



Brand Development in Global Brands and The New Target Generation Y (Millennials)

Cansu Kul

College of Economics and Management, Nanjing University of Aeronautics and Astronautics, Nanjing 210016, China

Abstract

With globalization, global brands have become a constant competition with each other. In time, it has become inevitable for brands to address the same goal in different directions, sectors and products. For this reason, the brands have adopted the enlargement policy and aimed to grow the target masses and to make more profit by going out of the main sectors. The Y generation (Millennials), the largest target group of today's largest purchasing power is an important source of revenue for brands, causing brands to expand in various directions.

In this study, the analysis will be made about the example global brand H&M, will be study by making an analysis of its current situation, its brand stretching policies will be examined, and by comparing the brand with its competitors, a new stretching will be proposed.

Keywords: Brand; Generation Y; Target; Globalization.

1. INTRODUCTION

In today's highly competitive environment, it is very important for companies to conduct research that affects consumers' behaviors and habits in order to make better marketing strategies. The marketing budget they allocate for examining the consumer behavior of firms is increasing day by day.

This project has been prepared to demonstrate the importance and success of the brand's analysis and brand enlargement, target change and the loss of different directions. In order to get a deeper knowledge of the issue, the H&M, one of the world's largest cloth companies, and the company's expansion policies and competitors have been examined and research has been conducted about the mass and products that the company can target in the future. The project is divided into three sections. In the first chapter, the brand, brand values, the history of the brand, the concept and the significance of theoretical information is given. The second chapter provides general information about the Y generation (millennials), the dominant population of the age, with surveys on consumption habits and life views. In the third chapter, the H&M brand, competitors and enlargement policies have been examined and the relationship between the Y generation – opponents – H&M is shown. In the final chapter, a possible expansion to H&M is presented in light of the data obtained so far.

2. BRAND CONCEPT

2.1 Brand Definition and Brand History

A brand is a product, service, or concept that is publicly distinguished from other products, services, or concepts so that it can be easily communicated and usually marketed. A brand name is the name of the distinctive product, service, or concept. Branding is the process of creating and disseminating the brand name. Branding can be applied to the entire corporate identity as well as to individual product and service names.

Brands are usually protected from use by others by securing a trademark or service mark from an authorized agency, usually a government agency. Before applying for a trademark or service mark, you need to establish that someone else hasn't already obtained one for your name.



Fig. 1: (Source: <http://www.hm.com/us/>)

Although you can do the searching yourself, it is common to hire a law firm that specializes in doing trademark searches and managing the application process, which, in the United States, takes about a year. Once you've learned that no one else is using it, you can begin to use your brand name as a trademark simply by stating it is a trademark. After you receive the trademark, you can use the registered symbol after your trademark.

In the beginning; the term branding comes from the Old Norse "Brandr" which means to burn. Cattle, slaves, timber and crockery were burnt or branded with the markings or symbols of the owner using a hot iron rod. The concept of branding was essentially to depict ownership, in particular things which had value, this practice dating back to 2000BC. The transition from "This belongs to me, so leave it..." to "This was made by me, so buy it" started to evolve in the 1800's.

According to experts, today we see an average of 7,000 brand logos per unit per day. Most of us come to us as ordinary signs or letters, but under the effort of thousands of years of experience and right to seek rights, the right to property lies.

2.2. Advantages of the Brand

Along with the strategic functions of the brand, the benefits of the brand can also be summarized. Because the meaning of the brand and the benefits it provides to consumers are different from the benefits that the brand provides to the producers. For this reason, they should be examined separately.

2.2.1. Advantages of the Market on Productivity

One of the benefits that the brand provides to the producers can be shown as the separation of the proprietor of the brand from the other producers. Brand is much more influential than company name or product quality. Because it can be easily recognized and remembered. The brand name provides consumer loyalty and makes it easier for the consumer to choose and select a particular product from among other similar products. At this point, sales are fixed and producers can control the market share of the product.

There is a great deal of importance in creating a firm image of a successful brand. The demand of the consumer on the brand indicates the consumer's confidence in the product and the firm.

