

# The methodological approach to introducing a new fashion brand to the digital market

**Milica Simić**

*Faculty of Organisational Sciences  
University of Belgrade  
Belgrade, Serbia  
milica.simic@elab.rs*

**Vukašin Despotović**

*Faculty of Organisational Sciences  
University of Belgrade  
Belgrade, Serbia  
despotovicvule@gmail.com*

**Marija Jović**

*Faculty of Organisational Sciences  
University of Belgrade  
Belgrade, Serbia  
marija.jovic@fon.bg.ac.rs,  
0000-0002-9971-0971*

**Aleksandra Labus**

*Faculty of Organisational Sciences  
University of Belgrade  
Belgrade, Serbia  
aleksandra@elab.rs,  
0000-0002-7716-5845*

**Marijana Despotović-Zrakić**

*Faculty of Organisational Sciences  
University of Belgrade  
Belgrade, Serbia  
maja@elab.rs,  
0000-0002-6458-1575*

**Abstract**—This paper presents a methodological approach to introducing a new fashion brand to the digital market. According to the developed methodological approach, the readiness for the introduction of a new fashion brand to the digital market was determined, and the obtained results were analyzed. For the appearance of a new fashion brand on the Internet, it is necessary to develop an internet marketing plan that includes an Internet business plan and digital marketing strategies. According to the proposed methodological approach in this research, the implementation of the Internet marketing plan of a new fashion brand is presented. The proposed method can be adapted and used for introducing any new brand or other products to the digital market.

**Keywords** - Internet Marketing Plan, Internet Business Plan, Digital Marketing, Fashion Brand

## I. INTRODUCTION

The development of modern information technologies has initiated the inevitable digital transformation in all industries, including fashion [1][2]. The digitalization of the fashion industry aims to create a completely new experience for the end-users enabling e-commerce services, and real-time support during the purchase process [1]. The process of digitalization has affected all business processes in the fashion industry: from the production of fashion brands to marketing promotions and selling to the end customers, creating in this way new e-supply chains [1][3][4].

The concept of digitalization is applied all over the world and many fashion houses have their appearance on the Internet and use digital marketing strategies for promotion, omnichannel communication, and monitoring of customers' needs [5]. The existence of websites, mobile applications and social networks business profiles is important for the appearance of fashion brands on the Internet, which increases the visual identity and credibility of and im-

proves the relationship with customers and stakeholders. Through the website, as one of the most used channels of digital marketing, business and shopping possibilities are expanding. Online shopping aims to bring the brand closer to the customers, create a sense of security and provide assistance when shopping. By purchasing through the site or mobile applications, customers are provided with real-time information through online channels and this way of shopping allows them to save time during the purchase [6].

The digital world has affected the customers' habits and behavior when shopping [6][7]. It is very important for fashion brands to find their place in the digital world and to bring their products closer to customers in a creative and modern way [8]. An important role in positioning a fashion brand on the digital market is played by the plan of its appearance on the Internet and marketing promotion, which will encourage customers to make a purchase. New information technologies make it possible to easily identify the needs of customers by collecting and analyzing data from websites, mobile applications, and social networks [6][9].

The main aim of this paper is proposing a methodological approach to introducing a new fashion brand to the digital market. Using the proposed method, the readiness for the introduction of a new fashion brand to the digital market is analyzed and the implementation of the Internet marketing plan is presented.

## II. DIGITAL FASHION INDUSTRY

Fashion is a cultural phenomenon that reflects the appearance and status of an individual through clothing and other fashion accessories [10][11]. It is related to social epochs and habits of society and as such represents the social image of society in certain periods of time [6]. These

original perceptions of fashion as a social giant have not changed since its inception, but what has changed is the way of communication and selling products to customers. The advent of e-business has led to the replacement of one-way communication with more interactive and dynamic strategies in the business world [6][12][13].

