

Research on Private Domain Marketing Strategy of Fashion Brands under the Concept of Social Media Operation

Yihan Wang^{1,a,*}

¹*Beijing Sport University, Beijing, China*

a. 13110089874@bsu.edu.cn

**corresponding author*

Abstract: In the past few years, with the continuous progress of the fashion industry and the improvement of modern living standards, people's demand for fashion brands has also grown. Under the influence of COVID-19, e-commerce technology continues to be applied by the public but also continues to mature; fashion brands continue to update their marketing strategies from the public domain to the private domain of the continuous change has also been widely concerned and studied. Through the study of this issue, learning more deeply about the transformation of fashion brands from the public market to the private market based on the concept of social media operation and break through the relevant marketing strategies and methods of the private market. This article will use the review study and case analysis method to explore this research problem deeply. In the process of research, it is clear to find that both Lululemon and Hermes have their own method system for private domain traffic marketing based on the concept of social media operation. They are all in private domain traffic transportation. However, the research on this issue is relatively limited at present. The existing research mainly focuses on the research on the general direction of fashion brand marketing strategy, while there is still a lack of research on fashion brands in the private field. Therefore, it is necessary to carry out in-depth research and discussion on this issue in order to address the gaps in this research.

Keywords: private traffic operations, private domain marketing, communications, social media, marketing strategy

1. Introduction

In the past decade, many brands have created their own marketing strategies based on the concept of social media operations, starting with numerous social software and e-commerce platforms. But today, with the rapid development of the fashion industry and social media, fashion brands are gradually breaking into the private market. Private domain traffic operation can first improve brand loyalty and customer satisfaction; private domain traffic operation can better grasp customer information, understand customer needs, and further improve customer loyalty through accurate market quasi-marketing and personalized service. Secondly, private domain traffic operations can reduce marketing costs and increase sales and market share. Enterprises can carry out accurate push and marketing through the private domain traffic operation platform to avoid the waste of traditional marketing methods. Private domain traffic operation can also realize data operation and intelligent management, thus reducing marketing costs, improving efficiency, and saving a lot of advertising and marketing

costs. Better use of funds for product research and development to improve the core competitiveness of the brand. In addition, private domain traffic operation can improve the digital transformation and innovation ability and can help enterprises to achieve digital transformation and innovation ability through digital marketing, data analysis, and other ways to promote enterprise innovation and transformation so as to enhance market competitiveness and innovation ability. Finally, private domain traffic operations can increase sales and market share. Private domain traffic operations can reach customers directly and increase the frequency of customer purchases through social media marketing and other means, thus enhancing sales, market share, and brand influence.

In summary, the strategic use of private domain traffic is invaluable for fashion brands in today's digital age. This paper has provided a comprehensive analysis of private domain marketing strategies employed by Hermes and Lululemon, utilizing case studies and review research methods. It began by defining the concept of the private domain and subsequently delved into the reasons behind why these two brands, Hermes and Lululemon, have chosen to engage in private domain marketing. Furthermore, this paper examined the specific tactics and approaches they employ in harnessing the power of private domain traffic to enhance their brand presence and drive consumer engagement.

2. Literature Review

2.1. Overview of Hermes and Lululemon

With the increasing development of social media, fashion brands use WeChat mini-programs and circles of friends to spread information and obtain user traffic from the original public domain to the current private domain. Fashion brands pay more attention to the use of private domain traffic for marketing so as to enhance brand influence. In this study, two fashion brands, Hermes and Lululemon, are selected, firstly because of the different types of fashion brands. Hermes is a luxury brand, while Lululemon is a sports brand, which is more conducive to comparative analysis. Secondly, Lululemon is known as the Hermes in the yoga world. Because Lululemon started with yoga clothes, it also includes a variety of sportswear. The products are famous for their close-fitting, comfort, exhaust, simplicity, and other characteristics and are positioned as high-end, so they are called Hermes in the yoga world. Lululemon and Hermes are inextricably linked. Finally, Hermes and Lululemon's span is relatively large; the beginning of the popular time is different, and the corresponding customer population is also different.

