

**ALIGNMENT OF BUSINESS AND SOCIAL MEDIA STRATEGIES,  
INSIGHTS FROM A TEXT MINING ANALYSIS IN APPAREL  
INDUSTRY**

*Submitted to Bharathiar University, Coimbatore in partial fulfillment of the  
requirements for the award of the degree of*

**MASTER OF BUSINESS ADMINISTRATION**

*by*

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*Under the guidance of*

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## **DECLARATION**

I, ----- hereby declare that the project report, entitled “**ALIGNMENT OF BUSINESS AND SOCIAL MEDIA STRATEGIES, INSIGHTS FROM A TEXT MINING ANALYSIS IN APPAREL INDUSTRY** ”, submitted to the Bharathiar University, Coimbatore in partial fulfilment of the requirements for the award of the degree of **MASTER OF BUSINESS ADMINISTRATION** is a record of original and independent research work done by me during September to November under the supervision and guidance of ----- Asst. Professor/Associate Professor/ Professor, PG and Research Department of Management Studies, Hindusthan College of Arts and Science and it has not formed the basis for the award of any Degree / Diploma / Associateship / Fellowship or other similar title to any candidate of any University.

**Signature of the Candidate**

## **CERTIFICATE**

This to certify that the Project report, entitled “**ALIGNMENT OF BUSINESS AND SOCIAL MEDIA STRATEGIES, INSIGHTS FROM A TEXT MINING ANALYSIS IN APPAREL INDUSTRY**”, submitted to the Bharathiar University, Coimbatore in partial fulfillment of the requirements for the award of the degree of **MASTER OF BUSINESS ADMINISTRATION** is a record of original research work done by P.MOHANA PRIYA (REG NO:20MBA123) during the period September to November 2021 under my\_\_\_\_ supervision and guidance and the report has not formed the basis for the award of any Degree / Diploma / Associateship / Fellowship or other similar title of any candidate of any University.

**Signature of the Guide**

**BY**

**DIRECTOR**

**PRINCIPAL**

**VIVA-VOCE EXAMINATION HELD ON -----**

**INTERNAL EXAMINER**

**EXTERNAL EXAMINER**

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# **INTRODUCTION**

## **1.1 INTRODUCTION OF THE STUDY**

The development of internet-mediated communication technologies, particularly social media, has changed the way consumers, brands and communities, connect and interact (Hsu, 2019). The ubiquitous acceptance of social media is essentially propelled by its unprecedented use by consumers. Indeed, social media is being used by billions of people around the world. The penetration of social media in consumers life can be understood by the number of active users on social media platforms, for example, Facebook is reported to be one of the most popular platforms with approximately 2.6 billion monthly active users, followed by Instagram, YouTube, WeChat, which have all crossed 1 billion monthly active user mark (Statista, 2020b). The total number of global social media users are estimated to be 3.96 billion as of July 2020, which is approximately 56.5 % of the world's population (Statista, 2020d). Social media has primarily changed the way consumers receive information and communicate with each other. It has become an essential point of information search for consumers because of the availability of a wide variety of options, convenience and plethora of brand/product related information available at a click away from the mouse (Amed et al., 2017).

According to a survey conducted on 2000 US internet users, more than fifty percent of Gen Z and Gen Y (millennial users), thirty eight percent of Gen X and twenty seven percent of baby boomers derive their fashion inspiration from social media browsing (eMarketer, 2019a).

The survey study categorised consumers based on the years they were born, and defined generation Z as users born approximately after 1995, generation Y or millennials as users born approximately between 1985 and 1994, while generation X (1965-1984) and baby boomers as born approximately between 1946-1964 (eMarketer, 2019a).

Although the specific years used for categorisation of users in generational cohorts varies slightly between different studies (Nash, 2019; eMarketer, 2019a), it's evident that fashion consumers from all age groups are using social

media and are also inspired by it. Different sources of fashion inspiration such as, fashion influencers and peer reviews or brand- related user-generated content are being considered as more trustworthy sources of branded information in comparison to branded marketing (Wilberg, 2018; Mintel, 2019; Boerman, 2020).

Wilberg (2018) reported that interaction with other users has the ability to trigger new consumer needs and even alter consumer purchase intention, which was further corroborated by a recent survey conducted by Mintel (2019), reporting that a third of British fashion consumers are influenced to purchase a product or participate in an activity based on influencers recommendation on social media.

The need for peer validation, seeking inspiration from fashion influencers, following celebrity Social Media Marketing in the Fashion Industry: A Systematic Literature Review and Research Agenda 10 10 styles online, accompanied by a growing desire for sharing, discussing, exchanging opinion about fashion brands online as well as a need for maintaining relevance and portraying a social image online (Nash, 2019; Nelson et al., 2019), underlines the transformed consumer behaviour. Given the presence of a large number of audiences on different social media platforms and a shift in consumer behaviour, it is not surprising that various fashion brands have incorporated social media as a marketing and communications channel.

Aided by the ease and cost effectiveness of social media, increased visibility, opportunity to reach and engage more frequently with potential consumer (Godey et al., 2016; Amed et al., 2018), fashion brands across different segments of the fashion industry such as fast-fashion retailers (e.g. Zara, H&M) sports fashion brands (e.g. Nike), online-only retailers (e.g. ASOS, Boohoo) and even fashion SMEs are increasingly using social media in their marketing and communication activities (Rienda et al., 2020; Bonilla et al., 2019; Amed et al., 2018).

As suggested by the recent industry report, social media has disrupted the fashion ecosystem by enabling fashion brands of all sizes to build a consumer base, generate brand awareness, provide support to consumers, and to engage

consumers in their marketing activities, helping them to capture substantial growth (Amed et al., 2018).

Clothing brand 'Reformation' has gained significant brand reach on social media amassing 1.3 million Instagram followers as of 2019; ASOS\_heretohelp account on Twitter used by the brand to personally cater to consumers queries, and Nike's campaign on Instagram that allowed its users to choose pictures and design their personalised shoes, are just a few examples demonstrating the changing fashion industry practices.

Meanwhile, to stay relevant among the growing online population and to access the large audience base available on social media platforms, luxury fashion brands that previously shied from using social media, questioning the compatibility between exclusivity dimensions associated with luxury and increased accessibility presented social media (Okonkwo, 2010), are also utilising social media to connect and engage with their potential consumers (Yu and Hu, 2020; Liu et al., 2019; Kontu and Vecchi, 2014; Kim and Ko, 2010, 2012). Luxury fashion brands have increasingly adapted their marketing practices to exploit the potential of social media platforms, for example, Gucci, Burberry, Louis-Vuitton have started live streaming their fashion shows on social media platform such as Instagram and Facebook, as well as, using fashion influencers in front rows of their fashion shows to scale their promotion has become a common feature among fashion brands.

Some luxury fashion brands are also focusing on innovative techniques to engage consumers into their marketing offerings on social media, for Social Media Marketing in the Fashion Industry: A Systematic Literature Review and Research Agenda 11 11 example, #GucciGram campaign on Instagram, that invited illustrators online to design images to repurpose Gucci motifs (O'Connor, 2018). According to a recent survey conducted by Statista (2020a) using a sample of 150 companies from different industries, fashion brands emerged as one of the best performing categories attracting the highest user engagement rate on Instagram, suggesting that fashion brands are prioritising the use of social media in their marketing activities.



Although, social media has created new opportunities for fashion brands to interact with customers in a virtual space that is open to all kinds and sizes of business (Amed et al., 2018), the marketing landscape has completely evolved as social media not only enables firms to communicate with their potential consumer but also enables user-user communication. Social media has substantially migrated the power from fashion brand to consumers, in the form of peer reviews, referrals, tags, online blogs, influencers, and other forms outside the control of brands that can alter brand image both positively and negatively (Mazzoli et al., 2019; Amed et al., 2017; Gensler et al., 2013). In this sense, fashion brands are no longer in full control of their marketing practices, as consumers' power of content creation can influence how brands are created, developed and rejected in the social media environment (Gensler et al., 2013; Quach and Thaichon, 2017).

For example, Gucci was compelled to remove a line of recently launched sweaters following virulent criticism by users of Twitter for evoking blackface imagery through its design (Hsu and Paton, 2019). The overwhelming reaction from the users reflects the rise in power of consumers, suggesting that brands custodianship no longer rests only with the firm, and consumer voice cannot be ignored. With these emerging challenges, the question is no longer whether to be present on social media but rather about how to use it in a way that positions fashion brands in the desired way and is beneficial for both users and brands alike (Amed et al., 2019a).

As social media grows in size and market power, the risk of not incorporating social media in marketing and communication could be higher than the challenge of having limited control. Notably, social media is becoming the cornerstone of marketing communication, with fashion brands across segments from mass to luxury compelled to engage with different social media platforms. Academically, an extensive body of research covering various aspects related to social media marketing in the fashion industry has been developed over the last decade (e.g. Kim and Ko, 2010, 2012; Ng, 2014, Godey et al., 2016; Kobia and Liu, 2017; Kefi and Maar, 2018; Lee and Watkins, 2018; Nash, 2019; Athwal et al., 2019; Zollo et al., 2020; Boerman, 2020). Various scholars have acknowledged the social media phenomena from a marketing and communication perspective, with research spanning across various specific and isolated Social Media Marketing in the Fashion Industry:

A Systematic Literature Review and Research Agenda 12 12 marketing and communication issues such as electronic word of mouth, consumer-brand relationship as well as specific brand-related marketing initiatives (Wolny and Mueller, 2013; Park and Kim, 2015; Kontu and Vecchi, 2014; Liu et al., 2019). Despite what scholars have studied over the last decade, there still exists a distinction between the speed at which industry practices are transforming vs growth in the academic literature on social media marketing (Ngai et al., 2015). One of the reasons for this gap is the continuously evolving nature of social media, in terms of, development of new social media platforms and the changes in the features of existing social media platforms (Appel, 2019). Introduction of new social media platforms and the continuous release of new features that gain popularity among users present renewed opportunities for brands that are adept in effectively marketing to reach their consumer.

However, it can be challenging and time-consuming for social media researchers to continuously develop constructs and measures to produce evidence-based results to match with the rapidly evolving and changing nature of the social media environment. Whilst, social media has existed for almost two decades now, but its application as an effective marketing and communication channel in the fashion industry is considered as a recent phenomenon (Kontu and Vecchi, 2014).

