

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Economics**



**Diploma Thesis**

**Marketing strategies and their use**

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## DIPLOMA THESIS ASSIGNMENT

Elena Babaian

Economics Policy and Administration  
Business Administration

Thesis title

**Marketing strategies and their use**

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### Objectives of thesis

The aim of this thesis is to research a variety of companies' methodologies of customer and client communication, identify the different approaches and specify when each is appropriate (or inappropriate). This project is mainly going to be developed around the clothing industry (H&M and Zara) and the effectiveness of their marketing strategies.

### Methodology

The methodology of the literature review is based on the collection of data from published financial reports, various periodicals, books, magazines or online sources. The research methods that are going to be applied will be theoretical, such as analysis, synthesis and classification. As well as empirical ones such as experiment (questionnaire) and comparison. The theoretical method will be based on bibliographies, journals, articles and various online resources.

## **The proposed extent of the thesis**

60 – 80

### **Keywords**

Marketing strategies, marketing, classification, companies, business processes, global network, global organizations.

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### **Recommended information sources**

- BERGER, J. (2013). Contagious : why things catch on. New York: Simon & Schuster. ISBN-13 : 978-1451686586
- GODIN, S. (2018). This is marketing : you can't be seen until you learn to see. London: Portfolio Penguin, Cop. ISBN-13 : 978-0525540830
- DIB, A. (2021). 1-PAGE MARKETING PLAN : get new customers, make more money, and stand out from the crowd. S.L.: Page Two Books, Inc. ISBN-13 : 978-1989025017
- MILLER, D. (2017). Building a storybrand : clarify your message so customers will listen. New York: Harpercollins Leadership, An Imprint Of Harpercollins. ISBN: 9780718033330
- OSTERWALDER, A., PIGNEUR, Y., BERNARDA, G., SMITH, A. AND PAPADAKOS, T. (2014). Value proposition design. Hoboken, New Jersey: Wiley, November. ISBN-13: 978-1118968055
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- HALL, K. (2019). Stories that stick : how storytelling can captivate customers, influence audiences, and transform your business. Nashville, Tn] Harpercollins Leadership, An Imprint Of Harpercollins. ISBN-13 : 978-1400211937
- W CHAN KIM AND RENÉE MAUBORGNE (2015). Blue ocean strategy : How to create uncontested market space and make the competition irrelevant. Massachusetts: Havard Business School Publishing Corporation. ISBN-13 : 978-1625274496
- 

### **Expected date of thesis defence**

2021/22 SS – FEM

### **The Diploma Thesis Supervisor**

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De

Prague on 29.03.2022

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## **Declaration**

I declare that I developed and worked on my master's thesis, which title is "Marketing strategies and their use" by myself and I have used only the sources mentioned at the references of this document. As the author of this document, I declare that this thesis does not break any copyrights.

In Prague on 29.03.2022

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### **Acknowledgement**

I'm kindly grateful to my supervisor Dr. Richard Selby, for his guidance, educational and professional help through the development of this thesis and important remarks through my work. Additionally, he gave valuable advice on the composition of my entire thesis

## **Marketing strategies and their use**

### **Abstract**

This thesis will identify the value of marketing strategies for business processes in the Czech Republic, as well as for the global network. This work will focus on the importance of marketing in global organizations and in the world at large. The main object of my research will be global organizations and their use of marketing strategies to achieve success and avoid problems. The starting point of the entire work will be the theoretical part, which will discuss the classification of marketing and its strategies and their interaction with each other. In the practical part, large companies from different industries will be analyzed to find patterns and differences between the development of companies and the choice of strategies that they apply. These research methods will be theoretical, such as analysis, synthesis and classification. As well as empirical ones such as experiment (questionnaire) and comparison. The theoretical method will be based on bibliographies, journals, articles and various online resources.

**Keywords:** Marketing strategies, marketing, classification, companies, business processes, global network, global organizations.

## **Marketingové strategie a jejich využití**

### **Abstrakt**

Tato práce bude identifikovat hodnotu marketingových strategií pro obchodní procesy v České republice i pro globální síť. Tato práce se zaměří na význam marketingu v globálních organizacích a ve světě jako celku. Hlavním předmětem mého výzkumu budou globální organizace a jejich využití marketingových strategií k dosažení úspěchu a předcházení problémům. Výchozím bodem celé práce bude teoretická část, která se bude zabývat klasifikací marketingu a jeho strategií a jejich vzájemnou interakcí. V praktické části budou analyzovány velké společnosti z různých průmyslových odvětví, aby se zjistily vzorce a rozdíly mezi rozvojem společností a výběrem strategií, které uplatňují. Moje výzkumné metody budou teoretické, jako je analýza, syntéza a klasifikace. Stejně jako empirické, jako je experiment (dotazník) a srovnání. Teoretická metoda bude založena na bibliografiích, časopisech, člancích a různých online zdrojích.

**Klíčová slova:** marketingové strategie, marketing, klasifikace, společnosti, obchodní procesy, globální síť, globální organizace.

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# 1 Introduction

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Marketing is a unique science and at the same time an art that surrounds us everywhere. It plays an important role in our lives, because it concerns the interests of each of us. It has its effect even when we do not even suspect it. We use a variety of goods and services produced in different parts of the world. All this is possible thanks to the marketing system, and with minimal effort on our part. Therefore, what is marketing and how does it influence our consumer choice? Marketing affects everyone's interests in one way or another – regardless of whether it is a producer or a consumer, a buyer or a seller. He is around us, but we often do not notice him, his impact on us. Meanwhile, marketing has an increasing impact on society, on people and is progressing rapidly. Marketing consists of several parts. It is based on science, art and psychology. Marketing was developed based on these three elements. This is partly a science due to the analysis of the audience, the market, the calculation of funds that will be used to attract customers. Moreover, it is also an art, because you need to have imagination to come up with a non-standard logo, an advertisement that will attract people's attention. In addition, this leads to the third element - psychology. It helps to analyze the behavior and reaction of human beings. To make people automatically react, remember to be dependent on the company and their product by knowing their human nature. Thus, the purpose of marketing is to influence people psychologically, scientifically and analytically to make them your customers. However, the most amazing thing about it is that people do not even realize it. Moreover, this truly amazes the mind.

Based on a lot of trial and error, marketing strategies were created- plans that helped companies attract attention to themselves, convince and make customers need them. In addition, based on these cunning plans, the company begins to receive more money, strengthens its market position in its field and expands its sales markets.

If the task of marketing is to create the desire and desire of customers to buy a product, then the marketing method is based on capturing the attention of new potential customers. Due to science, a company can analyze the market, identify the target audience and understand what they lack or what they need, but they haven't realized it yet. In this way, it can create a desire to have a product, but it cannot demonstrate this demand to people. Art

and psychology come to the aid of this, which, thanks to joint work, make the demand noticeable to people, and show why. The company has achieved success in marketing on the condition of creating dependence and loyalty of people to its brand and products. You can attract customers through art, but without psychology, it will be impossible to retain new customers. Of course, people love beautiful products and shop windows, but without a deep analysis of the market and methods of psychology, the company will not be able to increase its profitability and will not be able to see the whole picture in detail. To create an advertisement, a unique PR, a logo, a slogan, a website, a billboard, a marketer needs imagination-which is art. Imagination for a marketer is necessary not only when it comes to developing product packaging, but also when creating a basic idea for a company. In the past centuries, when the time of paper advertising reigned, companies used only one, sometimes two elements of marketing - art and psychology. However, the companies did not take into account the element of science at all. From which companies lost more money, because they could not understand in detail what of their marketing strategy works and what should be changed. Because of this, companies could not always fully control this aspect of the business and often repeated their mistakes in marketing until they saw strong losses on the part of buyers. John Wanamaker's quote is well suited to this problem: "Half the money I spend on advertising is wasted; the trouble is I don't know which half".<sup>1</sup>

Branding is also an integral part of any business. It allows marketers to create a brand image that can be taken into account if targeted marketing is included in the purchase decision or in the sales cycle. Marketing is recognized as an increasingly important area of business activity, as it is associated with understanding and identifying customer requests, as well as focusing the company's resources on meeting these requests. All of the above are just some of the strategies that help businesses to occupy competitive places and, equally important, to force people to change their minds about them. Moreover, based on this work, it will be revealed how often and how much marketing and its strategies have changed the minds of humankind beyond recognition.

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<sup>1</sup> Woolley, D. (2019). Which Half of my Advertising is Wasted — and It Is Only Half? [online] MediaVillage. Available at: <https://www.mediovillage.com/article/which-half-of-my-advertising-is-wasted-and-it-is-only-half/#:~:text=%E2%80%9CHalf%20my%20advertising%20spend%20is.>

## 2 Objectives and Methodology

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### 2.1 Objectives of thesis

The study's major goals is to research a variety of companies' methodologies of customer and client communication, identify the different approaches and specify when each is appropriate (or inappropriate). This project is mainly going to be developed around the clothing industry of selected companies in Europe.

Accordingly, the following are the study's main goals:

1. Analyze the marketing strategies of H&M and Zara.
2. To study the weaknesses and strengths of the strategic plans of both companies
3. Analyze and demonstrate how their strategies have modified human behavior towards fashion, clothing and shopping.

### 2.2 Methodology

The theoretical part of the thesis will be mainly based on the history of the review of the relevant literature (represented by printed literature, scientific articles, reviews, web sources)

The practical part will contain descriptive analysis, synthesis and classification. The result of the analysis will be discussed and supplemented with the corresponding recommendations of the author.

## 3 Literature Review

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### 3.1 Marketing plans, their stories and types

In this part, we will look at the main marketing strategies that helped companies achieve unprecedented success or even created traditions. Also analysed and classified the main marketing plans that work to this day.

### 3.2 The importance of marketing strategies

Marketing strategy is one of the main links in the stable development of any company. The fundamental idea of marketing is that the greatest success is achieved by those companies whose productive actions combined make it possible to meet the expectations of consumers. Marketing plans are needed by the company to update the range of goods and services in time and in the prescribed proportions, balance price changes, optimally disperse advertising efforts over time, purposefully develop sales activity. Ultimately, marketing plans provide clear answers to questions about what needs to be done, who is responsible for it and who is the executor, what deadlines should be met, what results will be obtained and how much the projected activity will cost the company.

A marketing plan can be both rigid and flexible. The degree of their flexibility increases with uncertainty, complications of the forecast of the market situation, including the behaviour of both customers and competitors (already known or newly emerging). In mature, stable markets with easily predictable demand parameters and traditions of participants' behaviour, detailed formalized projects are usually used, the development of which is entrusted to specially designated responsible persons or even to the design apparatus. In situations with a high level of uncertainty, instability of risk, flexible projects are preferred—scenarios developed with the participation of a wider range of expert specialists and involving prompt adjustment of projects as threats or prospects unforeseen in advance are identified (SWOT analysis).<sup>2</sup>

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<sup>2</sup> Ltd, H. (n.d.). The Essential Guide to Marketing Strategy. [online] info.hurree.co. Available at: <https://info.hurree.co/en/marketing-strategy-essential-guide#marketingstrategydefinitionimportance>.

### 3.3 The marketing that changed the world

When creating advertising, marketers rely on the psychology of the masses and look for “weak points” of potential buyers in order to create demand for certain goods and services, so that every time we get their hook. Why is it so difficult to leave a shopping center without buying anything? Why do the images created in advertising affect us so much, be it food, household chemicals or appliances?

There are many examples from the history of marketing that have changed the ideas of past generations about shopping, personal care, Breakfast, cars, gifts and, of course, allowed their creators to make a fortune.

#### 1. Shopping

Picture 1: AU DON MARCHE Advertising



[https://en.wikipedia.org/wiki/Ren%C3%A9\\_Vincent](https://en.wikipedia.org/wiki/Ren%C3%A9_Vincent)

Shopping centers appeared thanks to the French entrepreneur Aristide Boucicault, who opened the world's first Department store Au Bon Marche — its name literally means "at a

good price". He first came up with the idea to combine under one roof products of different categories: umbrellas and lace, dresses and stockings, mattresses and children's toys. Here are some more innovations that Boucicault introduced:

- His Department store was the first where there was free entry and it was possible to return defective goods.
- He thought out the "route" of the buyer and cleverly arranged the items of the same category in different parts of the store.
- The Department store had a lounge for men waiting for their wives.
- It was Boucicault who invented the seasonal sales and sale of goods in a catalog, thousands of copies of which were sent throughout France.

