

Strategic Concept Brand Report



Group 15:

Ethan Sharrock (10172782)

Anna Frost (10738699)

James Hutchins (10704332)

Ziyi Liu (10608719)

Shixin Zheng (10744887)

Yucheng Wang (10690833)



H&M Executive Summary

New Mission Statement:

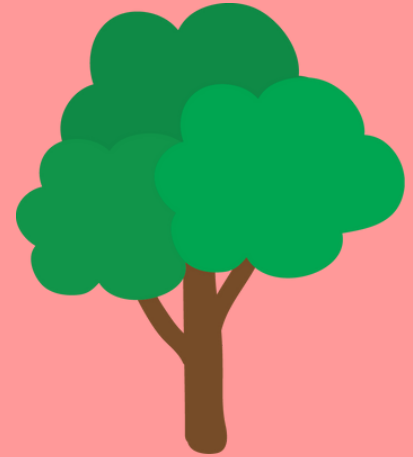
“To be clear, committed, and connected to the wider H&M community, through innovative integration of digital technologies, an enhanced customer journey, and sustainable & ethical practices, to ensure our products and brand meet the high standards expected by all our customers”.

Figure 1: H&M New Mission Statement
(Author's Own, 2023)

H&M, in recent years, have attempted to move towards a more sustainable operation. However, due to accusations of greenwashing and its relation to fast fashion, H&M are yet to be committed to a consistent brand identity. The aim of the Strategic Development Report is to formulate a strategy to tackle issues identified in figure 2 by establishing key strategic objectives in figure 3. If successful, this strategy will firmly establish H&M with a firm brand identity established in sustainable and ethical practices. This strategy will be achieved by leveraging H&M's vast resources and a growing consumer base of informed and intelligent individuals to target.

The Strategic Development Report assessed the following areas:

1. Brand Analysis
2. Micro Analysis
3. Macro Analysis
4. Strategic Direction
5. Proposed Strategy
6. Inspirational Moodboard



Sustainability



Transparency



Innovation

Identified Issues:

- Underwhelming physical store atmospherics.
- Longer lead times than many fast fashion and ultra-fast fashion competitors.
- Over-reliance on independent suppliers, which leaves them vulnerable when sourcing issues arise, due to a lack of control over production.
- Conflicting brand identity (fast fashion brand vs sustainable brand). Criticism for engaging in greenwashing.
- Limited digital touchpoints.

Figure 2: Identified Issues (Author's Own, 2023)



Strategic Objectives:

- Launch a new sustainable capsule collection.
- Streamline the physical store and revitalise select stores with engaging atmospherics and digital technology.
- Create an effective IMC campaign, to provide a platform to address greenwashing claims.
- Reposition the brand away from the fast fashion retail sector.
- Look towards overhauling its current supply chain practices to be more sustainable. Analyse how blockchain technology can be used to enhance transparency.
- Further develop a seamlessly integrated omnichannel operation.
- Launch a physical pop-up store in London, followed by major UK cities. Launch a metaverse pop-up store.

Figure 3: Strategic Objectives (Author's Own, 2023)



- Given the current environmental concerns and the increasing demand for sustainable fashion, H&M's effort to establish itself as a sustainable non-fast fashion brand is an important one. H&M has already come under fire for its rapid fashion business strategy and environmental effect. Redefining H&M as sustainable will not only solve these issues but also appeal to consumers who are concerned about the environment.
- A unified and thorough marketing strategy for the brand may be developed using the Integrated Marketing Communication (IMC) approach. Advertising, public relations, sales promotion, direct marketing, personal selling, and digital marketing are just a few examples of the several types of communication that would be included in the IMC channels.

- Given the high level of consumer engagement on digital platforms, digital marketing is particularly crucial in redefining H&M as a sustainable brand. Social media campaigns, influencer collaborations, content marketing, and email marketing are all part of the digital marketing strategy. The strategy would centre on using narrative to convey the brand's dedication to sustainability, promoting the usage of sustainable materials, and displaying the company's initiatives to lessen its environmental effect.
- This may include the creation of the logo might include the concepts of people, planet, and profit through the use of the colours green and blue and sustainable images like trees, leaves, and recycling symbols.



