

How Does Victoria's Secret Need Digital Marketing to Boost Sales in the Wake of the COVID-19 Outbreak?

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Abstract

The surge in consumer time spent at home during Covid-19 and the general need for comfort and self-care during isolation has caused a rise in demand for lingerie. However, as the opening question suggests, people cannot select suitable lingerie offline, which is a concern for many. This paper examines how Victoria's Secret increased lingerie sales through digital marketing in the wake of the Covid-19 outbreak. According to the cited questionnaire data, the most important thing for most women when choosing lingerie is the product's fit. Therefore, for any brand to be successful in the marketplace, it must help women in terms of size, body type, and the correct type of lingerie garments. So, Victoria's Secret should offer VR-relevant experiences on the app to attract more consumers. Moreover, Victoria's Secret needs to have an age-specific market for consumers, offering different lingerie categories according to foreign markets. Furthermore, the company can build brand awareness through social media to target potential customers, increase consumer interaction to generate positive attitudes, and indirectly influence the willingness to buy sustainable clothing.

Keywords: digital marketing, lingerie sale, brand awareness, social media

1. Introduction

"Are you offering bra fittings in stores during the pandemic?" This is a question asked by a customer of Victoria's Secret. The surge in consumer time spent at home during the Covid-19 and the general need for comfort and self-care during isolation has caused a rise in demand for lingerie. However, people cannot select suitable lingerie offline, which is a concern for many, as the opening question suggests. That's what this paper examines, how Victoria's Secret can boost its lingerie sales through digital marketing in the wake of the Covid-19 outbreak.

As one of the largest specialty retailers of private apparel, beauty, and personal care products in the United States, L Brands Inc. operates 2,669 stores worldwide under its Victoria's Secret, Bath & Body Works, and VS Pink brands (Staff, 2021). Victoria's Secret has a strong presence in the lingerie industry, capturing 48.6% of the market (Figure 1). Victoria's Secret mainly sells bras, underwear, lingerie, and other close-fitting clothing in offline stores nationwide. Despite its core products, it offers customers a limited range of clothing, accessories, perfumes, lotions, and cosmetics. However, in March 2020, all Victoria's Secret stores in the United States were temporarily closed due to the COVID-19 outbreak. In addition, L Brands announced the closure of 250 Victoria's Secret and Pink stores in the wake of the new crown outbreak, when sales at all its stores fell by nearly 25 percent, to focus on its e-commerce platform (Sandler, 2020).

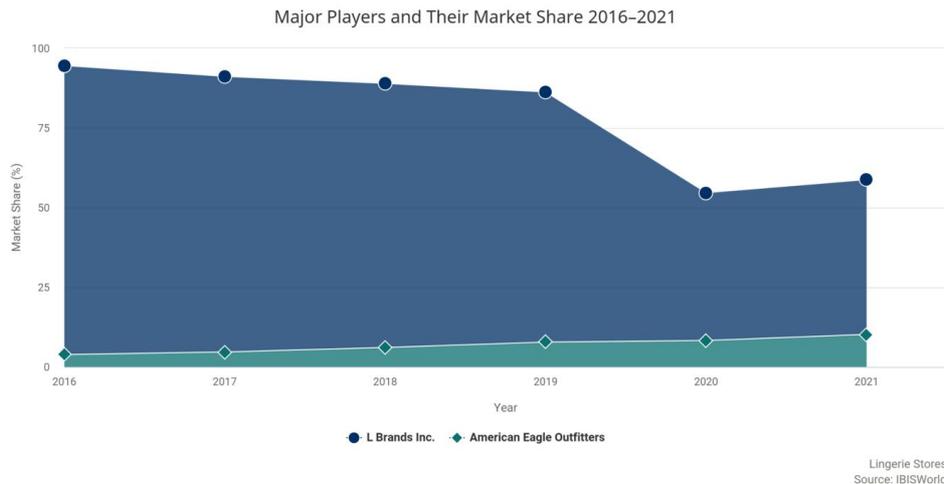


Figure 1. Market share of lingerie industry

Source: IBIS World

Although Victoria's Secret accounts for most of the lingerie industry, they have also had to shift their offline marketing to online marketing in the face of COVID-19.

