

CUREMEDIA[®]

CASE STUDY

KAPPAHL



In this case study, you will learn

- How Kappahl approached and adapted to the digital shift from physical store to e-commerce
- The strategy for effectively reaching their audience with influencer marketing.
- Exclusive insights from Elisabeth Peregi, CEO at Kappahl, and Anna Tichy, Social media & Influencer Specialist.



About Cure Media

Not just a platform and more than a roster, Cure Media is the hybrid solution for your influencer marketing needs. We believe in measurable results and intelligent intuition - a combination that has led to our partnership with some of fashion's biggest brands. With over seven years in the industry, our AI-powered tool and our team's expertise are now employed by some of the world's most effective marketers to optimise and scale their influencer activations.

In collaborating with Cure Media, fashion brands can trust that their investment is secure, their risk reduced, and their results cost-efficient, paving the way for replicable success in the crowded influencer marketing landscape



SAM FOROOZESH
CEO & co-founder, Cure Media

About Kappahl

Kappahl is one of Scandinavia's largest fashion retailers. Founded in 1953, Kappahl now has 4,000 colleagues spread across 400 workplaces in 10 countries.

Today, Kappahl is undergoing a multi-year digital transformation. They have shifted focus from retail to e-commerce and soon will take on social commerce. During the pandemic, Kappahl was one of the few companies that managed to maintain roughly the same profitability, even with decreased sales, and the future looks bright.



ELISABETH PEREGI
CEO, Kappahl

Background

Today, social media influencers are the number one source for millennial women to find new brands and products. This makes influencer marketing a very important channel for fashion brands (and any growing brand whose target audience is millennial women). And yet, many brands still struggle to adopt a digital-first mindset. The aim of this case is to provide inspiration from a heritage retail brand leading the way within the digital transformation - Kappahl.

Kappahl's digital transformation has taken them from retail to e-commerce, and eventually, social commerce. Here's what Elisabeth Peregí, CEO at Kappahl, says about the brand's journey so far:



“It has been an ongoing transformation for a couple of years now that began before the pandemic. It’s a lot about making Kappahl ready for the future.”

We are a company that has been around for quite some time and we want to make sure that we can also be strong in the future, be relevant for our customers, and grow outside the Nordics into new countries, new markets, new channels, and strong brands. So we decided to rework the Kappahl brand and our strategy.”

Kappahl isn't the company's only brand; they offer six different sub-brands targeting a variety of audiences; Kappahl Women, XLNT, kay/day, Minorities, Kappahl Kids, and Newbie.

Kappahl Women, XLNT and kay/day are mainly targeting the millennial woman, with Kappahl women aiming a few years older as well. Kappahl Kids, Newbie and Minorities are targeting the slightly more niched audience of millennial parents.

The goal for the influencer marketing activities where Kappahl partnered up with Cure Media has been unique to each brand and is spread across the UK, Sweden, Norway, Finland and Poland.



Digital transformation & target group behaviour

Consumer behaviour is changing, and people are spending more time than ever online and on social media. This change in behaviour has led consumers to make more purchases inspired by social media and influencers in one way or another.

As a result of the pandemic, the digital shift within retail from physical stores to e-commerce has accelerated. In most industries, online sales have skyrocketed as people spend most of their time at home. We asked Kappahl CEO, Elisabeth Pergi, about the major changes taking place in the retail landscape, and how Kappahl is adjusting to them.

“I think these changes have been around for a while now, both when it comes to how often we shop for fashion as well as the share of the customers’ wallets. How much money do consumers spend, how do they shop and when do they like to shop?”

During 2020 and the pandemic, many of our customers went from shopping in physical stores to online. For many of them, this was their first time shopping online. Before, a very big share of our total sales came from the stores and very little from the online store, but that has of course changed during the pandemic. Their behaviour is also moving towards more conscious shopping and customers are more selective of whom they buy from, what the brand stands for, and sustainability. There’s a big shift in consumer behaviour which is very positive and very needed.”

In order to adapt to the changed consumer behaviour and stay relevant to their target audience, Kappahl CEO, Elisabeth Pergi, adds:

“It’s all about the ongoing dialogue, being open and flexible. To really challenge ourselves in this process to be able to meet the customer on their own terms, not our terms.”



