

# Deconstructing marketing modes and branding strategies of fast fashion industry: A case study of UNIQLO

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**Abstract.** The fast fashion industry is increasingly important for people's daily lives. For most individuals, buying cheap clothes with fashionable designs and good quality meets their needs. As one of the most famous brands in the world, UNIQLO built a huge business empire with unique marketing modes and branding strategies. In this research, the writer focuses on the comprehensive marketing strategies of UNIQLO, compares the different strategies of different fast fashion companies, and highlights the unique strengths of UNIQLO. The research concludes that UNIQLO is successful because it is inclusive, cheap, and fine, combining innovation and conservation, avant-garde and popular combination. In addition, with the proper use of marketing strategies such as IP co-combining, celebrity and influencer endorsement, promotions, and incentives, UNQILO's adaptive consumers are all over the world at all ages, allowing a bigger market selling online and offline. It is one of the most all-sided selling modes in the world. Hence, UNIQLO has significant reference value to other brands to promote their brands in the future.

## 1 Introduction

Today, the fast fashion industry has become more and more important in people's lives. There are retail stores everywhere offline and online. Relying on cheap prices, good quality, and trendy design, UNIQLO has become one of the biggest fast fashion brands in the world, with the same status as H&M, ZARA, and GAP. Its unique marketing modes and branding strategies contribute to its sales and popularity, making it a miracle of business in the world, especially in the Chinese market. In today's research field, the marketing case analysis of UNIQLO usually focuses on one strategy. This article provides a comprehensive analysis from the brand concept and positioning to the selling modes, IP co-branding strategy, influencer cooperation, promotions, and incentives. In addition, after showing all the marketing progress, the writer compares UNIQLO to three famous brands in order to differentiate brand tone and strategy. The marketing modes and branding strategies of UNIQLO have significant importance to the future brand's incubation as a successful marketing case, giving instruction to people who want to enter the fast fashion industry.

## 2 Marketing Strategies

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## **2.1 UNIQLO's Brand Concept and Positioning**

UNIQLO is an acronym for Unique Clothing Warehouse, which provides consumers with the business philosophy of low-priced good products and quality assurance. It originates in Japan and developed from a small suit company to one of the largest clothing retailing brands in the world. From its official website, its slogan is to let everyone wear quality casual clothing [1].

UNIQLO provides people with quality casual wear at a suitable price. According to incomplete statistics on its official website, UNIQLO's clothing prices are between 20 yuan and 699 yuan. It contains all accessories and clothing such as socks, T-shirts, jackets, shirts, and so on. The cheapest item is socks. On the contrary, the most expensive items are cashmere hoodies and down jackets. The average prices of basic clothing like T-shirts and trousers are between 70 yuan to 300 yuan. What it reveals about the price and the items is that UNIQLO is selling basics at an affordable price for most people.

UNIQLO's basics are famous for their comfort, environmental-friendly materials, simplicity, and ease of matching, giving chances to individuals dress fashionably with less effort. If comfort is brought by UNIQLO's simple style and design, environmental-friendly is another characteristic of this brand value. Mirza et al. indicated that UNIQLO obeys the environmental standard strictly by lessening the use of chemical material and toxic resources, monitoring and reducing greenhouse gas and water consumption, leading the fashion industry, and setting up the brand image [2].

## **2.2 The Combination of Selling Online and Offline**

UNIQLO sells products offline in a retail chain. UNIQLO is positioned as fast fashion. In 1997, UNIQLO took GAP as a commercial example, starting to design and sell cheap and quality products. From then on, it expanded to the East Asia area and achieved great success. There are 814 UNIQLO stores in Japan. UNIQLO also achieves great success in expanding the global market. Taking China as an example, there are 917, 32, and 70 UNIQLO stores in mainland China, Hong Kong, and Taiwan respectively. The flagship stores in mainland China are in Shanghai and Guangzhou. It is obvious that UNIQLO's stores have a wide coverage offline, offering people ready-to-wear products.

Not only selling offline as a large linkage retail store, UNIQLO also sells clothes online. UNIQLO's "Palm UNIQLO" WeChat mini program is highly praised by the industry. It is an access to check out new arrivals and purchases in the WeChat mini program. Since 2015, UNIQLO's official account in WeChat has been unrivaled, with single posts reaching nearly a million reads, and maintaining high levels of fan activity and engagement. The design in the official account was so appealing in long pictures that many customers are recommended directly to the new clothes and they became firm fans of the UNIQLO official account. From welcoming new followers, and organizing menu bars, to pushing content, every step is taken to channel traffic towards the WeChat mini-program.

