

## **Riachuelo's New Brand Positioning: a New Premium Perception from Consumers' Point of View**

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### **Abstract**

*Fast Fashion is a term used to define a strategy used by big department store, which have fast and continuous production, always seeking to bring new trends to the target market. The objective of this study is to analyze the brand positioning change that happened to Riachuelo, a fast fashion clothing store, considering different aspects, such as target market, changes in consumer behavior in this segment and in the Brazilian market as a whole. To understand consumption in this industry and the reason and objectives that led to this brand positioning change, a quantitative research was carried out with the brand consumers after a qualitative research was done with managers and employees of the company. The results indicated that there was not a change in target market nor was there a change in consumers' shopping behavior or demands. It was possible to conclude, based on the data collected, that the company wanted to increase its target market without losing some characteristics, such as affordable prices and the image of a modern and popular brand. Given the situation explained above, it was possible to observe that Riachuelo works with different strategies to increase consumers' perception of their products, so they modified their positioning to reach new markets, offering clothing according to fast fashion concept.*

**Keywords:** fast fashion; Riachuelo; positioning

### **1. Introduction**

Fast Fashion is a term used to define a strategy used by big department store, which have fast and continuous production, always seeking to bring new trends to the target market. The objective is to offer clothes according to the newest fashion trends for an affordable price. The need to adopt this model emerged due to the increase of consumers demand, as well as their wish for innovation and exclusivity. The subject company of this study is Riachuelo, a Brazilian company which went through a change in their positioning as a brand. Considering this reality, the project sought to find out if the company redefined their target market or if they just followed their costumers' new demands. In order to do so, Riachuelo was compared to Zara, a Spanish clothing company globally considered the forerunner of fast fashion.

Zara seeks to offer affordable clothing pieces with a designer touch in the exact moment consumers ask for and with a big variety and high rotation. The present study aims to analyze the development of the retail format of department stores. Considering the Brazilian consumption scenario and the entrance, more constant and meaningful as time goes by, of fast fashion companies in the market, the objective was to understand the strategies being used by clothing stores Zara and Riachuelo and to compare the two different retail evolution models.

## **2.Literature Review**

### **2.1 Strategy**

According to Philip Kotler, marketing is responsible for identifying and satisfying human and social needs and transforming these needs in a lucrative business opportunity. Therefore, marketing administration can be considered as the art and science of selecting target markets and of capturing, keeping and loyalizing consumers through creating, delivering and communicating a superior value to the client. Therefore, it's possible to consider that the main aspects that impact the process of marketing administration are the creative and perceptive strategies and plans capable of directing marketing activities. A strategy can be interpreted as a set of rules for decision making, which direct entrepreneurial objectives and also a clear definition of the field of action (ANSOFF, 1977). To define strategic objectives, a company must identify its mission and clients. A well formulated mission declaration offers to employees a shared feeling of direction, purpose and opportunity, aside from revealing the existence of the need for a certain product (KOTLER, 2012). Furthermore, it is necessary to determine the company's vision – a mental picture of where the organization wants to be in the future, what products are going to be offered and what markets are going to be the target (GORCHELS, 2011). Thereby, organization strategic plans must be consistent with the company's mission and vision and should help it, not only satisfy consumers' needs, but grow as an example of organization. In order to do that, companies need to define their main competencies, which should represent a competitive advantage, being applicable to a big variety of markets and also hard to be copied by competitors. To establish marketing strategies, a company needs to clearly define its marketing mix.