The head of the store reduced the trade margin from 40 to 20 % and set fixed prices, so that many were able to afford goods that previously could not even dream of. Concierges bought dresses at the same price as duchesses, and this increased the annual turnover of the store many times.<sup>3</sup>

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<sup>3</sup> oll.libertyfund.org. (n.d.). Gustave de Molinari, Evenings on Saint Lazarus Street: Discussions on Economic Laws and the Defence of Property (1849) (2016 draft) | Online Library of Liberty. [online] Available at: <https://oll.libertyfund.org/page/gdm-soirees>

## 2. Dazzling smile

Picture 2: Pepsodent's advertising

<https://www.corporateneeti.com/post/marketing-management-pepsodent-game-changer>

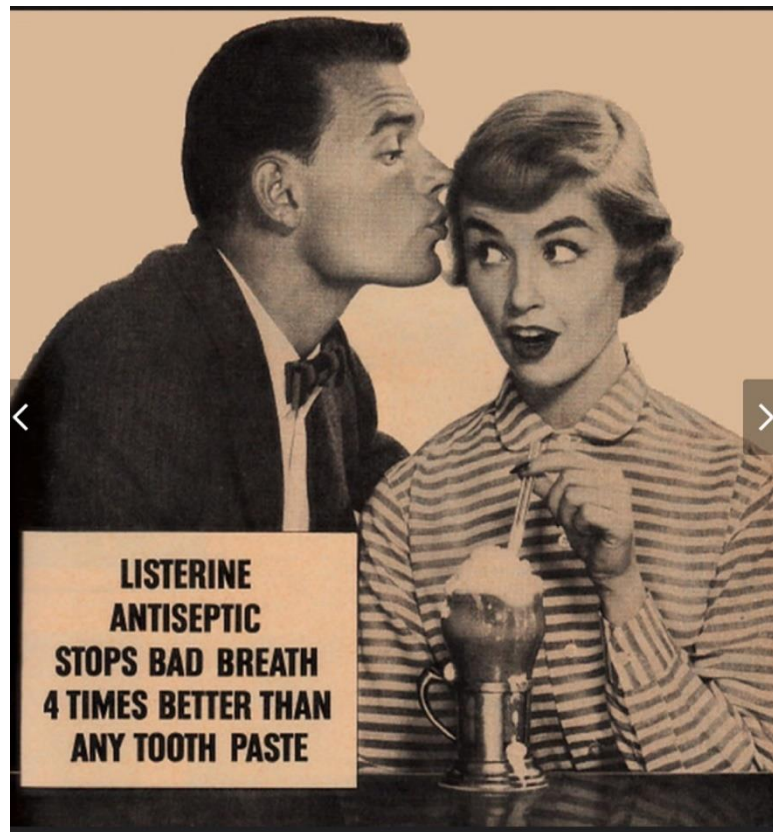
Until the twentieth century, dental health was not associated with their purity, but sales of toothpaste depended on how often people use it. The fact that it is necessary to use a toothbrush at least 2 times a day and visit the dentist every six months, Americans told Pepsodent's paste advertising, created by the master of copywriting of the XX century Claude Hopkins.<sup>4</sup>

<sup>4</sup> Healthline. (2020). Tooth Powder Vs. Toothpaste: Pros & Cons of Each. [online] Available at: <https://www.healthline.com/health/tooth-powder>.



### 3. Fresh breath

Picture 3: Listerine advertising



<https://www.ebay.com/itm/263809335858>

The popular mouthwash Listerine was invented at the end of the XIX century as an antiseptic with a strong bactericidal effect. However, soon the company decided to try to introduce the product into the lives of ordinary people, but could not find any use for it in everyday life. Thanks to ingenious marketers, Listerine soon became widely known as a means to combat bad breath, and its advertising was full of examples of how stale breath can spoil personal life and interfere with pleasant communication.<sup>5</sup>

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<sup>5</sup> Wikipedia Contributors (2019). Listerine. [online] Wikipedia. Available at: <https://en.wikipedia.org/wiki/Listerine>.

#### 4. Smooth armpits and legs

Picture 4: Harper's Bazaar 1922



<https://outskirtsofthetwenties.wordpress.com/2014/01/05/it-started-with-harpers-bazaar/>

In the Victorian era, no one thought that women need to shave, because the dresses were so closed that only the hands and face were visible. But at the beginning of the XX century, dresses with open arms came into fashion, and in 1915, Gillette introduced a women's safety razor as an integral attribute of the ladies, which would solve the "embarrassing problem" of the armpits.<sup>6</sup>

In the 1920s, short skirts exposed the legs, and companies that produced depilatory products did not waste time. The ads were mostly seasonal and attacked women only from April to September, during the warm period. By the 1950s, smooth skin was the norm at any time of the year, and the depilation industry is inventing new ways to get rid of hair to this day.<sup>7</sup>

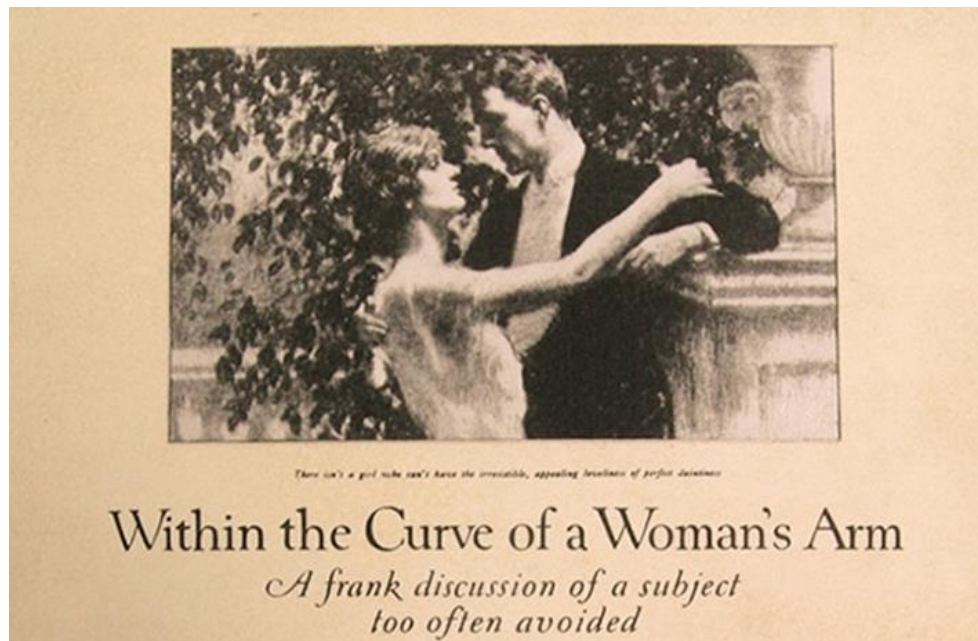
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<sup>6</sup> Bernazzani, S. (2017). Women Shave Because of Marketers: How the Industry Created Demand for Women's Razors. [online] blog.hubspot.com. Available at: <https://blog.hubspot.com/marketing/womens-razors-marketing>.

<sup>7</sup> Edwards, P. (2015). How the beauty industry convinced women to shave their legs. [online] Vox. Available at: <https://www.vox.com/2015/5/22/8640457/leg-shaving-history>.

## 5. Deodorant

**Picture 5: Deodorant advertising 1919**



<https://commons.wikimedia.org/wiki/File:WithinTheCurveOfAWomansArm.jpg>

The fact that the smell of human sweat can be unpleasant did not occur to anyone until the beginning of the 20th century. To get rid of it, people just took a bath or used perfume. Therefore, when Edna Murphy offered everyone a means of blocking the production of sweat, no one understood why this was necessary. Then, the entrepreneur turned to J. Walter Thompson advertising agency, and copywriter A survey was conducted by James Young trying to find why women are not likely to use deodorant. It turned out that there was simply no need for it.<sup>8</sup>

Then, Young changed his promotion strategy: his goal was to convince people that sweating is a shame. The first ad appeared in 1919 in the Ladies 'Home Journal, under the heading : "Within the Curve of Woman's Arm: A Frank discussion of a subject too often avoided ". She was so outrageous for her time that 200 people refused to subscribe to the

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<sup>8</sup> Abraham, T. (2012). "Men can be such awful gossips!" Hilarious early deodorant ads warn women of the romantic implications of body odour. [online] Mail Online. Available at: <https://www.dailymail.co.uk/femail/article-2192654/Hilarious-early-deodorant-ads-warn-women-romantic-implications-body-odour.html>.

publication. Nevertheless, in the same year, sales of a new product grew by 112%, and advertising itself became a template for deodorant sales.

6. A glass of orange juice

Picture 6: "Drink an Orange" advertising

**Drink an Orange**

Orange juice—a delicious beverage—is healthful in itself. California orange juice is rich in flavor and bouquet.

Have you a tendency to overeat?—orange juice provides an aid to digestion that counteracts the ill effects of the heavy meal.

California orange juice is advised by thousands of physicians for the tiniest babies as well as for grown-ups. It provides a needed food value and aids in the proper assimilation of food.

In short, the fresh, pure, *low juice* of good oranges, which comes to you in Nature's germ-proof package, is a *natural regulator* that every mother and wife should be careful to serve to the whole family at every meal.

Why forego for even a single day this natural liquid food that makes *all other foods* more healthful?

**Sunkist**  
California Seedless Navel Oranges

Sunkist navel oranges are juicy, sweet, full-flavored and delicious.

They are seedless, firm and tender. Because of these facts hundreds of thousands of housewives, and famous chefs, prefer them for salads and desserts. Write for free booklet of excellent tested recipes. Try the many dainty dishes you can make with this luscious fruit.

California Fruit Growers Exchange  
Dept. 499 125 North Clark Street, Chicago

All first-class dealers sell Sunkist Oranges and Lemons. Look for the name "Sunkist" on tissue wrappings, and *same wrappings* for beautiful silverware.

**Use the Sunkist Orange Juice Extractor**  
10c—from Your Grocer or Fruit Dealer

The Sunkist Juice Extractor is especially designed to extract the juice of the largest as well as the smaller sizes of either Sunkist oranges or lemons. It is a new pattern of unusually large size which is manufactured of heavy tough glass exclusively for us.

We are distributing an enormous number of these at cost simply to facilitate the preparation of orange juice. This gives you, at a minimum price, the best orange juice extractor that fruit experts can devise.

If you cannot secure this from your dealer, send 10c in stamps to cover cost and expense of mailing and we will send it direct to you by parcel post. 24c to points in Canada.

CALIFORNIA FRUIT GROWERS EXCHANGE  
Company—New York  
Eastern Headquarters  
Dept. 499 125 N. Clark Street  
Chicago

This Juice Extractor 10c from Your Dealer anywhere in U.S.

This is an exact reproduction of the Extractor, send one.

<https://www.honeycopy.com/copywritingblog/2017/12/1/how-advertising-invented-orange-juice>

The tradition of drinking a glass of fresh orange juice in the morning appeared due to an overabundance of oranges in 1908. Sunkist (then known as the California Fruit Growers Exchange) would have gone bankrupt if it hadn't gone to Lord & Thomas, the advertising agency where Claude Hopkins worked at the time. A talented copywriter invited the company, in addition to oranges, to sell juicers under its brand, and he wrote a piercing text about the benefits of freshly squeezed orange juice under the slogan "Drink an orange".<sup>9</sup>

<sup>9</sup> May-ann (2007). Drink An Orange. [online] Great Copywriters. Available at: <https://cskills.blogspot.com/2006/09/drink-orange.html>

## 7. Hair dye

Picture 7: "Does she...or doesn't she?" Clairol

Does she...or doesn't she?

**Hair color so natural only her hairdresser knows for sure!**<sup>10</sup>

Happiness can be a thing called trust — or the joy of being sure of someone. Or even some things . . . like one's looks or the color of one's hair! That's why for her, Miss Clairol is sheer heaven. Not only does she trust it to keep the color young, fresh, natural looking, but she knows it's the most effective way to cover gray. And this is like discovering how to make time stand still.

Hairdressers recommend Miss Clairol and use it above all other colorings because their professional reputations depend on beautiful results. They know nothing else comes up to Miss Clairol or keeps hair in such fine condition. And that, too, is why more women use it than any other haircoloring. Quick, easy. Try it yourself. Today.

**MISS CLAIROL**  
HAIR COLOR BATH is a trademark of Clairol Inc. © Clairol Inc. 1964

Even close up, her hair looks natural. Miss Clairol keeps it shiny, lustrous. Completely covers gray with the younger, brighter, lasting color — no other kind of haircoloring can promise — and live up to!

Good Housekeeping

<https://www.flickr.com/photos/144737059@N03/24077549207>

In 1956, Clairol first introduced Miss Clairol hair dye to America for home use. In those days, it was still believed that well-mannered women did not dye their hair, it was the lot of actresses, representatives of bohemia and other frivolous young ladies.<sup>10</sup>

Therefore, for promotion, the company turned to Foote, Cone & Belding. The campaign was led by Shirley Polikoff - the only woman copywriter in this company, she also invented the legendary slogan “Does she?..Or doesn't she?” (Meaning “Does she paint? Or not?”), Focusing on the natural shades Clairol brands. After 6 years, 70% of adult

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<sup>10</sup> Wikipedia. (2020). Clairol. [online] Available at: <https://en.wikipedia.org/wiki/Clairol>.

American women were not shy about dyeing their hair, the company's sales grew fourfold, and Shirley herself was in the American Advertising Hall of Fame.