In this sense, research on social media marketing in fashion can be considered in the embryonic stage. Furthermore, recent industry reports suggest that social media is being increasingly used by small and mass fashion brands (Amed et al., 2018), yet current research on social media marketing by fashion brands other than in the luxury segment, such as, small fashion retailers, fast-fashion brands, and even online-only retailers is far less researched (Arriaga et al., 2017; Rienda et al., 2020). This can be partly because of the early stage of development of this research area in the fashion context. Thus, only a small number of studies have elucidated how social media marketing is being used by fashion brands other than in the luxury fashion sector, emphasising more on its general application (Ananda et al., 2018; Arriaga et al., 2017), with few publications focusing on more specific issues (Scuotto et al., 2017; Roncha and Radclyffe-Thomas, 2016; Rienda et al., 2020).

Therefore, the fast-paced and emerging nature of social media, and the increasing use of social media for marketing by different types of fashion brands present a significant opportunity to conduct valuable research that can further advance this rapidly developing research area. In such a case, it is important to conduct a comprehensive systematic literature review to determine the state of knowledge developed in social media marketing in the fashion industry context, to evaluate academic growth so far, and provide venue for future research to help chart the next phase of relevant research in this domain. Reviewing the existing body of research will not only provide an Social Media Marketing in the Fashion Industry:

A Systematic Literature Review and Research Agenda 13 13 understanding of progress achieved in the particular field but also identify gaps that will help extend this field of research (Creswell, 2009). This thesis adopts a holistic stance and aims to integrate the state of knowledge in academic research, topics covered, and significant research gaps in social media marketing research in the context of the fashion industry, in order to develop a fuller understanding and extend the knowledge accumulated from previous research in the field of social media marketing for fashion brands. This research will benefit by explicating the state of social media marketing research in fashion and identifying new research avenues, as well as benefit practitioners by spanning silos of thinking and practice within social media marketing

## 1.2 INDUSTRY PROFILE

The Apparel Industry consists of companies that design and sell clothing, footwear and accessories. Product categories include everything from basics, such as underwear, to luxury items, for example, cashmere sweaters and alligator-skin handbags. Traditionally, apparel companies were wholesalers, selling large quantities of goods to retailers, which then marked-up items and sold them to consumers at a profit. However, it's become more difficult to draw a line between wholesalers and retailers; most apparel companies now have both types of operations.

### Wholesale Business

Wholesale business is what separates companies in Value Line's Apparel Industry from those in our Retail (Special Lines) category. Apparel companies design and produce/source items that they sell to retailers, including department stores, specialty shops and discounters. Often, a company owns licenses to manufacture goods under particular brand names, and will market and advertise these lines. One license can cover many products. In some instances, an apparel company may only have the rights to produce specific items under a brand, such as ties and shirts, while excluding other product lines, for instance pants or sleepwear. Production is often outsourced to developing countries, where labor costs are inexpensive, relative to those of the United States and Europe. The wholesale market is seasonal. Retailers stock up on merchandise before shoppers hit the stores during the peak back-to-school and holiday periods.

Brand names, in particular familiar offerings with a good reputation for quality, style or value, are popular among shoppers. A clothing company possessing a broad line-up of well-known brands has a competitive advantage over its peers. This is not always the case, however. In tough economic times, consumers might turn to similar private-label goods to save money. Private-label goods are found in department stores and discount chains. Though they are less expensive

than branded items, such goods are often more profitable for the seller. Brand-name items and private-label goods compete against each other for shelf space throughout the business cycle.

Because of the seasonal nature of the wholesale market, it's better to compare sales on a year-to-year, rather than sequential-quarter, basis. Gross and operating margins are the best gauges of a company's health. Sales volume, supply chain efficiency, sourcing costs, and selling, general and administrative (SG&A) expenses determine profitability.

## **Retail Operations**

There are a number of reasons why companies in the Apparel Industry establish retail divisions. Having stores dedicated to a single brand gives a company control over a line's image and identity. Apparel companies relinquish some control over branding and merchandising at department stores, and their influence is diluted further at the boutique level. Dedicated retail stores allow a company to highlight its own merchandise, without worrying about competing labels.

Retail stores are typically more profitable than their wholesale brethren. By selling its own merchandise at retail, an apparel company can cut out the middle man and increase profits. However, this strategy can be risky. Instead of simply designing and producing clothes, and filling wholesale orders, companies with retail operations have the added burden of finding store locations with good potential and managing inventory, while avoiding big markdowns.

The Internet is another important platform for retailers, especially since consumers are increasingly Web-savvy and have access virtually anywhere. Shoppers want to quickly find what they are looking for online, and demand fast processing and shipping. Direct sales via the Internet can be a boon to a company. These sales do not entail expensive storefronts and related staffing and, thus, are more profitable than traditional business.

Apparel sales at the retail level tend to be highly seasonal, with the majority of revenue booked during the holiday and back-to-school periods. Industry

analysts review total year-to-year sales to identify trends. Notably, market watchers focus on "comparable-store" sales, which indicate the year-to-year performance of locations open for a year or more. Sales-per-square-foot is another important metric that measures how efficiently a retailer utilizes its floor space.

As with wholesalers, the success of retailers is visible in their reported gross and operating margins. Retail margins are influenced by several factors, including markdowns and promotions, and SG&A expenses. Product mix also plays a role in determining profitability. For instance, a weighting toward accessories is favorable, thanks to their high margins, since accessories' one-size-fits-all nature involves lower costs than do fitted clothes.

### **Investment Considerations**

The Apparel Industry is fragmented and highly competitive. There are a number of major players, but there are also countless niche stores and private companies that cater to specific demographics. Too, general merchandisers and foreign companies bring more competition to the sector. Consequently, companies in the Apparel Industry need to be nimble and highly efficient in order to survive. Having the right product is also essential; fashion trends change frequently, and companies need to adapt to varying consumer tastes quickly.

Apparel stocks are economically sensitive. Although clothing is a basic need, people have wide discretion as to when they update their wardrobes and how much they spend. When times are good, apparel sales are usually brisk. However, during periods of economic uncertainty and contraction, clothing is an area where people can easily trim outlays

## 1.3 COMPANY PROFILE

### **Amazon:**

When Amazon was founded in 1993 by creator Jeff Benzos, it was mostly an online bookstore. Initially Amazon's growth was very slow, not turning a profit until over 7 years after its founding. This was thanks to the great momentum provided by the dot-com bubble. As time went on, Amazon became widely known as the place to shop for books, and the self proclaimed: "world's largest bookstore". As time progressed, so did Amazon's business strategy. Amazon transformed their corporate-level strategy into a mergers and acquisitions approach and did this with great success. Amazon's goal today is to be a place a customer can go to purchase anything online. Amazon has transformed from a garage-based bookstore into a \$48 billion dollar retail machine. They have been able to do this thanks to the power of technological progress. Computational power, bandwidth and data storage technologies all have improved and have become relatively cheaper over time. In the present day, Amazon sells products in over forty categories. They have everything from books to electronics, to groceries.

Today Amazon is a logistics platform, a search engine, an Internet advertising platform, as well as fulfilling roles as an e-commerce and IT platform. The key areas of focus for Amazon are low prices, convenience, selection, and availability. External Analysis General Environment Economic Since the start of 2008, the global economy has been in a recession. The World Bank reduced each country's expected GDP growth for the year of 2013. The low GDP growth and high unemployment rate have reduced people's wealth and purchasing power of goods. When the market tanked, many people chose to migrate their shopping onto an online platform. In 2011, online sales actually increased by 11 percent despite what people imagined.

The reason this has been occurring is that many consumers are changing their spending habits toward finding "bargain goods". Amazon has been able to benefit from this greatly thanks to their ability to offer affordable goods quickly and easily to the general public. Sociocultural Online shopping has grown dramatically in popularity over recent years. E-commerce is convenient since



there are no geographic restrictions and consumers can have access to a selection of goods wherever and whenever they want. Moreover, there is an unlimited selection of merchandise for customers to review and compare. These advantages shift customers' shopping behavior from retail stores to online shopping. According to a survey of online shoppers: 48 percent of respondents shopped online in the past 12 months, 66 percent preferred web retailers, and 73 percent completed nearly half of their shopping online.

The increasing popularity of online shopping is providing a foundation for Amazon to exploit their core competencies. Global With the advances in modern tech support and web security, people are getting more and more willing to make purchases online.

As the economies of emerging markets are rising dramatically, people in those countries with increasing purchasing power are spending more on online shopping. Services such as Amazon are able to exploit this opportunity by offering consumers goods which are not readily available in local markets. While firms expand internationally, it is critical to take into account the differences in consumer preferences.

The Internet is an excellent source of data that provides the most timely available information that captures the shift in consumer preferences and trends. As technology has been rapidly advancing, businesses have been influenced by technological innovations.

For example, 3 online payment methods such as online banking and PayPal create more convenience in purchase transactions, which in turn enhances customers' online shopping experience. Also, the invention of electronic devices such as smartphones deliver easy and convenient transaction processes, further facilitating online shopping.

For instance, Amazon recently released a smartphone app for their Kindle services, allowing users to conveniently access the online sales platform and review products before purchasing.

In the future, the use of 3D virtual technology to market products will also take online shopping to new heights. Political/Legal In the modern day environment,



firms must be cautious when they deal with international policies on online distribution. In the U.S Electronic commerce firms are regulated by the Federal Trade Commission, which regulates online advertising and the security of consumers' personal information.

On the other hand, the International Consumer Protection and Enforcement Network (ICPEN) finds ways to tackle consumer problems involving cross-border transactions in both goods and services. This helps to ensure participants equally benefit and reach mutual understanding. Online retailers such as Amazon should be careful to disclose online sales taxes while advertising products to other countries via online shopping platforms because different sales taxes can cause confusion to customers.

**Demographic** As the world's population is aging rapidly, baby boomers are moving towards retirement so that they will have weaker purchasing power. Thus, generation X and Y have become companies' target markets for product selling. These generations are technologically adept and tend to engage more in online purchasing. Based on a survey, 62 percent of Generation Y liked to purchase things online, as compared to 32 percent of those aged older than 50. Organizations should also exploit opportunities from emerging countries, such as China and India, which have large populations and growing disposable income.

Based on a global survey of online shoppers, people in China engaged in online shopping 8.4 times more than those in any other markets on a monthly basis. Thanks to the network of distribution services and the power of E-Commerce, Amazon is in a position to utilize its core competencies in order to capture the global market.

**Industry Analysis Threat of New Entrants** The threat of new entrants is considered to be low.

It is easy for companies to start-up in this industry due to the relatively low capital investment costs. However, to achieve the position in the industry that Amazon holds it would require huge investment in infrastructure and inventory. It is also hard for new entrants to gain customer loyalty since the existing major competitors, such as Amazon, have established a loyal customer base.

**Bargaining Power of Suppliers** Suppliers have little bargaining power due to the substantial number of suppliers available and the vast expanse of the online

global distribution network. Many suppliers rely on key online retailers such as Amazon to engage in bulk purchasing.