Many studies have shown that a very large number of customers enjoy the benefits of online shopping from their homes, which has caused an increasing presence of fashion brands on the Internet [10][14][15]. In order for a fashion brand to be competitive in the online market, it is very important that it achieves and maintains the recognition of its brand.

The digital fashion industry can be defined as a network that includes a number of different online channels that are put in support of fashion brands [10][16]. It encompasses the sum of the characteristics of a product, services, or fashion brand as an organization that, in a specified way, is a particular perception or experience of users and other stakeholders [10][16].

There are three disruptors that affect the digital fashion industry [17]:

- Digital start-ups. As a consequence of the rapid development of the Internet and digital platforms, a large number of fashion brands run only e-business. Sales are made only online, through websites, mobile applications or social networks, which leads to reduced costs and more affordable prices for the customers themselves. In this case, physical stores and traditional sales and communication channels do not exist in the business [17].
- AI-enabled demand forecasting and product design. Artificial intelligence is the science of intelligent computer programs and machines that behave and act in imitation of a certain level of human intelligence. The fashion industry market is rapidly changing and requires timely anticipation of customer needs and requirements. Traditional fashion houses end the production process much earlier before the sale, which can lead to a significant discrepancy between planned and actual demand. As a result, artificial intelligence has found a place in the fashion industry as a way to anticipate customer needs and product design, thereby minimizing inventory and missed sales opportunities [18].
- Collaborative consumption. It is defined as “traditional sharing, bartering, lending, trading, renting, gifting, and swapping” via a digital medium [17]. It has appeared in many industries, including fashion, where it is constantly growing. There are two ways of using collaborative consumption in the fashion industry: the first involves platforms through which it is possible to rent clothes for a short period of time, while the second refers to peer-to-peer platforms through which it is possible to donate and buy second-hand clothes [19].

The application of modern information and communication technologies has enabled a great transformation in the business of fashion brands and created an opportunity for sales through online channels. Web 2.0 has created a need for new communication strategies as customers have

ceased to be passive participants in the communication chain who only receive information through traditional channels [6]. In online environments, fashion brands display a set of features of their products using various formats such as text, images, or video, which gives to customers additional information and contributes to better visualization of the brand [20].

The challenge of a new fashion brand lies in finding the right e-business techniques and tools and consequently the right strategy by which the fashion brand will find its place in the digital market [6][21]. A key goal of the e-business of a fashion brand is enabling an easy way of shopping using services that would help customers to decide what to buy (for example, enabling virtual trying of clothes) [22].

### III. THE METHODOLOGICAL APPROACH TO INTRODUCING A NEW FASHION BRAND TO THE ONLINE MARKET

The methodological approach to introducing a new fashion brand to the digital market is presented in Figure 1.