In addition, it is one of the most effective ways to protect brand products from illegal ways, and it enjoys the legal rights of the product.

2.2.2. Advantages of the Markets on Customers

Brands provide easy recognition of products. The brands provide information about the quality and characteristics of the products. In this way, the brand offers the opportunity to make a much quicker choice to consumers.

While providing information about the quality of the consumer product, the brand also prevents the consumer from taking any risks on the product for which he has no knowledge. On the other hand, taking the products of a known brand shows that the consumer has an emotional connection to that brand.

3. THE NEW TARGET GENERATION Y (MILLENNIALS)

3.1. New Target

The target group constitutes statistical information on the basis of whom the product will be marketed and for what purpose. In the supply demand balance, every product and service that is manufactured and replaced in the market will be a specific target audience. Brands that correct the target audience's analysis and reach the target audience through the correct communication channels will always provide success.

The largest cohort since the Baby Boomers, their high numbers reflect their births as that of their parent generation. The last of the Boomer Is and most of the Boomer II s. Generation Y kids are known as incredibly sophisticated, technology wise, immune to most traditional marketing and sales pitches...as they not only grew up with it all, they've seen it all and been exposed to it all since early childhood. Generation Y members are much more racially

and ethnically diverse and they are much more segmented as an audience aided by the rapid expansion in Cable TV channels, satellite radio, the Internet, e-zines, etc.

Generation Y are less brand loyal and the speed of the Internet has led the cohort to be similarly flexible and changing in its fashion, style consciousness and where and how it is communicated with.

Generation Y kids often raised in dual income or single parent families have been more involved in family purchases and everything from groceries to new cars. One in nine Generation Yers has a credit card co-signed by a parent.

The Millennials have shown in survey to have the least faith in the institutions of America. Conversely, they also show the highest support of political independents and protestor-formed governments. Although Millennials have less faith in religious institutions, at the same time the numbers have also risen for those who have absolute faith in the existence of a god. Many churches' messages clash with the millennial ideal of tolerance for religious, racial, gender, sexual orientation differences. Millennials are also concerned about social justice and will not support institutions that they see as in conflict with social and economic equality. As such, Millennials are exerting their influence on the world around them, as all prior generations have done.

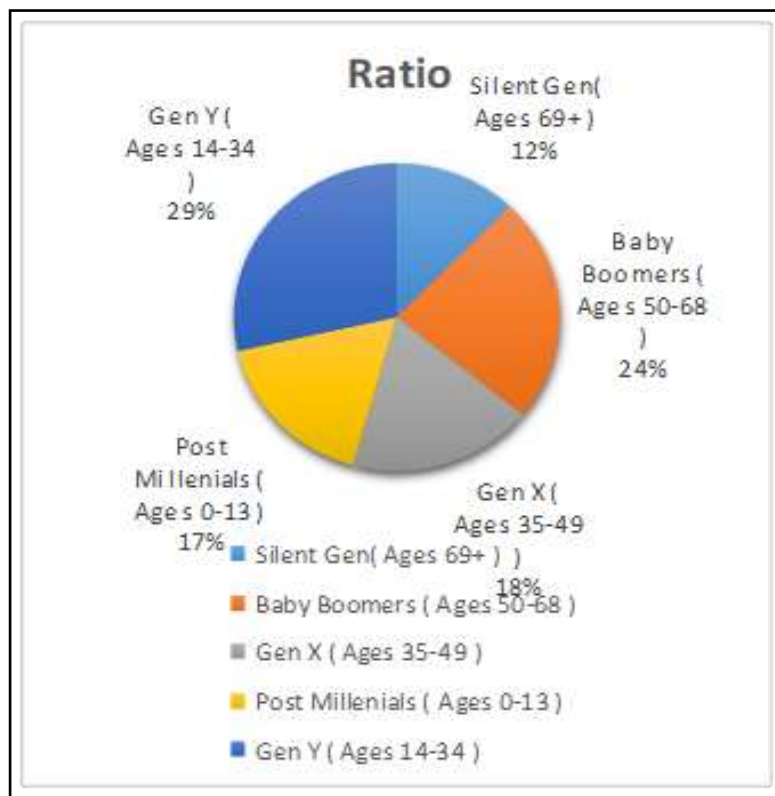
3.1.1. Trends and Technological Trends

As technology and globalization continue to fuel mass disruption, a new breed of consumer has emerged — one that's driven by speed, value and experience. This hyperempowered customer has created an array of unique challenges for retailers, many of whom are desperate to capture the attention of the generation who spearheaded this transformation: millennials.