Thus, online retailers can easily switch to another supplier for lower price and better quality. Bargaining power of suppliers to Amazon is particularly low since suppliers do not require payment until 35 days after the confirmation of sales. Bargaining Power of Buyers The bargaining power of buyers is high. Customers have the options to choose among numerous online stores for the lowest price products and services due to the completely available information online. The fact that Amazon is able to reduce their overhead costs by not having retail locations allows them to achieve these low prices, enabling them to compete in the industry. Threat of Substitute Products The threat of substitutes for Amazon is high.

The only unique characteristic Amazon has is the patented technology (such as 1-Click Ordering), which differentiates them from other possible substitutes. However, there are many alternatives providing the same products and services, which could reduce Amazon's competitive advantage. Therefore, Amazon does not have absolute competitive advantage on their product offerings, but they definitely have the advantage when it comes to the quality of customer service and convenience provided. Rivalry Among Competing Firms Rivalry among competing firms is high.

There are a vast number of search engines on the Internet which are able to influence customers' decisions when searching for the best online retailer. There is also an increasing number of dot-com retailers due to the relatively low start-up costs of the business. Competitor Analysis As the fastest-growing, multinational e-commerce retailer in America, Amazon has an international presence over various categories and faces intense competition. Based on the similarity in the breadth of products, geographic market coverage, and scope of business, three major competitors are identified: eBay, Barnes and Noble, and Wal-Mart. Wal-Mart, as the world's largest retail chain, utilizes a cost leadership strategy with low cost management in the value chain to market its products at the lowest price through both ecommerce and physical stores. 6 eBay, operating as the biggest online auction house and focusing as a service provider, employs cost leadership strategy by solely operating e-commerce as an intermediary without holding any inventories or physical infrastructures.

It also applies a differentiation strategy by providing a variety of products, high-quality service security, and E-commerce services. Barnes and Noble, America's largest book retailer operating both online and physical retail businesses, competes intensively with Amazon for market share in the book industry. It pursues an integrated focused cost leadership/differentiation strategy to target price-sensitive consumers by providing books not readily or commonly available at a less expensive price. The competitors' analysis can be summarized as below:

#### 1 Future objectives:

Competitors want to compete for a good strategic position and become the market leader in both e-commerce and physical commerce.

#### 2 Current strategy:

Competitors aim to increase profitability, gain market share, and provide a wide variety of products to compete against Amazon through utilizing competitive pricing, cost leadership, and differentiation strategies.

#### 3 Assumptions:

Competitors believe that the demand for online shopping will continue to grow as consumers seek for more convenient and efficient ways of shopping.

#### 4 Capabilities:

Competitors offer similar products as Amazon either at a lower price or accompanied with differentiated services. Some of them have an international presence with stable financial performance, enabling them to form global strategic alliances to increase their market base of customers. Current Situations & Challe

nges Amazon uses huge amount of data storage to improve customer service. However, Amazon's Elastic Block Storage (EBS) service has been down several times in 2012 due to an 7 electric outage. The main problem comes from Amazon's U.S. East data center in Virginia, which is the biggest and the oldest data center that has been causing outage issues.

The company needs to do major upgrades on the U.S. East data center to prevent the services from going down in the future. Otherwise, the server crashes can bring inconvenience and discomfort to the customers who use the website regularly.

Some of Amazon's services such as Kindle and Cloud have been increasing expenditures throughout the company. Amazon is planning to reduce investments in the Kindle and Cloud initiatives next year. In order to remain competitive in the industry, Amazon should keep investing in new projects that generate more revenue to reflect the value of the company. While Amazon's main interest is in long-term investments, such as video content and distribution centers, it is difficult to predict when the benefits from these investments will be realized.

Amazon has stopped growing for a while and their margin has been constant for several years. The company needs a margin expansion in order to prevent the company's share price from dropping. Future Outlook Overall, there are remarkable challenges for Amazon to yet overcome. If they are able to swiftly react they will be able to maintain their competitive advantages through harnessing their core competencies. Continued success in the emerging markets will ensure that Amazon has a bright and better tomorrow.

## **Flipkart**

Flipkart is one of India's leading e-commerce marketplaces. It was founded in October 2007 and its headquarters are in Bengaluru. It was founded by Sachin Bansal and Binny Bansal. This online venture was initially started as an online bookstore and as the popularity of the company grew, it expanded and diversified its operations.

It started selling other items such as music, movies, and mobile phones. As the revolution of e-commerce gained momentum in India, Flipkart grew at an accelerated pace and added several new product lines in its portfolio.

As of now, the company offers 80 million+ products spread across more than 80 categories such as mobile phones & accessories, computers and accessories, laptops, books and e-books, home appliances, electronic goods, clothes and accessories, sports and fitness, baby care, games and toys, jewelry, footwear, and the list goes on.

Flipkart has 100 million registered users and more than a million sellers on its electronic commerce platform. To ensure prompt delivery to its customers, the company has invested in setting up warehouses in 21 states.

This online platform attracts ten million page hits every day and around eight million shipments are processed every month. Flipkart has also introduced its mobile application, which has become quite popular, with 50 million+ app users. Flipkart is a billion dollar company and its valuation in 2016 was INR

15,129 crore (US\$2.3 billion). It is also fulfilling its social responsibility by providing huge scale employments (employs more than 33,000 people).

### **Background History of Flipkart**

Flipkart was originally started as an online book store in October 2007. To start Flipkart, the founders Sachin Bansal and Binny Bansal left their jobs at Amazon and took a huge risk to start a venture of their own. When the founders thought of starting Flipkart as a company the market at that time was not so much vibrant and was not adapted to the e-Commerce sector that much.

This means e-commerce in India was mostly non-existent at that time and there was no certainty about its future. Still, the Bansals decided to take this risk and now it has turned out to be a huge success.

One of the major problems that Flipkart tackled during its initial years was online payments because at that time, people in India were averse to make online payments to a virtual store, due to fear of frauds and loss of money.

To deal with this issue, Flipkart launched its 'Cash on Delivery' service, which helped to build confidence among online buyers. It also made significant efforts to improve the supply chain system, which helped the company to ensure timely delivery to its customers.

## **Achievements of Flipkart**

The company created a record by selling 1 lakh books in a single day in 2013. Flipkart crossed the 100 million mark in registered customers in 2016.

Flipkart achieved the Young Turk of the Year Award at CNBC TV 18's "India Business Leader Awards 2012".

## **Funding**

Flipkart has received funds worth more than \$ 4.5 billion, with the biggest funding in July 2014 worth \$ 1 billion and in April 2017 worth \$ 1.4 billion.

List of top investors in Flipkart includes Naspers, Steadview Capital, Tiger Global Management, DST Global, Accel Partners, Dragoneer Investment Group, Baillie Gifford, GIC, Greenoaks Capital, ICONIQ Capital, Microsoft, Morgan Stanley, Qatar Investment Authority, and Sofina.

## **Acquisitions made by Flipkart**

There is cut-throat competition in the e-commerce market and the biggest Rival of Flipkart is Amazon. In the recent years, many mergers and acquisitions have been witnessed in the e-commerce market and Flipkart has also made many acquisitions to expand its business and boost its sales and earnings.

The major acquisitions made by Flipkart include Myntra, eBay India, PhonePe, Jabong, Letsbuy(dot)com, WeRead, Mime360, chakpak(dot)com, Appiterate, FX Mart, and ngpay. It has recently acquired its former competitor Snapdeal. It has acquired Snapdeal at a cost of \$ 950 million.

Competition: The major competitor – Amazon

After acquiring Snapdeal the major competitive left against Flipkart is Amazon India. Still, it is facing stiff competition from Amazon India because Amazon has really captured a larger share of the market.

Amazon Company profile is betting big on India's e-commerce revolution and has recently captured an investment of \$5 billion in Amazon India. The company has already received funds of \$2 billion and \$3 billion more are planned. Amazon India has been consistently expanding its customer base, which has resulted in cut-throat competition for Flipkart.



## **Snapdeal**

Snapdeal is one of India's leading e-commerce companies with its headquarters located in New Delhi. Snapdeal was launched in 2010, a time when the e-commerce market in India was at a nascent stage. The company was co-founded by Kunal Bahl and Rohit Bansal. Snapdeal currently offers more than 60 million products across various categories such as mobiles & tablets, computers, office & gaming, electronics, home & living, men's and women's fashion, sports, fitness & outdoors, daily needs, motors & accessories, books, music, real estate, and financial services. The company has more than 3 lakh sellers on its e-commerce platform that cater to millions of users. Snapdeal has a wide logistics network and it delivers to more than 6000 cities and towns in India.

### **History:**

Snapdeal launched operations on February 4, 2010. At that time, the core business idea powering Snapdeal was the daily deals platform. It allowed users to get the best deals every day, for example, discounts at restaurants, hotels, movie theaters, etc. Later, in December 2011, the company announced its plans that it would be changing its business dynamics and transitioning to a full-fledged e-commerce company. The move came as a surprise to investors, since the company had a 70 percent share in the daily deals business. Investors were skeptical, but Bahl was able to convince the board members. The decision has turned out to be visionary, as Snapdeal is currently a leading e-commerce marketplace in India.

### **Funding:**

Snapdeal is one of the most funded companies in India. Till date, it has received total funding worth \$1.78 billion. Snapdeal has received funding from individuals as well as private equity investors and venture capitalists. Some of the top investors in Snapdeal include SoftBank, BlackRock, Temasek, Foxconn, Alibaba, eBay Inc., Premji Invest, Intel Capital, Bessemer Venture Partners, Mr.

Ratan Tata, Clouse SA, Ontario Teachers' Pension Plan, Kalaari Capital, Nexus Venture Partners, Cambrian Ventures, Iron Pillar, and Myriad Group.

### **Acquisitions:**

Snapdeal has acquired several businesses over the years to boost its competitiveness and service offerings. Some of the key acquisitions include GoJavas, TargetingMantra, Reduce Data, Fashiate, MartMobi Technologies, RupeePower, Exclusively, Wishpicker, Doozton, and Shopo. Snapdeal has also invested in various businesses such as Vulcan Express, FreeCharge, NuvoEx, PepperTap, Bewakoof, and Zumbi.

### **Competition:**

Snapdeal competes with other leading e-commerce marketplaces in India such as Flipkart and Amazon India. In 2017, Snapdeal was almost certain to be acquired by rival Flipkart, but the deal was abandoned at the last moment. Co-founder Kunal Bahl wanted Snapdeal to make a fresh start, which is why the acquisition deal was called off. Snapdeal recently sold FreeCharge to Axis Bank at around Rs 385 crore, which has allowed the company to begin a new journey.