2. Competitive Landscape

The lingerie store industry has a moderate market share concentration, with the four largest operators accounting for 62.9% of overall industry demand in 2021 (Figure 1). While many smaller companies specialize in selling lingerie, industry giant L Brands Inc. dominates the industry with its well-established Victoria's Secret brand. The lingerie store industry is highly competitive and divided between product competition and external marketing competition. Victoria's Secret competitive advantages are based on its recognized brand, product design, price, variety, and quality. And store location and design are also critical factors in the company's quest to compete effectively. Despite its difficult situation, Victoria's Secret continues to rule the lingerie store industry, gaining a competitive advantage with most lingerie stores in retail shopping areas, including malls and shopping centers. But Victoria's Secret also faces pressure from competition in external markets.

Although Victoria's Secret remains the dominant brand, its share has decreased from 80% to 48.6% four years ago as smaller brands enter the market (Kohan, 2020). The largest competitor to Victoria's Secret, American Eagle Outfitters Inc. (AEO), was founded in 1977 and had won 10.2% of the market (Figure 1). The company sells lingerie through its Aerie brand, launched in 2006 at American Eagle Outfitters and independent Aerie stores nationwide. The company launched the brand to capitalize on the growing intimate apparel market and target customers between 15 and 25.

To capture more consumers, Aerie launched a brand ethos centered on body positivity and inclusivity. It redefines the standard of beauty by encouraging young women to love their bodies and resonates with today's consumers. The Aerie company states part of its mission is to empower all women to love their authentic selves (Kohan, 2020). In contrast, Victoria's Secret marketed perfect bodies and presented unrealistic body images. Thus, it failed to follow up on the consumer psyche as Aerie did. Victoria's Secret's overall sales fell 46 percent in the first quarter, and its online business saw a 15 percent drop in sales (Kohan, 2020). While many stores are closing due to Covid-19, its store and online revenue declined significantly more than its competitors. Before the pandemic, there was a 9% drop in in-store sales and a 3% drop in online sales (Kohan, 2020). Store traffic declined as the Victoria's Secret brand gradually fell out of favor with today's customers.

In addition, some major industry players have launched e-commerce trading platforms as alternative sales channels and additional marketing strategies for retailers. For example, the Aerie company plans to reduce the number of stand-alone stores to reduce costs, focusing on e-commerce and offering the Aerie brand as part of its American Eagle Outfitters stores. The growth of e-commerce demand has significantly eroded demand from most brick-and-mortar retailers, Victoria's Secret has had to compete with online retailers increasingly. And, because the COVID-19 outbreak has exacerbated declining offline sales and slowing traffic, Victoria's Secret has been forced to offer more promotions, negatively impacting margins. To ensure high brand exposure, digital marketing, and advertising expenditures are necessary to increase sales and traffic to stores and websites. Hence, increasing the online sales market is imminent.

3. Marketing Analysis & Recommendations

Since lingerie purchase is an integral and intimate part, it is essential to understand and examine the factors that give the brand experience according to female consumer purchase. Marketers have concluded that it is necessary to identify new consumer behaviors that seek “pleasure, entertainment, fantasy, awakening, sensory stimulation and enjoyment” (Holbrook & Hirschman, 1982). To create positive brand experiences for consumers, brands need to connect with consumers emotionally rather than functionally. These experiences can be achieved through various channels such as brand communication, brand ambassadors, and effective advertising. So, the first step should be to understand consumer psychology and needs and target consumers precisely for marketing.

Table 1. How relevant are the following factors to you when choosing a lingerie brand?