### **2.2 Competitive Analyzes**

Every marketing strategy must be developed based on an analysis of how the macro environment influences fashion business so that it is able to help the company obtain competitive advantages that the biggest competitors don't have yet (SERRENTINO, 2003). Currently, organizations worry about developing the brand's identity based on elements considered relevant by potential consumers, whose perception of these elements creates the brand image. In order to do that, it is necessary to make a planning consisted of a macro and micro environment analysis, done through research and marketing activities which allow managers to make the best decisions (KELLER, 2012), resulting in the most congruence between image and identity possible (AAKER, 2014). One way to monitor macro and micro environment is the SWOT analysis – a global valuation of strengths, weaknesses, opportunities and threats of a company (KOTLER, 2012). The macro environment analysis can create a huge competitive advantage and, therefore, ensure the company's success and make it stand out in the market when compared to competitors. It is in the macro environment that uncontrollable factors (political, economic, socio-cultural, technological, legal and environmental) are found (KOTLER, 2012). A company must establish a marketing intelligence system to monitor changes and relevant tendencies, in addition to identifying opportunities and threats associated with them (KOTLER, 2012). For example, in the fashion business, it is possible to mention a few opportunities created in the macro environment: Due to technology (technological factors), there were significant improvements in equipment and in manufacturer processes. In other words, technology has affected the textile production of clothing confection and, consequently, affected its marketing. Furthermore, agriculture modernization has allowed a bigger cotton exploration, a better use of wool and leather production mechanisms. In a few regions around the world, another opportunity offered is the silkworm culture, which has induced a decrease in silk costs (GORCHELS, 2011); Globalization and social media personalization have offered innovation in communication in order to increase consumption as a whole and also specifically; Presently, the fashion market has been influenced by the advance of social and financial freedom of women in many cultures. Although in Brazil this advance represents a smaller portion of the population compared to other countries, there is still an important opportunity brought by changes in the social and cultural scenario: women entrance in the job market.

The Economic Active Population is consisted of around 51% of women, according to IBGE which means women don't depend on men as a provider and have financial condition due to higher paychecks (AAKER, 2014). Besides having conquered financial independency, women also earned social and cultural freedom, which can be expressed in different ways. Therefore, new ways of cultural and social display were introduced, clothes being one of the most used ways of demonstrating emotion. The fast rise of lower middle class immediately reflects on the consumption market. With the increase of purchasing power, people tend to spend more with clothing pieces (AAKER, 2014). Nowadays, there are different segments which try to satisfy needs from different markets such as kids teenagers, young adults, "teenagers again" or adults who want to look like teenagers (KOTLER, 2012). It is important to notice attractive opportunities, but it is also fundamental to make the best of these opportunities. Each organization needs to evaluate periodically its strengths and weaknesses (KOTLER, 2012). A company doesn't necessarily need to correct all its weaknesses or gloat about all its strengths, but it should analyze whether it is going to limit itself to the opportunities for which it has always had all the resources necessary or if it should examine those opportunities for which it is necessary to develop new strengths: brand and brand equity.

### **2.3 Brands**

With a more dynamic and more competitive world, companies need flexibility to adapt to changes and need to pay attention to elements that can bring value to the brand and make it easier for consumers to differentiate the company from competitors. Therefore, being well positioned in the market is one of the most important objectives for a brand. Kotler (1998) defines brand as name, term, sign, symbol or a combination of all these elements that are capable of differentiate a product in consumers mind. Currently, a strong brand has become an important asset for the company and it is one of the most difficult intangible elements to have. Consumers' perception of the brand's value is related to two factors: brand awareness and brand image. Brand awareness defines when the consumer spontaneously associates the brand when it is mentioned by certain product category. Brand image is the set of associations the consumer can make when it is in contact with certain brand or company (COBRA, 2007). A successful brand is the result of a long term planning which involves different areas of marketing and of the organization, such as strategic management, finances and production. Elements like logotype, name, symbol, mascots and package should be developed based on the company's positioning and mission declaration so that the market can easily identify and associate the product to its characteristics, values and emotions the company wants to convey. A well-positioned brand helps in the purchasing decision making, since it differentiates the company from its competitors. Therefore, big companies are adjusting their marketing mix in order to build stronger brands (SARMENTO, 2006). Related to the brand, brand equity is value added to products and services which can reflect how the brand is seen or felt by consumers and investors, thus intangible and immeasurable (KOTLER, 2012). A strong brand has high brand equity, so it can add extra value to its products through brand relevancy and strength. In Brazil, due to the entrance of international fast fashion companies and to the sophistication of consumers' habits towards fashion products, a few companies, such as Riachuelo, are changing their strategies by repositioning their brands and consequently, having a competitive advantage and differentiating themselves from competitors. Among the strategies used are the association with other brands and the creation of the company's own brand.