## **1.4 Theoretical Background Of Study**

Background of the study This chapter provides a brief background on social media, how it has changed the marketing and communication landscape, highlighting a few industrial marketing practices in the fashion industry context, and finally presents the definition of social media marketing. 2.1 Social Media and Fashion The term social media has received many conceptualisation within the existing literature, while one of the most commonly used definition of social media is ‘A group of internet-based applications that is built on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user generated content’ (Kaplan and Haenlein, 2010, p. 61). Some authors have defined social media as product of internet based applications that facilitate consumer-generated content (Berthon et al., 2012), while some have defined social media as media technologies that enable interactivity and co-creation between and among organisations and individuals through sharing of user-generated content (Filo et al., 2015).

Although different definitions exist, social media landscape can broadly be considered as comprising of two key aspects; first is the internet- mediated platforms that constitute the borderless social media ecosystem (Kietzmann et al., 2011), secondly the use of these platforms by various interconnected actors such as individual and organisations (Appel et al., 2019). The rise of social media and how it has transformed the marketing and communication landscape can largely be attributed to the development of different social media platforms over the years.

Lomborg (2017) indicated that technologically networked form of communication that represents the basis of social media emerged in 1990’s through bulletin board systems, email and other forms of computer-mediated communication that facilitated one-to-one and one-to-many communication and can be considered as the precursor of what today is known as the social media. The advent of social media can be traced back to the early 2000’s with the rise of MySpace and Friendster (Lamberton and Stephen, 2016), which laid the foundation for now so popular social media platforms such as Facebook (founded in 2004) and other image and video-focused platforms such as Instagram, YouTube, Pinterest. The continuous emergence of new social media platforms accompanied by steep popularity and decline in the certain platform

(for example, decline of MySpace from 2007, while the tremendous rise in Facebook thereof) is suggestive of rich and continuously evolving ecology of social media platforms (Lomborg, 2017). Moreover, these different social media platforms vary in their Social Media Marketing in the Fashion Industry:

A Systematic Literature Review and Research Agenda 18 18 scope and offer different functionality to their users, for example; YouTube is predominantly a video-sharing site in comparison to Facebook, which is more about networking (Kietzmann et al., 2011). In this sense, social media can be understood as comprising of different online networking platforms such as Facebook, Instagram, Twitter, Pinterest, WeChat and Weibo, amongst others established and emerging platforms that allows users to connect, create, share, send and receive content/information (Kaplan and Haenlein, 2010; Berthon et al., 2012; Appel et al., 2019). With its distinctive characteristics such as interconnectedness, interactivity, egalitarian (Peters et al. 2013), social media has immensely transformed the marketing and communication landscape. The most fundamental change is presented by the power of content creation and feedback bestowed to the consumers in the social media environment, which was absent in the traditional marketing and communication system (Berthon et al., 2012; Gensler et al., 2013).

The conventional view of marketing and communication is characterised by a one-way, outbound and media-oriented system, wherein marketers used one-to-many communication and were the pivotal authors of the brand narrative. In the conventional model, there was no opportunity for users to communicate with the firm or provide feedback. Figure 2.1 Traditional and Web 2.0 marketing communication model based on Hoffman and Novak (1996) Social Media Marketing in the Fashion Industry:

A Systematic Literature Review and Research Agenda 19 19 However, with the advent of social media, the nature of communication has changed. As can be seen from Figure 2.1b, social media has presented an alternative perspective on marketing and communication marked by a complex network that allows the consumer to interact with the firm, the media, as well amongst each other by creating their personal content. Multiple actors are able to communicate with each other, provide feedback, initiate dialogue and contribute to knowledge

about the brand and its offerings. Therefore, marketers are no longer the pivotal authors of brand's stories, as the brands are shared among the users of social media technologies (Gensler et al., 2013; Killian and McManus, 2015).

The changes have profound implications for fashion brands marketing and communication practices, as understanding the needs of customers, interacting and engaging with them, as well as integrating them in brand's marketing activities on social media has become vital to develop compelling brand narratives (Gensler et al., 2013; Chae and Ko, 2016; Amed et al., 2017). Thus, social media requires fashion brand's to adopt more consumer-centric marketing and communication practices by enabling consumers to participate with the brand, providing entertainment to the users, seeking consumer feedback, running contests, and even co-designing products with consumers (Touchette et al., 2015; Kontu and Vecchi).

This is particularly significant as consumers are more likely to trust content posted by other users over the branded messages (Jung and Kim, 2016; Mazzucchelli et al., 2018), forcing brands to involve users in their branded activities. Some fashion brands have already demonstrated the positive influence of engaging consumers in branded activities on social media, and few prominent examples include Tiffany & Co's story-giving campaign 'What makes love true' that encouraged consumers to share their personal love stories and gained significant attention from consumers (Hughes et al., 2016). Another recent example includes Adidas Facebook campaign which included some athletes as the brand's spokesperson to convey a strong message. The campaign gathered millions of views and thousands of likes, shares and comments within a few weeks (Socialbakers, 2020)

Although fashion brands can take advantage of the increased visibility, reach, speediness and interactivity offered by social media, it does not come without challenges. Since fashion brands have no control over user-generated content, the consumer can also share negative experiences, complaints and opinions about the brands, which can prove to be detrimental to brands image (Gensler et al., 2013). For example, luxury fashion brand Dolce and Gabbana faced extreme criticism online from Chinese customers and was accused of supporting racism in one of its campaigns featuring a Chinese model. The issue was compounded as a number of screenshots were shared on Instagram and led to Chinese

customers boycotting the brand. Social Media Marketing in the Fashion Industry:

A Systematic Literature Review and Research Agenda 20 20 Despite increased complexity in the marketing and communication environment presented by social media, some astute fashion brands are leveraging social media to their benefit. For instance, consider Pretty Little Things a young fashion e-retailer (established 2012) that has grown tremendously over the years by capitalising on the reach, cost-effectiveness and timeliness of social media, earning revenue of 55 million pounds in 2017 (Intel, 2017). The retailer has a strong presence on almost all popular social media channels such as Instagram (11.1 million), Facebook (2 million followers), Twitter, YouTube, amongst others. Social media is rapidly gaining acceptance in marketing practices in the fashion industry to reach the massive consumer base present online.,

TikTok, a video-sharing social networking platform that was released in 2016, and currently has 689 million global active users (Statista, 2020b). The platform allows users to watch and create the video, which is usually of five to sixty seconds, with audio effects (Sehl, 2020).

However, this thesis focuses explicitly on conventional social media platforms due to their continued popularity among users and opportunity they offer for fashion brands to use them as a marketing and communication tool (Nelson et al., 2019; Perrin and Anderson, 2019). Social Media Marketing in the Fashion Industry: A Systematic Literature Review and Research Agenda 21 21 Different Types of Social Media Platform Global Customer Reach as of July 2020 (Statista, 2020b) Main Features Use of Social Media by Fashion Brands Social networking platform: Facebook 2.6 Billion Posting: Users can post and share status updates, photos, messages, articles, videos News feed: It provides updates about any likes, comments and shares made by friends. Facebook stories: Allows users to share photos and videos for 24 hours, similar to Instagram stories.

Facebook live: Helps broadcast real-time videos Fashion brands are most commonly using posts, stories and Facebook live features to promote their latest collections, for e.g. Burberry's live catwalk show with photos from behind the



scene on Facebook and ASOS sale preview on Facebook. Photo and video sharing social networking platform: Instagram 1.08 Billion Posting: Users can upload photos, share videos, geotag images with locations. Hashtag: To discover a collection of photos, videos, trends on that particular tag. IGTV: Users can upload long vertical format videos of up to 10 mins. Reels: To create and share short video (15 seconds) Instagram stories: Users can upload photos, videos, and upload live broadcast, all of which is available for only 24 hours.

Story Highlights: Helps to save stories on the profile page which can be viewed anytime Instagram live: Helps broadcast real-time videos to other users Shopping tags: Allows to tag products so users can directly buy from online stores Many fashion brands are actively using different combinations of Instagram features to promote their brand. For e.g. Burberry in collaboration with Instagram offering selected products only on the platform for limited time using the shoppable tag feature. Missguided @missguided, Everlane @everlane, Gucci @Gucci, Louis Vuitton @ Louisvuitton, to name a few, are using posts, IGTV, reels, guides, hashtags to attract customer attention. Louis Vuitton @ Louis Vuitton Instagram reels have attracted millions of views on each of their reels. Social Media Marketing in the Fashion Industry: A Systematic Literature Review and Research Agenda 22 22

A few examples of social media platforms used for marketing in the fashion industry Video sharing platform: YouTube 2 Billion Upload videos: Enables posting and developing of series of videos called channel Live streams videos: Allows creators to live stream and interact with users in real-time 360 degree video: Supports uploading of videos with 360 degree view Fashion brands are mainly using YouTube to showcase their runway shows, backstage videos, video campaign and new product launches. Various fashion brands have brand channels on YouTube and some even have millions of subscribers. For example, Chanel currently has 1.72 million subscribers with hundreds of videos uploaded on its channel. Small fashion retailers are also using innovative themed videos, for example; Modcloth campaign using consumer ambassadors to market its product on YouTube and Primark's live 360 degree view of its collection on YouTube. Microblogging and social networking platform: Twitter 326 Million Message sharing: Allows sharing of short text messages of up to 280 character, also called tweets Twitter threads: Develops a series of connected messages/tweets Photo sharing: Users can upload and attach photo to their tweet

Polls: Provides the ability to attach poll questions to tweets Video streaming: Discovering and watching live streaming videos Brands are actively using Twitter to update customers and offer customer service. Fashion brands such as Nike (@NikeSupport), Boohoo (@boohoo\_cshelp), All Saints (@AskAllSaints) have alltime customer support accounts on Twitter. ASOS has dedicated its Twitter account named @ASOS\_Heretohelp for customer queries. Social Media Marketing in the Fashion Industry:

A Systematic Literature Review and Research Agenda 23 23 The emerging industry practices suggest that fashion brand are using social media platforms for varying purposes ranging from increasing brand awareness, introducing new products, providing exclusive discounts, providing entertainment value, and providing all-time customer support to their audience. According to Ng (2014), fashion brands are also using social media to expand beyond geographic reach, to build a closer relationship with consumer (Park and Kim, 2015), and are even using electronic word of mouth by using influencers to gain consumer attention (Lou et al., 2019; Boerman, 2020). In other words, fashion brands are utilising social media in their marketing and communication practices to achieve different marketing goals (Lamberton and Stephen, 2016). From this perspective, ‘social media marketing’ has been considered as a part of marketing and communications that is used by fashion brands for different marketing purposes (Hughes et al., 2016). However, various researchers from other disciplines have covered varying aspects associated with social media, each having their individual perspective on defining social media marketing (Yadav and Rahman, 2017).