	Age 20-25 Student	Age 26-30 Working	Age 31-35 Working	Age 31-35 Home	Age 36 & above Working	Age 36 & above Home
Styles	4.24/5	4.14/5	4.19/5	3.73/5	3.88/5	3.60/5
Product Quality	4.70/5	4.69/5	4.88/5	4.96/5	5.00/5	4.80/5
Product Fit	4.86/5	4.69/5	5.00/5	4.96/5	5/00/5	4.78/5
Product Fabric	4.68/5	4.92/5	4.88/5	4.96/5	4.88/5	4.78/5
Product Color	4.46/5	4.50/5	4.59/5	4.48/5	4.25/5	4.10/5

Source: The data are from Hart, C., & Dewsnap, B., (2001, June 1). An exploratory study of the consumer decision process for intimate apparel. *Journal of Fashion Marketing and Management: An International Journal*. Retrieved October 20, 2021, from <https://www.emerald.com/insight/content/doi/10.1108/EUM000000007282/full/html>.

Considering the wide range of consumer experiences with the product and the frequency of bra changes in the closet, it is surprising that women find it necessary to conduct an extensive search each time they purchase a new bra (Hart & Dewsnap, 2001). More than 80% of women, regardless of their age and occupation, tend to buy underwear once a month or less (Singh, 2018). This may be due to the lack of continuity in lingerie styles and sizes, prompting the need for consumers to restart the search process each time they purchase a new bra. According to Table 1, whether they are professional women or students, older or younger, the most important thing is the product fit when choosing lingerie. However, only one-third of respondents found the actual process of buying a bra to be a positive, enjoyable experience (Hart & Dewsnap, 2001). The most important reasons for disliking the occasion were the lack of attractive bras and the difficulty in finding bras that fit, are comfortable, and appropriate for the body type through clothing. Accordingly, for any brand to be successful in the marketplace, it must help women in terms of size, body type, and appropriate lingerie garments.

Based on the above, Victoria’s Secret should promote a seamless online experience through various options, allowing shoppers to choose the online transaction experience that best suits their needs. First, Victoria’s Secret can provide a better lingerie fit experience on its websites. For example, providing a more detailed size guide on their website or arranging for professional counselors to help consumers choose their lingerie size. Victoria’s Secret can even offer virtual fittings on their app to help consumers choose the right lingerie (Figure 2). Second, Victoria’s Secret can also encourage customers to take advantage of its guaranteed fit free return policy and offer optionality through its subscription service. These are all ways to help consumers select the appropriate, comfortable lingerie and develop loyal Victoria’s Secret customers.

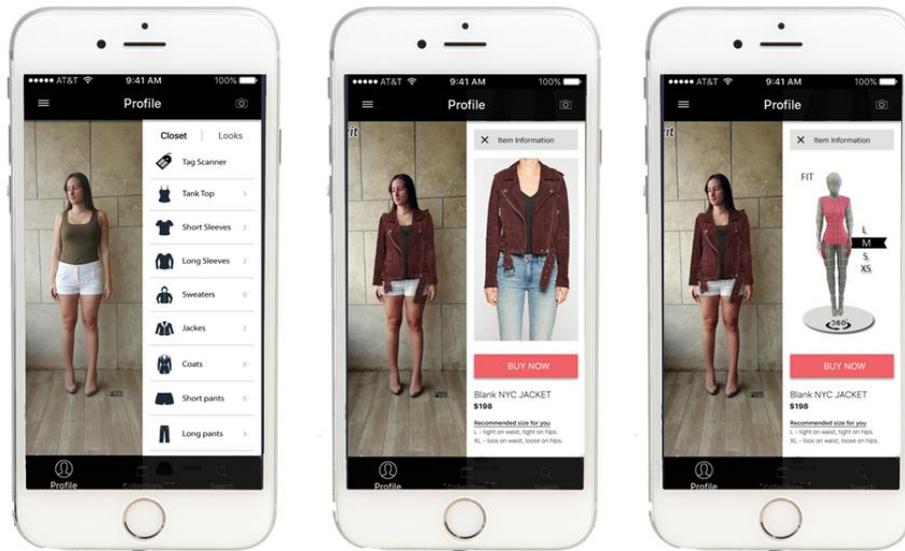


Figure 2. Virtual fitting

Source: WWD

Table 2. On average how much do you spend on lingerie per month? USD.

