

# Final Analysis

Team 2

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# What to expect?



zalando

## H&M

- Value proposition
- Public image
- Marketing Observations
- Digital Services
- Legal & Privacy
- Development Proposals

## Zalando

- Value proposition
- Marketing
- Observations
- Development Proposals

## Ikea

- Value proposition
- Marketing Observations
- Comparisons between the companies



# H&M's values

H&M's value proposition to its customers can be boiled down to the following: on-trend clothes at affordable prices. The retailer offers a full range of clothing staples in addition to outerwear, swimwear, footwear, undergarments, accessories and more. In order to live up to its promise, H&M was obligated to create a supply chain that enabled it to react in a timely fashion to changing trends while also ensuring reliable quality at manageable prices.

## OUR VALUES – *the H&M spirit*

*Our values are at the very core of "the H&M way". These values guide our actions in our daily work along with our policies and guidelines. Our values are called "the H&M spirit".*



*We believe in people*

*We are one team*

*Constant improvement*

*Straightforward and open-minded*

*Entrepreneurial spirit*

*Keep it simple*

*Cost-conscious*

*...in all we do, sustainability is a natural part*

These values ensure a workplace in which the decision paths are short, where everyone works together at a fast pace, and where everyone can rely on each other's knowledge and abilities. Individually, these values may seem obvious. But together, they form a culture that we think is unique and different from many other companies. Our values, "the H&M spirit", should be regarded as a support, something to strengthen us and use in our everyday work.

# H&M's public image

H&M is widely known for affordable clothing that is often discarded – they are trying to fight this public image of 'cheap discardable clothes' with marketing campaigns focusing on sustainability

- Their marketing is consistent on sustainability, trying to fight the image of a producer of 'cheap clothes'
- This 'sustainability' -focused marketing is mostly consistent between the stages of the Five As in their official marketing
- Social media takes some freedoms from this overall message with 'trendy', 'funny' and 'fashionable' statements
- H&M's competitors don't have this negative image, but sustainability is a megatrend – the competition is addressing the same issue, but H&M must work extra hard to recover its somewhat negative image when it comes to sustainable fashion



# H&M Marketing Observations

## Traditional marketing

- Television advertisement
- Physical advertising boards

## Online marketing

- Targeted advertisements on websites
- Advertisements on YouTube, Spotify and other services
- An email newsletter
- A mobile application