For the purpose of this thesis, social media marketing is considered as the use of social media by fashion brands to communicate, engage, disseminate brand/product information, interact, create electronic word of mouth, and build and maintain online consumer relationships via different social media platforms (Yadav and Rahman, 2017). This definition of social media apprehends the fundamental premises of marketing associated with social media phenomena and clearly outlines the different activities pertaining to social media marketing.



## 1.5 Reviews

According to M2PressWIRE (2011) Social Media has become the hottest trend in the fashion Industry .The fame & uptake of the brands on the social networking sites is growing at a fast pace. In the past year the majority of the brands have doubled their following on the social networking sites. According to the latest research by digital research, one of the prominent and leading providers of digital market research shows that the presence of fashion retailers on the social networking website has significantly grown in comparison to any other fashion retail sectors. Qualman (2009) concluded that Young adults are power users of social media sites .They engage themselves with their favorite fashion brands through these online platforms and consider their opinions about brands important .According to “Young Adult Revealed” a global survey was carried out on 12603 people from 18 to 24 years old among 26 countries to find out how much young adults engage online with brands every day. The result shows 28% talked about brands on a discussion forum, 19% added brand related content to their homepage on favorite social sites. Stephenson (2009) concludes that according to a public relations director for Betsey Johnson “Agatha Szczepaniak” the social media website especially Twitter is considered as an opportunity to get access to customers .

They have actually become the human voice for the brand and can be use for free advertising. Fashion Couture houses, designers and retailers in an attempt to shape their brand personalities on real-time worldwide online platforms are tweeting, blogging & updating their profiles on a regular basis. The designers are using social media to post videos, commercials, behind the scene and off screen footage and fashion shows which serves to be the human voice for the brand.(Stephenson,2009).

Fashion houses, brands and retailers are using social media platforms for facilitating real time and authentic relationships with consumers. Chief Executive Officer of Oscar de la Renta Alex Bolen says, “It gives a feel to the customers as if they are part of the brand’s complete family, and therefore the brand itself,(and) the interactive element further enhances that relationship. (Stephenson, 2009).Social media platforms provide an advantage that “gives brands an opportunity to be a part of discussions about their own companies”. These social networking platforms such as Facebook's launch of a company

page create a strong brand advantage (where) the company is in the middle of a joint communication with its consumer. Social media provides designers the power over releasing their new looks and designs in a representation insightful of its reliability and vision. (Stephenson, 2009). According to Ziv.Y (2010) The Fashion Industry is deeply rooted in traditional business practices. The reliability and dependability of nearly all aspects of the fashion industry is mainly on people and not on the machines which includes everything from the couture designs to marketing and the buying process.

But now with the use of social media the fashion brands can rely more on digital technologies than the people which is undoubtedly a much faster medium of creating brand awareness among customers and to anticipate fashion behaviors. Social media has become one of the most popular fashionable tools which creates a link between brand and the consumer. This link not only gives a boost to the purchase intent but it also increases the oral communication. In addition to this, social media can be very helpful in projecting the brand's image in the minds of well informed and conscious consumers.(Apparel Magazine,2010).

Sanand (2011) concludes that The fashion Industry is welcoming social media because it is not only a Journal of Resources Development and Management [www.iiste.org](http://www.iiste.org) ISSN 2422-8397 An International Peer-reviewed Journal Vol.7, 2015 3 marketing strategy but it also observes and anticipates the fashion behaviours. According to Lee (2009) The commencement of fashion bloggers, has a significant impact on the fashion industry. It has brought a change in everything from printing to publishing and how brands market themselves online.

The renowned fashion brands and designers such as Dolce & Gabbana, Burberry, Alexander McQueen, along with foremost fashion magazines such as Vogue and Elle , acknowledged brilliant fashion bloggers such as Gala Darling, Tavi,Scott Schuman of the 'Sartorialist' and Garance Dore. With their established network of followers, the fashion industry has taken notice by requesting these bloggers to cooperate in fashion design collaborations and receive seats at the front row in the international fashion week . (Lee, 2009).The organization of communities-social media forums ,tweets and blogs, stimulate communication between brands and their consumers. Where social networking websites such as facebook and twitter have become the most priceless and

valuable tools for brands to observe consumer's response and present real time consumer service in the fashion industry. (Lee, 2009) According to Noricks (2010) Fashion marketing relations and PR specialists and consultants help clothing companies and retail stores establish and keep a positive civic image." Fashion marketing promotions and PR strategies for designers and brands includes: working with the media, an acquaint media kit with packaged set of promotional materials such as photographs and background materials, scheduled media tours/desk sides, celebrity credit promotion, fashion events which includes the information regarding runway shows and fashion week and sales appointments.

Fashion designers, retail outlets and promising stylists-all facets of the fashion industry were estranged before the emergence and use of social media. The establishment of "leading retailers and brands "is the result of digital PR trends" and the "alteration between brands and publishers. (Noricks, 2010). Just the way "brands are designing their own magazines,"the publishers are making use of their online platforms to express their opinions (i.e editorialize ) retail. Social media platforms serve as an interactive medium for even fashion news coverage and are no longer considered as an addition to the print magazines.

The members of social networking websites are becoming the "new professionals" of the industry. (Noricks, 2010). Prabhakar (2010) concludes that by allowing the public behind the fashion influencer screen,(designers) are now connecting to an exclusively fresh spectators .The social media platforms allow designers "to benefit from the 400 million facebook users and more than 22 million Twitters users," which is helpful in providing marketing capabilities which cannot be bought from advertising budget.

According to Phillips (2008) we human beings are multifaceted combination of private and social selves and the interconnections presented by social media give us a convincing platform."In organization with the Philips's point of view of social media, fashion brands and designers use an equation of online platforms to provide the customers and consumers with a judgment on the different perspectives that formulate a brand strategy, they not only tweet and update about their collections and clothes but also about their personal parties, holidays and besides this they also share their personal photo via social networking websites. Bourne (2010) concluded that social media platforms

provide rising stylists, bloggers and designers a fashion outlet that has a global worldwide reach. "Social media is fashion's newest Muse," an article from "Forbes.com," discussed that social networking websites as a chance for specialized growth and appreciation for emerging designers, stylists and bloggers.(Bourne,2010).

Social networking websites and retailers are using social media platforms as a foundation for exploring potential fashion designers. A former fashion editor ,Daria Shualy, "launched the website "Sense of Fashion" which was primarily founded on the basis of helping (independent) designers sell their (designs) and to provide better communication with customers and consumers.(Bourne, 2010) According to DiMauro (2011) social media in the fashion industry is aiding the development of "social fashion," where expertise are applied to support art .Fashion bloggers and freelance stylists are considered as a integral part of brand's marketing and promotional strategies. According to Olivier (2008) when shopping online, the customers are comfortable in buying the products from retail sites they can trust.

Social media has brought fresh and innovative elements into the online shopping experience and is potentially catalyst for additional profits, giving brands and retailers an opportunity to place their products in front on thousands of potential customers in a familiar and easily reachable surroundings .The social networking platforms have a wider reach to the potential consumers and target market, the customizable and accommodating interface of the networking sites is introduced to them as a perfect platform to cater a larger no of audience and for expansion of business in an interactive environment. (Olivier, 2008). Michault (2009) concluded that a perfect example of the influence and impact of social media was during a round of fashion shows in 2009.

Just by one tweet from Lady Gaga so many people clicked on the live streaming of Alexander McQueen's fashion show which caused the site's server to crash. According to Morrissey (2010) to promote its Poppy line of affordable but luxury fashion clothing the brand Coach decided to run a social media campaign. When the line was launched back in 2009 Coach banked Journal of Resources Development and Management [www.iiste.org](http://www.iiste.org) ISSN 2422-8397 An International Peer-reviewed Journal Vol.7, 2015 4 on facebook and tapped into its fan base. All the facebook fans were given a gift on their visit to the Coach

store. (Morrissey, 2010) According to Agresta (2010) Social media marketing also includes understanding the online consumer behavior. The print, radio and television advertising is now replaced by the social media advertising which has become an important channel of marketing campaigns. Today, people communicate via social networking websites, where peer reviews and opinions are of greater importance. Consumers are more expected to look for blog reviews and ratings and follow the likes and dislikes of their friends via facebook, twitter and so on.

## **1.6 The Statement Problem**

The statement of the problem is how beneficial is social media in creating brand awareness among customers and the effects of social media on the fashion Industry.

### **1.7 Objectives Of The Statement**

The Objective of the study is to determine the role and impact of social media within the fashion industry

### **1.8 Hypothesis**

There is no impact of Social Media on Fashion industry

### **1.9 Limitation Of The Study**

The limitation of this study is the lack of having the perspective of managers in the department of social media. The work could have been improved if the researcher was able to be in contact with those people in order to have a better validation of this research study. Moreover, there were inadequate resources or authors that have specifically covered the influence of social media on fast fashion e-commerce firms and how they operate. This could be seen as the research gap

## **Research Methodology**

## **Machine Learning**

Text analysis often relies on machine learning, a branch of computer science that trains computers to recognise patterns. There are two kinds of machine learning used in text analysis: supervised learning, where a human helps to train the pattern-detecting model, and unsupervised learning, where the computer finds patterns in text with little human intervention. An example of supervised learning is Naive Bayes Classification. See Natural Language Processing and Topic Modeling for examples of unsupervised machine learning

- Machine learning - reference entry - Encyclopedia of the Sciences of Learning
- Naive Bayes Classification

## **Natural Language Processing**

Natural language processing, a kind of machine learning, is the attempt to use computational methods to extract meaning from free text. Among other things, natural language processing algorithms can derive: names of people and places, dates, sentiment, and parts of speech.

## **Topic modeling**

Topic modeling, a form of machine learning, is a way of identifying patterns and themes in a body of text. Topic modeling is done by statistical algorithms, such as Latent Dirichlet Allocation, which groups words into "topics" based on which words frequently co-occur in a text

## **Network analysis**

Network analysis is a method for finding connections between nodes representing people, concepts, sources, and more. These networks are usually visualised into graphs that show the interconnectedness of the nodes.

Social network analysis - the process of investigating social structures through the use of networks and graph theory. It characterises networked structures in terms of nodes (individual actors, people, or things within the network) and the edges, or links (relationships or interactions) that connect them.

Semantic network analysis - a network that represents semantic relations (meanings) between concepts. This is often used as a form of knowledge representation. It is a graph consisting of nodes, which represent concepts, and edges, which represent semantic relations between concepts.