	Age 20-25 Student	Age 26-30 Working	Age 31-35 Working	Age 31-35 Home	Age 36 & above Working	Age 36 & above Home
Up to 8\$	18.90%	35.70%	12.50%	45.80%	11%	10%
\$8-\$15	37.80%	35.70%	37.50%	25.00%	56%	70%
\$15-\$31	32.40%	21.40%	25.00%	29.20%	22%	20%
\$31-\$46	8.10%	7.10%	18.80%	0.00%	11%	0%
\$46and above	2.70%	0.00%	6.30%	0.00%	0%	0%

Source: The data are from Hart, C., & Dewsnap, B. (2001, June 1). An exploratory study of the consumer decision process for intimate apparel. *Journal of Fashion Marketing and Management: An International Journal*. Retrieved October 20, 2021, from <https://www.emerald.com/insight/content/doi/10.1108/EUM000000007282/full/html>.

A successful marketing tool requires accurate targeting of markets and potential customers. Targeting focuses marketing dollars and brand messages on specific needs that are more likely to buy products, so it is a more affordable, efficient, and effective way to reach potential customers and generate business (Porta, 2021). According to Table 2, 37.5% of women purchase lingerie priced between \$8- \$15, and 25% purchase lingerie priced higher between \$15- \$31. About 18% of such women also chose lingerie priced between \$31 and \$46. This suggests that older women, with increased spending power, can purchase lingerie at higher prices than younger women because they believe that better or more expensive products will make them healthier and more beautiful as they age. Therefore, Victoria’s Secret needs to target different age groups of potential consumers for advertising.

Depending on the different age markets, Victoria’s Secret launched PINK, a sub-brand for young people, in 2004. PINK was launched to target high school and college-aged girls, while Victoria’s Secret targets adult women. By the time young girls were ready to graduate from the PINK brand, they already knew the bra style and could relate it to Victoria’s Secret in stores (Bothman & et al., 2021).

Table 3. How important are the following features of a shopping experience to you?

	Age 20-25 Student	Age 26-30 Working	Age 31-35 Working	Age 31-35 Home	Age 36 & above	Age 36 & above Home
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					Working	
Price	3.62/5	3.64/5	3.47/5	3.61/5	3.23/5	3.60/5
On Trend	3.65/5	3.50/5	3.12/5	2.74/5	3.13/5	2.30/5
Brand Name	3.97/5	3.71/5	3.53/5	4.04/5	4.13/5	3.90/5

Source: The data are from Hart, C., & Dewsnap, B. (2001, June 1). An exploratory study of the consumer decision process for intimate apparel. *Journal of Fashion Marketing and Management: An International Journal*. Retrieved October 20, 2021, from <https://www.emerald.com/insight/content/doi/10.1108/EUM000000007282/full/html>.

Social media has become an effective advertising channel for many fashion brands, and lingerie is no exception for female consumers. Social media facilitates companies to market their products, allowing them to build relationships and foster trust with consumers through two-way conversations and engagement (Strähle & Gräff, 2017). And companies can build brand perception through social media. Brand perception is what customers think a product or service represents, so brand perception comes from customer use, experience, functionality, reputation, and word-of-mouth recommendations (“Brand Perception,” 2021). According to Table 3, we can conclude that regardless of age, female consumers will focus on the brand name when selecting lingerie, which means that Victoria’s Secret has established brand perception. Then the thing we need to do is to target these potential consumers through social media.

One of the most popular social platforms, Instagram, founded in 2010, is a visual photo-sharing social network with more than 1 billion active users per month worldwide (Ting & et al., 2015). Instagram allows users to share pictures, videos, and stories through hashtags and locations with its high interaction rate. By using the Instagram engagement strategy of hashtags and stories, brands can increase their interactions with consumers leading to positive attitudes that indirectly influence the willingness to purchase sustainable apparel. As one of the most followed brands on major social media sites, Victoria’s Secret maintains an active presence on social media with a content strategy that helps the brand add thousands of followers every day (Ramakrishnan, 2019). Based on a large fan base, Victoria’s Secret can conduct viral marketing to share its content. The advantage of going viral is that your audiences do most of the promotion by facilitating sharing, so companies don’t need to invest considerable budgets in advertising. And it’s effective at increasing brand awareness. Content that goes viral spreads from one consumer to social circles, and the pattern repeats itself. As it spreads, the products are introduced to more and more people. And many of them may make some personal or emotional connection with the brand, significantly increasing brand awareness.

