analyzes the current situation and form of "fast fashion" in today's society, and takes H&M company as an example for analysis and investigation. Through the analysis of H&M company's personnel segmentation, corporate structure and sales proposition, understand H&M company's operation mode and business strategy. Then, by comparing the investment and income of H&M in a certain year, as well as the company's sales channels and market operation mode, the main performance and profit of H&M are analyzed. Draw a picture according to the obtained data, and give some reasonable suggestions and measures for improvement. At the same time, it also studies the influence and role of network media in the field of fast fashion. Through the analysis of the current situation of H&M, this paper expounds the advantages and disadvantages of "fast fashion" in the whole clothing industry and the future research direction.

Keywords: fast fashion, value production, H&M

1. Introduction

"Fast fashion" refers to the fastest way for clothing retailers to imitate fashion trend elements in high fashion shows, redesign and produce them, and sell them to the masses at accessible prices, and obtain profits from them.

"Fast fashion" brands emerged at the end of the 20th century. They rely on their advanced production and management mode in the clothing market to occupy the market[1]. The rapid expansion and development followed by the emergence of fast fashion brands is observed undoubtedly. The reform of traditional clothing industry provides a new direction. Although the current global economic development is slowing down, international competition is intensified, but with a series of development and reform in China, the emergence of the fast fashion brand in China still has great prospects for development. Under the condition of rapid social development, the way and value of "fast fashion" is obvious in the network communication. Chinese fast fashion companies often have strong production capacity, but in product design and supply chain management and brand marketing, they still have a large room for development [2]. The fast fashion industry in China, which spans power companies, mainly focuses on store goods and still focuses on brand building and supply chain construction.

The author takes HM Company as an example for analysis. The research aims to clearly understand the operation mode of the whole company, and effectively explore the secret of success of this enterprise. The research also tries to understand broadly the value or pros and cons of "fast fashion" to society in today's fast social scenario. Some suggestions are forwarded for the fast fashion industry and the apparel industry as a whole.

The rapid development of network media has brought new research fields in media communication. The emergence of new media represented by We-media has brought earth-shaking changes to the media. New business value is established, new form of information communication interaction is present, a new era of media culture is emerging [3]. In today's society, the media has a unique role: its mission is both the responsibility of the superintendent of public opinion, and spread of the role of information policy. Of course, the media is co-existing with modern human society, and its existence and development must also play a role around the daily political and economic activities of modern human society [4].

2. Methods

Through the comparison and comprehensive analysis of domestic and foreign literature, the author summarizes the current situation in the field of fast fashion and H&M Company, providing important data basis for the direction and research tools of this study.

The author uses H&M Company as the object of case analysis. From HM company's corporate structure, value proposition, network media and other aspects to analyze HM company's profit mode and value in the context of "fast fashion".

3. Case analysis on H&M

3.1. Corporate structure

3.1.1. Segmentation of personnel

The H&M Company staffs have different division of labor and work, which can be roughly divided into four categories: 1. Daily shelves of supermarket corresponding goods, timely replenisher 2. Pack online orders and deliver them to the delivery area 3. Cashier, catering, loading, side dishes, noodles and other work 4. Obey the management of leaders, actively participate in training, and constantly improve service skills. These employees complete their work content on time and in quantity every day to ensure the normal operation of the company [1].

3.1.2. Distribution channel

Distribution channel strategy is one of the important strategies in marketing management and serves channel variables in the marketing mix. To fully meet the needs of enterprises in the target market, it is necessary to develop and implement marketing channel management to support and strengthen the marketing team. Distribution channel strategy includes channel expansion direction, distribution network construction and management, and regional market. The choice of enterprise marketing channel will directly affect the other marketing [2]. Decision making, such as product pricing, is the key to a company's success, just like product strategy, pricing strategy, and promotion strategy. An important means to expand the market, achieve sales and business goals. The case study shows that the store represents the core of the H&M business model, as through direct control of the retail network, the company is able to develop a deep level of market knowledge, which is conducive to launching continuously successful fashion clothing [3].

3.1.3. Value proposition

H&M Company uses "many, few" as their product sales strategy. This strategy ensures that H&M keeps pace with the Times and is always at the forefront of fashion. The "multi-model" production method provides customers with a variety of choices. In this way, consumers can choose more suitable clothes according to their own preferences. A "small amount" production strategy can avoid unnecessary waste. Inventory can be emptied every month.

3.1.4. Customer segmentation

H&M divides customers into four categories according to their age, clothing needs and ability to pay [4].

15 ~ 30 years old: People in this age group are usually students. They do not have a high financial ability to buy expensive clothes. And they rarely make purchases, perhaps once a month. Therefore, they prefer products that are fast, stylish, personalized, and relatively inexpensive.

30 ~ 45 years old: These people are usually parents or adults. They have stable jobs and a high ability to pay. They can buy some expensive things. And they value the quality of the clothes and the reputation of the brand.

45 ~ 60 years old: These people buy very little, but value the quality of the clothes. They will do rational analysis and consideration before buying. They also pay attention to the convenience of purchase of goods.

Above 60 years old: These people have very traditional ideas and do not like shopping, so their purchasing desire is very low. They only buy it when they really need it. They place great importance on price and usually prefer to buy discounted clothes.