- A thorough marketing campaign, including a potent digital marketing strategy, partnerships with sustainability influencers, and sustainability-themed events, would need to be put into place in order to re-introduce the brand. For the company to draw in and keep environmentally concerned customers, it would be necessary to successfully promote its sustainable activities through a variety of marketing platforms.
- Some digital communication steps that could be taken to promote H&M as a completely sustainable and non-fast fashion brand:
- Social media campaigns may be used to raise awareness of a brand's environmentally friendly efforts and methods. This can entail displaying eco-friendly products, disclosing the company's carbon footprint, and emphasising the brand's dedication to ethical and sustainable production methods.
-

INFLUENCER PARTNERSHIPS:

Working with bloggers and influencers in the field of sustainability may help a company spread the word about its green efforts and methods to a larger audience. On their blogs and social media platforms, these influencers can discuss their thoughts and experiences with the company and its products.

SOCIAL MEDIA CAMPAIGNS

This may be used to raise awareness of a brand's environmentally friendly efforts and methods. This can entail displaying eco-friendly products, disclosing the company's carbon footprint, and emphasising the brand's dedication to ethical and sustainable production methods.

EMAIL MARKETING

This may be used to notify customers about the company's eco-friendly programmes and procedures. Sharing details about planned events with a sustainability theme, new sustainable product releases, and sustainability-related news and updates are a few examples.

DIGITAL MARKETING CAMPAIGN

It's crucial for H&M to reduce their environmental impact and create transparency, with consumers now consciously prioritizing environmental and social responsibility when purchasing from a brand. The digital marketing campaign of a sustainable 10-piece collection aims to drive the brand with a new eco-conscious outlook enabling them to become more sustainable, enhancing the brands reputation.

H&M KEY BRAND WEAKNESSES

- o Lack of sustainability and transparency
- o No clear target markets
- o Limited online presence
- o Heavily dependent on physical stores



PR LAUNCH EVENT

The digital marketing campaign will showcase the sustainable collection by a PR launch event to create attraction towards the new and innovative garments before the launch. The launch event will be thoroughly planned in order to generate positive publicity, with the use of celebrities and influencers, promotional activities and PR boxes being a few examples. The sustainable collection will be aimed towards young adults between the ages of 18-28, attracting a younger cohort of consumers. The purpose and goal of the digital marketing campaign is to meet consumer demand and the brands reputation.

INTENDED OUTCOME

Through innovative design and new technologies, the digital marketing campaign will advertise the sustainable collection with the driving theme of sustainability to a new and younger target consumer. The sustainable collection provides the brand with a transparent relationship with consumers. Within the UK 'the 2008 financial crisis cemented fast fashion's hold on the market. Worldwide, clothing production double from 2000 to 2015, while prices dropped' (Rachel Monroe, 2021). Furthermore, by adapting and moving away from the links to fast fashion and the criticism will allow the brand to boost engagement and sales reaching.



CAMPAIGN STRATEGIES

- o Exposure on all social media platforms with relevant hashtags.
- o Influencer marketing.
- o PR boxes given at the launch and sent to a wider number too.
- o Promotional activities / interactive content creation.
- o E-mail marketing campaigns.
- o Online Ads targeting a younger target audience.
- o Instagram giveaway, boosting engagement.

JUSTIFICATION

Through innovative design and new technologies, the digital marketing campaign will advertise the sustainable collection with the driving theme of sustainability to a new and younger target consumer. The sustainable collection provides the brand with a transparent relationship with consumers. Within the UK 'the 2008 financial crisis cemented fast fashion's hold on the market. Worldwide, clothing production double from 2000 to 2015, while prices dropped' (Rachel Monroe, 2021). Furthermore, by adapting and moving away from the links to fast fashion and the criticism will allow the brand to boost engagement and sales reaching.



Introduction

As H&M has been criticised for its sustainability this is an issue that the brand should be focusing on. H&M organic is a sustainable capsule collection targeted to young adults aged 18-28, it is made entirely from eco friendly materials and is made to be durable and last a long time. The silhouettes are going to be simple and flowy as it is a summer capsule collection. The collection will be sold in set batches per month to ensure everything will be sold. The manufacturing process will be recorded and be placed in store as well as online to be 100% transparent to consumers.

Collection aims

H&M organic aims to have a positive impact on brand reputation through its transparency and its eco-conscious efforts, which will result in consumer trust. This collection also aims to attract eco-conscious consumers, which is something H&M strive to look for as they are most inline with the brands targets for the future. By releasing a sustainable capsule collection the brand will be able to differentiate from their competitors, as the H&M are usually linked with other fast fashion brands it will gain a competitive advantage for the brand. Finally H&M organic aims to reduce environmental impact and will use this capsule collection in order to learn and become a more environmentally friendly brand.



