Fashion Brand Perceptions in Light of The Global Financial Crisis

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Abstract: *This paper examines how Greek consumers perceive fashion brands and their symbolism, as well as their attitudes towards fashion advertisements and shopping for clothes. The investigation was based around a research methodology using quantitative analysis with appropriate statistical, as well as qualitative techniques, on two random surveys of Greek consumers, aged 18-35. The surveys took place in 2007 (N=66) and 2011 (N=137) respectively. The findings confirm differences between female and male buying behaviour, especially in terms of what, why, when, and how they buy. These are also crossed with income level and level of education, to illustrate the consumer landscape before and after the outbreak of the financial crisis in Greece. Theoretical and practical implications are discussed.*
Keywords: *Consumer Behaviour, Fashion, Financial Crisis, Gender, Greece*

1. INTRODUCTION

The present global financial crisis is an environmental influence that has had a strong impact on the behaviour of consumers. It has been said that in general consumers' emotional response to the effects of the financial crisis culminates to a lower level of confidence in brands (Pandelica and Pandelica 2011). In February 2012, Greece had the second lowest Consumer Confidence Index in Europe, after Hungary (Nielsen 2012).

Research demonstrates that consumers use products as a sort of language in social groups (Lannon and Cooper 1983); thus, brands can serve as conduits that communicate about consumers' identities, status and aspirations.

2. METHODOLOGY

2.1 Research question and research objectives

The research question the current paper aims to answer is: «How do young Greek consumers perceive fashion brands after the onset of the financial crisis and are there any differences to their previous consumer behaviour?». «Young» was defined as belonging to the 18-35 age group.

The research objectives are: the evaluation of buying behaviour characteristics, brand perceptions, attitudes towards fashion advertisements and shopping; differences between female and male buying behaviour; and analysis of the financial crisis impacts on consumers and in particular the effect on buying behaviour characteristics.

2.2 Research design

The first part of the research was conducted in 2007 by Olga Vakoufi and supervised by the author, as part of the former's dissertation at the Department of Clothing Design and Technology at the ATEI of Thessaloniki in 2007. Of the 66 respondents, 30 were male and 36 were female.

Subsequently, in the fall of 2011, in the midst of the financial crisis, it was decided to administer the same 22-question questionnaire and see if any changes in fashion consumer behaviour could be documented. The questionnaire was either filled in the form of a personal interview, or sent electronically, starting from the students of the Department of Clothing Design and Technology of the ATEI of Thessaloniki, and a database of fashion industry employees, both categories being mainly female. Using a snowballing technique, we moved into their social circles to reach other 18-35 age subgroups and other parts of the country. Of the 137 respondents, 32 were male and 101 female. Due to page limitations, it is not possible to present and analyse all questions and findings of these two random surveys, however a selection of issues that best reflect any changes in consumer behavior due to the financial crisis will be attempted.

3. LITERATURE REVIEW

3.1 The global financial crisis

Work by Ang (2001) revealed that during the 1997 Asian economic crisis, risk aversion, value consciousness, and a shift away from materialism led to a serious decrease in consumer spending. Zurawicki and Braidot (2004) found a drop in

expenditures across all major product and service categories during the Argentinean economic crisis of 2001-2. However, they also found higher income households reduced and eliminated various expenditures to a lesser extent than middle-class families.

One of the findings mentioned in Zurawicki and Braidot (2005) regarding the Latin American crises is the pursuit of a favourable quality-price ratio. Increasingly, Latin American consumers sought better values that met realistic expectations. Price became a stronger determinant of choice, provided the value was not compromised. Overall, clothing was one of the top categories where spending was reduced in 2001 and then further in 2002. Beyond the economic factors, lifestyle changes – lesser participation in social events and more time spent at home with family and friends – allowed for a casual dress code. Another interesting point the authors bring up is that conspicuous consumption is deemed improper at times of general austerity (Zurawicki and Braidot 2005).