## 8. Breakfast bacon

Bacon has not always been a part of a traditional American breakfast. Moreover, until the 20th century, the American breakfast consisted mainly of cereal, until one of the bacon producers turned to the best PR man of his time, Sigmund Freud's nephew Edward Bernays. In addition to the works of his uncle, he studied the “Psychology of Peoples and Masses” by Gustave Lebon and other works on psychology and sociology and was the first to rely not on direct advertising, but on hidden mechanisms of persuasion and mass consumption.<sup>11</sup>

He presented breakfast as a potential time when everyone would eat bacon. To convince consumers, Bernays interviewed thousands of doctors about whether hearty breakfasts were good. Having received the approval of specialists, the company disseminated information about this in radio programs and newspapers, and bacon was cited as one example of suitable dish for a high-calorie breakfast. Soon, all Americans were convinced that bacon was the basis of a morning meal, and now it seems that it has always been so.<sup>12</sup>

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<sup>11</sup> Colleary, E. (2012). How Bacon and Eggs Became the American Breakfast. [online] The American Table. Available at: <http://www.americantable.org/2012/07/how-bacon-and-eggs-became-the-american-breakfast/>.

<sup>12</sup> by (n.d.). Edward Bernays and Why We Eat Bacon for Breakfast – Braithwaite Communications. [online] [gobraithwaite.com](https://gobraithwaite.com/thinking/edward-bernays-and-why-we-eat-bacon-for-breakfast/). Available at: <https://gobraithwaite.com/thinking/edward-bernays-and-why-we-eat-bacon-for-breakfast/>.

9. Santa Claus and Coca-Cola

Picture 8: Coca-Cola advertising 1939

THE SATURDAY EVENING POST



“**MY HAT’S OFF to  
the pause that refreshes”**

Old Santa, busiest man in the world, takes time out for *the pause that refreshes* with ice-cold Coca-Cola. He even knows how to be good to himself. And so he always comes up smiling. So can you. Wherever you go shopping, you find a cheerful soda fountain with ice-cold Coca-Cola ready.

**LISTEN IN**  
Grandstand Rice—Famous Sports Champions—Coca-Cola Orchestra.  
Every Wed. 10:50 p. m. Eastern Standard Time.  
Coast-to-Coast NBC Network.

The Coca-Cola Co., Atlanta, Ga.

OVER NINE MILLION A DAY . . . IT HAD TO BE GOOD TO GET WHERE IT IS

<https://www.coca-colacompany.com/company/history/five-things-you-never-knew-about-santa-claus-and-coca-cola>

It was Coca-Cola who came up with the image of a ruddy, good-natured old man in a red suit with a white edge. Santa Claus, whose creators were inspired by the images of St. Nicholas and the Father of Christmas, was portrayed in a green suit for a long time, and he found his usual look thanks to the artist Haddon Sandblom, who created a series of advertising images for the Christmas campaign of Coca-Cola in 1931.<sup>13</sup>

## 10. Modern cigarettes

Picture 9: Advertisement "Woman Are Free"

**Women Are Free!**  
**AN ANCIENT PREJUDICE HAS BEEN REMOVED**

*Legally, politically and socially woman has been emancipated from those chains which bound her. AMERICAN INTELLIGENCE has exploded the ridiculous theory that forced the stigma of inferiority upon a sex.*

**"toasting did it"—**  
*Gone is that ancient prejudice against cigarettes—Progress has been made. We removed the prejudice against cigarettes when we removed harmful corrosive ACRIDS (pungent irritants) from the tobaccos.*

**YEARS** ago, when cigarettes were made without the aid of modern science, there originated that ancient prejudice against all cigarettes. That criticism is no longer justified. LUCKY STRIKE, the finest cigarette you ever smoked, made of the choicest tobacco, properly aged and skillfully blended—"It's Toasted."

"TOASTING," the most modern step in cigarette manufacture, removes from LUCKY STRIKE harmful irritants which are present in cigarettes manufactured in the old-fashioned way.

Everyone knows that heat purifies, and so "TOASTING"—LUCKY STRIKE'S extra secret process—removes harmful corrosive ACRIDS (pungent irritants) from LUCKIES which in the old-fashioned manufacture of cigarettes cause throat irritation and coughing. Thus "TOASTING" has destroyed that ancient prejudice against cigarette smoking by men and by women.

**"It's toasted"**  
**No Throat Irritation - No Cough.**

**LUCKY STRIKE CIGARETTES**  
 "IT'S TOASTED"

"It's Toasted"—the phrase that describes the extreme "toasting" process applied in the manufacture of Lucky Strike Cigarettes. The finest tobaccos—the Cream of the Crop—are scientifically subjected to penetrating heat at minimum, 260°—maximum 300°, Fahrenheit. The exact, expert regulation on such high temperatures removes impurities. More than a slogan, "It's Toasted" is recognized by millions as the most modern step in cigarette manufacture.

<https://csts.ua.edu/women/distinction>

<sup>13</sup> Wikipedia. (2020). Haddon Sundblom. [online] Available at: [https://en.wikipedia.org/wiki/Haddon\\_Sundblom](https://en.wikipedia.org/wiki/Haddon_Sundblom).



Mass smoking began with a specific person - American James Buchanan Duke, also known as Buck Duke, who created not only modern cigarettes, but also a strategy for promoting them. In 1880, at the age of 24, Duke began making cigarette rolls. After 2 years, he began working with a young engineer, James Bonsack, who invented a mechanized process for the production of tobacco products. The new machine produced 120 thousand cigarettes per day - many times more than Duke could sell. It was necessary to figure out how to capture the market.

He began sponsoring races, handed out his products at beauty contests, and advertised in the first glossy magazines. As expected, people liked the new product. It was more modern and hygienic, unlike cigars, which were made by hand and with the help of saliva.

Duke saw one more potential in cigarettes: they could be used in places where smoking pipes and cigars were forbidden, for example, in restaurants and salons. Cigarettes were easy to light, and they were great for coffee breaks in the big city. In addition, tobacco products of this type were promoted as a remedy for colds and tuberculosis and until 1906 were listed in pharmaceutical encyclopedias.<sup>14</sup>

Due to these advertisements, not the first generation began to consider it normal and something ordinary. Although it was a well-thought-out strategy to get people to change their lifestyle, thoughts and even their image. Using these examples, you can see the power of one of the strongest marketing tools - advertising.

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<sup>14</sup> Uottawa.ca. (2012). Torches of Freedom Campaign · American Women in Tobacco Advertisements 1929-1939 · Digital History - Histoire Numérique. [online] Available at: <https://biblio.uottawa.ca/omeka2/jmccutcheon/exhibits/show/american-women-in-tobacco-adve/torches-of-freedom-campaign>.

### **3.4 Classification of the first level of marketing strategies**

Any company, regardless of its size and field of activity, needs to have a clear development plan. A marketing strategy is a comprehensive plan to promote a business and increase sales. It is developed for a period of one to five years, depending on the scale of the enterprise and the variability of the market niche.

The strategy indicates the general direction of the brand's development, its actual position in the market, and the availability of necessary resources. The specific steps to be taken to achieve these goals are reflected in another document - the marketing plan.

The marketing strategy is regularly adjusted and updated as the economic situation changes, new laws appear, and competition becomes stronger.

Companies always need to have a business plan that issues concerns around increasing sales; commonly, marketing strategies should be aligned and consistent with this plan, bringing a new product to the market or conquering another niche. Depending on it, they choose marketing tools that will help achieve results faster and with less money.

The goal of a marketing strategy should be SMART:

- Specific—clear goal, unambiguous, without the possibility of ambiguous interpretation;
- Measurable — expressed quantitatively;
- Achievable – the aim must be achievable for the company;
- Relevant — based on business opportunities and market features;
- Timely — with a clear period during which the company must achieve the goal;

There are 4 main marketing strategies in the first level for companies:

### 1. Global

The goal of the global marketing strategy is to expand the geography of the company's sales.

Its tasks:

- Entering the international market;
- Production of products according to international standards, taking into account the needs of customers from different countries;
- Partnership with foreign brands.

The global marketing strategy is used by well-known brands. For example, KFC opens restaurants in different countries: it explores the tastes of customers in the region and makes a special menu. For example, in the Philippines, a significant part of the menu is prepared with cheese, and in Spanish KFC restaurants they serve chicadilla (quesadilla) - a dish based on traditional quesadilla in the form of two wheat tortillas with chicken between them.

### 2. Basic

The goal of the basic marketing strategy is to increase the pace and volume of business growth by scaling production or reducing costs.

Objectives of the strategy:

- Making the company a market leader;
- Detuning from competitors;
- Cost reduction.

Businesses that adhere to a basic marketing strategy focus on developing a niche product. For example, Porsche produces passenger sports cars and SUVs for the premium segment.

### 3. Competitive

This type of marketing strategy relies on the competitive advantages of the business. This strategy is formed due to Zara's competent strategy and positioning in relation to its competitors.

The company can occupy the following positions:

- The "Leader" plays a leading role in the market, attracts customers through advertising, Internet marketing or expanding the functionality of the product.
- The "Follower" analyzes the activities of market leaders, copies their marketing decisions.
- The "Challenger" builds a marketing strategy based on the weaknesses of competing companies.
- The "Nisher" focuses on one or two segments of customers who do not use the services of market leaders.

#### Stages of marketing strategy development:

##### 1. Analytics.

Marketers or sociologists research competitors, target audience, products and capabilities of the company. The analysis considers external and internal factors according to the SWOT model, in which:

S - Strengths - business advantages;

W - Weaknesses — its weak points of company;

O - Opportunities – new horizons of the company's development;

T - threats are external threats that the company cannot influence.

In external threats, marketers take into account macroeconomic, political, social, technological and international factors that affect the market niche.

## 2. Development of a plan.

At this stage, the company formulates business goals, performs pricing, reviews positioning, defines tasks and budgets of marketing campaigns. As a result, the marketing plan of the enterprise appears.

## 3. Performance evaluation and adjustment.

Marketers analyze the results of each of the stages of strategy implementation, adjust tasks and expected KPIs (key performance indicators) if necessary.

### **3.5 Classification of the second level of marketing strategies**

There are three main marketing strategies of the second level, which are the main assistants of companies in achieving their goals. They are the cornerstone of all marketing, due to their diversity, mobility and flexibility.

They include:

1. Advertising strategy
2. PR strategy
3. Brand strategy

These three elements of marketing are keys to the development, promotion and recognition of the company. They make customers and potential buyers pay attention to themselves. They always work together and with a competent alignment of forces, the company can achieve unprecedented success.

### **3.6 Advertising strategy**

Advertising is considered one of the oldest marketing communication tools, as it can be traced back to Greek or Roman times. Advertising has numerous advantages, as it is one of the long-standing communication strategies. The main advantages are: cumbersome exposure, as it is a great method for contacting mass people; the cost of contact is low; the sponsor can choose the weight of the media, keeping in mind the ultimate goal of achieving a targeted gathering of people; useful for maintaining customer relationships. In

addition, it is usually a productive, successful and practical approach to reach significant groups of clients and an excellent method for influencing the training and attitude of these groups.<sup>15</sup>

In global practice, there are 4 types of product advertising strategies:

- consistently - constant
- impulse
- seasonal
- flight placement

Every product has its own characteristics, and so, the marketing strategies should be different, same applies to the implementation resources and the different issues that the product comes with. The detail of these strategies can be seen next:

#### Consistent continuous promotion

Consistent permanent placement (Continuity): uniform and continuous placement of brand advertising materials throughout the year, with constant media weight.

This is a costly strategy, requiring high investment and budgets. It is commonly used in aggressive markets seeking for dominance. It allows to maximize and retain knowledge about the brand. This strategy must have “all-time” accessibility and distribution for and of the product or service that is being promoted.

It is usually used by large brands that have reached high levels of market share, product knowledge ratios, customer loyalty and product usage in comparison to their competitors, which also means that this strategy should be used if the product can maintain dominant positions for long time and the brand is able to create strong market entrance barriers.

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<sup>15</sup> Ogilvy, D. (1985). *Ogilvy on advertising c.1*. New York: Vintage Books.

Products and services that have a frequent purchase cycle and low purchase implication are recommended to use this strategy. It is most suitable for mass goods and services with a wide consumer base (with a low restriction on age, income, gender, etc.).

### Impulse promotion

Impulse promotion, also known as Burst, is based on displaying large advertising materials after certain period (intervals), independently of the time or season of the year. This strategy is used with the objective of also creating dominance, but at lower investments.

For new markets, to start having some dominance, it is recommended to choose the advertising strategy of impulse placement with short periods of inactivity, which is supposed to optimize the promotion of the brand/product with the use of lower investments.

This short “bursts” intervals or periods should be chosen in such a way as to preserve the accumulated level of knowledge about the product. The optimal time interval is the time gap between first and second purchase when using a product or service daily. If competition turns out to be tougher, impulse promotion slowly becomes into the strategy of consistent permanent placement.

Impulse promotion is suggested to be used on the following conditions:

- For developed brands, leading brands, as well as for brands No. 2 and No. 3 in the market, claiming leadership, but, without enough financial power to invest on permanent basis.
- Services and products that are purchased with regularity, which it is necessary to constantly stimulate demand
- When performing educational propaganda, for the formation of a culture of consumption or a need for a product, also for campaigns with complex messages with elaborated information.