The combination of selling online and offline meets the needs of consumers. To better meet the immediate needs of consumers, UNIQLO integrates the "people-goods-traffic" across channels and through the mini-program mall merges online and offline shopping scenarios. This creates a consumer-centered, highly agile touch approach, offering a smoother shopping experience. First, customers can log into the membership account on every UNIQLO platform, maintaining the same price. Second, UNIQLO sells all the products online and offline at the same price, integrating inventory, systems, and data across all stores. It means that customers can pick up and return the products purchased via mini-program or nearby stores online or offline. Last but not least, scenario-based consumption is across all channels, leading to online-offline combination and a comprehensive shopping experience that combines shopping, consultation, and social interaction. For example, there are services such as Store Pickup at Will, Timed Delivery from Store, Nearby Store Return and Exchange, and Scan at Store for Online Purchase that integrate online and offline shopping.

### **2.3 IP Co-branding Strategy**

UNIQLO carries out the strategy of IP co-branding. Huang stated that IP co-branding shows its worth to customers indirectly, boosting buying intention and enhancing client shopping desire [3]. Co-branding with Ips can enhance the perceived value of products.

IP co-branding leverages established brand strengths and consumer loyalty to create a more compelling product offering for UNIQLO. Disney is a world-famous brand cooperating with UNIQLO. Mickey Mouse and his friends are one of the most famous characters of Disney. For a long history, Disney has become a well-known cartoon image brand concentrating on tourism, fashion, movies, and daily necessities industry in everyday life. People can see the famous IPs of Disney such as Mickey Mouse, Donald Duck, Chip 'n' Dale, etc. To enhance the branding influence and conviction, UNIQLO cooperates with Disney characters. The fashion company printed the famous cartoon Mickey Mouses on the T-shirts, selling 79 yuan for each product, from white to grey to black even pink. Customers bought them at a low price with the popular pattern of their favorite cartoon, too glad to do it. Moreover, every season there is a new version of T-shirt printing Mickey Mouse and other Disney characters. The results are always positive, revealing lots of customers buying them.

Compared to the T-shirt printing Mickey Mouse sells on the Disney official website, the IP co-branding Mickey Mouse T-shirt is more affordable. The official one costs \$32.99, approximately 224 yuan after the exchange rate calculation. However, the IP co-branding one of UNIQLO is 79 yuan, which is 145 yuan cheaper than the official one. Good quality and cheap features are one of the strengths of IP co-branding. From the geography aspect, customers can buy IP co-branding items offline and online in the linkage UNIQLO, but the official ones are only sold in Disney parks and official websites. UNIQLO gives more access to customers to buy their favorite IP co-branded products.

After co-branding with Disney, customers believe the brand effects of the convincing UNIQLO, expecting it to release new products with their intended IPs like Zootopia, Stitch, and Donald Duck.

### **2.4 Influencers and Celebrity Endorsement**

Byrne indicated that Influencer marketing is the online version of traditional word-of-mouth advertising [4]. Johansen and Guldcik also pointed out that fashion blogs are seen as the most effective way for promotion, and they have become more and more popular by sharing experiences and recommendations on the internet [5]. In China, the RED is one of the most famous social media sharing outfit recommendations, similar to Instagram. There are a lot of media influencers sharing their fashion wear, teaching people how to match their outfits. In those blogs and vlogs, there are also advertisements hiding inside, what are called soft advertisements. People often have no idea they were recommended something passively and without notice. For UNIQLO, it cooperates with those influencers tightly and hires them to promote the new arrivals through outfit-showing videos.

The tags of influencers showing their UNIQLO outfits on RED are #simple, #cheap, #basic, #average person, #clean-fit, #designer, #business wear, and #look slimmer. It is shown that a girl standing in front of the mirror photo-graphing their outfits. The photographs are almost pictured in UNIQLO's fitting rooms in offline stores. They give individuals a good impression of UNIQLO's new clothing making people look smarter and slimmer. Wärme and Olsson stated that influencers have the same effect as online advertisement, positively affecting the consuming attitude and purchase intention [6].

Similarly, celebrity endorsement is another method of brand marketing. According to Khatri, although celebrities are not experts, companies use their names in ads for products or services. Celebrities gave value to products, making this world that values the customers as purchasing any variety more worthy. This could be for reasons of people in a high social status teaching average people to wear "right" clothes and use "right" fragrances [7]. UNIQLO hired famous movie stars and singers in China to endorse the brand. Lei Jiayin, Jing Boran, and Song Yi are 3 famous actors in China, who endorse UNIQLO. They increase brand awareness and product sales and enhance brand image. In addition, the large number of fans behind celebrities can also build a big market in clothes

purchasing. They are more passionate about supporting their idol's brand endorsement and promoting consumption.