3.2. Network media

3.2.1. Data comparison of network operation input and income

Sales at Swedish fast-fashion giant H&M Group rose 5% year on year to 210.4 billion Swedish kronor in the 2018 fiscal year ended on Nov. 30, thanks to a strong 22% increase in online revenue, which accounted for 14.5% of the group's total sales [5]. During the period, group gross profit surged 21% year on year to SKR110.9 billion, with a gross margin of 52.7% and profit after tax of SKR12.652 billion. The group's fourth-quarter sales rose 12% to 56.41 billion Swedish kronor, thanks to higher full-price sales and fewer markdowns. The group's online sales grew 24% during the period, and its gross margin was 54.2%.

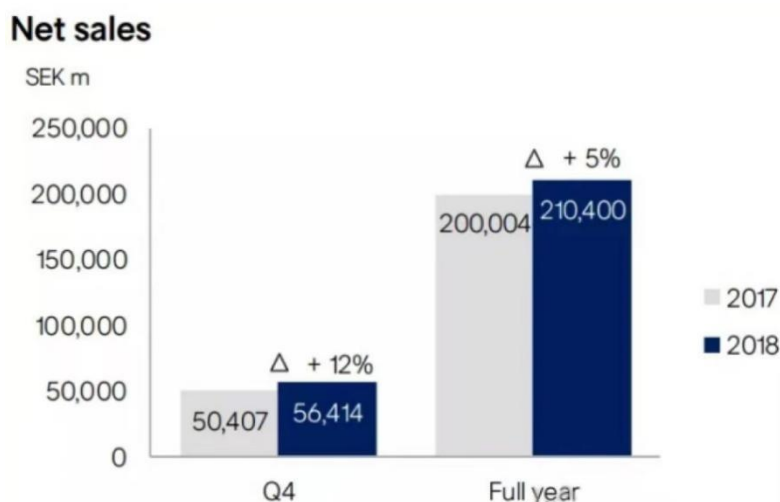


Figure 1: H&M's key results for fiscal 2018 and Q4 2018.

3.3. Marketing and financial strategy

3.3.1. Market operation mode

Firstly, HM directly interacts with customers through social media platforms to increase brand recognition. With more than 120 million followers on Instagram, they post fashion images, videos and stories to reach even more people. In addition, HM has opened its own app and online store to make it easier for consumers to buy what they like.

Secondly, HM employed a large-scale advertising campaign to increase brand exposure [6]. They have signed celebrity endorsement deals and produced numerous television, magazine and outdoor ads. For example, during the Christmas season in 2019, HM held a grand concert in Times Square in New York City and invited thousands of spectators to attend.

In addition, HM actively uses discounts, promotions, and coupons to attract consumers to buy its goods. They often launch limited-time promotions on specific festivals or holidays to attract more customers. In addition, HM offers dedicated discounts and coupons to members to increase loyalty and promote repeated business [7].

Finally, HM is committed to promoting sustainable fashion and highlight this effort in its marketing. They actively seek to make products using environmentally friendly materials and promote sustainability programs. For instance, in April 2019, HM launched the Conscious Collection, which includes clothing made from eco-friendly materials such as organic cotton, recycled polyester, and Tencel [8].

In summary, HM uses a variety of marketing methods to increase brand awareness and market share. From social media to advertising campaigns to promotions and sustainability initiatives, they constantly explore new ways to engage consumers and maintain a competitive edge.

3.3.2. Source of revenue

H&M has always emphasized that it not only pursues online distribution volume, but also ensures profits. An IR official said, hm.com is highly profitable and an important source of revenue. Integrate online and offline resources, specifically: online order, pick up goods in store, online return goods in store and scan code purchase, etc. Among them, online ordering and in-store pickup are still being tested; Store online returns have entered 10 countries and are poised for further rollout; Scan code

purchase has covered all online markets. In addition, H&M is exploring payment methods, delivery models and last-mile solutions.

3.4. Recommendations for improvement

HM can focus on market planning and be good at pre-sales analysis to lay the foundation for rapid sales. Before the product design, a detailed seasonal product design plan should be provided to the design department as a reference for design development. After the product design is completed, there should be a detailed plan for when to market, display, discount, award sales and other aspects of the work.

HM can be good at integrating sales information and analyzing the sales situation on a daily basis, so as to achieve a quick response [9]. The introduction of network technology management, every day after the business settlement, the information will be sent back to the headquarters for processing, so that all departments of the headquarters can timely understand the sales situation of products in the market, so as to make timely adjustments.

HM can accurately search for and determine the product market. Marketing should choose the right sales area according to the characteristics of brand products, not blindly develop the market.

Whether it has a "fast and accurate" market response method will become a yardstick to measure the core competitiveness of apparel brands. On the basis of improving product quality and grade, Chinese garment enterprises need to improve their ability of quick response as soon as possible and complete market prediction in real time. They will also have to change the original management thinking and business processing mode, so as to truly standardize the enterprise process, to achieve profit growth.

4. Conclusion

Through the analysis and research of HM Company, the author found that this kind of fast fashion enterprise is beneficial to the whole economic market and plays a role of promotion. Fast fashion is "affordable fashion" for ordinary consumers, and it is also considered by ordinary people as a channel for the aristocracy of the common people. It meets the needs of people with low price to enjoy fashion. Low price here refers to the fast fashion brand relative to the same sales from the perspective of the international brand fashion apparel "relatively low", consumers spend less than one over ten of the prices of top-class brand, but enjoy the top brand design, this is the greatest pleasure of fast fashion to consumers.

However, the analysis also has some limitations. The author analyzed HM as a company, which cannot represent all fast fashion companies. Therefore, the future research direction will be to analyze many fast fashion enterprises and get a general conclusion.

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