### Seasonal promotion

This strategy means intensive placement of advertising materials during peak seasonal sales. With seasonal placement, it is important to correctly determine the beginning of an advertising campaign so that at the time of a surge in sales and the emergence of an intention to purchase, the consumer already has knowledge about the product or service. The start of an advertising campaign must begin before the sales surge and meet two criteria:

- 1) An advertising campaign from the beginning to the surge in sales should ensure a rapid increase in knowledge about the product and service. So that now when the consumer goes to the store for the product, the advertised brand is at least in the TOP 3 brands that he is considering for purchase.
- 2) The campaign shouldn't begin when customers start considering the purchase of the product.

This strategy is suggested to be used when the product or service has a high seasonality on demand, it should be applied on the peak of sales, for example:

- Peak demand for ice cream and soft beverages – summer;
- Spring sales of seeds and gardening items.
- New year, valentine, March 8, etc, peal sales.
- peak sales of tourist vouchers – summer, winter holidays, May holidays.

The optimal intensity strategy for seasonal placement: start with high weights, reducing the intensity of placement by the end of the campaign; start with low weights, gradually increasing the intensity by the beginning of the peak of sales and reducing the intensity of placement by the end of the campaign.



## Flight placement

Flight placement is and strategy that is based on a breakout of advertising of a product/service in which a lot of high frequency and high weight impressions are displayed at the beginning of the campaign, followed by the slow decrease of the advertising activity. This strategy is mostly used for non-market-leading companies as it fits more with their budgets. Also, flight placement could be used by leading companies in a effort to launch and re-position new products or services in known or new markets.

With a flight strategy, it is possible to achieve the intensity of placement at the level of major players, which will allow a new campaign or a new product to loudly declare itself, to form the necessary minimum level of knowledge about the product for the subsequent development of sales.<sup>16</sup>

### **3.7 Brand strategy**

Branding is the creation of a positive image of the company, its dissemination and consolidation in the head of the client. In simple words, it is brand management.

A brand is a trademark, a company's trademark and its name.

Branding includes a whole range of marketing activities to develop the image and consolidate long-term relationships with the consumer. Thanks to him, a unique style is created, the value of the product increases and confidence in the company is formed. A clear illustration of why branding is so important - examples that are known all over the world — Apple, Ikea, Coca-Cola, Google. Consumers know these names and can immediately tell what products the companies offer on the market and why they have received such popularity and love. And it depends on how firms position themselves in the market and what emotions they arouse in consumers.

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<sup>16</sup> Solomon, R. (2016). *The art of client service the classic guide*. Hoboken, New Jersey Wiley.

Branding, in essence, is a marketing strategy through which a company creates a name for itself. Due to a concise logo, a memorable color or slogan, in order to evoke associations among people. This allows the company to make a trigger with its customers, who always recognize a specific company from the crowd. Branding was created in order to create an association with customers so that they have an idea of what the company is and what products to expect from it. This marketing technique allows the company to stand out from the general background. Branding works in collaboration with advertising, PR and logo. Together they create the most unique and memorable picture for customers. A striking example of this is McDonald's with its own logo, red and yellow, music.

The word "branding" comes from the Latin word "brand" - a brand. In Europe, for a long time, they began to brand products with brand names so that people would know who made the goods. With the transition to an industrial scale, the range of products presented on the market has grown significantly. In this regard, companies tried to stand out from the competition with the help of branding. In fact, the seller offered the potential buyer not just a product, but an entire ecosystem of consumption — the image and life of a character that the company broadcasts. The company influences emotions in order to consolidate a positive impression of the brand, increase loyalty and turn the user into a regular customer and brand advocate.<sup>17</sup>

### **3.7.1 Types of branding**

#### Personal branding

It is also called personal branding - it is the promotion of media personalities, as well as the formation of a certain opinion about this person. This type of branding has become especially popular with the development of social networks and the emergence of expert bloggers.

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<sup>17</sup> Stec, C. (2018). *Brand Strategy 101: 7 Essentials for Strong Company Branding*. [online] Hubspot.com. Available at: <https://blog.hubspot.com/blog/tabid/6307/bid/31739/7-Components-That-Comprise-a-Comprehensive-Brand-Strategy.aspx>.

### Company branding

In other words, corporate branding is the development of culture, philosophy, mission and brand within the company. Employees feel that they are important elements that bring benefits and represent value to the organization. The HR department attracts experienced and interesting candidates who will be able to create unique products. An example of internal branding is Google's HR policy, which encourages the ideas of specialists. A whole town with a cinema, cafe and playgrounds has been created on the territory of the complex, where everyone can find inspiration. The company attracts new participants due to the way it positions itself in the market - it creates new and modern solutions in the IT world, actively participates in the lives of its users, and provides training and development opportunities.

### Political branding

Political branding includes candidates' election campaigns, slogans, party symbols and promotional videos. This can include both a representative of the political sphere and the entire organization. Political branding should quickly and correctly convey to the audience the candidate's point of view and tell about the party's mission. This is because the elections are held in a short time and during this time it is necessary to convey the maximum of what is necessary.

### Product branding

In this type of branding, the main thing becomes the logo, design and packaging design, as well as the philosophy and value of the product — that is, the brandbook. The main task of product branding is to stand out from the competition.

### Geographical branding

In geographical branding, the main focus is on the attractions of a particular area, due to which travel agencies actively attract travelers. For example, seven wonders of the world

around the world, resort complexes in Europe, unique animals in Africa or Australia. It can also be ancient cities or hot springs and much more.<sup>18</sup>

### **3.8 PR strategy**

This is a special managerial function of marketing, which helps to establish and maintain close communication, mutual understanding and cooperation between the organization, brand, personality and the associated public. Public Relations is a long-term, planned effort aimed at creating and maintaining mutual understanding and friendly relations between an organization and the public (potentially interested parties in the product or service of this organization). PR is the art of presenting information correctly, making one fact more important than another, and helping information find its audience.

Public relations (PR) in the marketing service refers to marketing communications. These communications are different from the communications formed in everyday life and mass communications.

The purpose of PR is to promote and protect the image (image, prestige) of a company, brand or personality. PR's objective is to keep in touch with the target market, regardless they are public entities, journalism (TV, magazines, radio, press, social media, etc.), it can be said that PR is the invest in self-image of a product or brand.

PR functions. There are five groups of public relations functions:

1. Economic functions of PR – implemented within the framework of economic activity;
2. Marketing – implemented within the framework of market activities and with market goals;

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<sup>18</sup> Miller, D. (2017). *Building a storybrand : clarify your message so customers will listen*. New York: Harpercollins Leadership, An Imprint Of Harpercollins.

3. Political functions, mainly related to the functioning of political figures, structures and campaigns;
4. Social functions – purposefully oriented and implemented in a social environment;
5. Internal functions – focused on non-market activities of the company.

The main functions of PR are: establishing mutual understanding and trusting relations between the organization and the public; creating a "positive image" of the company; Preserving the reputation of the company; creating a sense of responsibility and interest in the affairs of the company among the employees of the organization; expanding the sphere of influence of the company by means of appropriate propaganda and advertising. To solve certain tasks, a particular company, organization and person, each group of functions, and only it, can be the leading one. PR marketing functions are leading for market-oriented commercial and non-profit companies. Additionally, marketing is genetically the "native" field of PR activity. Therefore, this functional group is the most numerous and diverse.<sup>19</sup>

### **3.8.1 Internal and external PR**

There are internal PR and external PR. Internal PR is also called intra-corporate. The main task of internal PR is to create favorable and trusting relations between the company's management and staff at all levels of management, to stimulate the employee's sense of involvement and pride in the fact that a person works in the company. It is believed that an employee committed to the organization will serve customers better and listen more attentively to their requests and needs. Internal PR functions, such as personnel and financial, are related to the tasks of effective operation of the company's production structure and ensuring its economic, marketing and social sustainability. This is achieved by creating a favorable public climate within the company.

External PR — work with the external environment of the company: with competitors, partners, investors, buyers, customers, with everyone except employees of the company. The main task of external PR is the formation of an unpleasant image, promotion.

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<sup>19</sup> Berger, J. (2016). *Contagious : why things catch on*. New York: Simon & Schuster Paperbacks.

The subject of PR-activity is a person, a formal or non-formal group of people, social, state and commercial institutions, producers of a certain action and carriers of opinion about the object of PR-activity - all those that practical or cognitive PR-activity is aimed at

The object of PR-activity is objects, people, names of people, objects and brands, actions, ideas and opinions about which the subjects of PR-activity are subject to formation or correction. PR tools are advertising, informational, propaganda, social and marketing tools, actions and communications used to influence the subject of PR activity: the formation or measurement of his attitude to the object of PR activity in order to achieve the planned result.

The means of PR include:

- Advertising means of PR;
- Information;
- Communicative;
- Organizational;
- Analytical.

Basic PR methods:

- Informing the target audience through the mass media (free press releases, press conferences, articles in periodicals about new products or news of the company);
- Distribution of printed products (catalogs of the company, press releases about its history and development, etc.);
- Film and photo equipment (the advertised product itself or its logo is shown, or is it mentioned about its good quality);
- Oral speech (presentation of company employees at conferences, exhibitions, interviews, etc.);
- Sponsorship.

The main stages of PR activity. Work in the field of PR can be divided into 3 stages — preparatory, main and final.

The preparatory stage of PR: examination and analysis of goals; analysis of public opinion; formulation (formulation) of the task.

The main stage of PR: development and planning of a PR campaign; the creation of "informational occasions"; establishing contacts with people, groups or social strata of the population on which the success of the case depends; conducting an advertising campaign; ongoing monitoring (control) of the effectiveness of actions during public relations events. The final stage of PR: evaluation of the results of work; analysis of the prospects for further development of established relationships.<sup>20</sup>

### **3.8.2 Color PR**

There are many classifications of PR, and one of the most entertaining is the classification by colour. A PR manager is like an artist who paints a picture of reality using different colours of PR tools. Often, to obtain the most effective result, a PR person mixes paints.

#### White PR

White is the base color and is most often used as the background of a future painting. The purpose of such PR is to popularize reliable information about the company and its products, which allows you to form the right image in the media, to build a connection between the brand and customers. One example of using white PR techniques is the launch of the Ford Mustang, which was supposed to be a car for tough guys. The company organized various events, and invited guests, celebrities, popular DJs came on this Ford model.<sup>21</sup> Thus, the right image of a car appeared in the minds of consumers, and the media actively supported the topic.

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<sup>20</sup> David Meerman Scott (2015). *The new rules of marketing & PR : how to use social media, online video, mobile applications, blogs, news releases, and viral marketing to reach buyers directly*. Hoboken, New Jersey: John Wiley & Sons, Inc.

<sup>21</sup> Wikipedia Contributors (2019). Ford Mustang. [online] Wikipedia. Available at: [https://en.wikipedia.org/wiki/Ford\\_Mustang](https://en.wikipedia.org/wiki/Ford_Mustang).

### Black PR

Black PR involves the dissemination of false information about a product, company or individual. These are custom-made negative articles published to spoil the image of competitors. This practice is most often applied to politicians or to public figures, stars. For example, materials may be published that denigrate the reputation of an opponent during the election campaign in order to eliminate him. This technique is also observed in areas where the competition is particularly high, for example, in residential and commercial real estate, banking and others.

### Grey PR

Gray PR hides its source and does not assume lies about its origin. Often, gray PR is understood as a kind of indirect black PR that does not contain lies and is aimed at the subconscious of the audience. For example, if you take any high-quality car and collect statistics on car crashes with its participation, you can significantly affect the sales of even the most flawless car. There are cases when competitors presented to the media the data of standard car repair statistics about which car owners most often turn to repair shops. Therefore, a negative image of a car is created involuntarily, and such information can lead to the most unexpected results for the brand.

### Pink PR

Pink PR is especially effective for an audience inclined to believe in legends and myths. This type of PR aims to spread illusions to the masses. It encourages the audience to believe in a bright future, even if it is impossible in a particular situation. For example, a touching story telling about the difficult path to success of a large company will be a good illustration of pink PR. Stories of achieving goals, records, dizzying success — often these are pink PR practices.

### Yellow PR

Yellow PR draws attention to scandalous events using provocative tools, such as insulting moral values, explicit photos, details of private life, statements about



homosexuality or racism. Shocking is the key mechanism of this type of PR, on which shocking facts are layered in order to attract attention to a person or brand.<sup>22</sup>

### Green PR

Green PR implies a responsible social position of the company, concern for employees and the welfare of the environment. Positive brand awareness is formed through the promotion of nature protection and health. For example, Starbucks at one time produced ceramic mugs from recycled raw materials, for which clay remnants from old discarded plates and cups were used.<sup>23</sup>

## **4 Practical part**

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### **4.1 Analysis of the marketing strategy on the example of H&M**

The Swedish company Hennes & Mauritz, one of the largest in Europe and the second in the world after the Inditex group of companies (which is the owner of such stores as Massimo Dutti, Pull and Bear, Oysho, Zara,, Stradivarius, Bershka and others). Competing with other global market players in the middle class segment, H&M sells its collections of similar design and quality at low prices. In order to catch the upcoming trends, the company constantly monitors the world around it and draws inspiration from street fashion, cinema, travel and other cultures, as well as from the media, institutes studying global trends, trade shows and fairs, from the history of fashion.