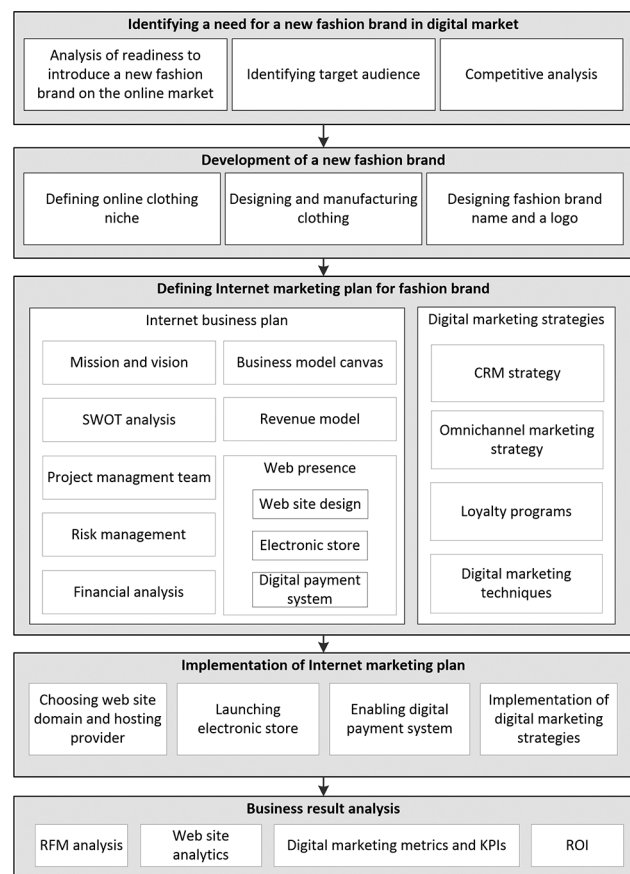


Fig. 1. The methodological approach to introducing a new fashion brand to the digital market

Proposed methodological approach encompasses following:

1. Identifying a need for a new fashion brand in digital market. To develop a new fashion brand and present it to customers, it is necessary to examine the readiness to introduce a new fashion brand on the online market. In

this way, the target audience can be identified and their needs for specific fashion apparel. It is also important to analyze the digital market and the competitors' advantages and disadvantages of e-business.

2. Development of a new fashion brand. After identifying customers' needs, follows defining online clothing niche and fashion designers can approach designing new fashion brand. This step also implies designing a fashion brand name and suitable logo.
3. Defining Internet marketing plan for fashion brand. This step implies defining an internet business plan and digital marketing strategies. Internet business plan contains missions and vision of a new fashion brand, Business Model Canvas, revenue model, SWOT analysis, designing a web presence, cost planning, and risk management. Digital marketing strategies for new fashion brand include defining CRM, omnichannel marketing strategies, loyalty programs, and digital marketing techniques (e-mail marketing, affiliate programs, social media marketing, etc.). The project management team is responsible for defining these elements of the internet marketing plan and can gather a team of fashion designers and stylists, IT designers and programmers, marketing managers, project managers, and financial managers.
4. Implementation of Internet marketing plan. This step includes the implementation of all elements related to web site development and appliances of digital marketing strategies.
5. Business result analysis. After implementing an internet marketing plan, it is necessary to monitor and analyze achieved business results in order to improve future offers and fashion brand development.

#### IV. ANALYSIS OF READINESS TO INTRODUCE A NEW FASHION BRAND ON THE DIGITAL MARKET

In order to examine the readiness of consumers to introduce a new fashion brand, as well as to determine their preferences, attitudes and expectations, an exploratory quantitative research was conducted. For the purposes of this research, a survey was created, which included two groups of questions. The first group of questions included those aimed at identifying demographic data, such as age, level of education, employment and material status, etc. In addition to demographic questions, the first group also included questions related to the level of digital literacy of respondents, the degree of use of social networks and habits when buying clothes. Another group of questions referred to questions that examined respondents' preferences and attitudes about online wardrobe shopping. This includes issues ranging from the frequency of online wardrobe shopping, through the different specifics of shopping, to possible negative experiences in such activities.

A total of 144 respondents participated in the research, of which 13 responses of male respondents were excluded from the further research process because they do not belong to the target group of the research, ie adult females. Average age of respondents  $M = 26.82$ ;  $SD = 7.38$ . Re-

garding the educational structure of the sample, 47.3% were persons with completed secondary school, 32.1% were persons with a university degree or higher, and 20.6% were persons with completed postgraduate studies. The majority of respondents (56.5%) rated their material status as average, ie similar to people from their environment, while 11.5% of those with slightly worse and 32% of those with above-average or far better material status.

Respondents generally (87%) rated their digital literacy as excellent, choosing the option to successfully use a computer or smartphone for various activities. Only 9.9% of respondents stated that they use a computer or smartphone only for basic activities, while 3.1% of them use assistance in using these devices. Figure 2 shows the extent to which respondents use different social media.

When it comes to the type of wardrobe they buy, respondents prefer a ready-made wardrobe, rather than tailoring (Fig.3).

