# Influencer Marketing And Its Impact On H&M

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## Abstract

Social media is one of the most sought-after mediums for the transmission of information these days, let alone for advertising and promotion. It has become like "there is no media without social media" and the most important aspects of this system is influencer marketing. Using the example of the fashion brand H and M (Hennes and Mauritz), this case study focuses on how this brand uses social media and especially influencer marketing to promote its brand and gain communication about its brand from our perspective.

The main goal here is to address influencer marketing as a more than reliable marketing strategy, especially for fashion brands. This study also highlights how H and M use arguably the 2 most popular social media for the common man, Facebook and Instagram, to effectively utilize the large base they provide for marketing strategies. With the latest trends in social media, such as the popularity of Instagram reels in particular, this is nothing but icing on the cake when it comes to H and M's interests.

We see that the main role of marketing in the fashion industry is to make designs visible and successfully sell them to customers, and what better platform than social media to do this. It is also no wonder that consumer habits, let alone shopping habits, have changed since the birth of social networks. It is also important to note that the fashion buying cycle of the average customer is 6 weeks, which is a very short period of time. In fast fashion companies like H and M, the cycle is even shorter. In addition, it is worth noting the commitments that H and M provide to their loyal customers.

This study also provides recommendations on how H and M can increase their chances of future development. This study also provides detailed notes on some of the influencers that H and M worked with and how they did it, and of course the success mantra when it comes to social media, especially influencer marketing.

INFLUENCER MARKETING

In simple terms, influencer marketing can be defined as "the promotion and sale of products or services through people (influencers) who have the ability to influence a character or a brand. Take Amazon for example, how many times have you searched for a product and immediately looked at customer reviews to make sure you are getting the best choice for the product you want to buy? To take it a step further, how many times have you gone to "Top Customer Reviews", which are ranked by the number of users who found the review helpful (i.e. influential)?

While influencer marketing has been around for several years, it has gained momentum in recent months and has become an important part of businesses' marketing strategies. In fact, interacting with influencers through social media is still considered a top marketing trend for marketers.

Influencer marketing market size worldwide from 2016 to 2022*(in billion U.S. dollars)*
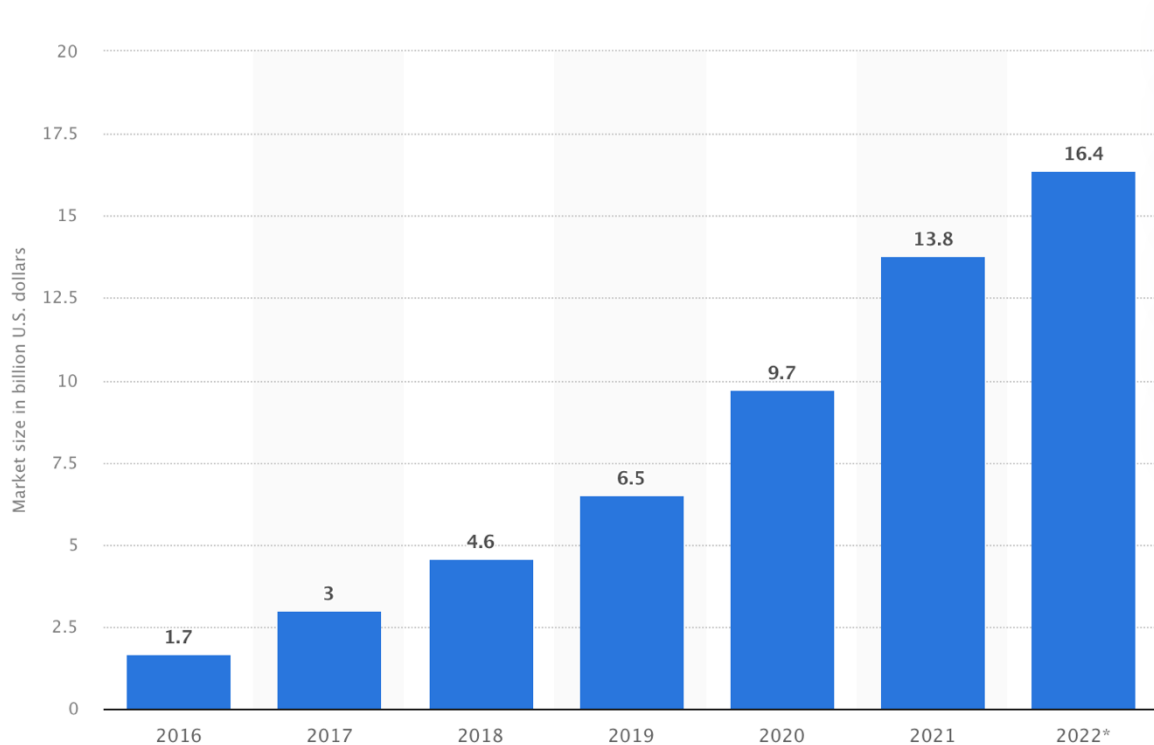