2.2. Concept of Private Domain Marketing

Both the traffic generated by the private domain itself (visitors) and the traffic that the private domain generates from the public domain into the private domain are referred to as "private domain traffic." Private domains are initially formed in relation to public domains, and the term "public domain" is derived from Habermas's proposal for the term. Citizens can freely discuss politics and engage in public discourse in the public realm [1]. Today, with the continuous development of social media, fashion brands are no longer confined to the circle of offline physical stores. At the same time, they are constantly entering the public's vision, and at the same time, they are targeted to cultivate their customers. For example, Hermes, as a famous luxury brand, gives people a sense of being out of reach.

2.3. The Original Marketing Strategy of Hermes

In the past, luxury goods were only affordable for social elites and successful people. With the development of social and economic levels and the improvement of people's living standards, luxury goods are no longer as rare as before, but compared with ordinary consumer goods, their output is

very limited. Low production and unique materials are the main causes of the scarcity of luxury products, but the brand's product marketing strategy can also contribute to the problem. Hermes offers a wide variety of products that showcase the brand's outstanding innovation, although the brand boutiques do not carry the entire line of Hermes goods. Despite having the largest collection of Hermes stores in the world, only roughly 35% of the collection is sold in Paris. This is a phenomenon that the brand purposefully created; different product series are distributed differently because Hermes believes that their brand customers are frequent travelers, so customers must visit Hermes stores in various countries to find a variety of Hermes products, which can bring customers enough fresh and curious sense [2]. Hermes employs a dynamic pricing strategy that ensures its products undergo price fluctuations over time, which is a notable aspect of its pricing marketing. To illustrate this, it is useful to consider the example of a Hermes handbag model. The prices of these handbags can vary significantly based on various factors such as the geographical region, the type of leather used, the size of the product, and even the color. Unlike many other brands that have fixed pricing structures, Hermes deliberately keeps its pricing somewhat enigmatic. This approach serves a dual purpose in their marketing strategy.

Hermes has devised a distinctive distribution system in its marketing approach. To acquire a coveted item, customers must adhere to a specific proportion of purchasing other Hermes products. For instance, if one desires to acquire a handbag worth 80,000 yuan, they would be subjected to a 1:1 distribution ratio, meaning they must purchase an additional 80,000-yuan worth of other Hermes goods to be eligible to acquire the desired handbag. In this scenario, it essentially entails spending \$160,000 for an item originally priced at \$80,000.

Furthermore, it's worth noting that the distribution requirements vary depending on the type of Hermes item. For items such as the Gypsy, Herbag, or Garden Party bags, the distribution prerequisites are relatively modest. Typically, the purchase of items like bracelets or silk scarves would suffice. However, for highly sought-after items like the Birkin or Kelly bags, customers are expected to match their purchase with more premium products such as jewelry or porcelain.

In essence, shopping at Hermes necessitates more than just budgeting for a single item. Customers must be prepared to engage with this unique distribution strategy, which adds an extra layer of exclusivity and complexity to the Hermes shopping experience.

The reason why Hermes adopts such a marketing strategy is the "single star product scarcity" of Hermes. Some rare leather products have small output, large customer demand, and an imbalance between supply and demand, which leads to serious premiums for some products and high prices. In addition, the distribution system is conducive to the sale of other commodities, and such bundling can exert the maximum value of the product to obtain profits. In addition, Hermes pays attention to customer loyalty, and the distribution system extends the entire sales front so that customers can deeply understand the culture of the Hermes brand.

2.4. Hermes Marketing Strategy Transformation Process

The marketing strategy of Hermes is also gradually changing. In the beginning, Hermes chose to promote through advertising, news, magazines, and brand public relations activities. As it continues to evolve, Hermes relies on a conceptual approach to social media operations for marketing.