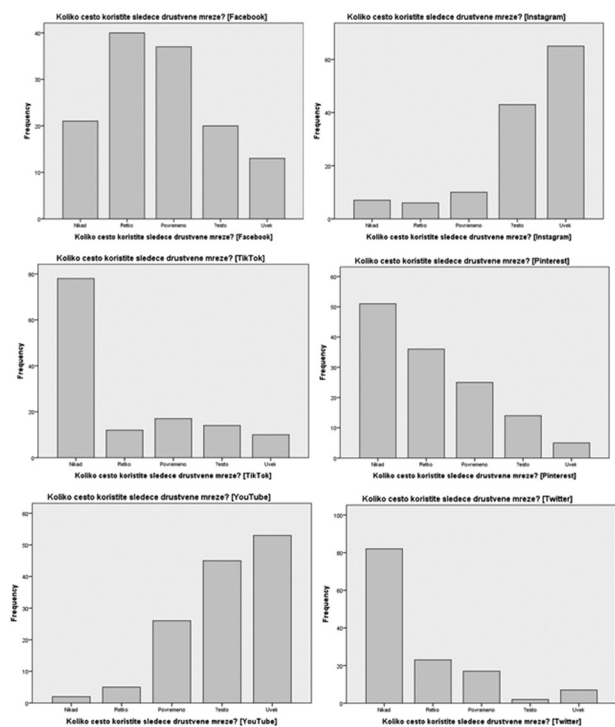


Fig. 2. The degree to which respondents use different social media

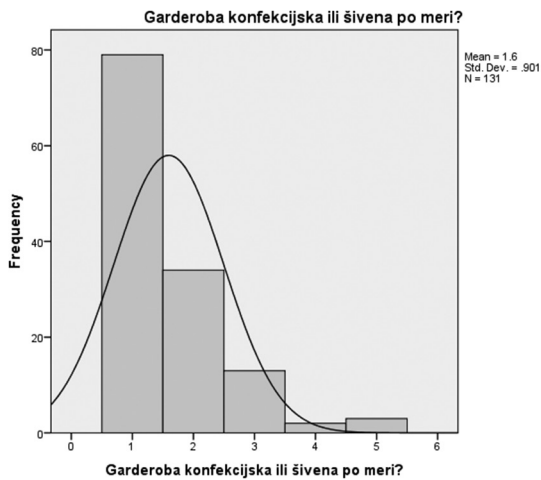


Fig. 3. The type of wardrobe respondents buy

It is similar with the way of shopping, ie the respondents largely prefer to buy clothes in traditional stores compared to online stores (Fig.4).

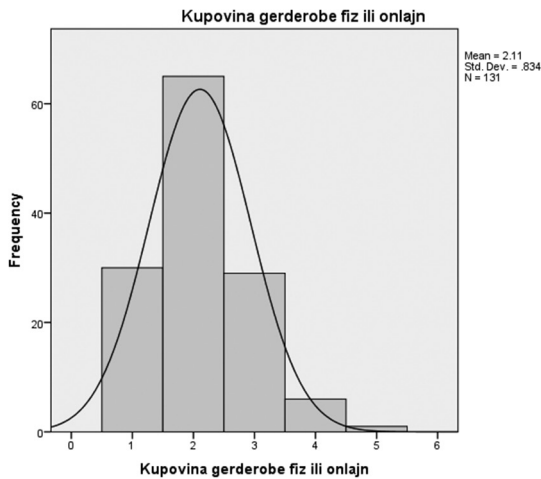


Fig. 4. Place of buying clothes

Table 1 presents the frequency of wardrobe purchases via the website and social media.