The general themes of 50 collections are usually planned on average a year before the release, while the latest trends can be picked up at the last moment. Characteristics of the target audience. Since H&M stores have several product lines, it is difficult to determine the target audience as a whole. However, it is possible to identify the main consumers of products. The target audience of H&M, presented in Table 1, is a heterogeneous social group.

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<sup>22</sup> Knowles, M. (2018). Public relations and media. Music World Publishing.

<sup>23</sup> stories.starbucks.com. (n.d.). Starbucks. [online] Available at: <https://stories.starbucks.com/press/2009/starbucks-brings-thought-leaders-together-to-develop-a-comprehensive-recycl/>.

In general, these are men, women and children aged 14 to 50 years. The target audience has mainly an average income. Such conclusions can be drawn based on the analysis of the average check. It is also worth relying on the mission of the company "fashionable and high-quality clothing at an optimal price, with care for people and the environment".

**Picture 10: Target audience table for H&M**

TARGET AUDIENCE	DEMOGRAPHIC CHARACTERISTICS	PSYCHOGRAPHIC CHARACTERISTICS	INFOGRAPHIC CHARACTERISTICS
Adult	Women and men 20-50 years old.	Values: <ul style="list-style-type: none"> <li>• fashion</li> <li>• shopping at an inexpensive price</li> </ul>	Information is obtained mainly from social networks and official media sites.
Teenagers	Boys and girls aged from 14 to 19 years. Mostly schoolchildren and students	Values: <ul style="list-style-type: none"> <li>• appearance</li> <li>• popularity</li> </ul>	Information is obtained from social networks, official media, glossy publications.

### Analysis of marketing opportunities of "H&M"

The main methods of product promotion are: advertising, sales promotion, green marketing, public relations, personal sales and direct marketing.

"H&M" has an active communication policy, presented in Table 2. "H&M" is not limited to one site, many official accounts are represented in various social networks: Facebook, Twitter, YouTube, Google

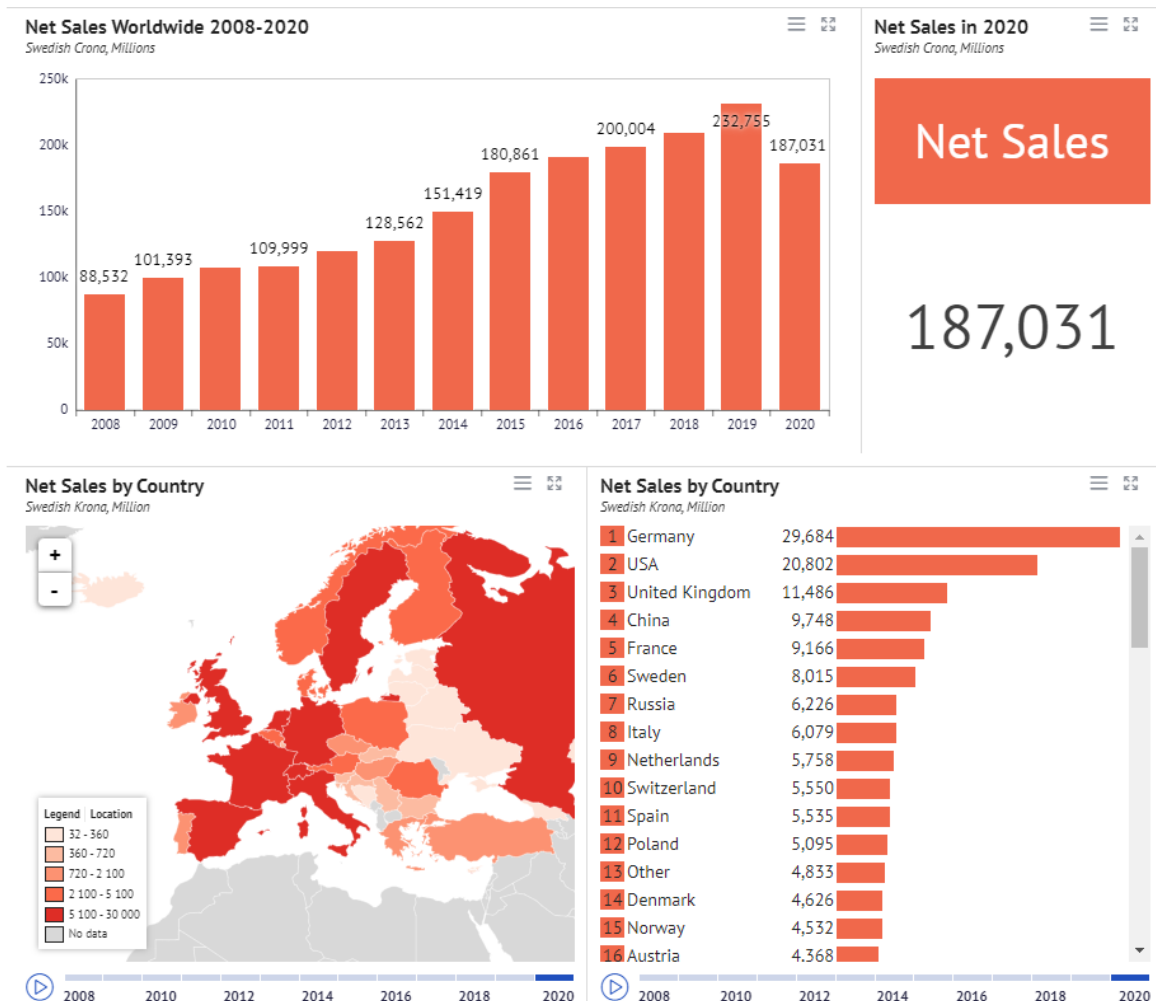
**Picture 11: Communication policy of H&M**

<b>ADVERTISING</b>	<b>SALES PROMOTION</b>	<b>PUBLIC RELATIONS</b>	<b>PERSONAL SALE</b>	<b>DIRECT MARKETING</b>
Internet	Contests and sweepstakes of certificates	Annual reports	Outlets across the country of various types (black, red, blue)	Subscribe to the newsletter through the website
Printed publications	Seasonal promotions and in honor of the holidays	Donation to the H&M Foundation	Customer consultation	Purchase and delivery via the online store
External advertising by city	Discounts and sales	Collaboration with famous and aspiring designers	Social network	Telephone communication with stores or the main office
Logo on shopping malls	Accepting old clothes in exchange for a discount coupon (green marketing)	Sponsorship		
Commercials in social networks	Employee discount card	Expansion of new countries		

The main goal of the company's activity is:

1. Increase in retail turnover.
2. Making a profit.
3. Expansion of the assortment.
4. Satisfaction of consumer demand of all segments of the population.
5. Improving customer service culture.
6. Training of service personnel in advanced trading methods.
7. Introduction of new scientific developments.
8. Providing quality products.

Picture 12: Net Sales Worldwide H&M



<https://knoema.com/infographics/psqqgg/h-m-locations-worldwide-2008-2020>

The main goal of H&M's marketing services strategy is to attract customers by expanding the range of products aimed at different income levels of the population. In H&M stores, the collection is updated every season, and the old one is sold with big discounts. The company expanded its activities mainly by opening its own stores, but sometimes, in accordance with the requirements of local laws, it opened a small number of stores in the form of franchises.

Promptness of tailoring. At H&M, the time from sketching a future clothing model to its release on stream takes three weeks. The company constantly reduces costs, minimizes production costs, and strives to reduce the number of intermediaries. Nevertheless, Zara

copies in two weeks 13. Different products — different launch dates for production and sale. The period from placing an order to the appearance of the product in the store can last from several weeks to six months

## **4.2 Analysis of the existing marketing mix of the company**

### Goals

1. Increasing the profitability of the enterprise.
2. Increase customer loyalty.
3. Formation of the image of the HR brand in the consumer and employees.

### Tasks

1. Analysis of the existing marketing policy of the company.
2. Identification of potential growth areas.
3. Development of recommendations for improving the marketing mix.
4. Definition of performance indicators.

It all starts with choosing a point of sale. A thorough analysis is always carried out before H&M enters a new market. Before H&M makes a decision to enter a new market, an assessment of the market potential in a given country is carried out. Factors such as the structure of the population, its purchasing power, the pace of economic growth, the availability of infrastructure and political risks are analyzed in advance. Then, the potential customer base and the location of the stores are evaluated on the spot. The first store should preferably be large, located in the best location in the city, and then it is complemented by a whole range of smaller stores offering a full or partial range of goods. After that, H&M can continue to expand by opening stores in other cities.

H&M stores have always been located in the most profitable places from the point of view of doing business, whether it is a location in the city or in a shopping center. H&M has adhered to this principle since the opening of the first store, and it remains decisive to this day. H&M conducts surveys of potential buyers on the streets, analyzes stores located

in the neighborhood, traffic flows. Then compares all this with the characteristics of the considered trading premises. Sometimes a decision is made to open a conceptual boutique for young people, in another case a store for the whole family is opened, which has the greatest commercial potential.

The most important thing is to choose the right format, suitable for this particular case. The fact that H&M rents retail space is an undoubted advantage. This makes it easier to move the store to another location in a particular city. H&M has a whole range of different types of stores – from large ones with a full range of products to small boutiques where one or another concept is presented.

#### **4.3 Development of recommendations for developing the company's marketing mix**

The 7Ps (product, price, place and promotion people, processes, and physical evidence) complex will be used to develop measures for the development of the marketing system at

H&M. Each element will have its own recommendations using new methods in marketing.

##### Product policy

All H&M stores are built according to the same type. At the beginning of each season, a visual guide comes to each outlet, where the upcoming collections, key models are prescribed, trends, wall construction systems and recommendations on the location of equipment in the trading floor. But if you go to any store, you can note one common problem – the quantity of goods in the trading floor. Most of the equipment is overloaded, and because of this, the developed visual part looks unrepresentable. This situation is typical for the most popular products that are sewn from year to year, come in large volumes to stores, have a wide color range and are usually presented in 4-5 size ranges.

Two years ago, a program was developed to improve customer service and optimize employee processes.

One of the points was – smart replenishment of goods from the warehouse. Every day of the week is prescribed and assigned to a certain department, which needs to be analyzed for lack of dimensions and replenished from stock in the warehouse.

The products on the site are presented according to the ABC system:

- Category "A" - located in an accessible area, replenished on a daily basis.
- Category "B" - stored next to products "A". Do not require frequent analysis of the presence in the trading floor. They will be replenished once a week.
- Category "C" - seasonal goods. They are located in the far part of the warehouse.

To solve the problem of equipment overload in the trading floor, it is recommended to form a storage area of category "B" in the warehouse with storage of the most popular models that come in large quantities. In the hall, leave 2-3 size lines, depending on the area of the store and the pace of sales of a particular product, put the rest in the warehouse.

Replenishment is made twice a week: Friday and Monday. As the output flow of buyers increases.

### Sales channels

Online stores are gaining popularity now. The maintenance of such a point of sale is cheaper, since there is no need to pay for the rent of the premises, it is easier for sales consultants to present the entire range.

But there are disadvantages of this product distribution channel. The buyer cannot immediately assess the quality of the product, try it on and understand how this or that thing will look on it. In online stores, consumers often have difficulty in searching clothes of the right size. As a result, the clothes are not sold and are often returned back to the seller. The

opportunity to see how the product will sit and read the recommendations about the most suitable size significantly increases the probability of a successful purchase.<sup>24</sup>

Despite H&M is recognizable all over the world, it has its drawbacks and threats, some of which are based on strengths. For example, H&M Group is too dependent on the flagship brand. Other brands of the company account for only 5% group stores. Since 2004, H&M has chosen a co-branding strategy and collaborates with representatives of the luxury market to create capsule collections. Capsule collections are a small limited line of clothing and footwear models developed by the brand together with a guest designer or celebrity. A distinctive feature of these cooperation programs is that luxury brands cooperate with a mass market brand or a "fast" fashion brand.

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<sup>24</sup> ukdiss.com. (n.d.). H&M Marketing Analysis. [online] Available at: <https://ukdiss.com/examples/marketing-analysis-h-and-m.php>.



#### 4.4 SWOT analysis of H&M

The company has its own strengths and weaknesses that make the company the way it is now. Picture 12 shows a company's SWOT analysis, which demonstrates all aspects of this company and what development paths it has.