Pandelica and Pandelica (2011) stressed the importance of risk perception as a key influencer for behaviour. According to the Hofstede study (Hofstede and McCrae 2004), Greece is the most risk avoidance culture, recording an uncertainty avoidance index of 112.

3.2 Fashion brand perceptions
Brand image is variously defined as "the set of beliefs held about a particular brand" (Kotler, 1988, p. 197) or "a set of associations, usually organized in some meaningful way" (Aaker, 1992, pp. 109-10). The "brand" is often regarded as separate from the functional product, with the brand being grafted on by advertising, thereby completing the transformation process from functional product to immortal brand. The concept of brands as social signals is well accepted with congruity between brand and user self-image regarded as a key motivational factor in consumer choice (Belk, 1983; Sirgy, 1982).

Rossiter and Percy (1987) made the distinction between informational and transformational advertising. With the transformational or "image" style advertising favoured by fashion brands, the consumer perceives that he will be transformed intellectually or socially by using the brand. Advertising is particularly effective in stimulating competition in times of recession (Nayaradou 2006). This finding, which arises out of a study carried out in 2003 by the Boston Consulting Group in Germany, is confirmed by the research carried out in France within the context of the Nayaradou (2006) thesis: in 75% of the sectors studied, companies that increased their advertising effort in a period of recession achieved increased market shares.

The Rocha et al. study (2005) indicated that female consumers are more aware of the physical variables of clothing product attributes than male consumers for the UK and Brazil markets. UK and Chinese females attach more importance to identity variables than male consumers. The results did not show that there was a difference in Brazilian consumers' awareness by gender for identity product attributes.

The Rocha et al. study goes on to prove that male consumers in Brazilian and Chinese markets attach less importance to lifestyle variables than female consumers. The results did not show that there was a difference in UK consumers' awareness by gender for brand, fashion and exclusivity, amongst others, that relate to lifestyle product attributes. The reasons for this result, Rocha et al. (2005) state, probably could be explained by the established equality of gender in UK society. However, more Chinese than UK respondents expressed that brand is important for them to choose particular clothes to buy.

Their findings suggested that all British and Chinese respondents regard quality, style and price as their most important criteria for choosing clothes. In addition, brand is one of their considerations. In this study, respondents tend to know the brands through advertisements, peers, internet and shops. More Chinese respondents expressed that they had been influenced by advertisements and internet than British interviewees, whereas British respondents tended to know the brands through on-the-spot purchase in the shops. The findings suggested that most respondents tend to judge the clothes quality by looking at the materials, followed by style, colour, durability, price and performance.

In the study by Azevedo and Farhangmehr (2005), Levi's came up as the top of mind brand (31.1%) and led the ranking of brand awareness (9.6%), followed by Zara (7.4%). Sisley, Guess and Zara were designated as Excitement-Sophistication brands. Nike was classified as Excitement-Competence. In general, youth subjects preferred brands with excitement personality. Guess was the brand that obtained the highest buying intention, while Nike was the most preferred brand, attributed to its print ad that obtained the highest recall.

4. DISCUSSION OF RESULTS

4.1 Income distribution

The textile sector is considered a sensitive barometer of the economy that suffers in times of economic hardship and is quick to indicate economic recovery. The two studies presented in this paper investigate the buying habits of young Greeks, who have been hardest hit by the rise in unemployment, particularly women. In March 2012, more than half of young people in Greece were unemployed (Hadjimatheou 2012; Peacock 2012) The steep rise in those who ticked the «no income» box between 2007 and 2012 can be seen in Figure 1.
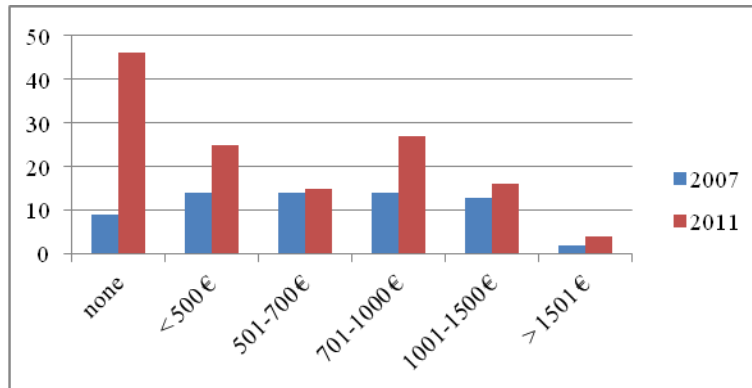