## Social media

- Facebook
- Twitter
- Instagram
- Pinterest
- YouTube

## Content marketing

- Social media influencers
- Occasional official blog posts

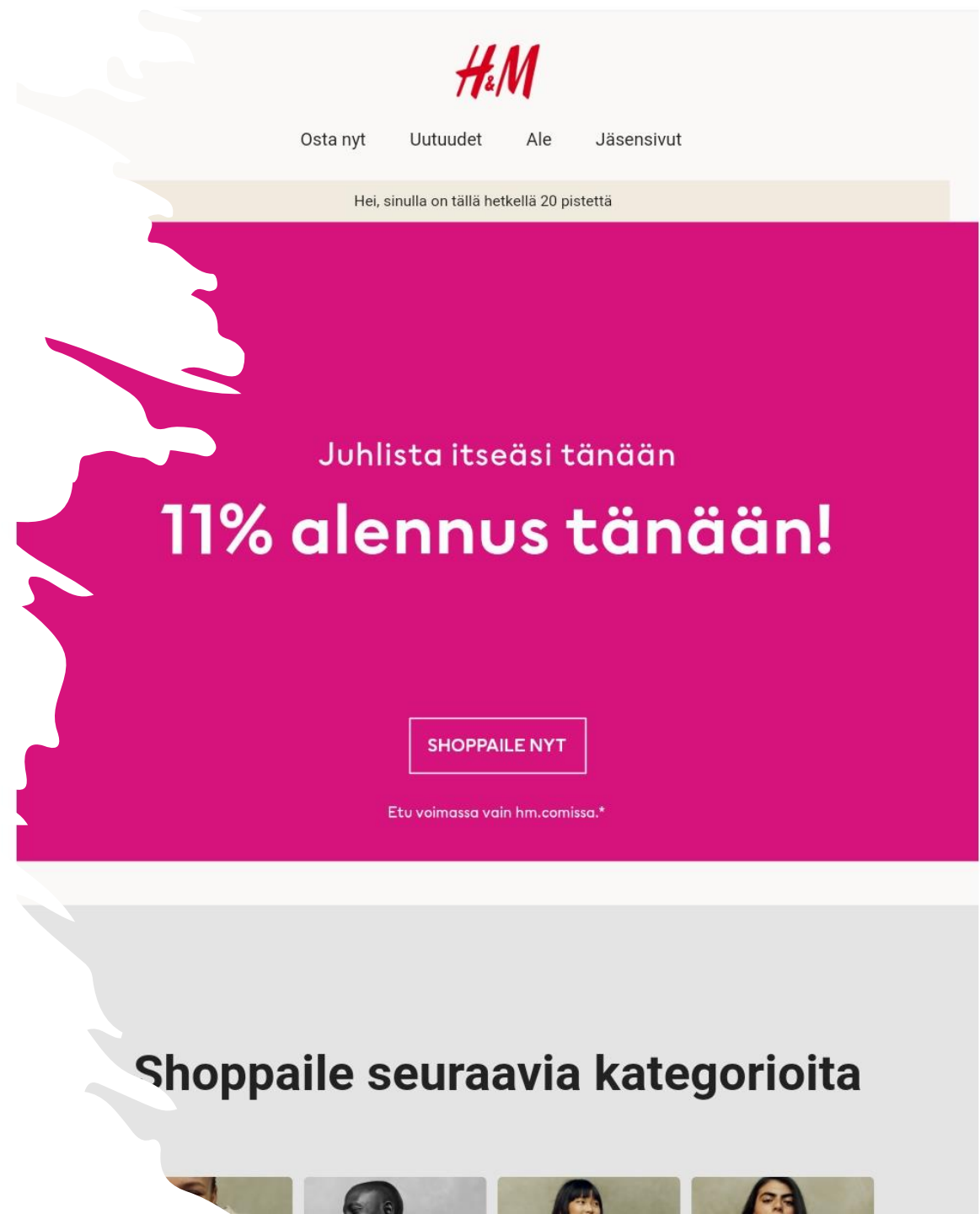
## SEO and SEM

- No search engine marketing observed
- Likely utilizing search engine optimization



# H&M Digital Services

- H&M has an online store with a myriad of different digital services that cater to customers.
  - Online shopping
  - Store locator
  - Find in store –service
  - In-store mode
  - Scan & Find
  - Visual Search
  - Customer reviews
- H&M mobile application
  - Online shopping
  - In-Store Mode
  - Sales & promotions
  - Requires H&M Membership



# H&M membership

- H&M does an especially good job on the advocate stage of the Five A's model by using H&M membership to their advantage
- H&M members gain many benefits and H&M is very vocal about these benefits (website and e-mail CTAs include benefits for members)
- H&M members gain "Conscious-points" for responsible choices which can be used for benefits (enforces H&M's message about sustainability)
- The point system gives customers an incentive to keep coming back

## H&M-jäsenyyys

Enemmän – siitä jäsenyydessämme on kyse. Mitä enemmän pisteitä keräät, sitä parempia etuja saat.

### Jäsenedut:

- ✓ Täysin digitaalinen jäsenyyys H&M-sovelluksessa
- ✓ Liittymisetu: 10% alennus + ilmainen normaalitoimitus seuraavasta ostoksestasi
- ✓ Bonukset
- ✓ Digitaaliset kuitit
- ✓ Etuja ja alennuksia
- ✓ Shoppaile nyt ja maksaa myöhemmin Klarnalla
- ✓ Ilmainen normaalitoimitus ostaessasi vähintään 25 eurolla
- ✓ Ilmainen Click & Collect
- ✓ Ilmainen palautus
- ✓ Shoppailutapahtumia
- ✓ Syntymäpäiväetu
- ✓ Kanta-asiakkuus on tietysti täysin ilmaista!

### Plus-tason jäsenedut:

- ✓ Täysin digitaalinen kanta-asiakkuus H&M-sovelluksessa
- ✓ Bonukset
- ✓ Digitaaliset kuitit
- ✓ Etuja ja alennuksia
- ✓ Ilmainen normaalitoimitus ja palautus
- ✓ Ilmainen Click & Collect
- ✓ Shoppailutapahtumia
- ✓ Syntymäpäiväetu
- ✓ Ainutlaatuisia elämyksiä
- ✓ Shoppaile erikoismallistoja ennakoon
- ✓ Yllätysetuja
- ✓ Ennakkovaraus tapahtumiin
- ✓ Kanta-asiakkuus on tietysti täysin ilmaista!



# H&M Legal & Privacy

## Customer commitment to data protection and privacy

Digital businesses are subject to increasing number of regulations and requirements, typically related to personal data protection. Each country in the European economic area has its own national data protection authority. H&M must follow the necessary legal regulations and requirements by mostly employing measures mentioned in the General Data Protection Regulation (GDPR) in its entirety.

### On their website's Legal & Privacy section the H&M Group manifests their commitment to these data protection laws by the following principles

- H&M uses personal data lawfully, fairly, correctly and in a transparent manner.
- H&M collects no more personal data than necessary, and only for a legitimate purpose.
- H&M retains no more data than necessary or for a longer period than needed.
- H&M protects personal data with appropriate security measures.