Sustainability aim

Durable
Timeless
Eco-friendly materials
Ethical production
Recyclable packaging

Strategy aim

Transparency
Eco-conscious consumers
Differentiate
Reduce waste



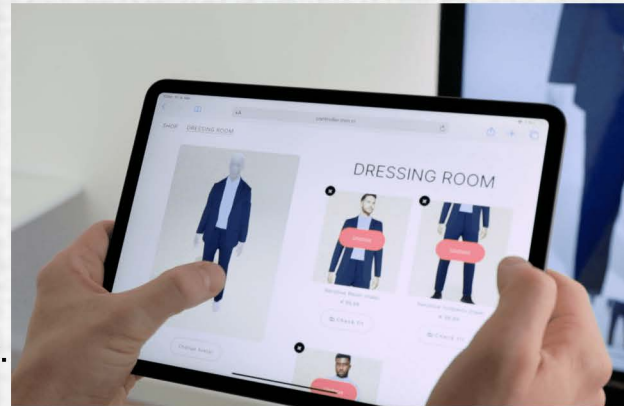


Retail

The retailing of this collection will not be in all stores, in fact it will be only in major cities to appeal to many customers however it will be available online as well.

The collection will be sold in limited quantities to ensure all products are sold leaving no waste and will be restocked monthly. The price point will be slightly higher than H&M's general pricing however the quality of the products will be better ensuring they will be very durable and last a long time.

Instore there will be an exhibit showcasing the H&M organic collection with lots of information about what this collection is and how it is sustainable. It will have many diagrams and interactive tablets showing the manufacturing processes.



H&M organic collection

- H&M organic will include 7 pieces.
- The colour scheme will be a lot of neutral tones such as beige, greys, white, navy, and greens to give an earthy feel to it.
- There will be 3 classic pieces, 2 hero pieces and 2 core pieces
- The entire collection will be made from sustainable and durable materials
- Some examples of materials used are recycled cotton and linen
- Summer collection so the clothes will all be light and airy
- High quality to ensure durability