Why Kappahl turned to influencer marketing

To keep up with their own customers' shifting behaviour, Kappahl knew they needed to adapt and looked into questions involving how, when and where their target audience likes to shop.

The fact is, shoppers today spend far more time on social media than they do watching TV or reading magazines like they would have done 20 or even 10 years ago. And as young generations have grown up (even older members of Gen Z are now in their mid-twenties) and increased their purchasing power, they have begun to dictate what the businesses of tomorrow will look like. In order to stay relevant and competitive, brands need to adapt to these audiences.

The concept of digital transformations has been around so long it has turned into a buzzword, so brands often make the mistake of assuming it's done. But it's not enough to have an online store anymore, or to tweet now and again. It's scale that really matters at this juncture. For a couple of years now, Kappahl has undergone a transformation journey that's been about getting the brand ready for the future. Kappahl CEO, Elisabeth Peregi, explains this:



“We are a company that has been around for quite some time and we want to make sure that we can also be strong in the future, be relevant for our customers, and grow outside the Nordics into new countries, new markets, new channels, and strong brands. So we decided to rework the Kappahl brand and our strategy.”

The influencer marketing strategy

Kappahl offers six different fashion brands in which influencer marketing plays an important role: Kappahl Woman, kay/day, XLNT together with Kappahl Kids, Minorities and Newbie. With a datadriven and always-on approach through micro-influencers, Kappahl has managed to reach their target audience where they spend time and via people they trust. This strategic approach ensures the different brands stay top of mind.

The influencer activations are rolling out on several different social platforms, including Instagram Feed, Instagram Stories and TikTok.

For Kappahl, it's important that their brands are differentiated from one another. Many of them have different target groups and personal expressions. The long-term goal is that each differentiated brand will eventually be able to stand on its own. This is why one of the main objectives for Kappahl in 2023 is to invest more into their sub-brands, e.g. kay/day, XLNT, Minorities, and Newbie.





“We have decided to give our sub-brands some extra possibilities to grow on their own internationally outside of the Kappahl destination. Today, Kappahl is the mother brand and then we have Newbie, Minorities (launched early 2021) XLNT for larger sizes, and kay/day (loungewear). Also, we have worked a lot on finding the soul of Kappahl and reworked the higher purpose, the customer promise and the whole strategy for the Kappahl brand.”

CEO at Kappahl, Elisabeth Peregi.

In the following chapter, we'll take a closer look at the influencer marketing strategy

- KPI's & goals
- Always-On
- Micro influencers
- Optimisation
- Scaling the strategy

KPI's & goals

The primary objective of Kappahl's focus on influencer marketing is to increase brand awareness for their brands across the UK, Sweden, Norway, Finland and Poland.

Other important goals are to gain high-quality influencer generated content, capture maximum reach, and drive relevant e-commerce traffic.