Frequency	Shopping via website	Shopping via social media
Once every few years	9%	32%
Several times a year	67%	54%
Several times a month	20%	11%
Several times a week	3%	2%
Almost every day	1%	1%

Table 1. Frequency of wardrobe purchases via website and social media

In terms of the type of clothing they buy online, dresses (M = 3.29; SD = 1.2) and T-shirts (M = 3.01; SD = 1.03) stand out, while shirts and blouses are somewhat rarer (M = 2, 62; SD 1.28), trousers (M = 2.44; SD 1.37) as well as skirts (M = 2.38; SD = 1.21). The respondents are less likely to buy jackets, shorts, overalls and bodysuits online.

The preferences of the respondents' style of dress are presented in Table 2.

Dress style	M	SD
Casual style	4,19	0,809
Sports style	3,49	1.016
Elegant style	3,48	1.073
Classy style	3,13	1.016
Business style	3,06	1.018
Chic style	2,58	1.243
Street style	2,52	1.230
Vintage style	2,17	1.068
Sexy style	1,95	1.437

Table 2. The preferences of the respondents' style

Respondents point out cash on delivery as the preferred method of payment, followed by card payments and, to a very small extent, payments to the account and PayPal (Figure 5).



Fig. 5. Preferred payment method

The importance of various factors when buying clothes online is presented in Figure 6.

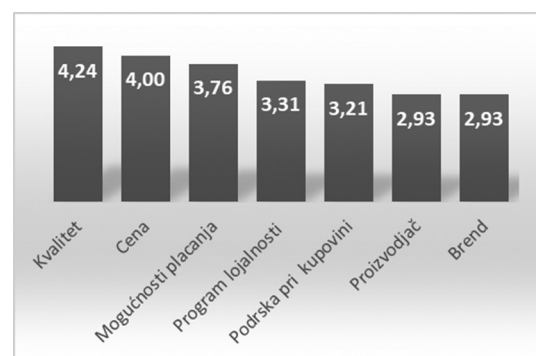


Fig. 6 The importance of various factors when buying clothes online



V. AN EXAMPLE OF THE IMPLEMENTATION OF A NEW FASHION BRAND IN THE ONLINE MARKET

A. Business Model Canvas

The digital transformation has led to the emergence of new e-business models. For e-business and appearance on the Internet, it is necessary to define an internet marketing plan and an Internet business plan. Within the Internet business plan, the key elements are the canvas business model and the revenue model. The business model canvas is an instrument of strategic management and a framework for developing new and documenting existing business models [22][23]. It consists of nine segments that need to be defined:

- Key partners. Partners who help run business activities.
- Key activities. Activities that represent the core of the company's business system.
- Key resources. Resources used by the company in creating value for customers.
- Value propositions. Products and services that the company offers to meet the needs of its customers.
- Customer relationships. There are different relationships with customers such as personal assistance, self-service, automated services, etc.
- Customer segments. Description of the characteristics of all user groups (stakeholders) and their role in the system.
- Channels. The basis for building relationships and long-term trust between users and the business system.
- Cost structure. The set of costs that only the business requires to perform its activities.
- Revenue streams. The way a company generates revenue from each market segment.

Defining the canvas business model enables faster adaptation to constant changes in the market and gaining a competitive advantage. For the newly created fashion brand, it is very important to precisely define all segments of this model in order to strengthen the network of potential customers, and later create a network of loyal customers.

At Business Model Canvas of a new fashion brand, the focus is on developing a website and online store (Fig. 7). The key partners are suppliers who would deliver pre-agreed goods, a courier service that would deliver the ordered products, media partners through which marketing promotions would be realized and payment gateway companies through which transactions would be securely enabled. Key activities would be the development of a website and e-store through which loyal customers would have certain benefits and the implementation of digital marketing strategies. All these activities would be implemented using the key resources (partners, development team, physical resources). All this would be done in order to successfully achieve the proposed values of the fashion

brand- to create an open market that facilitates communication between buyer and seller, a wide range of products, flexible payment methods, fast delivery, customization and innovation, cheaper and more efficient shopping. The idea is to achieve the best possible relationship with customers by providing them with a loyalty program, as well as safe purchasing of products. The channels through which business would be conducted would be the main channels of digital marketing: website, mobile application, social networks, as well as sites of other companies. The market is divided into segments depending on the age of the women. Online sales of products would generate the highest revenue, while costs would relate to marketing, development and maintenance of e-business and operating costs.