Picture 13: H&M SWOT ANALYSIS



<https://myra364.wordpress.com/2017/03/20/first-blog-post/>

##### Strengths

The strengths of H&M include, first, the breadth of the assortment, which allows the client to have a wide choice. They include clothes, shoes, handbags, cosmetics and accessories, and even interior items. Not high prices compared to Zara and the availability of special price promotions. The company also has its own unique style that is aimed at street fashion especially among teenagers. Another important criterion is the convenience of the location of stores, both inside cities and countries, which gives the company a great advantage over competitors. Special attention should be paid to the ease of navigation among

the assortment in the store, as well as the situation of the outlet. They include: cleanliness, interior design, the size of retail space, the quality of the location of products in stores. And the company is stable financially due to the correct management and leadership of the company. This gives the company an increase in revenue every year, which makes the company more trustworthy on the part of shareholders and gives the company the opportunity to monitor when problems arise.

### Weaknesses

The company has its drawbacks, such as the lack of loyalty programs for regular customers, which can alienate potential buyers or force regular customers to switch to competitors. In addition, the company does not have a mixed payment system, the lack of additional amenities for customers (the presence of sufficient fitting areas in high sales weeks, lack of waiting places) A strong weak link is also the lack of qualified personnel, which strongly repels buyers. H&M is also heavily dependent on product suppliers. The company works with more than 800 independent suppliers, and sometimes it is difficult for them to control or organize them, which can lead to product delivery failures. In addition, there is an irrationality of the company in relation to fashion trends. H&M sometimes tries to repeat the fashion of expensive fashion houses, but at the expense of cheap production, it sometimes makes them substandard.

### Opportunities

H&M also has good opportunities to improve and increase its company. Such as the development of the fashion industry, increasing demand for fashionable clothes, improving the sales process, and the development of information technology. This will minimize the company's costs. Therefore, the company can focus on expanding the assortment groups, increasing the volume of purchases by the buyer (with the help of promotions, special offers). An important point is the development of a supply chain that neutralizes the above-described problem of the company. It is also necessary to develop a loyalty program for regular customers in order not to lose them. The company can create training sessions for staff, which will make them more knowledgeable in their field. In addition, an important aspect is the expansion of the store area (the establishment of additional fitting rooms). Also, H&M

can create a database of products, thereby the goods will always be in stores independent of their sales.

### Threats

Threats to the company are an important part of the company and deserve special attention. Such threats to H&M are a change in consumer preferences, the emergence of new interests (as a result of new requirements for the store's assortment), a decrease in income for the target audience, as a result of an economic downturn or instability in the economy. The company also has strong competitors. An important threat is the tightening of regulation by the state and the introduction of legal norms that increase the costs of existence in the industry. A striking example is political conflicts such as the current situation in Russia, where all the company's stores are currently closed. Also, the increase in labor costs can cause a serious problem in the future, because it will affect the increase in the price of goods. Moreover, this can cause strong losses of the company.

The main leading feature of the brand is the fashion for ecological and recycled goods. As you know, H&M is completely switching to recycled products. Accordingly, this factor provides the company with huge prospects for further development. The presence of defective goods is the weak side that plays a very important role in the development of the organization, but which can be influenced by strengthening quality control in production and improving working conditions. The most significant threats are, of course, economic factors, but any company in the world cannot influence them. Therefore, all organizations have to adapt to the conditions dictated by economics and politics. There are threats that can be turned into opportunities: for example, cooperation with competitive brands, thanks to which the sales rate can increase. A competitive brand – a threat – becomes a source of sales growth.

Based on this analysis, it can be concluded that the company has many strengths and opportunities for development. Factors such as the breadth of the assortment (clothing for women, men, children), convenience of location, pleasant prices, keeps regular customers, and help attract new potential consumers. But, despite this, do not forget about the presence of threats and areas in need of development. The absence of such factors as a loyalty program

for regular customers, a mixed payment system, additional convenience for customers may be of key importance at the time of choosing a store or the time for making a purchase.

## **4.5 Analysis of Global Organizations on an example Zara**

Zara is the largest and most profitable clothing retailer in the world. It is a Spanish fast fashion brand, part of the Inditex Group. Amancio Ortega and Rosalia Mera founded Zara in 1975, and now the company represents one of the three largest international fast fashion brands. More than 1,700 Zara stores operate in 86 countries, and more than 450 products are produced per year. The company's total sales amount to more than \$13 billion.

Zara's main competitors (for example, H&M) work according to the classic 4Ps marketing model: product, price, promotion and place with the brand in the center. From the very beginning, Zara focused on the customer around whom the brand revolves, and came to the 4Es model:

- Experience takes over product.
- Exchange is the new price.
- Evangelism is currently a promotion.
- Every place is a new place.

In other words, Zara attracts customers to the brand, rather than promoting the brand and product to customers.

### **4.5.1 5 strategies for the Zara's success**

There are 5 strategies for the company's success that has made Zara such a brand that we know to this day.

#### Own production and artificial scarcity

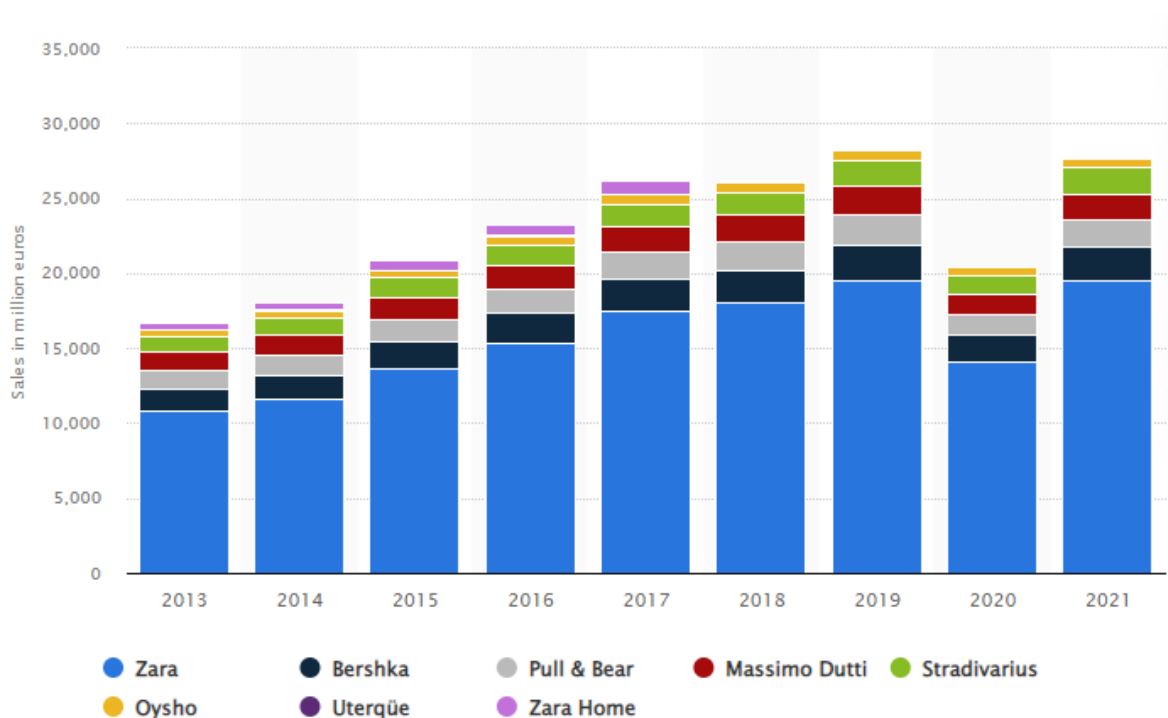
Many traditional retailers outsource all production to focus on the distribution and sale of goods. For example, the products of Zara's competitors, such as H&M, Gap and others, are produced in developing countries, where wages are relatively low. This reduces costs, but deprives companies of flexibility, since it is necessary to place orders for foreign

manufacturers at least six months before the start of the season. Zara, in turn, produces 60% of its own products, mainly relying on its design team and sewing equipment at its headquarters in Spain. Thanks to this, the company can determine the number, design and variety of clothing models produced, and accelerates the turnover. Zara can come up with a new model and launch it in stores in four to five weeks, as well as change existing products in less than two weeks.

If new models do not sell well during the first week, they are immediately recalled from stores, and further orders are canceled. Then other novelties take their place. The rapid product lifecycle creates relevance and scarcity in Zara stores. For example, the buyer of a typical clothing store in Spain visits it 3 times a year, and the buyer of Zara - 17.

This strategy also allows the business to sell more products at full price. Usually, clothing companies sell between 60 to 70% of their products at full price, instead, Zara reaches 85%. Inditex sells only about 18% of its products at a discount, which is half of the industry average. Of course, the salary of Zara's European employees is about 5-7 times higher than that of their colleagues from developing countries. However, reducing the time spent on production justifies these costs.

**Picture 14: Net sales of the Inditex Group**



<https://www.statista.com/statistics/456505/sales-inditex-group-worldwide-by-format/>

### Focus on current rather than future trends

Zara listens to its customers and adapts to them. The company focuses on their current fashion needs instead of predicting trends for the near future. 85% of Zara's products are produced during the season, thanks to which the chain offers the most up-to-date models. The company produces only 50%-60% of its product line in advance, and everything else is created right during the season. This allows the company to provide consumers with the clothes they want right now. From the moment the trend is determined to the appearance of ready-made models on the shelves of Zara, it may take no more than 30 days.

The product production cycle begins with market research. Specialists study information from daily reviews and sales reports, as well as surveys and interviews conducted by the company. Store managers are usually interested in customers' opinions about current products and finding out their wishes for the future. This data is immediately sent to Zara designers, who make sketches based on it. Zara has assembled a strong team of designers who create both the company's own models and those based on popular trends all year round. Annually Zara produces 10 thousand new models, while H&M produces 2-4 thousand. Since the assortment is constantly being updated, one or two poorly sold products will not harm the company's revenue. In addition, customers are more likely to visit stores more often to see new items. In fact, Zara stores stocks for 6 days, while H&M stores for 52 days.

### Fast delivery

In addition to the accelerated production cycle of products, Zara also implements one of the most modern distribution systems in the world with minimal human involvement:

- Goods are moved along underground tracks with a length of about 200 km.
- The company has more than 400 points of sale.

Zara can rapidly deliver goods to its European branches thanks to their automatic system for reading, sorting and distributing items. It processes around 60.000 items per hour, giving to company a delivering capacity of 24 hours maximum.

### Lack of traditional advertising

Instagram Facebook, Instagram and other social networks Almost every modern fashion brand spends huge sums on advertising. Zara is following a different path: instead of investing in marketing, it focuses on opening new stores.

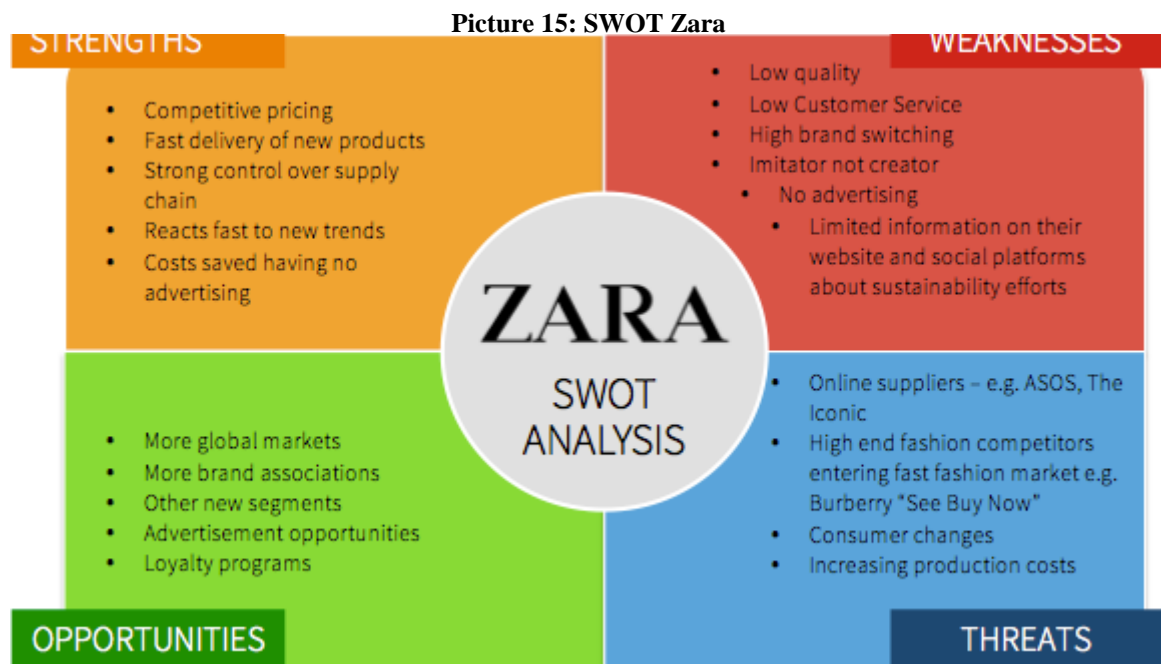
Zara's advertising costs are 0-0.3%, while traditional retailers spend 3-4%. Thanks to this, Zara reduces overall costs, which makes international expansion more profitable.