Mobile, mobile, mobile; it seems like there can't be any topic talked about today without the concept of mobile being brought up. And really, that's not all that surprising when it comes to Millennials. After all, we're talking about a tech-savvy generation who has learned to leverage a mobile device for their shopping needs the same way that coupon books, shopping catalogs, and in-store bargain hunting used to be utilized.

Social media is how most millennials find and discover new products. Fifty-five percent of millennials surveyed in a recent report cite social media as their primary source for shopping, news, and information. The study also found that traditional methods of advertising, including television and print media, fall behind digital advertising methods when it comes to their effectiveness amongst the millennial generation. So businesses are well advised to make social media a cornerstone of their marketing strategy.

Fig. 2: World's Population Segregation Generation Wise



4. BRAND DEVELOPMENT AND Y GENERATION

In this section, general information will be given with H&M, briefly referring to its history. Lastly, competitiveness analysis will be conducted with possible competitors, and the relationship between Generation Y - Competitors- H&M will be examined.

4.1. The History of H&M Group

The H&M group reaches fashion fans across the globe and has come a long way since the first Hennes store opened in the Swedish city Västerås in 1947. Follow us on a tour through the first 70 years of bringing fashion to the world in an exciting and conscious way. "Hennes" means "for women" in Swedish. In 1947, Erling Person first produced a series of clothing for ladies to be sold in a "Hennes" label shop in Vasteras. In 1968, when he bought Mauritz Widfoss, a shop for hunting supplies in Stockholm to expand his company, he added "Mauritz" as a second name to the company. It is also desirable to include a Male Gown for this collection of reasons. And he completes the collection with a series prepared for Men. After Norway in 1964, in 1967 it started to operate in Denmark, Germany and Switzerland. H & M, led by his son Stefan since 1982, conquered the Netherlands, Austria, Finland, then France in 1998 and USA in 2000. Low- Price fashion's ideas does not change.

4.2. H&M's Slogan

The value of the slogans over the brand has increased much more nowadays. In the era of Millennium, the importance of advertising cannot be ignored. In the meantime, the brand is sending its slogans to its customers via social media.

The most popular slogans are;

- You look nice today.
- Fashion never sleep, so neither do we.
- H&M offers fashion and quality at the best price.

However, The Generation Y attracts, by carrying slogans on clothes.

4.2.1. Green Retailing

H&M launched the clothing conscious collection initiative worldwide in 2013 and promotes sustainable concept in ethical consumers in retailing. Consumers can return the old apparel products (any brand and any condition) to all H&M stores across 54 countries. In return, consumers can get a 15% off coupon for their next purchase. By offering rewards, less ethical consumers are encouraged to return the old apparel products. Green retailing was successfully launched at H&M, as shown in fig. 3. In 2013, customers brought in 3047 tons of used clothing, such as new jeans made of recycled fibers.

Fig. 3: Pictures of Conscious Collection Initiative at H&M stores (Photos are from Internet)



4.3. Generation Y and H&M

Global textile consumption is estimated to more than 30 million tons a year, which causes seriously social and environmental impact within supply chain. Sustainability issues are crucial to the fashion industry. In the pursuit of low production costs, apparel firms took advantage of lower environmental awareness and looser environmental regulatory system in developing countries. Fashion brands such as Benetton, Adidas, and C&A are blamed to develop their supply chain unsustainably. Many fashion companies recognize the importance of sustainability in

business and incorporate green practices into their supply chain. Examples of this kind of fashion companies include H&M, Uniqlo, The North Face, and New Balance.