### On this privacy notice page, they also clarify the following points.

- Who is responsible for processing of your personal data?
- Where they process your data?
- Who has access to your data?
- What is the legal ground for processing?
- What are your rights?

### How do you exercise your rights?

- We take data protection very seriously and therefore we have dedicated customer service personnel to handle your requests in relation to your rights stated above. You can always reach them at [dataprotection.gb@hm.com](mailto:dataprotection.gb@hm.com).

### Data Protection Officer

- They also have appointed a Data Protection Officer to ensure that we continuously process your personal data in an open, accurate and legal manner. You can contact our Data Protection Officer at [dataprotection.gb@hm.com](mailto:dataprotection.gb@hm.com) and write DPO as subject matter.



# H&M

## Development Proposals

### Search engine marketing and optimization

Search engine marketing is a uniquely powerful option for your business. It's simple, but effective: People search for things they want. And advertisers target specific searches, but only pay if someone clicks to learn more.

- We noticed a startling absence of any SEO or SEM –efforts during our observational period – as a recognizable brand, this might not be completely necessary, but should still be employed to boost click-through rates that lead to calls to action.
- SEO or SEM activities could bolster the otherwise somewhat incoherent mess of social media marketing during the aware and appeal stages of the Five A's pipeline.

### Content marketing

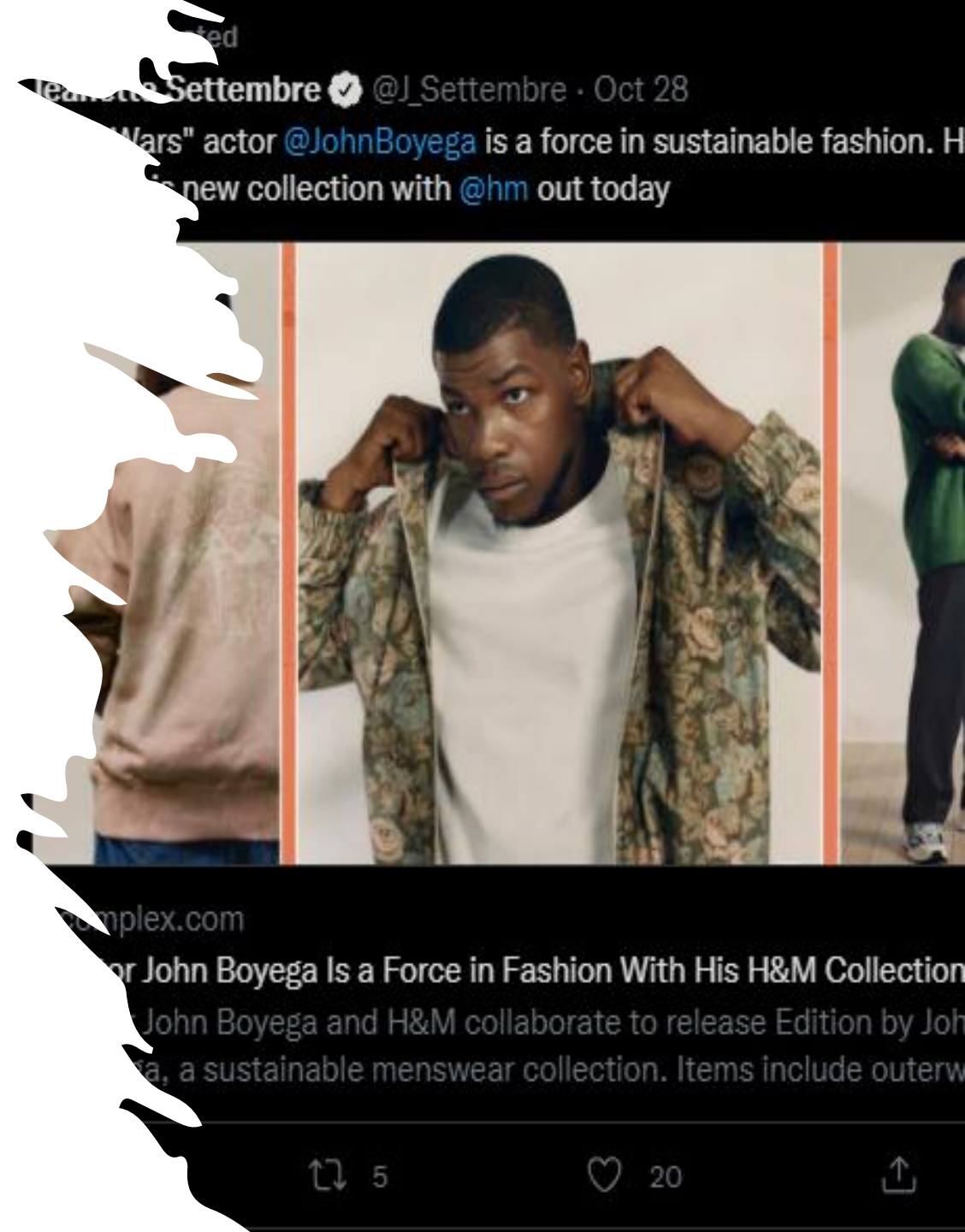
Content marketing is based on the creation and sharing of online material, like videos, blogs, and social media posts. It's designed to generate interest in a company's products or services by capturing people's attention, but this was found to be lacking in the case of H&M's marketing efforts