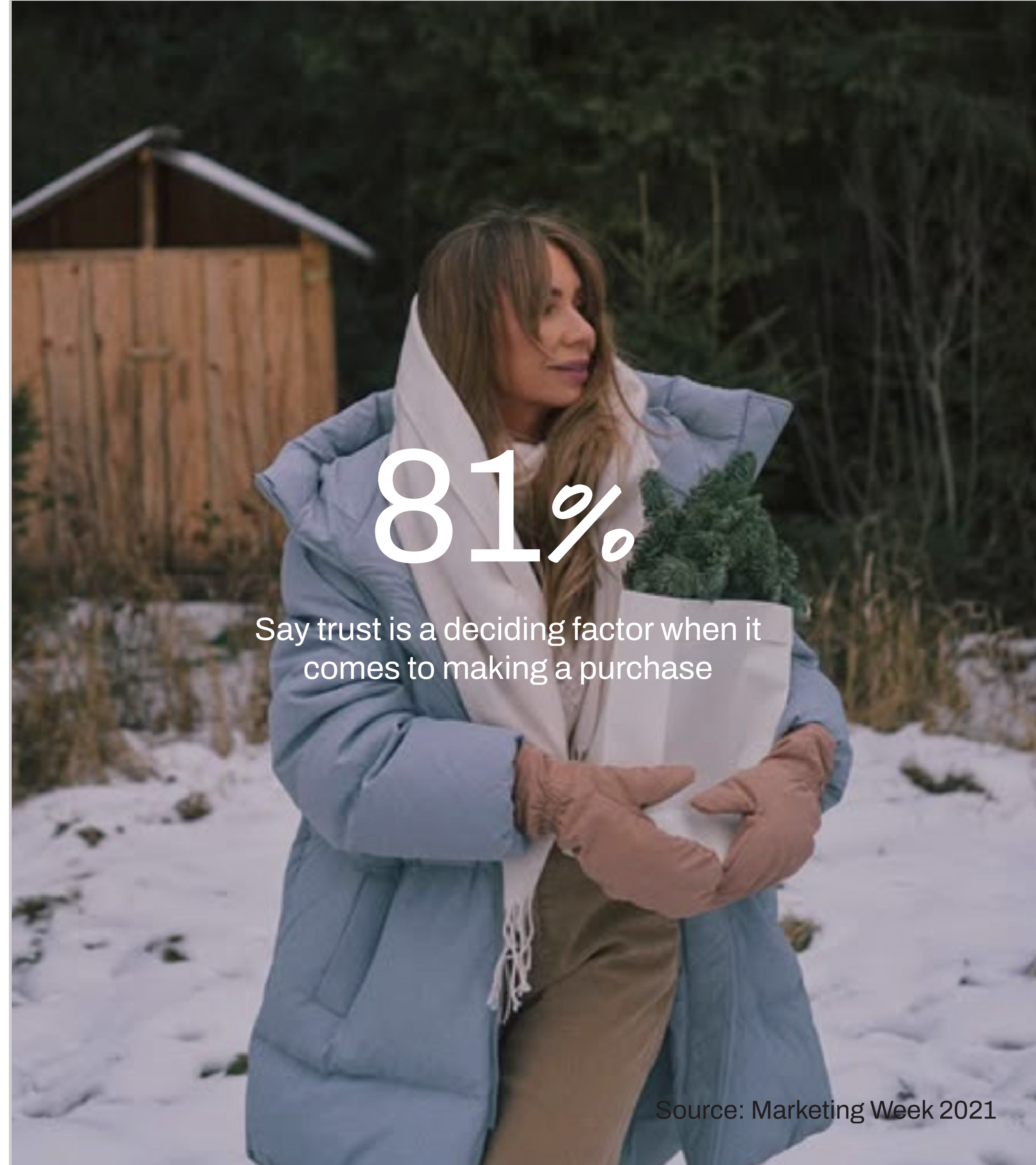


What strengths do you see in influencer marketing as a channel?



“The three most important strengths are relevant reach, inspiring content, and authentic marketing. In addition to the beautiful content influencer marketing generates, it is also an inspiration for our own content creation. This is extra valuable when we are trying new channels, such as TikTok, where the content is completely different from what we are used to producing. Influencer marketing is a trustworthy and inspirational way to market our products. Consumers nowadays trust personal recommendations over brands.”

- Anna Tichy, Social media and Influencer specialist at Kappahl.



81%

Say trust is a deciding factor when it comes to making a purchase

Always-On

The core of Kappahl's influencer marketing strategy involves working always-on, meaning they lean into the long term, sticking with their audience through high and low seasons to provide value year-round.

While the traditional approach to influencer marketing caters to fleeting engagement and transient brand recognition, the always-on approach turns Kappahl into a permanent fixture in their target audience's social feeds and lives. This strategy has delivered clear results for the company.

We asked Anna Tichy, Social Media and Influencer Specialist at Kappahl, what role influencer marketing plays in the marketing mix for Kappahl:

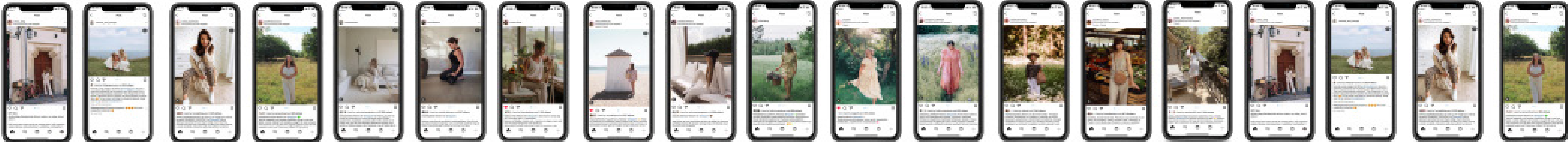


“Influencer marketing is becoming increasingly important and plays a key role in Kappahl's marketing mix, where brands such as Newbies, Minorities, Kay/Day and XLNT are included. We use the channel for every step of the consumer journey but are focused on the mid to low funnel”.