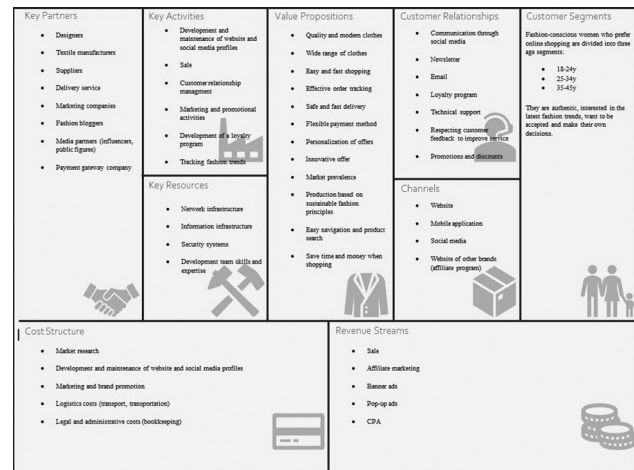


Fig. 7. Business Model Canvas of a new fashion brand

B. Revenue Model

A revenue model is a way for a company to generate revenue, generate profit, and return invested capital. [24] The proposed revenue model for a new fashion brand consists of 5 submodels (Fig. 8): advertising model, subscription model, transaction commission model, sales model and affiliation model.

Revenue model				
Advertising model	Subscription model	Transaction commission model	Sales model	Affiliation model
The company offers advertising space and generates revenue from its publication.	The company offers content or services and charges a subscription to access some or all of the offer.	The company generates commission income to enable the transaction to be conducted.	The company generates revenue by selling products, services or content.	The company directs the consumer to a third party and gets a percentage of sales.
Include other brands in your offer	Loyalty program	Internet shop	The clothes	Affiliate and Fashion Blogger program

Fig. 8. Revenue Model

The main source of income would be the online sale of clothing, which is represented through the sales model. Partnerships with brands and their presentation on the website of the fashion brand are planned as well. This is an advertising model and affiliate model. Cooperation with various influencers on social networks and fashion blogs also presents using an affiliate model. In this case, promoters who redirect consumers to a fashion brand's website get

a percentage of sales, ie. if the customer buys the product based on their recommendation, promoters receive a fee in return. Since the fashion brand would only have an online store, another source of income is the commissions that are obtained by enabling the transactions. This is a model of transaction fees. For the subscription model, the fashion brand company would develop a loyalty program. Applying for this program brings various benefits to members. Applying for the program, as well as membership in the club is completely free, however, every time you purchase something your exclusivity as a member of the loyalty club increases. So, customers here are actually conditioned to buy as much as possible, and in return receive increasing benefits from the company (discounts, invitations to exclusive events, pop-up stores, etc.).

### C. Web site appearance

Many options are available within the web application, from the home screen to the e-shop. Various search filters have been created for easier navigation and product search. Each product is described in detail, and buyers for all doubts can ask a question within the formed chatbot or directly by contacting the seller through various social media that are connected to the application itself. A loyalty program has also been developed, which contributes to a greater connection with the brand, and includes collecting certain points when buying and ranking in relation to their total number. Personalization is enabled by creating an avatar with the personal characteristics of the customer. Some of the options are shown in Fig. 9.

## VI. CONCLUSION

The scientific contribution of this paper is the development of the methodological approach to introducing a new fashion brand to the digital market. The development and implementation of key models of the Internet marketing plan are presented, and future directions of research will be related to further method implementation and evaluation.

## ACKNOWLEDGMENT

This research was funded by the Ministry of Education, Science, and Technological Development of the Republic of Serbia, grant number 11143.