## **2.5 Promotions and Incentives**

The promotions and incentives strategy of UNIQLO are also worth analyzing. According to Santini et al., discounts have a positive effect on customer's purchase intention [8]. There are sales and promotions every season in UNIQLO. After sending messages and announcements online to customers, thousands of customers rush to the nearby store to purchase clothes. The common discounts are clothes out of season, for example, UNIQLO takes a discount on winter coats in summer. Hence, customers can buy winter coats and wool sweaters in last season's design in advance to get a lower price. However, there are also many T-shirts at discounts every month as UNIQLO updates their IP co-branding design on clothes. For example, an over-season Mickey Mouse T-shirt is 69 yuan, 10 yuan cheaper than the original price. As a result, the previous designer T-shirt will depreciate and sell to the customers at lower prices. Similarly, UNIQLO also has sales on significant holidays such as Chinese New Year, summer holidays, and winter holidays.

The membership of UNIQLO also contributes a lot to the purchase and branding. In an offline retail store, people can register a membership for free after settling an account. After every purchase, customers can get points and use points to exchange gifts or coupons. The content of membership includes obtaining the latest promotional information and the latest recommended product information of UNIQLO, purchasing products exclusive to UNIQLO members, obtaining the right to participate in the pre-sale of limited products of UNIQLO members, and other UNIQLO member exclusive services. Vincent and Webster pointed out that the membership between cooperate and customers is multidimensional, which can be combined as an overall assessment of relationship quality and purchase intention as well as customer stability [9].

## **3 Competitive Analysis**

### **3.1 H&M**

From the official website introduction, H&M Group is a global fashion and de-sign company, with over 4,000 stores in more than 75 markets and online sales in 60 markets [10]. It was established in Sweden in 1947, aiming to provide quality and fashion at the most affordable price. Compared to UNIQLO's number of stores in China, the H&M store number was less, with a figure of 377 in China. Instead of using the IP co-branding strategy, H&M attaches importance to the instance fashion which is the favor of the young generation from 20 to 35 years old, eager to buy luxury but cannot afford them. UNIQLO focuses on the high-quality basics. H&M updates in stock every few weeks, to meet the needs of van-guard people who want to purchase the newest designs. On the contrary, except for the IP co-branding T-shirts in UNIQLO, the rest of the clothes are more able to withstand the test of time than H&M. The high-profile design is the secret weapon of H&M, leading to the significant global influence.

### **3.2 ZARA**

Zara is one of the biggest international fashion companies, and it belongs to Inditex, one of the world's largest distribution groups [11]. It is from Spain, established by Amancio Ortega. ZARA keeps up with the big-name designs. It only produces hot-sale products. Adding to production or not depends on the consumer's reaction. ZARA often produces a few model products in stores, and after seeing how customers react, it decides on the production, which raises the accuracy of the market demand forecast. The store design of ZARA and UNIQLO is different. UNIQLO arranges stores according to product categories in order to provide convenience for purposeful users. On the contrary, ZARA

arranges stores according to the fashion styles, providing the latest fashion trends for aimless consumers, and suiting impulse spending.

### 3.3 GAP

Gap was founded in 1969 with a simple idea – to make it easier to find a pair of jeans that fit with a commitment to do more. In the over 50 years since the company has grown into four brands, and our initial commitment to do more has grown into a global ambition to champion equality, inclusivity, and sustainability [12]. Similar to UNIQLO, it mainly produces basic clothes. The difference between UNIQLO and GAP is the style. UNIQLO is the elite casual style but GAP is the American casual style. They are both simple to collocation. However, GAP does not have the same competitiveness as UNIQLO in China. There are always big logos in front of the GAP's clothes which is quite boring and normal. As time develops, GAP does not innovate new designs and keep up with the trend. As a result, it remains normal and could not meet the needs of younger generations.

In general, compared to other brands, UNIQLO has the strength of its all-match and undated basics, the breadth of potential consumers, advancing with the times and populace aesthetic.

## 4 Conclusion

From the research, the success of UNIQLO's mode is fully unfolded. Through five main marketing processes, UNIQLO has become one of the most profitable fashion brands in the world. UNIQLO's brand concept and positioning show company values and potential audiences. The research decodes the retailing mode of selling online and offline together, contributing to the high sales in omnichannel. IP co-combining strategy leads to the innovative production of various clothes, updating the design in a short time. Celebrity and influencers endorsement enhances the brand's reputation, promoting wear and pieces in soft advertisement subtly. The membership and incentives of UNIQLO enhance user engagement through promotional activities and member rights and interests. Compared to other global fast fashion brands, UNIQLO is more versatile and timeless, with extensive audiences and the aesthetics of constant innovation. The success of UNIQLO is a classical marketing case. It has great reference value for the future brand.

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