Brand awareness is also increased by stores. Zara has a special department that deals with the acquisition of the best retail outlets around the world. He is also responsible for updating the designs and storefronts. This strategy helps to create a prestigious and elegant brand image.<sup>25</sup>

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<sup>25</sup> Martin Roll. (2020). *The Secret of Zara's Success: A Culture of Customer Co-creation*. [online] Available at: <https://martinroll.com/resources/articles/strategy/the-secret-of-zaras-success-a-culture-of-customer-co-creation/#:~:text=Instead%20of%20advertising%2C%20Zara%20uses.>

## 4.6 The SWOT analysis of Zara



<https://myra364.files.wordpress.com/2017/03/screen-shot-2017-03-30-at-9-05-58-pm.png>

### Strengths

Speed, quality, mobility and logistics are the main strengths of Zara. Due to the speed of production and delivery of clothing, the company is a leader among fast fashion stores. The logistics and marketing of the companies is unique because the company has chosen to supply limited quantities of clothing to the stores in order to make its customers more dependent on their products. And if the company sees that some product is not for sale, they recall all products and redo it in two or three weeks. And the new product is delivered to all stores in the world in just seven days. For comparison, H&M takes about six weeks or more to deliver its products, depending on the location of the store. This speed of logistics and productivity gives Zara a competitive advantage against its rivals. Also a big plus is the price of goods. The store's products are designed for the middle class. However, due to the in-depth analysis of all markets, the company has adapted its prices depending on the country. And also the production of clothing for a particular region varies. For example, in New York, some of the highest prices in stores, but the quality of products is high. This price of clothing has been increased due to logistics to another continent and also due to people who follow



fashion. In Germany, products are cheaper, the quality of clothing is high. In Spain, the most favorable prices for the company's products, due to the origin of the company and minimal logistics costs. It is also worth noting that products for America and Europe are mostly made in Morocco. For example, for Russia and other third world countries, the company produces things in African countries, which makes the products worse in quality. As you know, the owner of the global company is Inditex. Inditex is also the owner of such companies as Massimo Dutti, Bershka, Oysho, Pull & Bear, Stradivarius and others). Thus, people somehow buy in one of these stores, which allows Zara to more accurately understand its audience and changing trends. Due to this, the company is one of the main leaders in fast fashion. An important factor is also the company's marketing strategy for relations with haute couture houses. The director of the company decided to allow middle-class people to have clothes similar to those presented on the catwalks, but at an affordable price. And the company still adheres to this marketing move. They track fashion trends and often copy high-fashion clothes, slightly modifying prints and fabrics, but visually the clothes look like luxury.

### Weaknesses

The company has few disadvantages, but the company still has something to strive for. One of the key problems of the company is the lack of advertising. This problem is a key marketing move of the company. Because their goal is more focused on opening new stores in a favorable location and beautiful premises to attract customers. Due to this, the budget for advertising is not allocated (0.3% of advertising in the entire history of existence). Despite this disadvantage, the company is known all over the world, but the lack of investment in advertising reduces the opportunity to have more potential customers. Zara's competitors may also take advantage of this weakness in the future, which will make the company more vulnerable. A small stock of clothing, even if it is popular, is another clever marketing ploy of the company. Zara supplies a limited number of clothes and also the supply of new clothes is done weekly. What customers become addicted to and visit this store more often, which increases the company's sales. However, this is also a disadvantage. Sometimes some product has become a favorite for buyers, but due to the limited number of products, not everyone has time to purchase it, from which the company loses part of its profit every month. Complaints from company employees - Zara has been involved in some

problems with its production workers. There was even an incident in Istanbul, where it was written on the tags of clothes in Zara stores that the employee who sewed these clothes did not receive a salary for it. Such incidents undermine the credibility and brand of the company. Copying things from fashion shows is a marketing strategy that has allowed the company to become so popular. However, this marketing is also a weak link due to the lack of own ideas in the company's products. Thus, the company copies more and does not try to create something new that could attract new customers.

### Opportunities

More and more people follow fashion and want to look stylish. This opens up new prospects for the company. The company's product segment is aimed at high fashion, quality and reasonable price for the middle class. In the future, this strategy may increase the company's turnover at times, due to the increasing popularity among the younger generation. Nowadays, rapidly changing fashion is becoming more and more in demand. People prefer to buy new clothes more than to wear old ones for a long time. This is due to the fast pace of life and interest in novelty. This factor can help the company to increase the number of its customers and become more interesting for buyers, especially among young people. The expansion of the clothing industry market is also a great opportunity for Zara. According to statistics, about five to six percent of this industry is expanding annually. This will allow the company to expand its influence in this market and, with the right approach, lead against its competitors.

### Threats

There are also threats to the company. Such as competition, especially on online platforms. Zara is more focused on the classic model-opening stores, but there are also competitors such as Shein or Fashion Nova. Their clothes are cheaper and also follow fashion trends. Another not unimportant threat is the hanging of prices for materials and production. This can reduce the profitability of the company in distress. Zara's development of an efficient and well-integrated supply chain is what helps them keep costs relatively low, but as material prices and production volumes rise, this strategy may not work for Zara in the future. There are also gradually more and more regulations for the clothing industry, this is a worldwide event in which governments and legal entities create laws and regulations for

all kinds of sectors, industries and enterprises, including the fashion market. This includes human resources, quality standards, attention to customers, etc. Some of these legislative acts may affect the market or the results of Zara's activities.<sup>26</sup>

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<sup>26</sup> Sudhakaran, A. (2020). Zara SWOT Analysis 2020: Ultimate Guide. [online] PESTLE Analysis. Available at: <https://pestleanalysis.com/zara-swot-analysis/>.

## 5 Results effectiveness of H&M and Zara marketing strategies

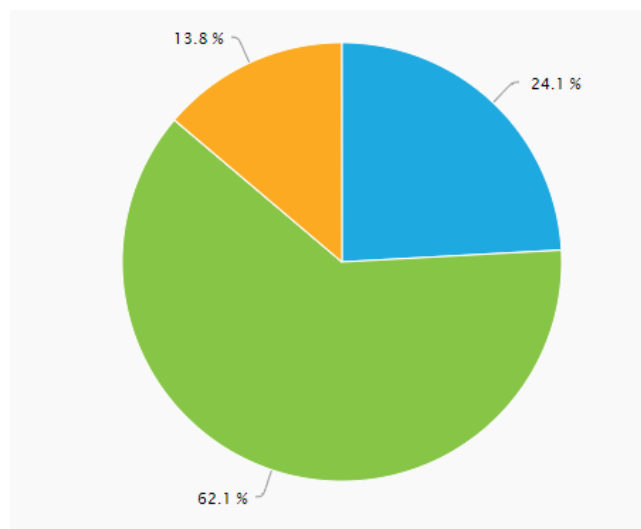
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Without exhibiting dedication and openness to customers, the company will not be able to garner respect from its target audience. The intrigue on this topic drove to conduct a survey among young people and adults to find out what they thought about H&M and Zara Company. This discussion will focus on H&M's marketing strategies.

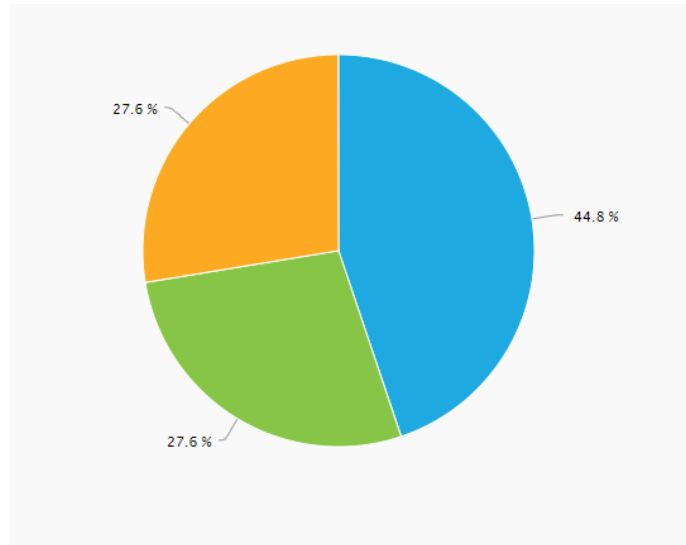
The study's purpose was to determine how consumers felt about H&M and how devoted they were to the brand.

A survey with 5 questions was distributed on internet about this topic:

1) The first question was simple: "Do you shop at H&M on a regular basis?"  
24% of respondents said they shop at this store for clothing on a regular basis, proving their loyalty to the company. More than 62% said they shop there for apparel.

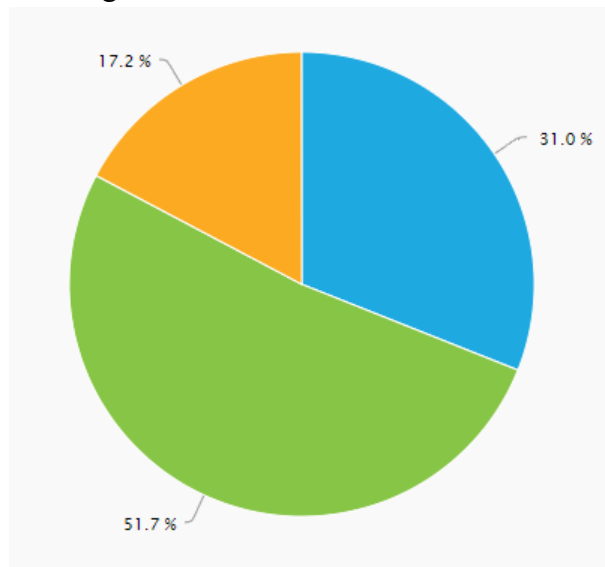


2) The second question was whether H&M's green marketing strategy had been noticed. They may have learnt about them from the Internet, various periodicals, or advertisements, or they may have happened upon them at the store. H&M's Green marketing was mentioned by about half of the responses, which shocked me. Two more questioners tied for second place, claiming they either guessed but didn't pay attention or didn't see it.



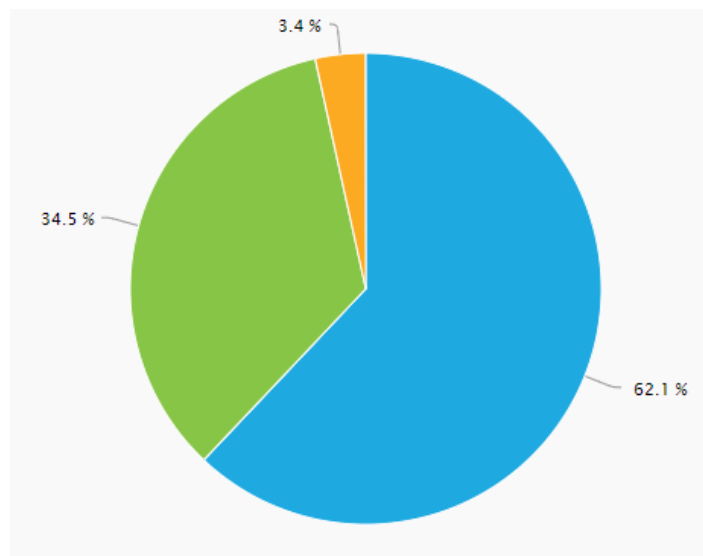
This exhibited that Hennes and Mauritz AB is so adroit at showcasing that purchasers are even mindful of its endeavors accidentally. The organization's experts' top notch work is meriting profound respect.

3) The third question was one of the key questions in my work-"Do you believe in H&M's marketing?"



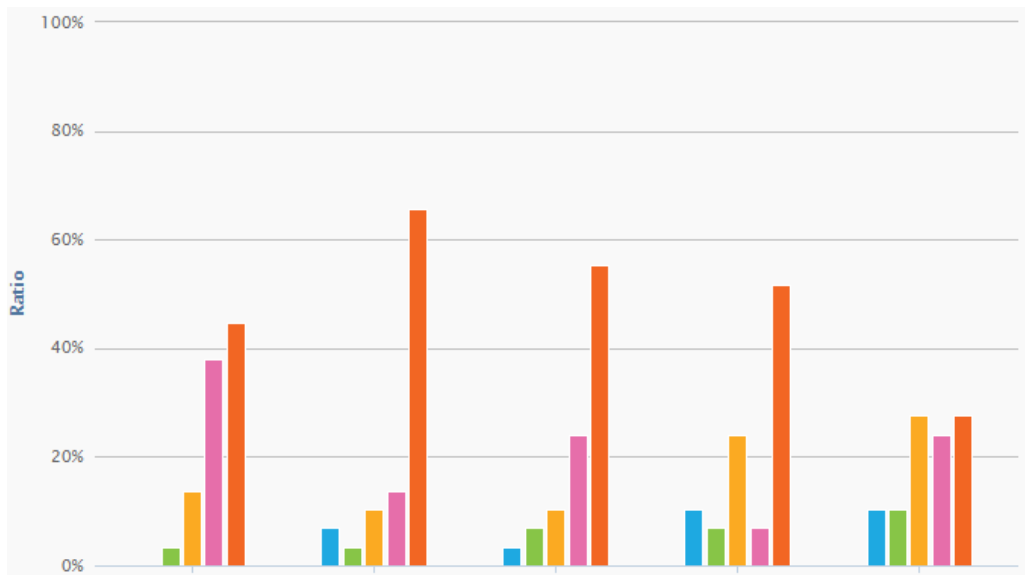
The percentage of people who feel the company actually cares about the environment and does everything possible for the planet is 31%, while nearly 52% believe the company somewhat. This is most likely due to the conclusion that the company's primary priority is its own profit, with people and the environment coming second. At the very least, this campaign is taking them into account. Furthermore, 17% do not have faith in the company. This could have been inspired by the company's dark days, when it was implicated in improper garment recycling and pollution of the environment.