# Introduction to H&M

**H & M Hennes & Mauritz AB** or **H&M Group** (abbreviated **H&M**) is a multinational clothing company which is headquartered in Sweden. Its focus is fast-fashion clothing and unique apparel for men, women, teenagers, and children. As of 2021, H&M Group boasts of operations in 75 geographical markets with 4,702 stores which are under the various company brands, with 107,375 full-time equivalent positions.

H&M is the largest international clothing retailer only behind Spain-based Inditex (parent company of Zara). H&M was founded by Erling Persson and its current CEO is  Helena Helmersson.

- Key people:
    Erling Persson – Founder
    Karl-Johan Persson – Chairman
    Helena Helmersson – CEO
- Founded year : 1947; 75 years ago (as Hennes)
- Head-quarters : Stockholm, Sweden

In addition to H&M, the group includes the brands COS, Monki, Weekday, Cheap Monday, & Other Stories as well as H&M Home. The H&M group has more than 3,900 stores in 61 markets including franchise markets.

# INDUSTRY ANALYSIS

It all started in Vasteras, Sweden, in 947, when the women's clothing store Hennes was founded. H&M is a multinational Swedish clothing company that has grown into the world's second largest retailer. It offers clothing for women, men, teenagers and children.

H&M took over 48 countries and set the latest trend in the world of fashion. According to the H&M website, this multi-billion dollar successful corporation operates under several brands. These include H&M, COS, Monki, Weekday, Cheap Monday and H&M Home. These brands are independent brands that express their own sense of style in their clothing. As of 2012, there are 2,700 stores worldwide, employing approximately

94,000 people. Germany is H&M's biggest market. The second largest is the United States of America, followed by France and Great Britain. In 2000, the first H&M store was opened on Fifth Avenue in New York. From this moment, Americans fell in love with their lively, sexy, fashionable style and the expansion of H&M took over the entire United States. Russia, Japan, Beijing, Lebanon were also blessed with the latest trends thanks to the opening of H&M. Weekday and Monki was launched in Germany. Karl-Johan Persson is the CEO of H&M. He is constantly working to grow H&M and create a market in each area that can provide excellent customer service to its customers and provide them with desirable clothing. It promises to provide H&M customers with high-quality clothing at an affordable price.

Not only is H&M full of beautiful and elegant clothing, but it's made from organic recycled cotton. H&M has listed seven commitments to its loyal customers. Their first commitment is to provide fashion for the conscious customer. Second, select and reward responsible partners. The third commitment is to be ethical. Fourth, be climate smart. The fifth commitment is to reduce, reuse and recycle materials used to make clothing. Sixth, use natural resources responsibly. Last but not least, the seventh commitment to our customers is to strengthen communities. H&M wants to provide its customers with the most selected, most affordable, most fashionable clothes from rich materials. The name and reputation they have built for themselves will continue through their continued success.

## Strengths of H&M in SWOT Analysis

As one of the leading corporations in the industry, H&M owns many assets that enable it to survive in the market. The strengths of H&M's SWOT analysis enable it to defend market share in existing areas and penetrate new ones.

Strong global reach: In recent years, H&M has moved into new continents such as Asia and Africa. The company's solid global presence allows them to reduce business risks. H&M is well represented in more than 70 countries with more than 5,000 stores on six continents, and the company expects annual growth of 10% to 15%.