- Social Network Analysis
- Semantic Networks

## **Text Visualisation**

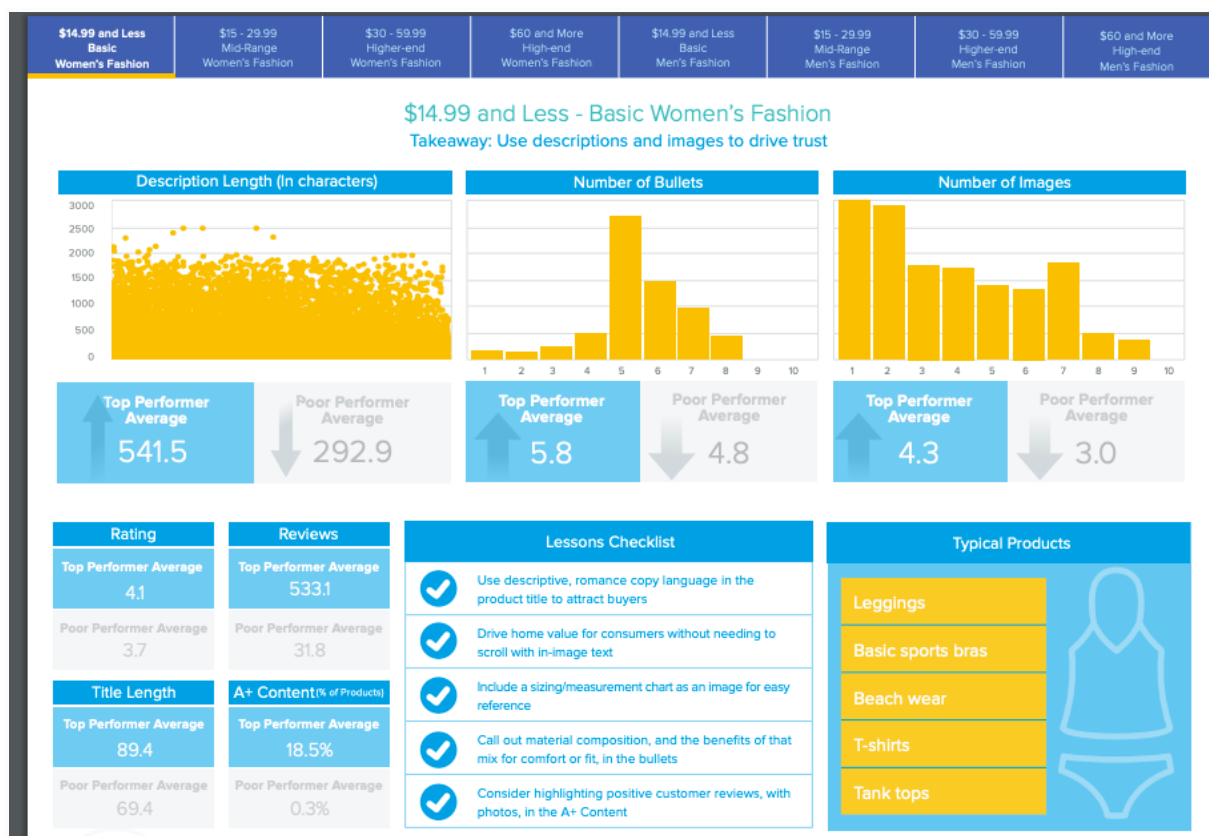
Text visualisation is a way to "see" your data. Text mining visualisation can help researchers see relationships between certain concepts. An example of a visualisation of data can be word clouds, graphs, maps, and other graphics that produce a visual depiction of the data.

### **2.1 Research Design:**



This analysis is based on content attached to more than 89,000 product pages within the ‘Clothing, Shoes & Jewelry’ category live on Amazon between May 1 and August 1, 2018. Products were segmented based on the secondary category of ‘Men’ or ‘Women’, and all products in the ‘Shoe’ subcategory were excluded. Within each respective gender subcategory, the analysis reflects four segments based on product price point: \$14.99 and less, \$15-29.99, \$30-\$59.99, \$60 and more. ‘Top Performer’ averages represent products within the top 10% of sales rank for each of the four price point segments. ‘Poor Performer’ averages represent products within the bottom 10% of sales rank within each price point segment. In the case of multiple prices being posted for a single product over the course of the studied months, an average was taken

Each section of this report reflects data for discrete price segments within the respective men’s and women’s clothing category of products on Amazon.



\$14.99 and Less  
Basic  
Women's Fashion

**\$15 - 29.99**  
**Mid-Range**  
**Women's Fashion**

\$30 - 59.99  
Higher-end  
Women's Fashion

\$60 and More  
High-end  
Women's Fashion

\$14.99 and Less  
Basic  
Men's Fashion

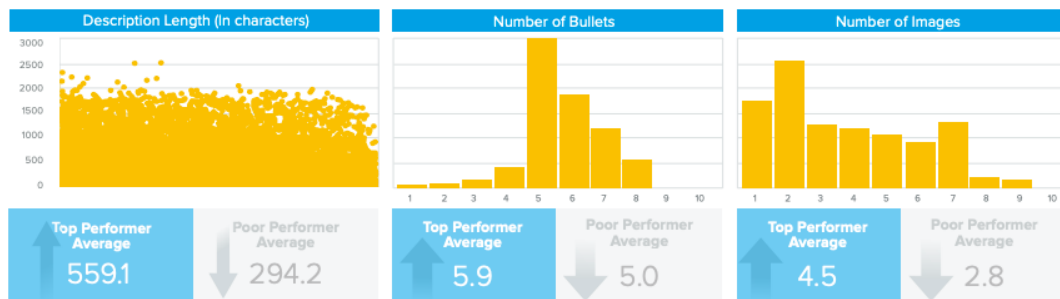
\$15 - 29.99  
Mid-Range  
Men's Fashion


\$30 - 59.99  
Higher-end  
Men's Fashion

\$60 and More  
High-end  
Men's Fashion

## \$15 - 29.99 - Mid-Range Women's Fashion

Takeaway: Separate from the pack with more visual content

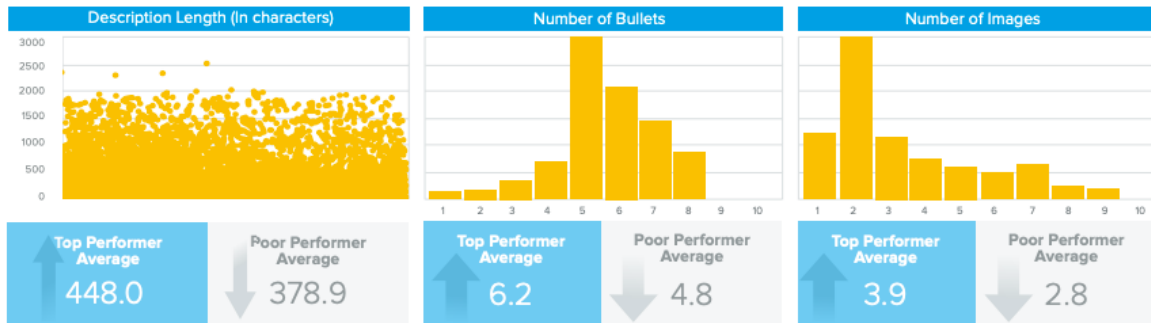


Rating	Reviews	Lessons Checklist	Typical Products
Top Performer Average 4.1	Top Performer Average 544.0	<ul style="list-style-type: none"><li>✓ Use images to showcase the product's look in multiple poses, environments</li><li>✓ Consider investing in marketing-heavy descriptions and A+ Content to showcase quality and fit</li><li>✓ Include material close-ups somewhere on the page</li><li>✓ Showcase similar products or alternative fits in the product line either in-image or link below the fold</li><li>✓ Include images for all color variations of the product</li></ul>	<div>Simple dresses</div> <div>Everyday bras and lingerie</div> <div>Cover-ups</div> <div>Mid-range sports bras</div> <div>Sweatpants</div> 
Poor Performer Average 3.8	Poor Performer Average 21.9		
Title Length	A+ Content(% of Products)		
Top Performer Average 91.1	Top Performer Average 22.3%		
Poor Performer Average 68.4	Poor Performer Average 0.7%		

\$14.99 and Less Basic Women's Fashion	\$15 - 29.99 Mid-Range Women's Fashion	<b>\$30 - 59.99 Higher-end Women's Fashion</b>	\$60 and More High-end Women's Fashion	\$14.99 and Less Basic Men's Fashion	\$15 - 29.99 Mid-Range Men's Fashion	\$30 - 59.99 Higher-end Men's Fashion	\$60 and More High-end Men's Fashion
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## \$30 - 59.99 - Higher-end Women's Fashion

Takeaway: A+ Content is incredibly important

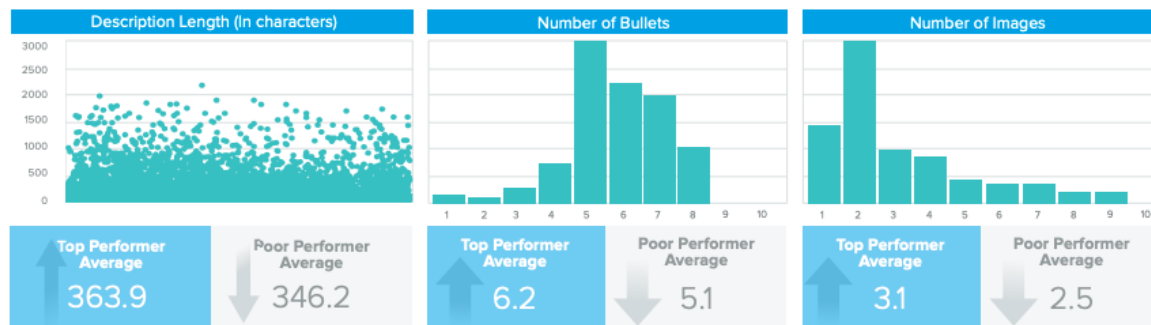


Rating	Reviews	Lessons Checklist	Typical Products
<b>Top Performer Average</b> 4.2 <b>Poor Performer Average</b> 3.7	<b>Top Performer Average</b> 518.0 <b>Poor Performer Average</b> 3.5	<ul style="list-style-type: none"> <li>Provide potential fit and material details in descriptions, and keep bullets marketing oriented</li> <li>Invest in A+ Content to drive sales amongst more discerning consumers</li> <li>Include sizing chart within above-the-fold imagery</li> <li>Use in-image text to call out benefits or features</li> <li>Consider outlining your brand or product story below the fold</li> </ul>	<div> <div>Fleeces and sweaters</div> <div>Higher-end bras and lingerie</div> <div>Jeans</div> <div>Casual dresses</div> <div>Skirts</div> </div>
<b>Title Length</b> <b>Top Performer Average</b> 81.2 <b>Poor Performer Average</b> 69.2	<b>A+ Content(% of Products)</b> <b>Top Performer Average</b> 26.2% <b>Poor Performer Average</b> 0.8%		