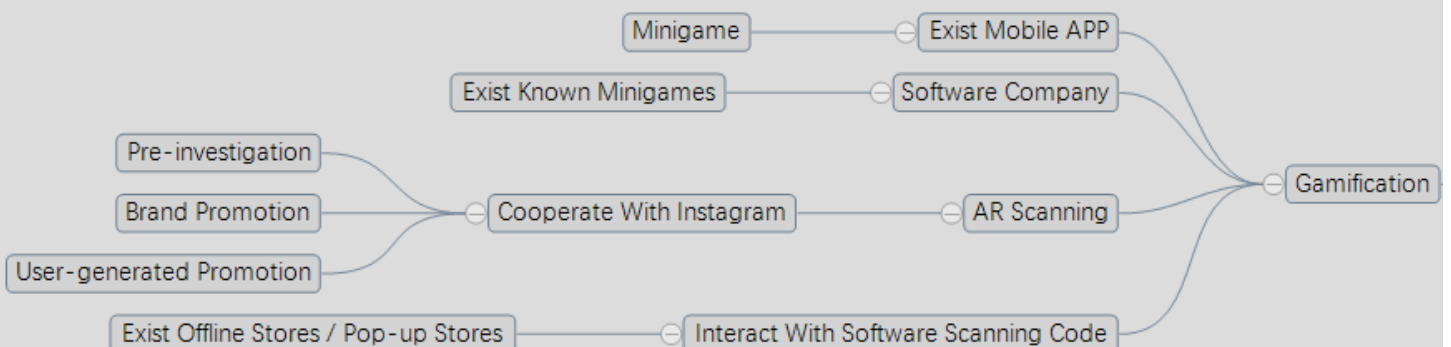
APP BUILD-IN GAMIFICATION CAMPAIGN

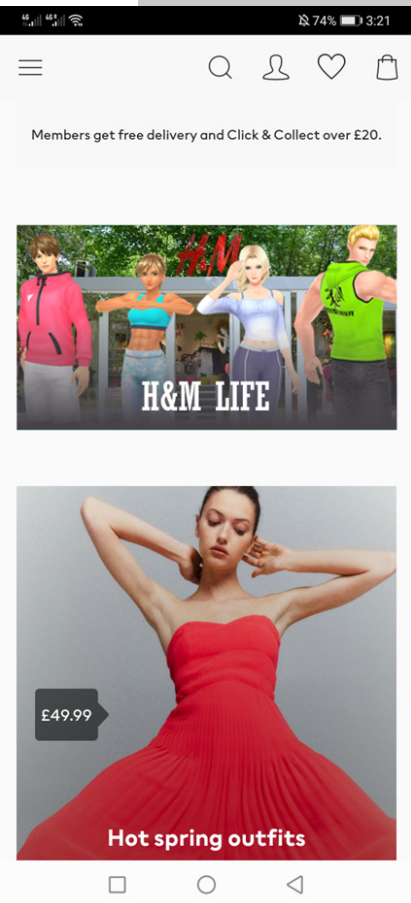
IDENTIFIED ISSUE



According to the strategic group report, H&M has long been criticised for its low sustainability, transparency, and public credibility, although H&M generated revenue through E-commerce during the COVID period, it still faces the threat of mass closures in its physical stores during the post-COVID period. The legacy of old-fashioned, non-innovative and boring atmosphere has led to an urgent need to transform the brand in the current period, by improving the atmosphere and revitalising the physical shops using new digital technologies to effectively engage consumers in a diverse shopping experience.

PLANNING

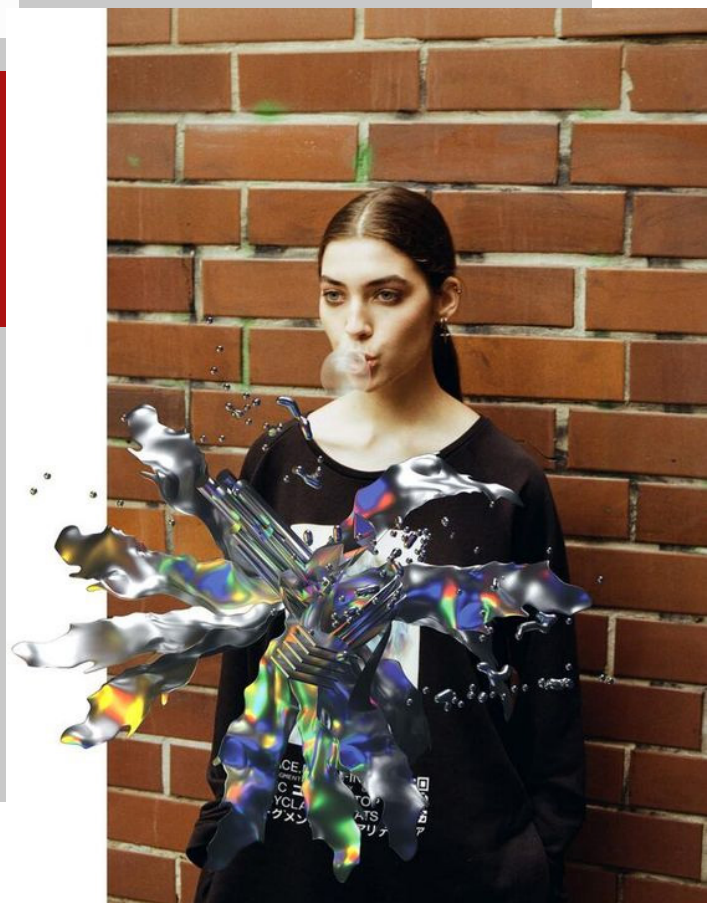




This campaign will show a gamification initiative in collaboration with software companies to develop a mobile app and offline pop-up store linkage. It will build on the existing H&M app, linking it with AR technology and offline scanning to enhance the sustainable impact of social media and emphasise the public image. The project aims to build on the brand's already strong social media presence, fill a gap in the industry for similar promotional methods, increase user stickiness among consumers and pave the way for subsequent launches of more sustainable products and promotions.

FUTURE PROSPECT

As the mobile-phone-based software has a more mature social media community, it can be used as a promotional tool to guide consumers in the direction of future metaverse development and stabilise the market, the campaign can also be linked to the transparent promotion offered by blockchain technology at the same time.



