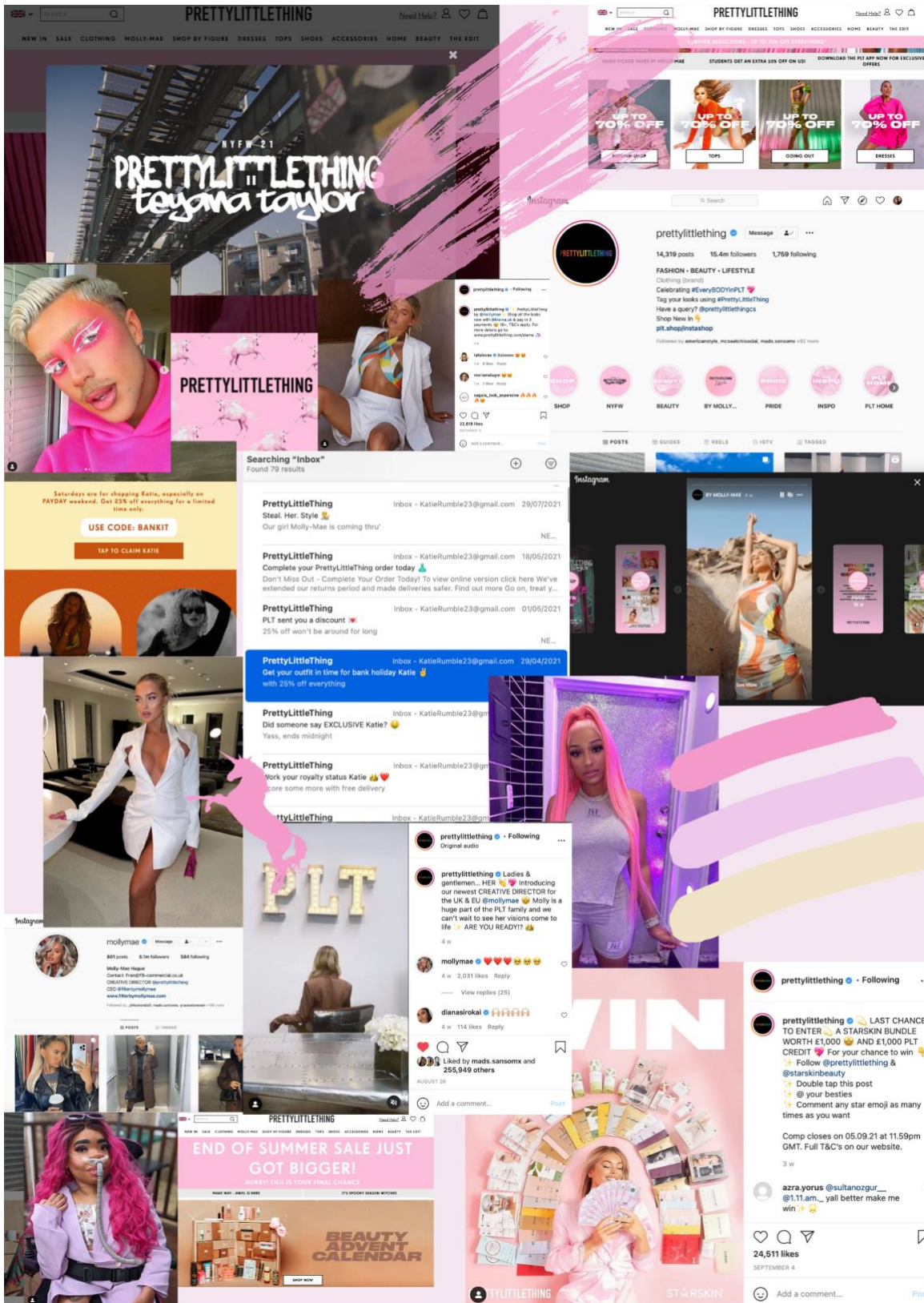


## Assessment Title:

Have Pretty Little Thing begun to lose brand equity through lack of crisis management?



Fast fashion, defined as ‘low-cost clothing collections that mimic current luxury fashion trends’ (Joy, et al., 2015) is a phenomenon that has been credited with important ‘ecological impacts’ (Anguelov, 2015). Pretty Little Thing alone took £516.3 million in revenue in 2020 with 6.3 million active customers (Fashion, n.d.) and are a brand built on the effective use of social media to engage its audience. This success has recently been challenged by the brand’s involvement in controversy in its promotional activities and by a failure to effectively manage the responses of these controversies. This essay will discuss: the brand’s use of social media to build its connection to its audience, an explanation of the importance of audience relationships for brand equity, a case study of Pretty Little Thing’s Black Friday controversy, a case study of the appointment of Molly-Mae Hague and a conclusion. This essay will argue that Pretty Little Thing have reduced their brand equity through failures in management of controversial promotional activities, which have damaged their relationship with their customers.

Pretty Little Thing launched in March 2012 (PrettyLittleThing, 2022) and have made waves throughout social and retail industries, describing themselves as ‘the brand taking over your social media feeds’ they are a company which pride themselves on offering ‘accessible catwalk styles’ (PrettyLittleThing, 2022). They are accessible and attractive to their audience ‘aged between 16-42’ (Wikipedia, 2022) whilst being a distinctive company by using their social media to build deep connections. This is highlighted by how quickly they identify trends, which ‘run their course with lightning speed’ (Joy, et al., 2015), and produce clothing to suit. Collaborating with some of the most popular influencers and providing them with the latest clothing, the company feeds into a consumer culture created through the social media marketing strategies they use. With ‘social media marketing activities influencing brand equity creation and consumer behaviour towards a brand’ their strategies have been working to deepen this connection with their audience. As Godey (2016) notes ‘there are links between social media marketing efforts and their consequences - brand preference, price premium, and loyalty’. Pretty Little Thing has built itself on these links. Customers continue to buy from them as they feel represented and made to feel part of the trends via social media by communicating with language that suggests intimacy and authentic connections with their audience like ‘sweet like candy...our girl @lydsbutler givin’ is nothing but Y2K vibes’ (PrettyLittleThing, 6 April 2022).