- 4) The fourth question asked if people thought H&M's green marketing was improving and that it could help make the world a better place. More than 62% of respondents believe that the organization will flourish, enhance its marketing strategy, and strive for self-improvement. Only 3% of respondents believe the company is not growing, while 34% believe it could do so more effectively.



This fantastic result represents the company's transparency and reliability. They maintain tabs on H&M's success and applaud the company's dedication to continuous improvement.

- 5) The fifth question was a psychological analysis of people as they choose the clothes they will buy. “What is important to them first and second? What influences their choice?”



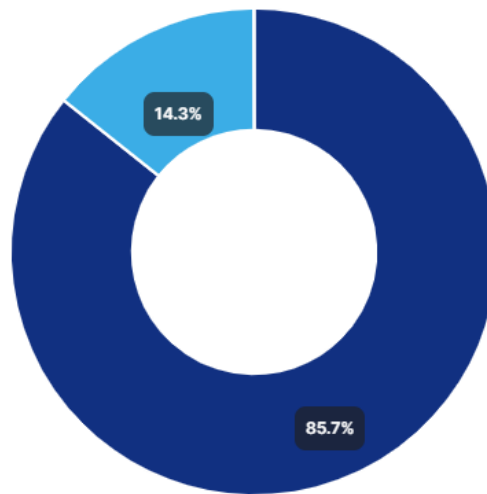
According to the survey, individuals are most concerned about clothing quality, followed by attractiveness, fashion, and finally, clothing price. This indicates that the current generation is concerned with clothes quality and appearance. To avoid chasing inexpensive garments, the corporation should reevaluate its principles. After all, as the survey demonstrates, customers value decency and the company's taste more than a low price. The relevance of environmental friendliness of items came in fifth position in the ranking. Most people, it appears, are unconcerned about how the clothes are created. Seeing this, it can be assumed that Hennes & Mauritz AB's marketing strategy is extremely effective as a consequence of the poll. By highlighting its mission of protecting the environment from pollution, the company was able to win public respect and brand loyalty. This demonstrates that people are aware of their environment. The company is on the right road in terms of marketing; all it needs to do now is focus on people's preferences for garment quality rather than price. If the company reconsiders people's views, it will be able to grow not only global sales, but also make millions of people fall in love with its clothes, not only because it cares about the environment, but also because it cares about the wants of people who really believe them.

Topic: Marketing strategies of Zara

The purpose of the study: to identify people's attitudes and loyalty to the Zara brand

I created an online survey consisting of 5 questions related to my topic.

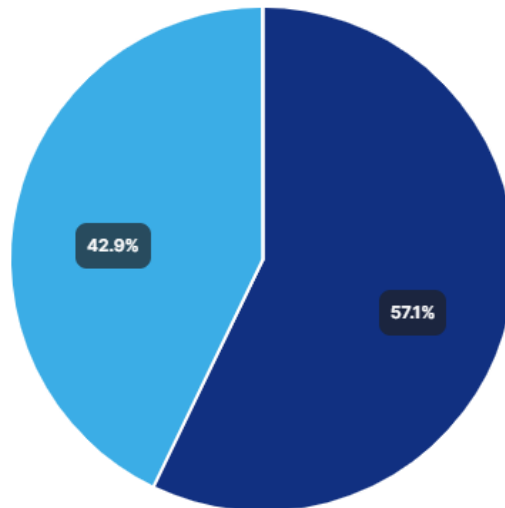
- 1) The first question was identical to the previous questionnaire. -"How often do you buy clothes at Zara?"



The survey showed that all respondents had bought clothes at Zara at least once. From these sample, 14.3%, are considered to be big fans of this clothing brand. This suggests that their marketing strategy is working.

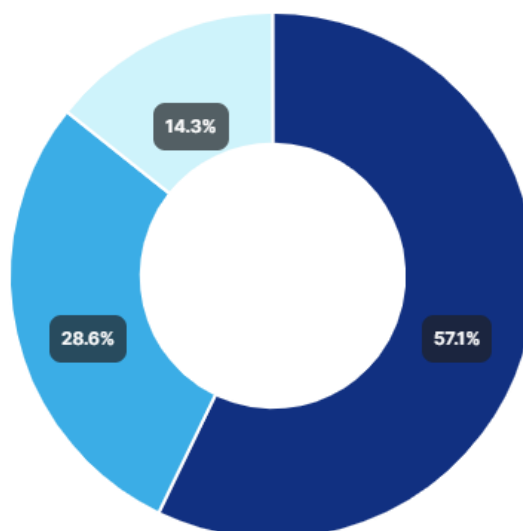


- 2) The second question was to understand how well people are aware that Zara, as well as H&M, is eco-friendly and tries to help with the recycling of materials.



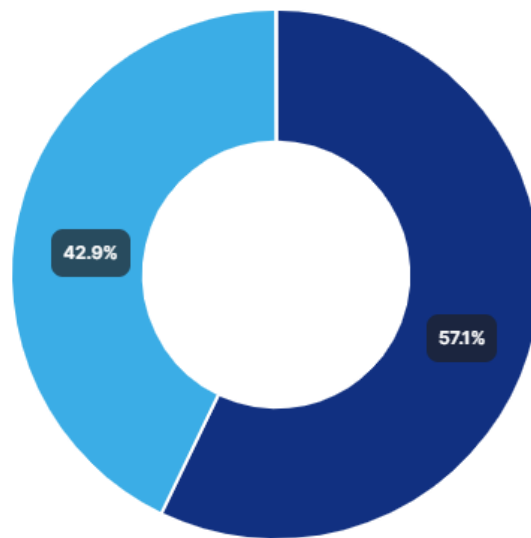
However, it turned out that people are not so much aware that the company also has a green strategy. Rather, in contrast, 42.9% suspected that the company had such a strategy, but never noticed it. More than half of the respondents, 57.1%, voted that they had never heard or noticed that the company has green PR

- 3) The third question was whether the respondents believe in 4 p s that the company chooses a good location of its stores, a quality product, quality service and a good price of its goods.



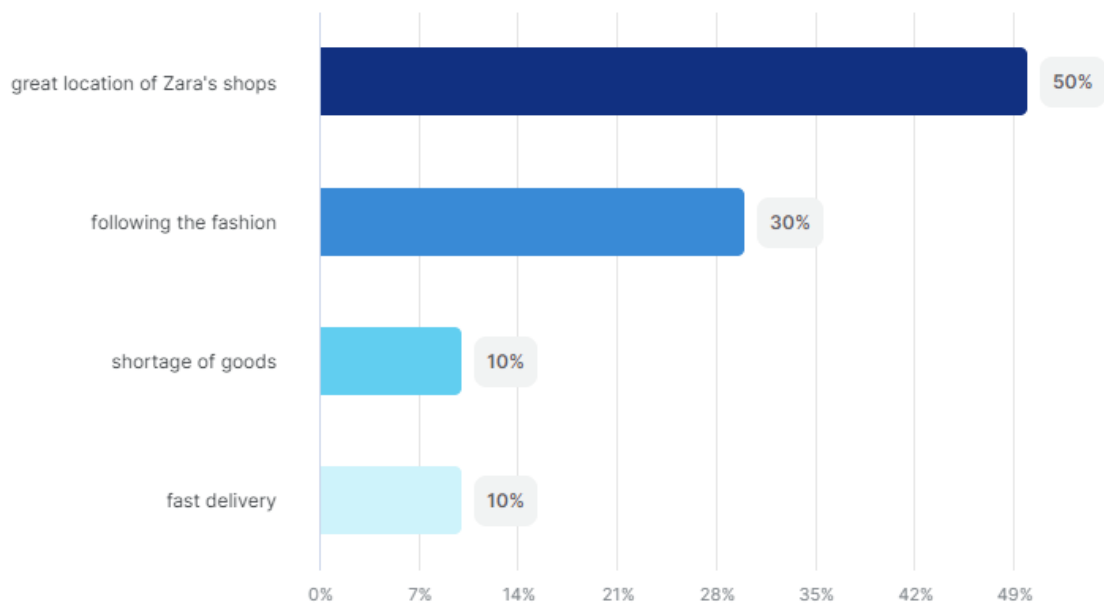
Surprisingly, more than half of the respondents are satisfied with the location, product and price. This suggests that the company's unique strategy is 4 Ps or 4Es. She made people respect this brand and even made an image for them. 26.8% are partially satisfied with their strategy, meanwhile, 14.3% are dissatisfied with the brand strategy.

4) The fourth question was identical to the previous questionnaire "Do you think the company is improving this?"



The results show that 57.1% have no doubts about the development of the brand and its strategy, and 42.1% that the company could do better. However, none of the respondents thought that the company would not develop in the future. This shows that people trust and believe in the brand. To achieve such devotion and faith, immense effort should be put into the marketing plan.

5) The fifth question is "Have you noticed that Zara has ...". This question was an assessment of the effectiveness of the main postulates of Zara. Due to these results, we can conclude how effectively they work and what should be improved.



The results showed that the main goal of the company, to find convenient and good points of sale works. Exactly half of the respondents agree that the company has excellent locations of its stores-this is the main marketing strategy of this company. Around 30% of respondents agreed that the company follows fashion, which is also a good indicator, because one of the key advertising strategies of the company is fast fashion in the present. Also, 10% noticed that the company makes an artificial shortage of products, but this percentage is a good result. This is because it says that the company does it secretly, creating dependence or interest of its customers. However, only 10% believe that the company has fast delivery of clothes. This suggests that the company should pay more attention to this aspect, because when fixing this point, Zara will be able to increase sales through online sales. The survey showed that the positioning strategy and focus on the customer's desires was able to achieve the faith, respect and loyalty of customers making people trust them. Not every company has such a reputation, and what is more difficult, keeps it and makes the connection between the client stronger.

## 6 Conclusion

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According to the survey results, although Zara and H&M seem to have different marketing strategies and target audience, they have similar customer segments. H&M is more focused on young people and offers inexpensive clothing. Zara's target market consists of mature people who respect quality, simplicity and fashion. H&M's marketing strategy is more focused on green marketing and, as can be seen from the analysis, it works quite successfully. However, the quality of clothing suffers due to the desire to make clothes cheaper. This suggests that this strategy needs to be refined.

Zara, on the contrary, has good indicators of the price and quality of goods. However, the lack of advertising costs pose a threat to the company in the future. It is worth noting that Zara has a better position than H&M, due to logistics, mobility and customer loyalty. This gives the company a more advantageous position in the market. Marketing strategies are an integral part of any B2C business.

If the market is correctly analyzed, understand the psychological profile of potential customers and use your imagination in the right direction, the company can achieve unprecedented success. After all, the company's goal is to become recognizable and needed by its customers. If the company has already achieved this, then the next step of the company is to make people think the way it wants and unquestioningly follow its innovations, as H&M and Zara do.

Currently, they are the leaders of street fashion for the middle segment of people. This allows them to choose what to dictate to people to wear. People themselves do not notice how they go about these companies and how they set trends for people. This is a vivid example of the right approach to choosing marketing strategies. Marketing has made these two companies an example for people and other clothing companies. However, H&M and especially Zara should not stop in their development. Companies still have something to work on and always see new opportunities in thanks to the critical evaluation of the company and the constant improvement of their marketing strategy.

The dissertation examined the types of marketing strategies and where and when they should be applied. The use of advertising, PR and branding give the company the opportunity to develop itself and increase its customer audience. The master's thesis discusses and analyzes in detail the marketing activities of Hennes & Mauritz AB and Zara. The main indicators of the success of their strategies, as well as a look at how marketing affects people in the clothing industry. H&M is a very successful and financially stable organization, according to the analysis of financial stability and the existing brand strategy.

This work demonstrates the main characteristics and functions of marketing strategies. Zara is definitely winning thanks to greater mobility, a more aggressive and innovative marketing strategy. Marketing plays a crucial role when it comes to business development, popularity and loyalty. People don't realize how much these approaches affect them on a daily basis when they walk down the street, read the news or talk to colleagues. As a result of marketing and its strategies, people and the world have become more diverse. People continue to underestimate its power and significance, and it is constantly being studied and experimented with. However, one thing is for sure: companies and the world as a whole will no longer be able to live without marketing.

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