The Web 2.0 era has begun. While bringing information technology innovation to the world, it has also created social media such as Weibo, WeChat, and live broadcasts to China. Social media is an online platform for people to share and exchange views, insights, and experiences with a high degree of interactivity and extensibility. Social media not only encourages users to produce content but also presents content in various forms, including text, pictures, breeding frequency, and videos. The popularity of social media makes instantaneous sharing, instant interaction, and fission transmission happen every moment. At the same time, social media has also become an indispensable tool in

people's daily lives [2]. Under the conceptual approach of social media operation, Hermes further develops the market in order to create greater value for the brand, understands the needs of consumers, and carries out large-scale brand marketing relying on social media. Hermes started its marketing from the public domain, such as Weibo and RED. In the public domain, Hermes marketing can, on the one hand, expand its customer field in social media to obtain greater profit value. on the other hand, it can get more consumers' attention on a public social media platform and publicize its brand story at the same time so that more people can know Hermes and become "fans" of the brand and improve its brand image with social media. Thirdly, social media can be used for mass communication (refers to the process of media transmitting information to members of society through newspapers, radio, television, and other media in order to achieve the purpose of publicity) [3]. Find suitable cooperation opportunities to expand their Asian market further.

Hermes, which opens the public domain, is not satisfied and constantly develops its own private domain market, WeChat mini program, circle of friends, WeChat public number, official website, community, etc. In October 2017, Hermes opened a time-limited store on WeChat's public account for the first time to sell its new smart Watch, the Apple Watch Hermes Series 3, in cooperation with Apple. At the same time, for Hermes luxury marketing, mini programs have unlimited potential in social circle marketing. On the one hand, WeChat mini-programs are very flexible and can show creativity that cannot be displayed offline in WeChat mini-programs; on the other hand, WeChat mini-programs can realize internal communication in different social circles. Through the circle of friends and small program interactive sharing, Hermes targets the precise target audience, but also in the mass consumers and potential customer groups to brush the presence. Hermes first through WeChat circle of friends advertising and small program interaction and sharing, with the brand official website operation, public account push for small program supplement drainage, fully attract users' online attention and offline experience.

2.5. The Beginning and Transformation of Lululemon Brand Marketing Strategy

Compared with Hermes, Lululemon's marketing strategy as a sports brand and luxury brand Hermes is different. Lululemon first opened the market for North American women. Chip Wilson, the founder of Lululemon, participated in a yoga class in 1998 and found that sportswear made of polyester-blend textile material is neither close-fitting nor conducive to human sweating. In this way, it inspired to create its own brand of textile material, breathable and well-fitting black women's yoga pants, and opened its first store in Vancouver, Canada, in 2000. Its products are mainly yoga clothing. Due to its close-fitting, comfortable, and sweat-wicking advantages, it has quickly occupied the yoga sports clothing market and has been recognized as "Canada's first professional sports brand" in the market for nearly 20 years. In the North American sports market, it is the first choice for people to carry out yoga, fitness, and other sports [4].

During its formative years, Lululemon embraced private marketing primarily through community-based strategies. Lululemon carefully defined its ideal customer base, targeting individuals who had a daily yoga and fitness regimen and, more broadly, young, independent sports enthusiasts with a penchant for fashion. These ideal customers were typically professional women who embodied the brand's ethos of an active and balanced lifestyle. By identifying and catering to this specific demographic, Lululemon effectively created a community of like-minded individuals who resonated with the brand's values and products. This approach allowed Lululemon to foster a strong sense of brand loyalty and community engagement, drawing customers who not only appreciated their activewear but also identified with the broader lifestyle it represented. This early emphasis on community marketing laid the foundation for Lululemon's success and continued growth in the athleisure market.

The crowd and the brand positioning, and at the same time, designers bring the inspiration of product design. Women from 20 to 40 years old are increasingly pursuing “athleisure style,” fitness in the morning, enjoying breakfast, and then going to work, making sports apparel brand Lululemon stand out among many sports apparel brands in just 20 years. It has long been out of a single clothing brand image but represents a way of life. Celebrity effect has also become a booster of the Lululemon brand, making it quickly popular among female consumers in North America, Avril Lavigne, Kate Winslet, and other Hollywood stars wear Lululemon, making Lululemon synonymous with fashion [4].

