

H&M and Social Media: An effective market research tool



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“H&M and Social Media: An effective market research tool”

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Sweden's Hennes & Mauritz AB, more commonly known as H&M, is a retail clothing powerhouse, famous for its reasonably priced “fast fashion.” With 6 different brands sold in 3,300 stores spread out over 54 countries, the company is second only in size to its direct competitor Zara.

H&M has been ranked as one of the world’s top 25 brands. It achieved this level of recognition not by luck, but rather by effective marketing and branding efforts, using and implementing the latest technology available, and carrying out good market research. In addition to its online website, the company communicates and interacts with customers through its huge social media presence. People can follow the latest fashion (and non-fashion developments at H&M on Facebook, Twitter, Instagram, YouTube, Google+, Pinterest, as well as on their mobile phones through apps for iPhone and Android. H&M also has a presence on China’s social networks by way of Youku and Sina Weibo and Russia’s VKontakte.

As part of its marketing and branding efforts, H&M developed a social media strategy; a key component of which states that through the effective use of social media “millions of H&M fans and followers share ideas and opinions and get quick answers to their queries.” This allows the company to get closer to its customers, allowing for better communication and feedback, and (it is hoped) more useful marketing data. H&M collects massive amounts of raw (and technically, anonymous) information through the use of such data analysis tools as Google Analytics and Core Metrics. What allows H&M to do this is something known as “cookies.” These are text files that are created every time you visit a particular website, and they can contain useful and valuable information about your interests and shopping habits.

The benefit of social media is that H&M can get out its message and promote its brand, while at the same time it can gather, store and interpret huge amounts of data (often referred to as “big data”). Looking at the numbers and statistics one can’t help but be amazed at the result H&M has achieved. The company has more than 14 million fans on its Facebook page alone where it regularly posts updates promoting new products and lets customers know about upcoming promotions. It also has contests where entrants can win prizes. In addition, H&M live streams runway fashion shows, giving fans “an exclusive front row seat.” By keeping

action with the photo gallery hundreds of people information. Studies have demand and trend

The company is extremely popular on Pinterest as well, with users interacting with the H&M brand 145,000 times in one month alone back in 2013. But an analysis of these interactions shows that there is a major problem. Many of the photos, videos and other objects that users “pinned” to their pinboards sent people to dead H&M links when they were clicked on. In just one example, a popular pair of H&M shoes was shared almost 2,700 times among users in only 30 days. But the link for the shoes led to a webpage that informed you that “this item is no longer available.” Unfortunately, “Pinterest is driving a ton of people to [H&M’s] website but they can’t buy anything when they get there,” says Apu Gupta, CEO of a Pinterest data

analytics firm called Curalate. Pinterest has an array of powerful analytical tools. Companies can track and monitor Pin activity, allowing them to identify and analyze trends over a given period of time. It is also possible to find out which Pins are the most popular, which ones get shared the most, who exactly interacts with them and what people associate them with. What is puzzling is that Pinterest appears to be providing a massive amount of research data regarding what is popular and what is in demand, and that H&M is not utilizing it to its full potential. This marketing data could provide insight into what customers want, what other products they might want or need, and potential markets and customers that are presently not being satisfied. This could very well be resulting in a huge amount of lost sales, in addition to a diminishing of H&M’s brand among some users.

The company has also received criticism over the way it uses its Twitter feed. While seen as being efficient when it comes to posting new product and promotion information, there are complaints that the site is lacking when it comes to responding to comments or queries that users post. Research shows that H&M generally answers between five and 10 comments a day (with most of the company’s responses directing users to a dedicated customer service link) This in comparison to the hundreds of customers that companies like ASOS and Nike respond to every single day. Twitter, like almost all social media outlets, has powerful analytical tools for collecting and analyzing data as well. The relative lack of interaction and engagement on the part of H&M could be interpreted as a missed opportunity to “talk” to its customers in order to gain useful insights and qualitative market data. One recent Twitter bright spot, however, was a Q&A session hosted by H&M “brand ambassador” David Beckham. The legendary football player answered about 30 questions from fans, with the event being generally well received.

H&M’s use of Google+, Google’s social networking site that is meant to (eventually) compete with Facebook, appears to be another social media and marketing research success story. H&M has been able to gather over 2.5 million fans, making it one of the most followed brands on the service. It accomplished this through its colourful and well designed “G+ page” which receives daily updates. The goal, according to Miriam Tappert, Global Social Media

Marketing at an H&M store “to be where our customers are” Using Google it is possible to collect a massive amount of data. This allows H&M to refine its marketing strategy. Based on their market analysis, the company could perhaps extend a successful product line or introduce a whole new range of products to attract new customers who previously were not interested in H&M (market research shows that once a consumer identifies with a fast fashion brand, they are more receptive to new product offerings from that same brand). Conversely, H&M could more quickly end unpopular promotional campaigns or product lines. As a result of effectively using all that Google has to offer, it has been reported that H&M has achieved an impressive 22% increase in click-through rates.

But while H&M reportedly makes an effort to provide unique content for Google+, some critics say that a lot of what is on offer appears to be duplicated across its Facebook page, meaning that there really isn’t a reason why a person would follow both. Some also note that while H&M has a large number of fans on G+, the actual interaction between people and the Google site is actually relatively low.

H&M has found other ways to use technology to connect with its customers and collect market data, entering into a partnership with the online game MyTown. This arrangement



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