H&M Pop-Up Experience

Contextualisation & Justification

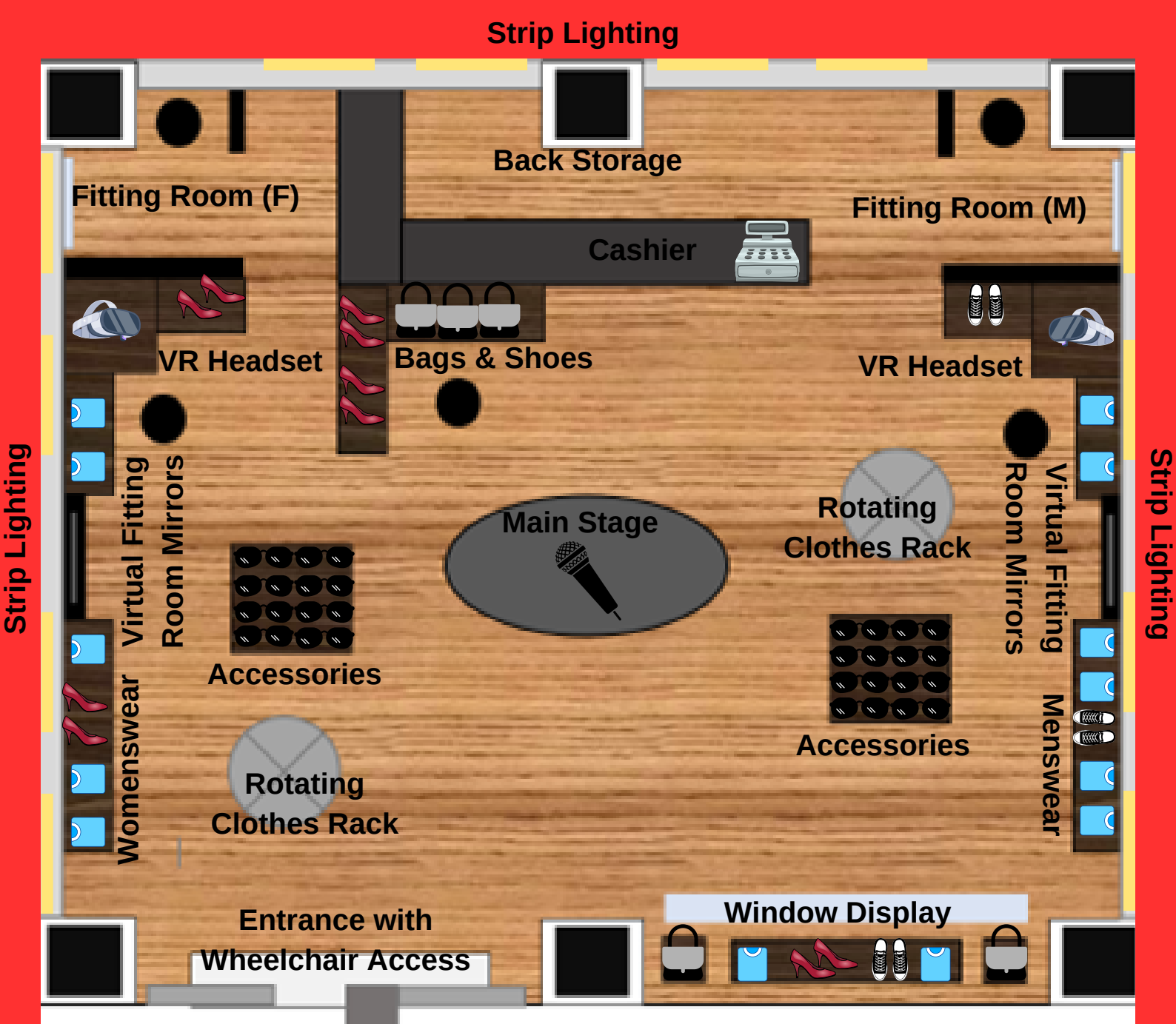
In recent years, 'as economic turbulence continues to affect global markets, the retail sector has become increasingly volatile' (White, 2018). Furthermore, 'retailers in general have been slow to respond to changing consumer attitudes towards technology and innovation, with many reluctant to acknowledge the widening digital divide between consumer digital behaviors and expectations, and retailers' ability to deliver the desired experiences' (White, 2018). This has also impacted H&M as 'H&M Group closes 91 shops worldwide in 2021 due to COVID impact' (statista.com, 2022). Therefore, a core strategy for H&M will be to explore the revitalisation of its store offering with engaging atmospherics and digital technology.