Moreover, Victoria’s Secret can use complementary communication and engagement strategies to deliver its advertising messages through images, posted content, emojis, hashtags, and stories on social media platforms. For example, by showing bows and lace in their pictures, the brand subconsciously associates their products with what consumers perceive as sexy and beautiful. In addition, the emoji serves as a small visual that quickly conveys the brand’s message. And it uses storytelling in the form of videos and photos to inform and provide consumers with their design philosophy and product comfort (Figure 3). Stories act as an intermediary to allow viewers to get more information from the introductory article to the brand’s website. When users post their photos in the product, they are invited to use specific hashtags through conversational posts, thus inspiring engagement.

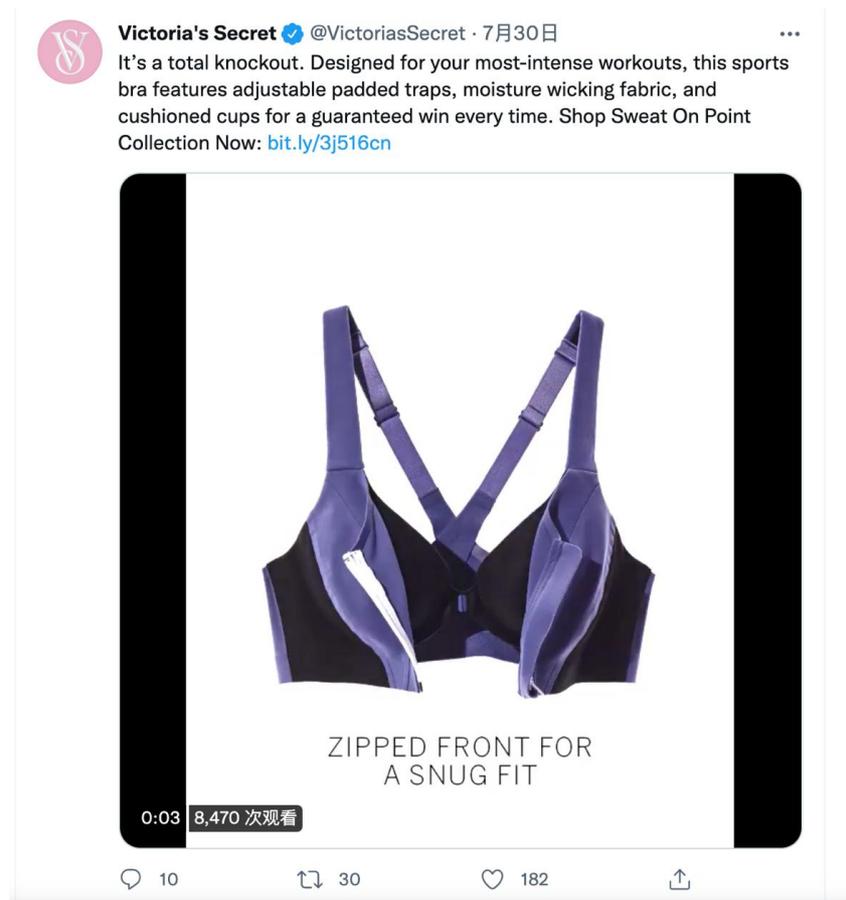


Figure 3. Storytelling video

Source: Instagram

Victoria's Secret can not only advertise through its own Instagram account but also influencer marketing. Influencers are individuals who have loyal social followers and are seen as experts in their field. Through influencers' endorsements and product recommendations are a kind of social proof of a brand's potential customers. The focus here is on using influencers to market Victoria's Secret's new maternity line. In the past, Victoria's Secret brand has been known for its sexy lingerie and supermodel-filled fashion shows. In 2021, the company began selling maternity products, which will be the first time Victoria's Secret has offered maternity bras in its signature line and part of a more significant effort to attract more consumers. The accounts "Mommymyshorts" and "Irena" were our leading candidates based on the Instagram fan base and number of likes. With 174k followers, Instagram's "Mommymyshorts" Ilana Wiles is the mother of two daughters. She shares her story of parenthood on her ins and information and advice on navigating life as a parent. And she is also an author and has written a great parenting book (Figure 4). Victoria's Secret could get more attention from moms by sending her products