Successful strategy: H&M follows the fast fashion model, offering designer tables with the latest fashion trends. This technique allows for quick delivery of items from the designer's desk to the store, as opposed to the traditional approach of seasonal production, which requires a four to six month wait before a new collection is launched. However, the company must quickly transport goods from the place of production to the retail store

Systematic supply chain: H&M uses supply chain management effectively to ensure that customers receive goods on time. One of the advantages of working with several suppliers is that there is a much lower probability of stock-outs. H&M keeps all of its locations well stocked with current merchandise and any supply issues that arise are rectified immediately.

Powerful online presence: H&M has an effective e-commerce strategy that adequately serves the online market. Companies that use the Internet effectively can gain a significant competitive advantage. It uses third-party platforms and its main website to reach more online customers and increase e-commerce sales.

## Weaknesses of H&M in SWOT Analysis

Weaknesses are areas where H&M can improve. Planning is about decision making and weaknesses are internal aspects where a corporation can strengthen its competitive advantage and tactical position by adopting H&M SWOT analysis.

Dependence on third-party suppliers: H&M outsources the production of products to more than 800 independent retailers, which leads to a reduction in the level of production control. Over-reliance on a vendor can impair a company's order obligations, and any negative customer experience can damage a brand's reputation. While this approach has helped the company succeed, it can also be risky because suppliers can take all the credit.

Genuine Designs: The problem with H&M designs is that they rely on big design companies to create fashion trends. H&M makes cheap clothes, relies on many independent suppliers and follows trends set by luxury

companies. This is a significant mistake as fashionistas are driven towards new designs rather than current fashion trends. They don't have any unique designs that can be identified as H&M.

Controversy about their ethical values: Many fashion critics claim that the brand copies the work of other designers and businesses. In 2018, the brand caused controversy when it sold a hoodie with a black child model wearing it with the phrase "Best Monkey in the Jungle". Customers around the world were outraged and decided to boycott its products for promoting racism.

## Opportunities for H&M in SWOT Analysis

After years of recession and low industry growth, this H&M SWOT analysis identifies opportunities to win new clients and expand its market share. It will enable the organization to retain existing customers by offering excellent service while attracting new customers by offering extra value oriented products

The Future of E-Commerce: The online marketplace has continued to expand, but as the pandemic has spread, more and more people have become aware of the benefits of online shopping. H&M has a solid web presence, but there is always room for improvement, especially since the internet industry is evolving faster than ever before. They also need to develop their e-commerce platform to serve a larger market. E-commerce has the potential to be the future of the clothing industry and H&M needs to maximize the use of the platform.

Growing market: As H&M sells goods at a low price, Asian and African markets would be ideal for the brand. In emerging countries that like fashion and taste and can afford it, the market for middle-income households is growing. There are various development areas with high sales potential and the corporation would do well to explore these opportunities.

## Threats for H&M in SWOT Analysis

Since the organization operates in many countries, some risks need to be addressed. In the H&M SWOT analysis, we discovered several threats to the company, and if they can overcome them, it will be beneficial for them.

Global pandemic: The continuous flow of raw materials and finished goods is critical to the success of multinational corporations such as H&M. In the event of another global pandemic in the future, lockdowns and quarantines could disrupt the supply chain and reduce H&M's sales and profitability. As H&M closes brick-and-mortar stores and moves its retail operations to online platforms, its previous growth model cannot be used as an immediate approach.

Huge competition: H&M must find tactics to stay ahead of the competition in the fast fashion market, which has been very stubborn in recent years. Gucci, Zara, Gap and Macy's are some of the most competitive brands. H&M's competitors are trying to gain market share and reduce demand for their goods.

## Suggestions

Here are some recommendations for H&M's future development:

• They should focus on improving customer service through warehouse networks and optimizing online shopping.
• Instead of being versatile, they should focus on a specific group. A better understanding of target clients leads to more customized products, which leads to greater customer loyalty and higher profits.
• H&M can collaborate with various fashion media to showcase its new products that are presented in the same way as luxury goods but at a lower price.

After a thorough review of H&M's SWOT analysis, we found that H&M is the world leader in fashion clothing. However, to increase profits, businesses must maximize their growth potential. To get the business back on track, H&M needs to focus on solving supply chain and cost issues

## Timeline of achievements of H&M

In 2010, H&M launches its first collection made entirely from sustainable materials, and many more sustainable initiatives will follow. H&M Group launches its incentive program for all employees in 2011. Clothing collection is introduced in H&M stores worldwide in 2013. Since then, thousands of tons of old textiles have been collected for reuse and recycling. H&M Group launches another brand: & Other Stories with design studios in Stockholm, Paris and Los Angeles. H&M's rapid expansion continues and there are now stores in Europe, North America, Asia, the Middle East, Africa, South America and Australia.