On top of their always-on strategy aimed at staying top-of-mind, Kappahl has a content strategy aimed at generating high quality influencer content. This strategy ensures that Kappahl has content that their audiences want to see and trust, and also allows Kappahl to repurpose it in their email marketing, paid advertising, and to redistribute on their own social feeds.

Always-On strategy + content strategy

As a complement to the always-on strategy, ensuring a consistent presence in Kappahl's audiences feeds and lives lays the content strategy focusing on generating high-quality content towards different objectives.



OPTIMISATION

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EXTRA INSIGHTS

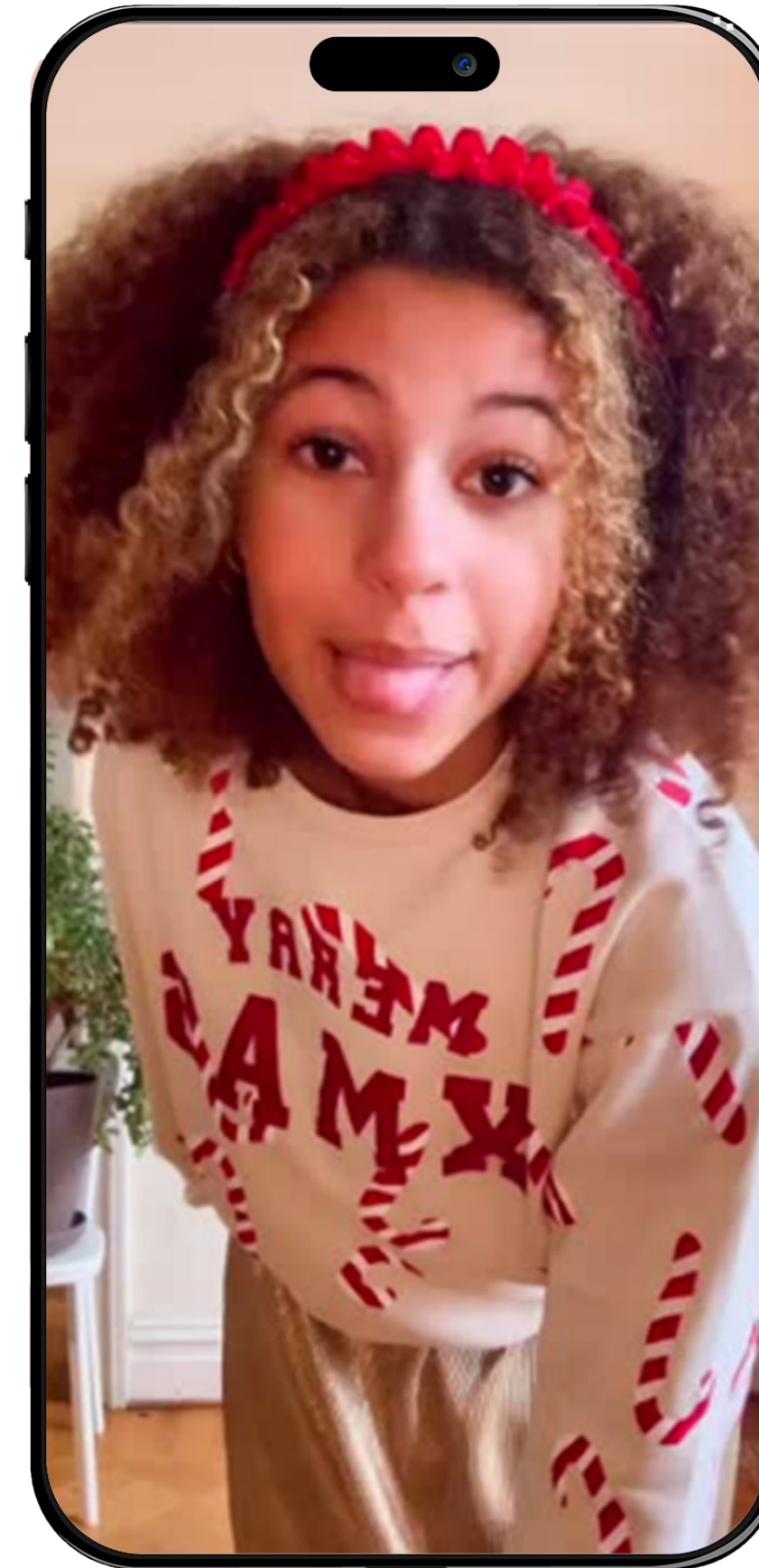
Reaching new audiences on TikTok

TikTok is one of the newer social media platforms around that Kappahl together with Cure Media introduced as a part of their influencer marketing content strategy and added as a complement to the content activations running on Instagram.