Figure 1: Respondents' income distribution

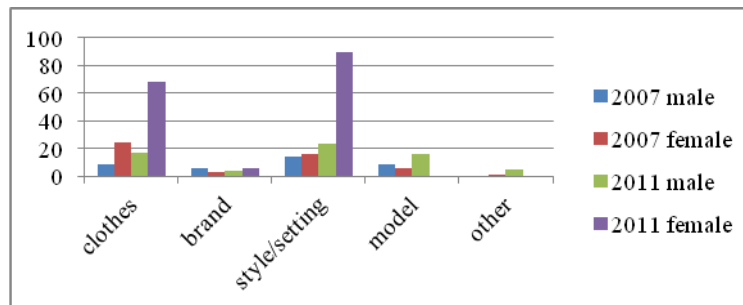### 4.2 The elements of clothing advertisements

Figure 2: Which element of a clothing ad attracts you the most?

In Figure 2 we can see the importance of transformational advertising (Rossiter and Percy 1987), which is the predominant form of advertising in fashion. Working with symbolisms and targeting the emotional sphere, it creates a particular atmosphere (the importance of the 'style/setting' parameter in Figure 2) within the advertisement that puts the brand in a very favourable light and induces buying.

4.3 Sources of information on fashion trends

Due to the financial crisis, Greek consumers are spending more time at home. This change can be considered to promote the use of online buying channels through which consumers can compare prices and gather information for their purchasing decisions. The rise of the Internet as a source of fashion trend information for both men and women can be witnessed in Figure 3. The seemingly steep rise in magazine readership for females does not reflect a rise in magazine sales, quite the contrary, but is attributable to the slightly younger (than the 2007) 2011 sample, who share magazines or read them for free at cafes; many also access these magazines' websites. For some, purchasing a fashion magazine once in a while might be seen as a little luxury within their reach. In the Wang (2010) study 68% of respondents (all female) believe they are acquainted with the latest fashion information, and the sources of this information are mostly "People around them", and also media like "Magazine & Newspaper" or "Internet".

4.4 Most important factors in clothes shopping

Like UK consumers (Hawkins, 2008), Greeks are seen to be purchasing very carefully as they focus on efficiency buying (Figure 4). Buying behaviour is seen to be shifting to products with comparatively good quality and low price. They are not compromising quality, which has actually risen from being an important factor for 29% of respondents in 2007 to 56.4% of respondents in 2011. This finding opposes what has been reported by Nistorescu and Puiu (2009) about consumers during

economic crisis basing their purchase on price and totally compromising quality. The results depicted in Figure 4 do, however, agree with the Zurawicki and Braidot (2005) findings regarding the Argentinean crisis.
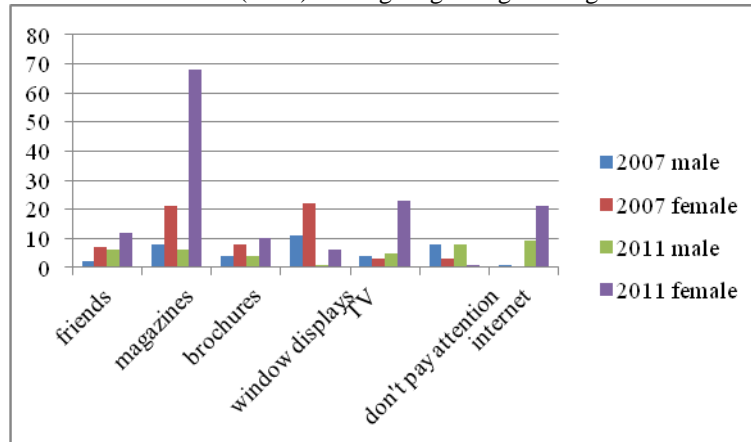

Figure 3: Which sources do you use to learn about new fashion trends?