Aaker, (2010) describes brand equity as ‘a set of assets (and liabilities) linked to a brand’s name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm and/or that firm’s customers.’ As such it is an important asset to encourage brand’s success. Consumer loyalty and

well-managed community relations build brand equity, for Pretty Little Thing this is essential in keeping a close relationship with their audience. The ‘growth of social media’ (Correa, et al., 2010) and its ability to amplify potentially damaging messages in rapidly distributed conversations has made building brand equity through the managing of customer relations more important than ever. Brand equity allows them to stand out amongst their competition. All fast fashion companies sell clothes, ‘products that can be copied by a competitor’ but ‘a brand is unique’ (Aaker, 1991) and Pretty Little Thing’s brand equity, built through their online relationship with customers, sets them apart from others.

Social media forced brands into a ‘new era where companies must seek new interactive ways of reaching and engaging their customers’ (Gallaughier & Ransbotham, 2010) (Kozinets, et al., 2010), and Pretty Little Thing do this by using very dramatic price cuts to generate high levels of interest and discussion online. For example, in the past few years the company uses Black Friday sales as a promotional tool which uses high-profile discounts to create attention for the brand. In 2020 Pretty Little Thing received a lot of criticism for their 99% off sale, which saw dresses selling for as low as 8p (Guardian, 2020). Despite these criticisms in 2021 they set the record by giving away certain items completely free in their up to ‘100% off’ sale (Lindsey, 2021). Despite the backlash online from the sales the company never officially responded, instead only replying to certain comments on their social media stating that everything they do is ethical. In doing this they began to damage their brand equity, and ever since their reputation has slid even further.

Along with these Black Friday scandals, the company came under fire for employing influencer Molly-Mae Hague as their Creative Director in August 2021 (PrettyLittleThing, 2022). Customers were offended by Hague’s salary in which she is estimated to earn ‘13 times more than the average UK salary a year per month’ (Mirror, 2022), despite the fact that Pretty Little Thing’s parent company Boohoo were investigated for slavery by the The Times only a year earlier where they were found to be paying their garment workers in Leicester, UK, less than £3.50 per hour. (Wheeler, et al., 2020) The company and Hague never spoke directly about the incident, instead applauding customers that supported the decision.

Since then, in February 2022, Pretty Little Thing announced Hague would be taking control of their first ever catwalk at London Fashion Week. This was streamed via YouTube and a 3-part documentary series named 'PLT By Molly Mae: The Documentary' (YouTube, 2022) was released soon after. Despite performing better than most of their other YouTube content the brand was yet again criticized for its 'obvious' positive PR around Hague. 'Some viewers claimed it was an attempt to stage her "hard work"' after the star was criticized and slammed as tone deaf, creating an online row for saying 'everyone has the same 24hrs in their day' (Salisbury, 2022). Pretty Little Thing lost followers following the row, with some fans planning to boycott the brand. To add to injury, at the fashion show 'slow' fashion advocates protested outside of the venue. (Salisbury, 2022) This show, and the controversy surround the company's decision to elect Molly-Mae Hague has damaged their brand equity massively.

Pretty Little Thing's response to these events was to ignore criticism - instead focusing on continuing the same practices, if anything continuing to be even more controversial at every step. Although this attracts criticism it only begs the question as to why they can behave as though they are immune. Despite some fans boycotting the company, Pretty Little Thing act as if it hasn't affected things at all, yet it has. Their reputation was damaged. But they continue to use their social media to connect with customers, whilst ignoring the criticism directed at them over all these same platforms. They know their audience, and the nonchalant attitude given to very serious issues points to them not worrying that their audience will boycott their products. It is possible that the company are aware that those throwing the criticisms aren't their target audience, instead people like Laura Young - an 'ethical influencer , sustainability educator and environmental scientist' (Young, 2022) - who urged people not to shop the Black Friday sales (Pagan, 2021). Pretty Little Thing accepts the alienation of certain audiences like more 'ethical' influencers and their followers because they know they can rely on their own, young woman looking to stay relevant at a low price. However, their reputation among a whole society has declined due to their lack of management of these crises. However, Pretty Little Thing are not the first or last to not have planned crisis management strategies. Although it is difficult to pre-empt the reaction of 17.8 million followers the

company's silence strategy caused more outrage. As discussed in 'Managing Brand Equity' (Farquhar, 1990) there are three main steps to managing equity: 'introduction, elaboration, and fortification'. Despite being successful at creating this equity, instead of using their social media influence in activities to admit responsibility, or prove change, they failed to take crisis management steps: 'anticipation, planning, preparation, and training.' (Regeister, 1989) The failures in the management of these controversial promotional activities lead to damaging brand equity and their relationship with their audience. Pretty Little Thing will never successfully keep their brand equity for long term success without good management in future.

Due to lack of crisis management, Pretty Little Thing have damaged their brand equity in the form of reputation and customer relationship. Dropping from 31% popularity to 25% in less than two years (YouGov, 2022) the brand's lack of management of controversial promotional activities have left them with a lot of hard work to continue their place as one of the most popular online fashion retailers. From arguments over ethics to scandals over who they employ, the company's silence strategy has damaged the respect their customers once held. Boycotts and online hate have a damaging impact on the whole company and from this they and those like them must learn the importance of crisis management strategies to prevent the vast amounts of backlash available due to social media.

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