With the goal of reaching a new and younger audience as well as generating high-quality entertaining video content, Kappahl teamed up with TikTok influencers to raise awareness around their Kappahl Big Kids brand.



“It is about time for brands that haven’t already joined TikTok to do so, both with influencer marketing and a company account.”
- Anna Tichy, Social Media and Influencer Specialist at Kappahl.



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Micro-influencers

Bigger isn't always better. With smaller audiences, micro-influencers can be much more actively engaged with their followers (which is probably why 61% of consumers are more likely to follow them than their macro and mega counterparts). In turn, social media users tend to invest more of their trust and time into the micro-influencers they follow, which will pay dividends for your brand.

With this in mind, around 250 publications are released every month by selected influencers for Kappahl with the help of Cure Media. The KPIs for the different periods vary, which also applies to the objective and brand for the period in question.



Optimisation

Kappahl's influencer marketing strategy is continuously optimised by the team at Cure Media. For us, the visuals are the foundations of a great campaign, but without an intelligent approach to optimisation, clear KPIs and a defined end goal, you might as well be running blind.

First, the influencer selection strategy is optimised on a monthly basis, making sure each and every influencer reaches their individual goals. We look at data points such as engagement level, reach and traffic, but also more soft values, e.g. content quality and that the content aligns with Kappahl's brand identity. The goal is to reactivate as many influencers as possible for the upcoming activations, which in turn will be beneficial to build continuity and trust among the influencers' followers and Kappahl's audience

The influencer selection process will differ depending on the result and brand, but in general, 70% of the influencers are reactivated and 30% are replaced with new influencers. The replacements are found with the help of our in-house expertise and Cure Media's platform's AI algorithms.

RISKING MORE BY DOING LESS

Why Kappahl scales their influencer marketing

TikTok is one of the newer social media platforms around that Kappahl together with Cure Media introduced as a part of their influencer marketing content strategy and added as a complement to the content activations running on Instagram.

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- Anna Tichy, Social Media and Influencer Specialist at Kappahl.



The future

It's important to remember that Millennials and Gen Z make up two-thirds of the global population - that's a huge and powerful portion of consumers. Even if they're not your target customer right now, they almost certainly will be in 5 to 10 years. Consider at what point are you planning on entering their consciousness? If you're banking on opening the conversation once they become relevant to you, then you might already be irrelevant to them. Evolution is essential in a market this competitive. A good place to start is with your marketing channels.

Where you spend your budget and where you engage your audience are the foundations of your marketing strategy, and they go a long way in determining your brand's chances of success or failure.

Let's hear what Kappahls' CEO, Elisabeth Peregi, has to say about what's critical for retail brands with physical and online stores to stay competitive in an increasingly crowded marketplace in 2022?



“It's very much about understanding and being curious about the customer group and having an ongoing dialogue. Always be interested, ask questions, and adjust to new shopping needs and behaviours. This shift is happening gradually so it's important to do that always, and to make small changes even though it takes a lot of energy.”



“To be able to offer what’s relevant for the customer, not only when it comes to the assortment itself but to their shopping behaviours, making it easy for the customers to buy, return, or change the items that they buy. Try to find what’s relevant and what’s driving customer satisfaction to create convenient and inspiring shopping experiences as well as make it easy for them to make conscious decisions.

During the pandemic, we noticed that our customers want to interact with us and that we can help them both in-store and online. We really pushed the development forward in terms of how to communicate, interact and help them. To always question things like that is crucial to offer something genuine and relevant.”



Final word

It's safe to say that Kappahl is on a great path in their digital transformation. They are steadily adapting to their target group and communicating with them on their terms on platforms where they spend time and find inspiration.

But the main question remains, is your brand living up to its full potential?



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