In 2015, the H&M Foundation launches The Global Change Award. The GCA is a challenge designed to spark innovation that can accelerate the transition from a linear to a circular fashion industry. New brand ARKET, created in 2017 as a modern marketplace offering a wide yet select range of functional and timeless essentials, opens its first brick-and-mortar store on Regent Street in London and online in 18 European markets.

The new brand Afound is opening its first stores in Sweden and online in 2018. Afound is a new marketplace with discounted fashion and lifestyle products from brands within the H&M Group, as well as other popular brands. In 2019, H&M became the first major fashion brand in the world to provide detailed product-level information on materials and supply chain. H&M Group has increased its ownership in Sellpy, an e-commerce platform for second-hand goods. The main owner is now the H&M Group. H&M Group is part of the Carbon Disclosure Project (CDP) 2019 Climate Change. A list that recognizes the world's most pioneering companies that are leaders in environmental transparency and performance.

## STRATEGIC DECISIONS

Influencers are an industry of professionals and experts whose opinion is trusted and valued by their audience. Although there is a growing number of influencers, many of them have achieved success by being managed by agencies. This is due to the large number of requests that brands send to work with them.

Influencers who have managed to keep their business alive for years have learned how to evolve and grow with their audience, but also how to adapt to trends. They know how to build the right partnership that will benefit both them and the brands they work with. They provide value to their audience and amplify content by collaborating with other influencers. Social media influencers are a versatile group of creators.

## CASE STUDY CONCERN

The aim of this thesis is to evaluate the potential benefit of social media channels for the H&M fashion brand and subsequently to establish evaluation criteria for the application of social media channels in the brand's marketing strategies. The company's business is fashion clothing and retail. Design/methodology/approach: Qualitative research was used through content research and case study methods. A study is computer research using existing content as research material.

# H&M Reached 12M Consumers through Four Sponsored Videos

GOALS
• Build brand awareness and desirability for H&M during the period
holiday season.
• Promote clothing sales, especially for the holiday line.
• Match content to each celebrity's personality and lifestyle for creative purposes
authentic content and news for H&M.

H&M has teamed up with four celebrities. Each of the celebrities posted a
A 10-second "teaser" clip – as well as a full 1-minute ad – on Twitter,
Facebook and Instagram. There were a total of 6 posts and 24 posts per influencer
campaign contributions. Every post included #hm as well as a link to H&M
Website.

## The Influencers:

- **PEYTON LIST**

American actress and model known for her performances on Disney Channel and in the Diary of a Wimpy
Kid film series. She can be seen wearing H&M apparels and carrying its merchandise posted on her Instagram
feed.

- **HANNAH SIMONE**

British-Canadian television hostess, actress, and former fashion model known for her performance on the TV
series new girl. She was seen and clicked in a H&M jumper for her holiday party.

- **TYLER POSEY**

American actor known for his starring role on the MTV series Teen Wolf. He was seen posing wearing H&M
premium printed shirts.

- **JANA KRAMER**

American actress and country music singer known for her performance on the TV series One Tree Hill. Teaser
clips were pulled directly from the full ad and posted a couple of days before the full video was released. This
strategy helped generate buzz and excitement for the
campaign.Additionally, by presenting the content two different times, H&M was able
to appeal to more viewers and increase the visibility of their campaign. Peyton List and
Jana Kramer actually got more views and engagement on the short clip than the full
video,indicating that in some cases the perfect short clip can be even more effective than
large content.

**Results**:

SOCIAL Reach :
- 12 Million Views on YouTube
- 1.3M+ Likes
- 10% Engagement Rate
- 14K+ Comments
- 19K+ Shares

## Why H&M Succeeded?

❖ CHOSE THE RIGHT INFLUENCERS.
H&M has chosen its influential celebrities wisely. Rather than spending the whole campaign budget for the biggest celebrity influencer H&M could afford with several lesser-known celebrities with highly engaged and dedicated social lives media viewership. Bigger isn't always bigger when it comes to influencer marketing better and H&M awareness paid off.