\$14.99 and Less Basic Women's Fashion	\$15 - 29.99 Mid-Range Women's Fashion	\$30 - 59.99 Higher-end Women's Fashion	\$60 and More High-end Women's Fashion	\$14.99 and Less Basic Men's Fashion	\$15 - 29.99 Mid-Range Men's Fashion	\$30 - 59.99 Higher-end Men's Fashion	<b>\$60 and More High-end Men's Fashion</b>
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## \$60 and More - High-end Men's Fashion

Takeaway: Winning content is laser-focused on target buyer



Rating	Reviews	Lessons Checklist	Typical Products
<b>Top Performer Average</b> 4.2 <b>Poor Performer Average</b> 4.0	<b>Top Performer Average</b> 405.9 <b>Poor Performer Average</b> 1.9	<ul style="list-style-type: none"> <li>Keep A+ content heavily focused on target buyers, including lifestyle shots and language</li> <li>Lay out comfort, benefits, and material construction in the bullets</li> <li>Include modeled photos, particularly for formal apparel</li> <li>Include sizing and fit details above the fold</li> <li>Highlight positive customer reviews in the A+ content, particularly for higher-priced items like formal apparel</li> </ul>	<div> <div>Dress shirts</div> <div>Athletic wear</div> <div>Higher-end pants</div> <div>Blazers and sport coats</div> <div>Heavy jackets and outerwear</div> </div>
<b>Title Length</b> <b>Top Performer Average</b> 75.7 <b>Poor Performer Average</b> 66.8	<b>A+ Content(% of Products)</b> <b>Top Performer Average</b> 24.1% <b>Poor Performer Average</b> 0.4%		

Executive Summary Online apparel and accessory sales in the United States are expected to surpass \$118 billion in 2019, according to eMarketer, making it the largest product category by ecommerce sales.<sup>1</sup> Overall US apparel sales went down by 2% in 2017, however apparel sales through ecommerce channels rose by 14% over the last year. For fashion brands, online is where the biggest opportunity for growth lies. Amazon is a major source of this sales growth, and is a key way to reach this rising share of engaged consumers. By focusing on the product page elements across apparel products on Amazon, this benchmark data identifies what sets the top-performing product pages apart from the rest in this category – so you can understand where to focus in order to improve your sales and market share.

How top-performing pages are winning on Amazon Apparel products that are able to earn hundreds of customer reviews and deploy A+ content on Amazon are particularly well positioned to capture more sales on Amazon. Regardless of the price point, product pages in the top 10% of sales rank had significantly more reviews and broader use of A+ content than low performers.

There are differences in what else contributes to a winning product page depending on a product's price point, along with whether the product is meant for males or females. For example, top-performing pages at price ranges below \$30 feature significantly longer product descriptions on average than their lower-performing counterparts, while these differences become much less pronounced for products priced \$30 and above. Meanwhile, top performing women's clothing had between 0.5 to 1.4 more images than top performing men's clothing in the same price range, with these differences growing smaller the higher the price point.

Delving into this data at relevant price points and gender targets for your products will help guide your brand on how to make improvements that can ultimately increase sales and grow market share on Amazon.

## **2.2 Source Of Data Collection:**

- Search Engines
- Google Dorks
- Online Books
- Library databases
- Social media
- Open sources
- Web Scraping(Consumer affairs.com)

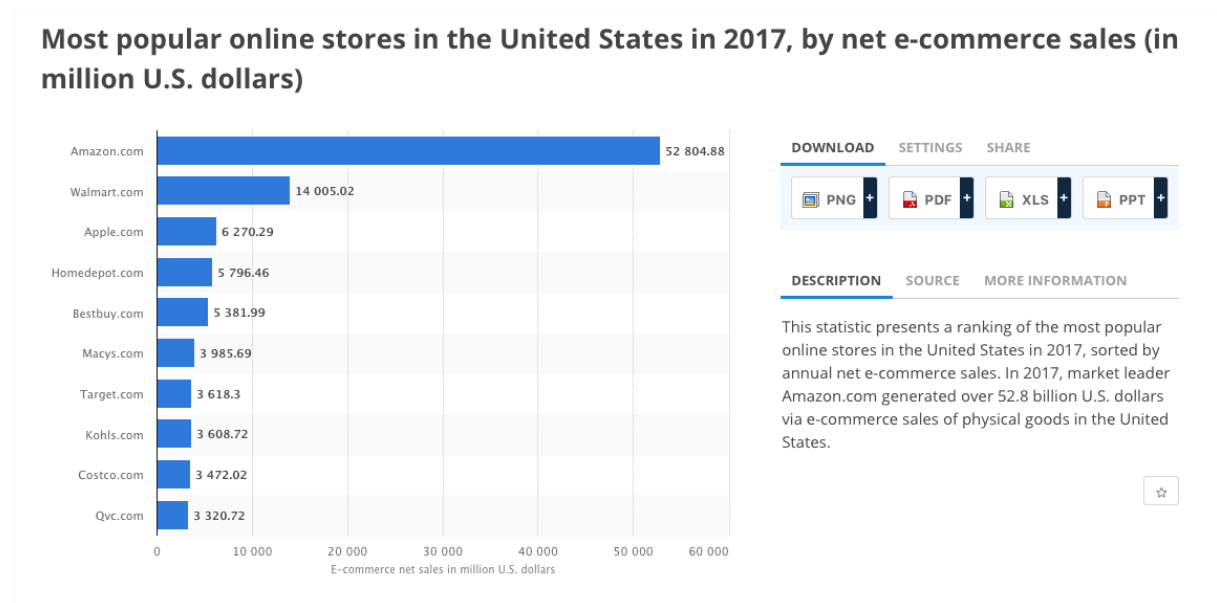
## **2.3 Tools Used For Data Collection:**

- Monkey learn
- Google Dork

## Data Analysis and Interpretation:

I don't know if it's bad form to begin by stating the obvious, but there really is no digital retail success story greater than **Amazon's**. **The figures** lay it down bare. There are 310 million active Amazon customer accounts worldwide, 90 million of which are Amazon Prime members who spend an average of \$1,300 per year on the platform, with the remaining 220 million non-Prime members spending an average of \$700.

Put it all together and you've got the most popular and most valuable online store in the US by far. Annual net ecommerce sales of physical goods totaled \$52.8 billion in 2017 - nearly four times that of Amazon's closest ecommerce rival Walmart - which, combined with Amazon's service sales, gives the company a brand value of \$139.29 billion.



(Image source: statista.com)

These are jaw-dropping figures indeed.

Though, what is perhaps most remarkable is that they are not at all surprising. We have *all* heard of **Amazon**, and I'd be willing to bet my Kindle that each and every one of you who is reading this blog will have bought something from the site before, or at least know 10 others who have.

The popularity of Amazon is nothing short of phenomenal, and the gargantuan e-tailer has managed to muscle its way into practically every aspect of our lives - from the books on our shelves to the devices in our pockets and the parts in our cars.

The question has to be - how on earth did it do this?

Well, in truth, the story of Amazon's success comes down to a variety of factors. But one thing in particular that the company has got right time and time again over the years is its handling of social media - which indeed it seemed to master even *before* such a thing truly existed.

Let's dig a little deeper to illuminate this point...

## **Driving Customer Engagement at Every Level**

We'll begin by considering Amazon's reviews system.

Online customer reviews are practically synonymous with Amazon. Indeed, garnering buyer reviews has always been fundamental to the Amazon strategy. As anyone who has ever used the site will know, reviews are promoted throughout - both before and after purchase.

Every item that's listed on Amazon has a star-rating - awarded by Amazon customers - and is normally accompanied by numerous reviews left voluntarily by previous buyers of the same product. Buyers, incidentally, can also leave reviews of sellers.

Reviews have always been critical to the Amazon model. Since buyers cannot touch or test a product before they commit to a purchase, previous customer appraisals provide

accountability, and serve as an indicator of quality for buyers who would otherwise just have to take the seller at his/her word.

But, equally important, is the fact that reviews generate genuine consumer engagement with the platform. Indeed, the highly active customer reviews columns found all over Amazon.com could almost be described as a consumer-driven social network in its own right.

Customers get to know their favorite sellers and engage with them. They also get to know their favorite reviewers and trust their opinions, star-ratings, and recommendations. To make product reviews even more useful to customers, Amazon also enables community moderation by encouraging customers to vote on the usefulness and relevance of each review that's left, and shoppers can even post follow-up questions directly to the reviewer. And of course, the Amazon algorithm is in a constant state of up-sell - 'Customers who viewed/bought this item also viewed/bought that item', buyers are notified at practically every turn.

All of this engenders true interaction with the Amazon.com platform. Indeed, it's more than just an online retail site, it's a *community* that Amazon has now been nurturing for 24 years.

And so it's no surprise that when social media took off in the past decade or so, Amazon knew exactly how to play the online community game to its advantage.

## **Amazon On Social Media**

Almost exclusively posting product promotions across its various social networks, Amazon is able to drive more sales than any other online merchant. Here's how it's done...

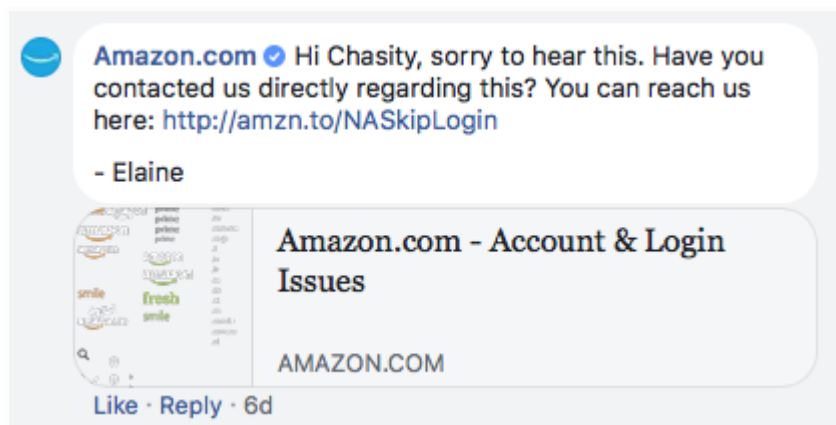
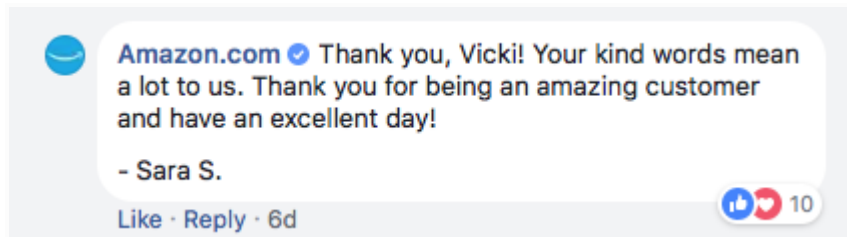
### **Facebook**

Amazon currently has over 28.7 million likes on its **Facebook page**. An incredible figure, but if you take a quick scroll down its news feed you can see why it's so popular. Amazon replies to a staggering amount of comments left on its posts - and it does so quickly, politely, provides useful information and links, and adds the human touch by addressing commenters



by first name, with the Amazon employee signing off each comment using their first name also.