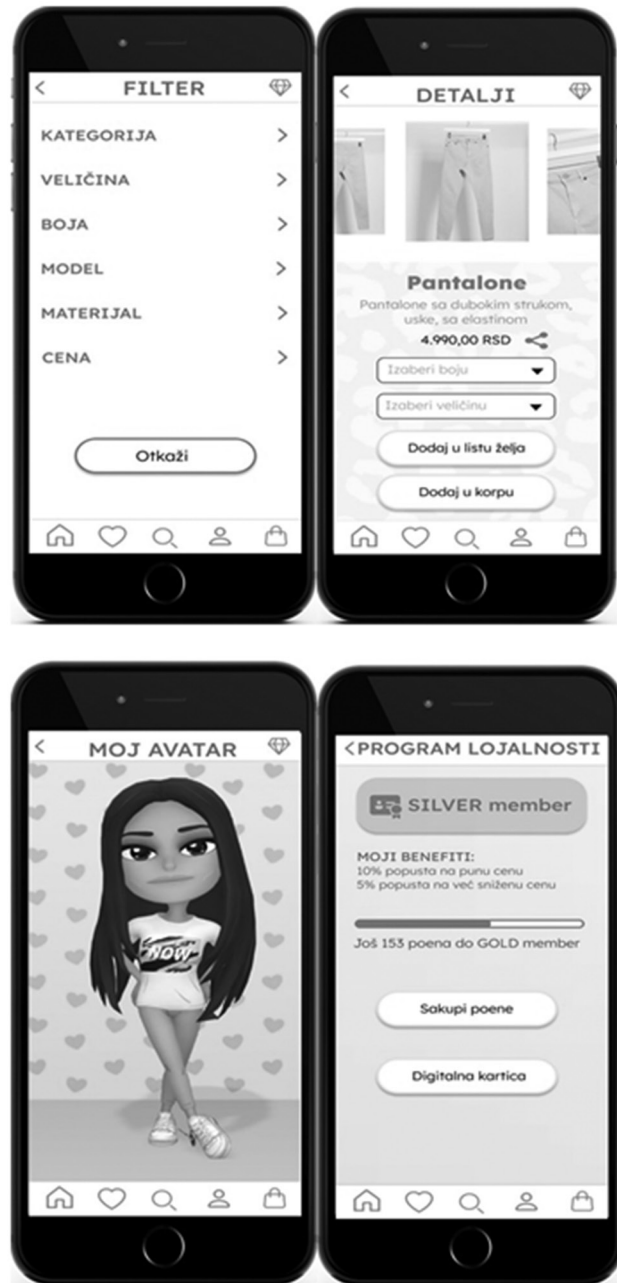


Fig. 9. Fashion brand responsive web application

## REFERENCES

- [1] Gaudenzi, B., Mola, L. and Rossignoli, C., 2021. Hitting or missing the target: Resources and capabilities for alternative e-commerce pathways in the fashion industry. *Industrial Marketing Management*, 93, pp.124-136.
- [2] Mola, L., Russo, I., Giangreco, A., & Rossignoli, C. (2017). Who knows what? Reconfiguring the governance and the capabilities of the supply chain between physical and digital processes in the fashion industry. *Production Planning & Control*, 28(16), 1284-1297.
- [3] Lancioni, R. A., Smith, M. F., & Schau, H. J. (2003). Strategic Internet application trends in supply chain management. *Industrial Marketing Management*, 32(3), 211-217.
- [4] Wiengarten, F., Humphreys, P., McKittrick, A., & Fynes, B. (2013). Investigating the impact of e-business applications on supply chain collaboration in the German automotive industry. *International Journal of Operations & Production*