To support the launch of a sustainable capsule collection, a pop-up store experience is suggested both as a promotional benefit and experimental benefit for identifying methods of revitalising its entire retail offering due to a 'much lower investment and therefore less risk' (Varley, 2018). The two key themes for successful conceptualisation of this strategy will be on integrated digital technologies and experiential retail marketing. This will be crucial due to the 'growing importance of the consumption experience, with consumers increasingly seeking not only to purchase products and meanings, but also to participate in unique, memorable consumption experiences' (Gouillart, 2010).



This pop-up experience concept is underpinned by research and planning via a literature review of the following areas:

- History & Evolution of Retail
- Retail Formats (Online, Offline, Omnichannel)
- Experiential Retail Marketing
- Overview & Strategic Importance of Pop-Up Store Retailing
- Overview & Strategic Importance of Digital Technologies (AR, VR, Metaverse, Blockchain)
- Overview & Strategic Importance of Process Modelling (Holistically & Focused)



Visual Output

Virtual Fitting Room Mirrors: Virtual Fitting Room Mirrors are fitted with Augmented Reality (AR) and Radio Frequency Identification (RFID) technology. This will provide a suitable alternative for those not wanting to access the physical fitting rooms and will assist in limiting overcrowding and queues.

Main Stage: Main stage will be the centre point for the pop-up event as guest speakers and representatives of H&M discuss sustainability and future related strategies. This will provide an opportunity to address claims of greenwashing and will be an excellent touchpoint for the brand.

VR Headset: Virtual Reality (VR) technology will be used to show H&M's transparent supply chain to interested customers. This will positively enforce a stronger emotional connection, between customers and the brand, which will increase loyalty.

Lighting: Lighting will provide ambience to the overall atmospherics of the store.

Blockchain: Products will have barcoded hangtags which can be scanned through the H&M app, and will be able to access a new section, which will aim to inform customers on the product journey through its supply chain.

H&M+Eco is a sub-brand of H&M providing fully recyclable/recycled products to younger generation (aged 18 to 28) with great sustainable awareness. It is committed to the mission of offering more sustainable products. It launches products much slower to encourage customers to have a longer product life usage cycle.



IMMERSIVE COMMUNICATION

The brand focuses on the concept of immersive experience to its sustainable brand image, builds customer relationship and trust, offers innovative and unique experience. Immersive experience means to constantly engage with target customers at all channels and all touchpoints and maintain a sort of trustful 'friendship' with them in an integrated and seamless way and supported by omnichannel marketing and IMC. The communication strategy is to use high transparency to show an authentic and ethical brand identity.

All channels are involved, including social media, the metaverse, website, mobile app, and physical stores.

LIVE STREAMING SHOW

Using a live streaming show to launch the brand to arouse real-time discussions of influencers and the target customers with the objective of building brand awareness, attracting younger customers, and demonstrating new brand identity.

COMMUNICATION OBJECTIVES

- 01 To demonstrate an authentic and sustainable brand identity
- 02 To attract the younger market
- 03 To increase brand awareness and engagement
- 04 To develop customer loyalty
- 05 To contribute to sales revenue

RECYCLED/RECYCLABLE, DURABLE PRODUCTS

- More durable, helping customers use the product longer
- More timeless designs
- Recycled/recyclable materials
- Simple package
 - Digital products in the metaverse and social media



BRANDING

Material

- Green logo

Personality

- Honest
- Warm-hearted
- Caring clothing

Relationship

- Close
- Long-term relationship
- Personalisation

Culture

- Circularity
- Minimalism
- Simplicity
- Ethics

Reflected Image

- Responsible
- Ethical individuals

Self-concept

- Confident
- Caring the world

H&M + ECO



RETAILING

In physical stores, the brand shows the detail processes of how a product is recycled and used and collects customers' used clothes and footwears. By Virtual Reality (VR), it offers customers immersive experience about the recycling process and circular fashion of H&M+Eco. In online channels, the brand uses VR technologies to illustrate its recycling process and circularity practices.

The brand offers each customer an account that records their purchase and search history and demographics and predicts their individualised demands to offer personalised recommendations in all channels. The account records each customer's eco-friendly points. They obtain these points by offering old clothes for price discount and privileges.



Group 15:

Ethan Sharrock (10172782)

Anna Frost (10738699)

James Hutchins (10704332)

Ziyi Liu (10608719)

Shixin Zheng (10744887)

Yucheng Wang (10690833)