A few examples:



(Image source: facebook.com)

When someone asks a question, Amazon answers it. If someone expresses a frustration, a response is quick and helpful. And Amazon also creates and contributes to conversations, which is imperative for brand success on social media. Indeed, in keeping with the *social*

aspect of Amazon's social media efforts, customers with Facebook-connected accounts will see product reviews written by their Facebook connections appear in their feeds, as well as products their connections have put on their Amazon Wish Lists (so you know what you can buy them for their next birthday - directly from Amazon, of course).

Promotions-wise, Amazon also uses **Facebook** to highlight products, and offers date-related coupons and discounts to encourage sales. When Mother's Day is just around the corner, the Facebook page becomes awash with gift ideas and discount coupons to purchase them - followers, who were likely going to buy a gift online anyway, have no need to look elsewhere.

## **Twitter**

Amazon's Twitter campaign is today less heavy on promotions than it used to be, and instead serves as a vehicle for driving its 2.7 million followers towards Amazon's additional services such as Prime Video and Amazon Music. The Amazon Twitter feed is also used to promote the company's blog content - a lot of which offers small business advice to those selling on Amazon - and deliver news about the various things and innovations the company is involved with and up to.

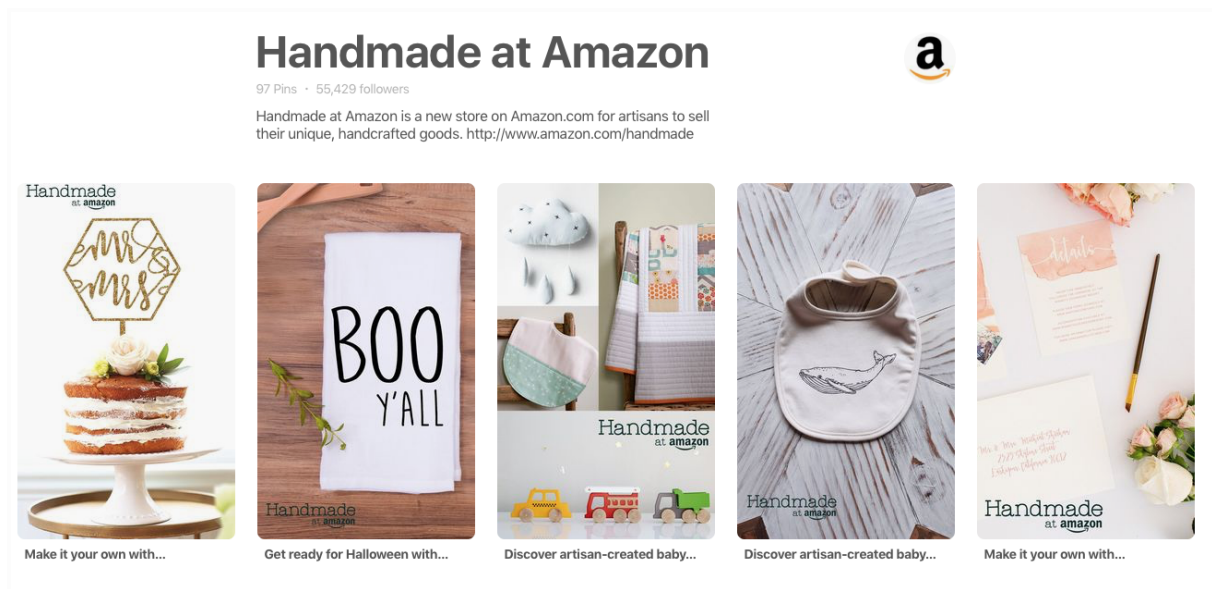
(Source: [twitter.com](https://twitter.com/amazon))

Essentially a platform for content marketing rather than driving direct sales, Amazon's activity on Twitter nonetheless serves to create and nurture an engaged community of customers, and encourage as many as possible towards Prime membership.

# Pinterest

**Pinterest** for Amazon is essentially an extension of its main online store. Pinterest is of course the one social media site where a significant percentage of users go to browse for purchase ideas. But when they find a Pin from Amazon, they can simply click on it and are taken either straight to a page on Amazon.com where they can purchase the product directly, or otherwise to the seller's own website from where the customer can complete the purchase via Amazon.

Amazon also uses Pinterest to promote bespoke lines, such as Handmade at Amazon, Amazon Home Services, and Amazon Style for Women. It's all very carefully set up to drive Pinterest users towards Amazon purchases - and it works.

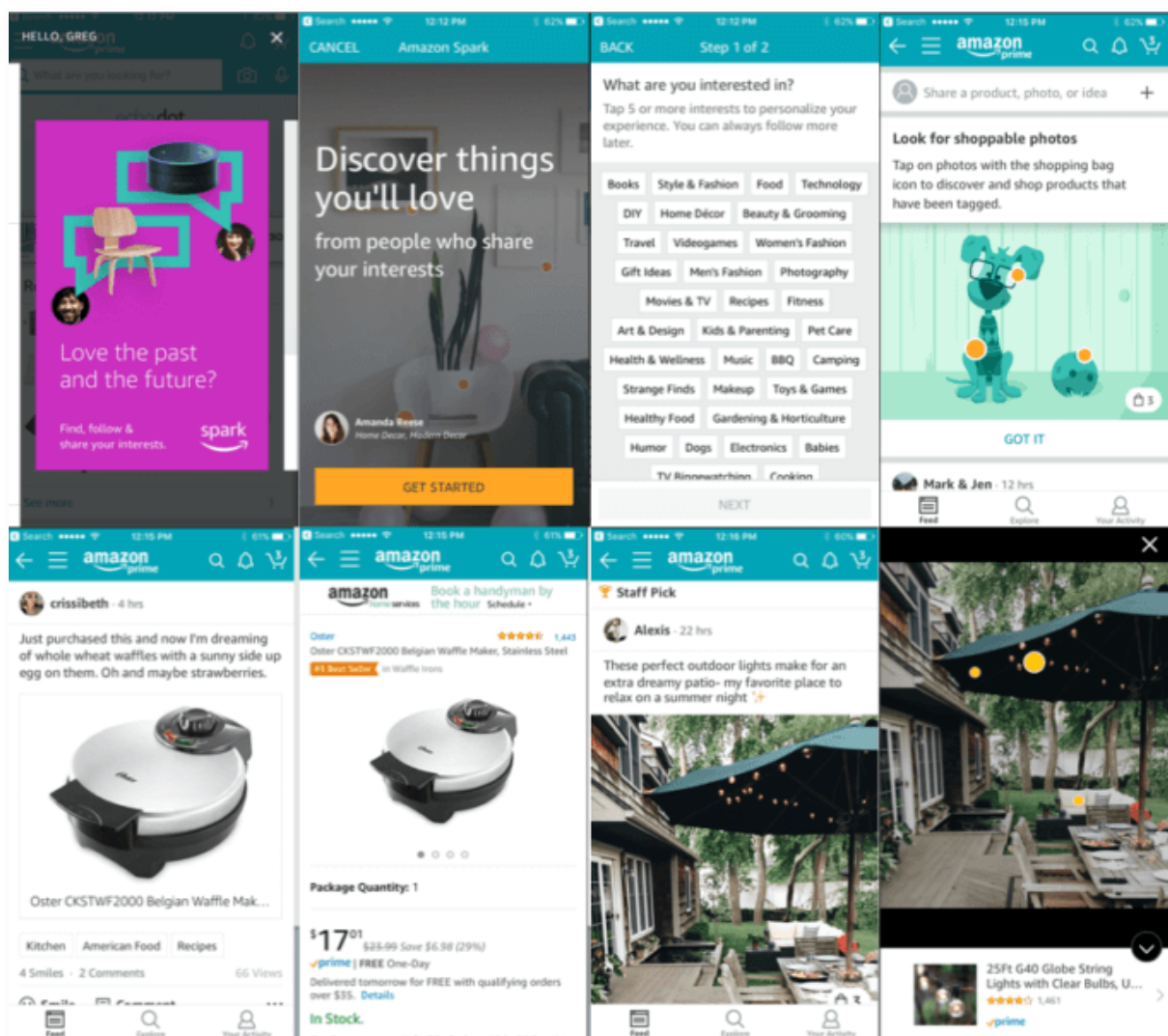


(Image source: pinterest.com)

# Spark

Last year, Amazon even went so far as to launch its own Instagram/Pinterest-like Amazon Spark, which could be described as a social network for shopping. Residing within the Amazon app, Spark is designed to create social engagement that will lead directly to product purchases.

When users sign up, they are asked to identify topics of interest from an extensive menu, which includes product categories as well as lifestyle areas such as travel, art & design, fitness, and so on. Users then receive images of products and other items of interest in a shoppable news feed, where they can leave comments, make recommendations, and of course click through to make a purchase.



(Image source: marketingland.com)

Aside from being yet another social channel through which Amazon can drive direct revenue, Spark also generates data, and gives the company a whole new set of signals for customer targeting that it can use further down the line.

Of course, Amazon already knows what its users search for and buy, but with Spark, it can also learn more about their interests and aspirations, all of which can be used to inform targeted ad campaigns in the future.

## **Results**

### **4.1 Findings**

Amazon has always believed in a thriving and engaged community, even before the advent of social media.

But through the extensive utilization of Facebook, Twitter, Pinterest, and now its very own Spark network, one of Amazon's keys to success is to promote itself and its products across a plethora of social channels, and facilitate conversation, engagement, and discovery among its millions of followers.

### **4.2 Suggestions**

Artificial intelligence can be merged with ecommerce websites to be avail the facility while shopping for apparel industry

AI can be programmed to analyse the person's emotions face reaction and display products

### **4.3 Conclusion**

Therefore the alignment of business and social media strategies in major ecommerce site has led to their enormous growth and the above given project has referenced has hence proved how an ecommerce giant like amazon is able to achieve their goal mostly focusing on their social media marketing