4.5 Most important factors in clothes shopping
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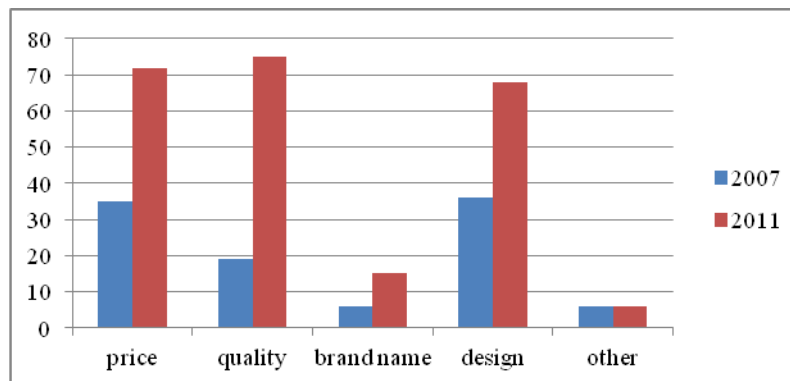

Figure 4: Which factors are most important when shopping for clothes?

Broken down by sex, these results take the form of the following table (for the second wave of research in 2011).

Table 1: Crosstabulation of «sex» vs. «which factors are most important when

shopping for clothes?» for 2011

			Which factors are most important when shopping for clothes?					Total
			price	quality	brand	design	other	
sex	male	Count	17	18	2	16	3	32
		% within 'sex'	53,1%	56,2%	6,2%	50,0%	9,4%	
		% within $factors	23,6%	24,0%	13,3%	23,5%	50,0%	
		% of Total	12,8%	13,5%	1,5%	12,0%	2,3%	24,1%
	female	Count	55	57	13	52	3	101
		% within 'sex'	54,5%	56,4%	12,9%	51,5%	3,0%	
		% within $factors	76,4%	76,0%	86,7%	76,5%	50,0%	
		% of Total	41,4%	42,9%	9,8%	39,1%	2,3%	75,9%
Total		Count	72	75	15	68	6	133
		% of Total	54,1%	56,4%	11,3%	51,1%	4,5%	100,0%

The results from Table 2 echo the Wang (2010) study of Swedish females, where the respondents were requested to sort the reasons of shopping fast fashion clothes. "Good looking" was the most important reason for the majority of respondents. "Good price" as well as "comfortable" ranked second.

4.6 Level of income and most expensive/cheapest item bought
The answers to the question «What factors are most important when shopping for clothes?» (Figure 4) are further corroborated by the data gathered regarding 'cheapest article of clothing bought'. In 2007, 79.3% of men and 94.3% of women state that the cheapest item of clothing they have bought cost between 1 and 5 Euro, while in 2011 these percentages, despite the crisis, fell to 50% for the men and 68% for the women.

Regarding the influence of the 'level of income' variable, we have witnessed a medium positive correlation between income and most expensive item bought (Pearson's R=.315) and a slightly smaller correlation between income and cheapest item bought (Pearson's R=.269). Though some consumers have no choice but to be thrifty, increasingly many affluent consumers are economizing as well. Research undertaken by Flatters and Willmott (2009) among affluent consumers has revealed mounting dissatisfaction with excessive consumption. The recession has made discretionary spending acceptable – even fashionable. This trend should regain momentum over the long term as consumers continue to find personal and practical satisfaction in it.