In 2013, Lululemon announced its entry into the Asian market and focused on the Chinese market for its commercial expansion because it saw the huge potential of the Chinese market and the growing number of yoga consumers. At present, the market value of yoga, a niche sport, has reached \$10 billion in China, and the market potential is huge [4]. Entered the Chinese market in 2013 and opened only three exhibition halls in Shanghai Xintiandi, Shanghai Mall, and Beijing Sanlitun, providing yoga classes every week to attract yoga enthusiasts and organizing music performances, dance classes, beach yoga, and other activities. In addition to establishing a product showcase, Lululemon did not employ any other promotional activities during this period. Despite this minimalistic approach, each of these events managed to attract a substantial turnout of sports enthusiasts and potential customers. The brand’s focus on creating immersive experiences around its products, rather than relying heavily on traditional advertising or discounts, proved to be a successful strategy in engaging its target audience. At the same time, both the brand output and the user’s on-site experience. It can be seen that the Lululemon brand community marketing model is user-centered [5]. The “Heart Show China” yoga event opened in China in 2016; the first event was held in Beijing Taimiao. each event is like a large gathering of sports enthusiasts, attracting community partners, yoga, triathlon, long-distance running enthusiasts, and so on. Lululemon maintains its relationship with consumers in its own way. Lululemon uses products to build emotional connection and community to build emotional identity to carry out brand marketing [6].

From the very beginning, Lululemon chose precise positioning, targeting the audience as high-income independent women, avoiding competition with other sports brands, and creating a set of its own sports brand types. In addition, private marketing combines online and offline methods to build their own communities, cultivate fixed customers, develop rapidly, and enhance customer loyalty [7]. They continue to expand their own market.

3. Analyze the Marketing Strategy of Hermes and Lululemon

Both Hermes and Lululemon have prospered in private marketing based on a conceptual approach to social media operations, but there are also some problems.

3.1. Supply and Demand Issues

Price is the embodiment of commodity value, and the value of luxury brands like Hermes lies in its symbolic value. The greater the symbolic value of a brand, the higher its price [2]. The increasing attention of the public to fashion brands has brought about supply and demand problems. Although hunger marketing can match the features of luxury products [8], it is not a marketing method that is beneficial to consumers. For example, when a brand releases a new product and releases a lot of advertisements for marketing, many people have the desire to buy when they see the advertisements on different platforms and fields, but the number of new products released is very small. Customers have a large demand, creating a supply and demand problem. In addition, hunger marketing will affect the market; new products need to be pre-ordered to buy, but some people engaged in reselling will use some means to empty all new products and then resell; consumers can only buy their favorite

goods from the hands of resellers, resulting in serious commodity premium, consumers buy several times higher than the original price of goods.

3.2. Advertising and Big Data Privacy Issues

To be mentioned, the orientation of social media private domain advertising is poor, and there is often a phenomenon of wrong delivery, and the conversion efficiency of private domain traffic is low. For example, brand advertising is promoted to user A, but user A has no need to buy the brand, and the user will not share the brand advertisement with user B. Interpersonal communication (refers to the communication activities between individuals and individuals and between individuals and groups) The social act of transmitting information, exchanging ideas and communicating ideas [3].) The effect of the promotion chain is weakened, and the promotion chain is interrupted without connection, and the brand is difficult to spread twice.

Whether it is advertising in the public domain or WeChat mini programs in the private domain, the positioning of personal preferences, abilities, and images is completed by means of big data evaluation. On the one hand, the evaluation and inference of big data on all aspects of people will indeed play a certain role in promoting People's Daily life and work, but on the other hand, big data evaluation will ignore people's real thoughts and expectations. With the continuous expansion of the volume of big data and the continuous progress of identification technology, it is not difficult to identify and determine the actual identity of the data subject [9]. If the brand needs to locate the customer circle accurately, it needs the help of big data, but big data will also cause certain risks of personal privacy infringement.

