

The promotions on social media and an online fashion startup performance

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Introduction and literature reviews: Social media use is growing yearly, and over half of the world used it daily in 2022 (Chaffey, 2023). Through social media, fashion brands can efficiently market their products to a large audience of potential customers (Lynch & Barnes, 2020). In addition, marketing on social media is especially effective with young generations; 97% of Gen Z look on social media for inspiration on what to purchase (Kastenholz, 2022).

Despite of growing popularity of social media for marketing, social media research has been limited in scope: 1) empirical research on the effect of marketing activities on social media with firms' actual transaction data is scarce, and 2) instead, most research and market reports focus on the effect on social media on general shopping behavior in a segmented market or consumer group (e.g., Casey, 2017; Kong et al., 2021; Shaw, 2022), providing limited implications to a specific case. For example, Shaw (2022) found that Twitter influenced one in four Twitter users on their new car purchases. However, no details on what information (e.g., price information) would influence segmented consumers.

Entrepreneurs quickly launch online startups using affordable and trustworthy e-commerce software providers (e.g., Shopify) (Morris, 2023). Then, they can mainly use social media to reach their target consumers and run profitable businesses (Morris, 2023). However, highly comparative online market circumstances require these startups to effort to promote and communicate with their customers to thrive and effectively address the limitation of the existing research and the need for research on online startups' promotion and performance; this study aims to investigate the direct effects that promoting products on social media has on engagements and sales. We used the transaction data of an online fashion startup and analyzed the effects of promotions by the platform on the firm's sales. No existing research focused on online fashion startups and the effects of trending social media content on performance. Hence, the findings of this research will provide valuable and insightful information to current research and the industry.

Methods: The data from an online fashion startup business include transaction information on items carried for six months from September 1st, 2021, to March 31st, 2022. The business launched in August 2020 and currently carries women's crewneck sweatshirts, shirts, and tote bags. The data includes 6,074 transactions and different promotions (i.e., posting product information or price promotion information) offered on TikTok and Instagram, which are some of the most popular social media platforms for Gen Z in 2022 (U.S. Gen Z, 2022). Descriptive data analysis was conducted on transactions of each item by date, and the outcomes were analyzed with qualitative data such as promotion types and inventory.

Results: We selected four items from top-selling items to compare the effect of different types of promotions and platforms. The details of the selected items are presented in Table 1.

Table 1 Description of selected items and promotion information

ID	Description	# of transactions (% of the total)	Posts on TikTok		Posts on Instagram	
			Date	# of likes	Date	# of likes
S1	Halloween sweatshirts (No price promotion)	1,481 (24.4%)	8/30/2021 9/20/21 10/9/21	365.2 K 130.6 K 113.7 K	10/8/21	9,042
S2	Price promotions	505 (8.3%)	1/30/2022	3,267	1/31/2022	2,155
S3	(25% on 2/1)	467 (7.7%)	1/24/2022	26.1K	1/27/2022	3,344
S4	Steady-sales items (no price promotion)	473 (7.8%)	11/13/21 2/22/2022	87.6K 6442	None	None

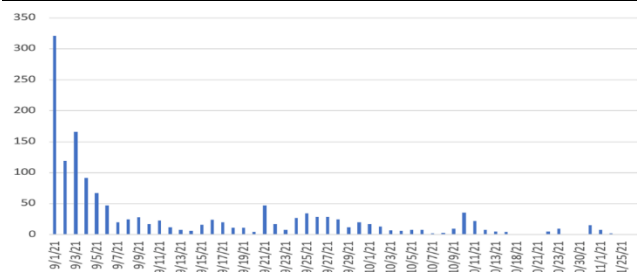


Figure 1. Sales of S1 by date



Figure 2. Sales of S2 and S3 by date

The description indicates that the video promotion of the Halloween sweatshirt on TikTok was enormously successful, going viral, and accounted for the most significant portion of the sales. (24.4%). More specifically, the promotion on August 30 led to a significant spike at the start of September. It suggests that online fashion startups targeting young females may need to prepare well for special events (e.g., Halloween)

about two months in advance. However, the video received views throughout that week, which can be seen through sales slowly decreasing from the initial spike.

The two items, S2 and S3, were part of a limited-time price promotion posted twice on each platform. These posts helped gain attention for the entire promotion being offered. However, after the 24-

hour promotion, there was also minimal inventory available which can be seen in the low number of sales for the remainder of the graph since the inventory was not immediately restocked.

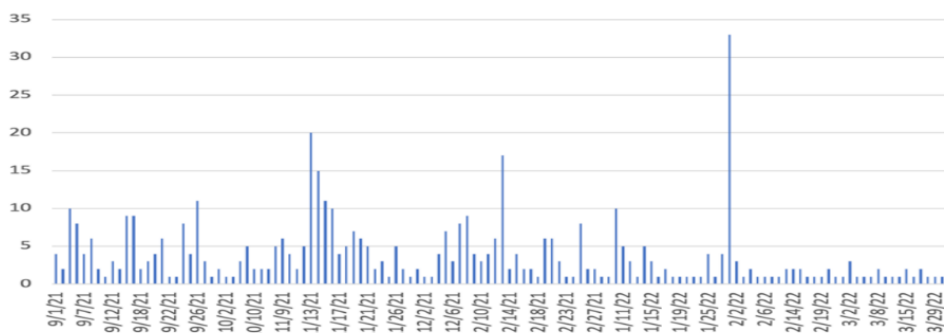


Figure 3. Sales of S4 by date

S4 was available with good inventory during the six months. Since inventory was always available, this item was purchased during the recorded time. No price promotions were offered for this product. TikTok was posted on both 11/31/2021 and 2/22/2022, promoting this product. The graph shows no significant increases in sales following these posts. The most significant spike in sales can be seen on 2/1. Although this product was not included in the sale offered on that day, this can be because increased site traffic during that period increased sitewide sales.

Conclusion and implications: The research confirmed the strong influence of special occasion-related promotion on TikTok on item sales. In general, promotions on TikTok, compared to ones on Instagram, receive much more attention from young female consumers. In addition, price promotions spike site-wide sales, including items not on sale. Therefore, future studies may need to investigate the impact of promotions by platforms on sales with advanced statistical skills, combined with other product-related elements such as price and seasonality, which would provide more accurate information on the relationships and prediction for future marketing practices.

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