4.7 Age and most expensive/cheapest item bought
Age had a small positive correlation to most expensive item bought (Pearson's R=.224) and an almost negligible correlation to cheapest item bought (Pearson's R=.112). Level of education produced a small positive correlation with most expensive item (R=.273) and an insignificant positive correlation (R=.034) with cheapest item bought.

4.8 Brand perceptions
Although experts agree that the financial crisis has aimed a "death ray" at the ethos of conspicuous consumption (Nunes 2010), consumers still value premium brands very highly. In the 2011 research on young Greek consumers presented in this paper, the majority of both men (65.6%) and women (72.3%) link the term «athletic» to the Nike brand. In 2007, results for men were: 92.9% Puma, 89.3% Nike and 89.3% Adidas; and for women: 94.1% Adidas, 91.2% Puma and 88.2% Nike.

Regarding the term «sexy», the majority of consumers in 2011 voted the following brands: 30% of the men went for Diesel, while 44.6% of the women Miss Sixty and another 41.6% Dolce and Gabbana. In 2007, 63% of the men chose Miss Sixty and 64.5% of the women chose a Greek young fashion brand, BSB.

As for the term «chic», in 2011 both men (36.7%) and women (61%) agree on Prada, while in 2007 men (55.6%) «voted» for Timberland and women (55%) for DKNY.

These findings agree with those by Azevedo and Farhangmehr (2005), where Nike was classified as an Excitement-Competence brand. In general, they say, youth subjects preferred brands with an excitement personality. In the same study, Nike was also the most preferred brand, attributed to its print ad that obtained the highest recall.

4.9 Shopping frequencies
In 2007, the majority of women shopped 6 times per year and the majority of men 4 times per year. Shopping sprees dramatically dropped during the financial crisis (in 2011) to 1-2 times per year for the majority of men and 3-5 times per year for the majority of women.

In the research by Wang (2010), for Swedish women aged from 20 to 26, the shopping frequencies varied from twice a week to twice a month; for the 31 to 39 group, the fast fashion shopping frequency fell to once or twice a month.

5. CONCLUSIONS
It may be said that the financial crisis in Greece has forced consumers to question their beliefs and attitudes towards purchasing. It may however not be all doom and gloom. With so many fundamentals changing, it sounds logical that the result, far from being some temporary behaviour, is a rationalisation of the purchasing act, with long-term consequences. Consumers are not simply going for cheap, but rebalancing the purchase equation. In this sense, all marketing formulas are affected, from mass market to luxury, through fast fashion, and each and every marketing positioning is valid as long, as the offer is clear.

Premium brands are favoured by consumers even during the crisis, particularly high need-for-status consumers, who are also wealthy, therefore are still concerned with status signalling (Nunes 2012). Overall, it seems that quality remains a key factor in purchase decisions because Greek consumers are seeking to maximise total value; also, when finances are tight, fewer, high quality items will not only last longer, but help preserve consumers' image and convey an aura of elegance amidst the hardship. It might also be that Greek consumers have not hit the bottom of the recession; when their savings accounts have completely diminished, their purchasing power will follow suit.

The economic crisis may be an opportunity that favours the brave, those who offer brands tailored to the consumer's ever-changing needs, those who engage consumers effectively, those who continuously improve their 'real' and virtual store environments and those who step up their media advertising, as this displays a specific correlation with organisational efficiency, and therefore with economic growth (Nayaradou 2006). Consistent with this viewpoint is a study by Biel and King (1985) that concluded businesses that cut advertising during a downturn tend to be long-term losers.

The answer may not always be better prices, but better value for money and the right promotion and incentives. Individual brand advertising may directly target the uncertainty feelings that account for consumption postponement.

6. LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH
This study offers some insight into consumer behaviour regarding fashion in Greece during the economic downturn and thus provides fashion companies with information on how to adapt their brands and marketing practices during this volatile period. Repeating this study in the near future, perhaps with a broader sample within Greece or even the European Union, to document further shifts in brand perceptions and spending habits, as the financial crisis deepens, will certainly be worthwhile.

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