Fashion industry has huge impacts on global environment. The demand to minimize the environmental pollution is not only from fashion firms but also consumers. As a famous global brand, H&M is sufficiently representative to examine the sustainable fashion supply chain. The brand is pursuing a closer policy to the young population with its advertising campaigns with famous names.

4.4. Zara vs H&M – Who’s in the Global Lead?

With a brand value of 13 billion euros, H&M is currently the highest valued fashion brand in Europe. Close on its heels is the equally ambitious Zara, valued at 7.8 billion euros. Both retailers have global vision and excel with their affordable fast fashion offering, but the shopping experience and product is greatly different. We’ve turned to data to understand what sets the two apart and here we’ll share the key findings relating to price, product and timing.

H&M and Zara have very different strategies when it comes to the weighting of their offering. The bulk of H&M’s offering is womenswear and this focus is communicated in their advertising. Menswear at H&M takes a backseat. Zara’s apparel split is much more even – considering the retailer gets so much coverage for its womenswear offering, the breakdown is in fact very balanced.

Fig 4: (<http://edited.com/blog/2014/04/zara-vs-hm-whos-best/>)



In summary, Zara take an elegant route, creating catwalk-inspired product for the whole family. They have high product turnover and low discounting which is reflected by their brand communications very well. H&M are more bullish in their discounting but have sophisticated replenishment strategies. Their positioning in the market aligns them with the Gen Y consumer who is driven by hype and low price. Happily, retaining these differences will allow both retailers to continue on their ambitious paths.

5. CONCLUSION

The simplest requirements of human beings include survival and reproduction, production and consumption. Production and consumption are the first form of trade for livelihood. From this point of view, brand awareness has arisen with the desire to separate people's goods from the goods of others, both in quality and in business.

The reason for the "marking" concept, which is formed by the idea of "having", is now being used as a powerful marketing strategy tool, the brand awareness and how it is understood by the consumers greatly influence the purchasing behavior of the consumers. Therefore, it is known that brand is a very important communication tool.

The promotional activities of the companies themselves or their products ensure that people integrate their products and brands together. Thus, when referring to a particular product group, the name of the most famous brand of people comes to mind. Consumers tend to concentrate on well-known brands and have a tendency not to use or try out brands they have never heard of before.

As the day becomes increasingly global, brands are becoming increasingly similar to personal needs. A consumer going to the supermarket can see more than one product that meets the same need for the same raft. This strengthens competition among firms operating in the same field.

Increasing competition pushes firms towards different trading-marketing directions. However, these methods that companies implement are failing if the firm does not meet the requirements of the present age. To comply with the requirements of the present, it is to be attractive for the mass which has the highest purchasing power in the period. This project is based on the Y generation, which is the highest mass of current purchasing power.

The most important, largest and most potent spending power generation group of the age, Y Generation, plays an important role in determining the strategies of companies. As a result of the research, if the companies can not appeal to the group because Y Generation is not loyal to the brand, it results in market share and loss of income.

In this study, the character of the Y generation is examined. As a result, companies that made innovations that fit the needs and needs of the age and society have been successful, while others have lost market share. For Ducati, who cannot keep up with the innovations and the trends of today, this work and research together with the opportunity of reaching the competitors have been provided and the awareness of the brand has been increased.

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Authors' Information

Author was born in 1992, Bursa, Turkey. She got her bachelor degree in Dokuz Eylul University, Department of Econometrics, Izmir/Turkey. She got second bachelor degree in Anadolu University, Department of Media Production and Communication Eskisehir/Turkey. She had internships in Turkish Stock Exchange Borsa Istanbul Department of Research and Business Development Analysis (2014 /2017) and Capital Market Board of Turkey as a Financial Intern (2013). She has been working as a asistant in Marketing Sales by UNILEVER and Human Resources Asistant at Hilton Hotel.She is able to use MS Office, R programming, SPSS and Adobe Photoshop. Currently, she is a Research Assistant in Nanjing University of Aeronautics and Astronautics, Department of Management Science and Engineering (Full Scholarship from China Scholarship Council).