4. Suggestions for Problems

Therefore, in view of the above problems, the following are several suggestions to solve the problems.

For the quantity of products and supply and demand problems, the brand can appropriately increase the consumer demand for large goods, control the quantity of products, while taking a long-term view, when focusing on the quantity, but also pay attention to the quality of products, do a good job in the quality control of goods. Secondly, the brand side should carry out corresponding market management, specify relevant strategies to deal with the behavior that affects the market, resist the phenomenon of reselling goods, and formulate relevant policies, such as implementing purchase restriction policies for some products. In addition, it is necessary to improve the conversion efficiency of private domain traffic, put more high-quality advertisements into the private domain, constantly strengthen the pertinence of big data, and respect consumers' right to know and independent choice [10]. Finally, in social media, it is necessary to determine personalized recommendation standards, and at the same time, it is necessary to continuously improve the relevant legal provisions for the protection of personal privacy in big data so that violations of personal privacy are subject to legal sanctions, strengthen the supervision of law enforcement departments, vigorously crack down on violations of personal privacy, and enhance data privacy protection by upgrading data encryption technology. Consider the advantages and disadvantages of each encryption technology and choose the data privacy protection technology that is more suitable for the actual situation [9].

5. Conclusion

This paper analyzes the private marketing strategies of fashion brands (Hermes and Lululemon) based on the conceptual approach of social media operation. It can be seen that the marketing strategies of Hermes and Lululemon are constantly improving and are particularly unique, creating greater value for the brand. The limitation of this study is that the marketing data collection of the two brands, Hermes and Lululemon, is not perfect, and the suggestions for the real implementation of the article

are still to be considered. This article has only two brands of marketing in the private domain, so it is necessary to conduct a more in-depth study of marketing in the private domain based on the concept of social media operation and constantly improve the research to fill the gaps in this field in the future. Although the two brands have their own limitations and problems in the private domain, it is believed that through continuous progress and development, fashion brands can find a more suitable brand that is more conducive to consumers' private domain marketing strategy.

References

- [1] Wu, Y. (2023). *A study of private domain traffic based on the theory of interactive ritual chain* (Master's thesis, Anhui University).
- [2] Huang, Y. Q. (2018). *A study of marketing strategies for luxury brands* (Master's thesis, Wuhan University).
- [3] Sevignani, S. (2022). *Digital Transformations and the Ideological Formation of the Public Sphere: Hegemonic, Populist, or Popular Communication?* *Theory, Culture & Society*, 39(4). doi:10.1177/02632764221103516.
- [4] Li, W. T. (2022). *A study of marketing strategies for the sports brand Lululemon in the Chinese market*. *Laozihao Brand Marketing*, 09, 18-20.
- [5] Wang, Y. X. (2017). *A study of the community marketing model of the Lululemon brand*. *China Market*, 23, 115-116+118. doi:10.13939/j.cnki.zgsc.2017.23.115.
- [6] Ma, M. (2022). *Market and Product Analysis—Take Lululemon as an Example*. *Journal of Social Science and Humanities*, 4(10). doi:10.53469/JSSH.2022.4(10).10.
- [7] Zhou, J. (2023). *Analysis of Emotional Branding Strategies of Lululemon in the Era of Emotional Consumption*. *Media Forum*, 07, 57-60.
- [8] Liu, Z. (2022). *On the Influence of Hunger Marketing Strategy of Luxury Group in Global Market on Company Development*. *Financial Engineering and Risk Management*, 5(2). doi:10.23977/FERM.2022.050216.
- [9] Wang, W. Y. (2019). *Personal Privacy Protection in the Era of Big Data*. *Digital Communication World*, 11, 265-266.
- [10] Du, J. L. (2023). *A Study of Legal Regulation of Big Data Discrimination Behavior from the Perspective of Consumer Rights Protection* (Master's thesis, Dongbei University of Finance and Economics).