- Management.
- [5] Moorthi, K., Dhiman, G., Arulprakash, P., Suresh, C., & Srihari, K. (2021). A survey on impact of data analytics techniques in E-commerce. *Materials Today: Proceedings*.
- [6] Muniesa, R.L. and Giménez, C.G., 2020. The Importance of the Loyalty of Fashion Brands through Digital Marketing. *Journal of Spatial and Organizational Dynamics*, 8(3), pp.230-243.
- [7] Kam, L., Robledo-Dioses, K., & Atarama-Rojas, T. (2019). Fashion Films as a Particular Content of Fashion Marketing: An Analysis of its Nature in the Context of Hybrid Messages. *Anagramas Rumbos y Sentidos de la Comunicación*.
- [8] Miquel-Segarra, S. (2018). The use of Twitter on fashion brands. A comparison between luxury and low-cost brands (El uso de Twitter en las marcas de moda. Marcas de lujo frente a marcas low-cost). *Cuadernos.info*, 42, 55-70. doi:10.7764/cdi.42.1349
- [9] Liu, Y., & Zhang, T. (2019, June). Research on digital marketing strategies of fast fashion clothing brands based on big data. In 2019 34rd Youth Academic Annual Conference of Chinese Association of Automation (YAC) (pp. 552-556). IEEE.
- [10] Rahman, M.S., Hossain, M.A., Rushan, M.R.I., Hoque, M.T. and Hassan, H., 2020. Conceptualising online fashion brand recognition: scale development and validation. *Spanish Journal of Marketing-ESIC*.
- [11] Vieira, V. A. (2009). An extended theoretical model of fashion clothing involvement. *Journal of Fashion Marketing and Management: An International Journal*.
- [12] O'Cass, A. (2004). Fashion clothing consumption: antecedents and consequences of fashion clothing involvement. *European journal of Marketing*.
- [13] Bonetti, F., & Perry, P. (2017). A review of consumer-facing digital technologies across different types of fashion store formats. *Advanced fashion technology and operations management*, 137-163.
- [14] Van Deursen, A. J., & Van Dijk, J. A. (2014). The digital divide shifts to differences in usage. *New media & society*, 16(3), 507-526.
- [15] Israeli, A., & Avery, J. (2017). Predicting consumer tastes with big data at Gap. *Harvard Business School Publication* (July 10).
- [16] Rahman, M. S., & Mannan, M. (2018). Consumer online purchase behavior of local fashion clothing brands: Information adoption, e-WOM, online brand familiarity and online brand experience. *Journal of Fashion Marketing and Management: An International Journal*.
- [17] Jin, B.E. and Shin, D.C., 2020. Changing the game to compete: Innovations in the fashion retail industry from the disruptive business model. *Business Horizons*, 63(3), pp.301-311.
- [18] Jin, B., Jung, H., Matthews, D. R., & Gupta, M. (2012). Fast fashion business model: what, why and how?. *Fashion supply chain management: Industry and business analysis*, 193-211.
- [19] Hamari, J., Sjöklint, M., & Ukkonen, A. (2016). The sharing economy: Why people participate in collaborative consumption. *Journal of the association for information science and technology*, 67(9), 2047-2059.
- [20] Lee, J. E., Hur, S., & Watkins, B. (2018). Visual communication of luxury fashion brands on social media: effects of visual complexity and brand familiarity. *Journal of Brand Management*, 25(5), 449-462.
- [21] Chan, A., & Astari, D. (2017). The analysis of content marketing in online fashion shops in Indonesia. *Review of Integrative Business and Economics Research*, 6(2), 225.
- [22] Bilińska-Reformat, K. and Dewalska-Opitek, A., 2021. E-commerce as the predominant business model of fast fashion retailers in the era of global COVID 19 pandemics. *Procedia Computer Science*, 192, pp.2479-2490.
- [23] Osterwalder, A., & Pigneur, Y. (2010). *Business model generation: a handbook for visionaries, game changers, and challengers* (Vol. 1). John Wiley & Sons.
- [24] Remeňová, K., Kintler, J., & Jankelová, N. (2020). The general concept of the revenue model for sustainability growth. *Sustainability*, 12(16), 6635.