for review and promotion. Another one, Irena, is a new mom but has 56.4k followers on Instagram (Figure 5). Most of her fans are from Korea and China, and she also runs her own YouTube video account and her own Bilibili video account for the Chinese market. She has recommended many maternity products, including Victoria's Secret maternity bras. After her promotion, Victoria's Secret can expand overseas markets and get more attention from new mothers or pregnant women.



Figure 4. Influencer “Mommysshorts”

Source: Instagram

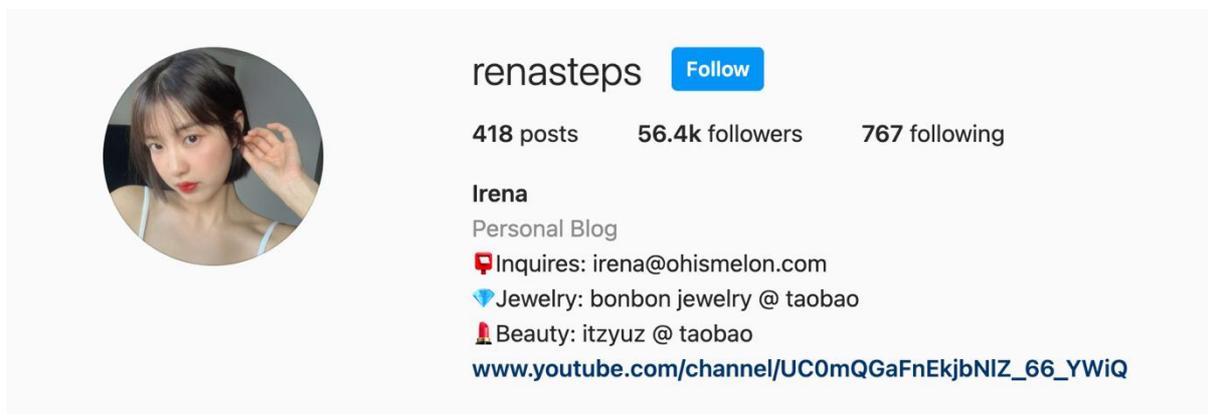


Figure 5. Influencer “Irena”

Source: Instagram

4. Conclusion

As the economy grows and consumers have more disposable income to purchase lingerie, demand for the industry’s products is on the rise. In addition, many industry operators have made efforts to explore new markets in recent years, expanding the industry’s consumer base. Product line expansion and favorable consumer trends have boosted the demand for lingerie stores. However, the lingerie market has become increasingly competitive due to growing competition from online operators and the negative impact of COVID-19. With the temporary closure of brick-and-mortar stores, Victoria’s Secret’s ability to offer accurate fit finders, and more inclusive sizing, consumers are becoming more comfortable buying industry products online. And, many companies, including Victoria’s Secret, have begun offering intimate apparel targeted at consumers of different ages, such as teens and women over 45, to drive sales. Furthermore, consumers increasingly choose well-known brands for their lingerie, accelerating Victoria’s Secret’s profit growth. Victoria’s Secret can market its products and build brand perception through social media, such as Instagram, which includes more than just viral marketing and influencer marketing. Finally, as Cora Harrington, founder of The Lingerie Addict, said in an interview, once people find their favorite bra, they don’t want to change it (Millwood, 2016). Thus, Victoria’s Secret needs to build a loyal customer base to ensure future company development and revenue growth.

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