❖ ALLOWED INFLUENCERS TO CREATE CONTENT THEIR AUDIENCE WILL LOVE

The sponsored videos were customized to align with each celebrity's existing social media content. For example, Hannah Simone's sponsored video was centered around her cat, Alphie, who is frequently featured on her social media pages. By creating content that was true to each celebrity's interests and personality, H&M was able to maximize engagement.
To this point, the top comment on Tyler Posey's Facebook post was, "Weird thing is this isn't Tyler acting for an advertisement it's actually just him being himself." This comment received 1,562 likes, and is a testament to the authenticity of H&M's Campaign

❖ LEVERAGED EACH INFLUENCER'S SOCIAL PRESENCE TO REACH CROSS-CHANNEL AUDIENCES

Lastly, by exploiting all social media platforms available, H&M was able to fully maximize the reach of its campaign.

# Learnings

• Humanizing your brand isn't just a marketing tactic; it's a happiness tactic that can help you create meaningful relationships and therefore more value.

• You can create a profitable influencer campaign by partnering with influencers in your niche. identify influencers in your niche who will want to work with you.

• Customers who already recommend your product and share positive feedback are most likely willing to work with you, so it should be easy.

• Customers who actively participate in your social channels by sharing your content or commenting on a post give you a great opportunity to reach them.

• If someone is talking about your competitors' products, they are already more likely to be in your niche. Now is the perfect time to take advantage of the idea of collaboration.

• Influencer marketing offers more than just one sponsored post. Too many brands treat one post as a win. Nurturing relationships with brand influencers will help your business grow not only in the short term, but also in the future.

# Discussion

We keep asking ourselves whether its the influencer or the way in which an influencer is depicted, which provokes an individual to look into the product. First of all any advertisement, let alone influencer advertisement does not provoke the person seeing to buy the product, rather it gives birth to an interest or an inquisitiveness and captures the attention of the viewer. Celebrity endorsement influences the feelings of the consumers and can also influence the attitude consumers have towards the advertisement and attitude towards the brands, which can increase the purchase intentions and, consequently, increase sales. So it is the interest that gets influenced, not the decision to whether or not to buy.

It is very important to collaborate with your influencer when it comes to deciding and developing content because it all comes down to the agreement and the authenticity of it between the company and the influencer. A social media influencer who has worked hard to build a following will not accept a deal that makes their own personal brand seem inconsistent.
After all, influencers are content creation experts. This is why they prefer to be called creators. You'll get the best value from their work by allowing them to showcase those skills.

It is very important to maintain privacy, discretion and at the same time be transparent with the influencers you are hiring. When you're ready to suggest a partnership, a direct message is a great place to start. If you can find an email address, try that too. But don't send a mass email or generic DM. It may take a little longer to write a personal message to each influencer. But, it will show you're serious about the potential partnership. This will in turn increase your chances of striking a deal. Provide as much information as you can about your brand. Tell them what you hope to accomplish with your Instagram campaign. Make it clear how the influencer will benefit, beyond the pay check. Its a good idea to provide some guidelines about what you're looking for, of course. But we should not expect to stage-manage the entire campaign.

Prior research about the influencer before hiring them is also necessary. Take a look at what your potential influencers are posting, and how often are they sharing sponsored content.

If they're already hitting followers with tons of paid posts, their engagement rate may not last. Look for plenty of organic, non-paid content to keep followers interested, enthusiastic, and engaged. Keep this in mind when thinking about what you'll ask the influencer to post, as well. Asking for too many posts in a short timeframe will make your offer hard for the influencer to accept, even if it comes with a large pay check. In-demand influencers get lots of offers. When you first approach an influencer, you'll need to show that you've put in the time to learn what they do. Make sure you know exactly what their channels are about and who their audience is

# Findings

This report analyzed the marketing strategies used by H&M on two selected social media channels, Facebook and Instagram. The study found that H&M's Facebook page has more people following and liking it. Instagram has a smaller following, but it is a channel that has better user integration than Facebook. Instagram posts get more interactions in the form of likes and comments on those posts than Facebook posts.

Research Limitations/Implications: The analyzed data of the report is mostly taken from secondary data. The implications of the report can be applied in similar business forms using social media as a method of marketing strategy.

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