- The brand might be recognizable enough to have little need for content marketing like blogs etc. But in our opinion additional official blogging could help their marketing campaign
- H&M has a large social media influencer crowd that pushes similar content on Instagram, Facebook and Pinterest on a regular basis, so this might be a reason for the missing blog content.

### Overall marketing

H&M's marketing is highly effective in creating advocates in the final stage of Five A's model – this is not a surprise since H&M is a large, worldwide company, but its effectiveness is in question during the Appeal –stage. This could be bolstered in multiple ways like ideas above.

- At this moment, their message of sustainability is everywhere but feels shallow when compared to the reality of often cheap clothes that are almost disposable. In our opinion, the general marketing efforts should be aimed to increase the power of the message.
- In addition to their consciousness points etc. they should air new television commercials, print new newsletters and get the message across to everyone – not just the already devoted advocate group.





- Zalando is one of the leading multi-brand fashion aggregator.
- **Online seller**
- Headquarters in Germany(2008)
- Has a strong focus on **innovation** and (**sustainability**)trend
- Uses many marketing strategies that are mandatory for online shop

# **zalando** VALUE PROPOSITIONS

- Zalando has five primary value propositions: **accessibility, price, customization, innovation and brand/status**. Zalando has very broad variety of products for each season. Consisting of global, local and private label offerings.
- Zalando marketing is heavily focusing on creativity and being innovative with clothes choosing and fashion.

# **zalando**    **MARKETING**

- **Best strengths:** broad variety of products/brands etc. (brings in a lot of customers) One place where you can get all
- Uses social media to their advantage: Facebook and Instagram (increasing demand and reaching new customers online)
- Zalando has also launched many subsidiaries like Zalando Lounge, Zalando Payments etc.
- Zalando is staying **consistent** in their strategies and messages they have provided. Will have growth in coming years

# **zalando** OBSERVATIONS

- Is widely known. (already has great image)
- Ads are tailored to be creative and imaginative (Ads give the kind of feel to do something creative at least video ads)
- TV ads, online ads, social media, influencers talking abt Zalando etc.
- After signing up with Zalando newsletters. You will get 10% next order. Zalando will send you offers, recommendations etc.
- Focuses well on **customer service**. Free shipping and return policy. 100days return policy.
- **Accessibility** is a big factor.



# DEVELOPMENT PROPOSALS

- Some kind of loyalty system would be a great way to keep customers.
- Keep focusing on online marketing
- Use more influencers to attract new customers



zalando

# IKEA



- IKEA is a multinational conglomerate that designs and sells ready-to-assemble furniture, kitchen appliances, home accessories and other goods and home services
- Swedish origin, headquarters in Netherlands
- World's largest furniture retailer since 2008
- Known for modernist designs and its interior design work is associated with an eco-friendly simplicity
- Online and physical stores



# IKEA value propositions

- IKEA focuses on efficient packaging and distribution. Flat packs keep transport costs down which lowers prices for their customers. They also make it easier for people to take products home themselves. Once the products are home, customers can play their part in keeping prices low by assembling them.
- IKEA is known for their products being good quality and affordable to everyone. Their customer support is also good and fast at helping you if you ever have any problems, for example missing a screw from your product, they will send spare parts quickly.

# IKEA marketing observations



- IKEA is very active on Twitter, Facebook and Instagram. They also have a YouTube channel that isn't very active.
- Most advertisements are on television and other YouTube videos.
- Their goal in social media is to listen to customers needs so they can provide better products and services.
- IKEA is a company which tries to learn as much as possible from customers and co-workers to give the best possible experience for everyone.
- IKEA has its own membership called IKEA Family that gives tons of benefits like coupons, discounts and membership activities and events. You can also subscribe to their newsletter to get notifications of all news.

# Comparisons between companies

- Compared to H&M, Zalando has an edge in online selling of clothes. Zalando is more focused on customer demands. Also public image is better compared to H&M
- Physical stores still bring more customers because Zalando has least sales out of the companies because it only sells its products online.
- IKEA was hard to compare with these companies because it sells furniture and other things for houses instead of clothes.