### **2.4 Own Brands**

The creation of own brands by retailers is a current market trends and has the objective of offering to consumers a high quality product for a lower price, using the price reduction strategy in the fabrication and distribution processes. There are different definitions of own brands. To Kotler (1998), own brands are those offered by retailers and wholesalers, - therefore, they are different from those offered by the market -, with the aim to make consumers loyal and transmit the feeling of exclusivity. Kumar and Steenkamp (2008) define own brands as those which are produced by retailers and sold in their own retail stores. Considering the growth of big retailers, supermarkets, department stores and fast fashion stores, mainly, own brands started to be seem as a positive strategy by consumers. Thereby, there was an increase in competition between retail companies, which began to adopt different strategies to attract consumers (KUMAR; STEENKAMP, 2008). Among these strategies, one of them is based on premium price. Stores that use this strategy have higher prices, because they offer a superior quality compared to competitors and they invest massively in product and development, commercials and promotion, package and market research. Furthermore, premium sub-brands are created, alongside product lines directed to a public with higher purchasing power and partnership with other companies which are more recognized and well-known (KUMAR; STEENKAMP, 2008).

In this context, fast fashion Riachuelo has invested in premium price stores through the association with other brands and it has also invested in promotion, mainly to reposition the brand in the market.

## 2.5 Fast Fashion

The term fast fashion appeared in 1990 and it is a retail strategy which purpose is to offer clothes that follows the latest fashion trends in the fastest and most effective way possible for an affordable and competitive price (SULL and TURCONI, 2008). Department stores began to adopt this new concept to satisfy consumers' wishes and needs, since they started to look for exclusivity and constant innovation (SERRENTINO, 2003). The increase of market niche was one of the facts that influenced the appearance of fast fashion, due to transformation which happened from 1950 to 1960, period when fashion began to represent social status. In 1980 and 1990, globalization contributed to the increase of fashion information, therefore people started to have contact with national and international trends. From 2000 on, consumers began looking for personalized and exclusive products, and since stores computerization, information about the market started to reach the manufacturers faster, therefore allowing companies to notice consumers' demand (DELGADO, 2008). All these changes had as a result the development of fast fashion strategy in the fashion industry.

The main form of business management based on traditional fashion is made through the planning and early purchase of seasonal collections. It is a model that has low flexibility for changes and high degree of uncertainties. On the other hand, products management in fast fashion pursues high speed in its rhythm, capacity of feedback and permanent renovation of stocks in stores. Traditional collections are developed from the latest trends released, and occur in increasingly rapid periods. Instead of planning for months, it can happen in weeks or even days (DE AVELAR JÚNIOR, 2011). For short-term planning, fast fashion production works from vertical integration. This results from greater control over the supply chain by integrating stores, and mastering the development, production, and distribution of products in order to achieve process speed and flexibility. From the vertical integration, the department stores start to use own brands, that result from the control of the production in the supply chain, like important characteristics of its marketing strategies. Compared to strategies that work with products that add brand value to their prices, vertical integration greatly reduces the cost of products that are placed in stores. (DE AVELAR JÚNIOR, 2011). Department stores that follow the fast fashion strategies have high competitive advantages, since the entrance of collections in stores in a very short space of time causes greater variety of designs to be produced throughout the year. The clothing pieces have a short life cycle in the store, because the stocks have small lots. This is also a way for the store to create a relationship with its customers, who go to the stores more often, since they perceive this dynamics by observing the changes in shop windows, and they know that a product from a fast fashion company will probably not be replaced, thus increasing sales (MILLER, 2006).

## 2.6 Zara

Created in 1975 in Spain by the clothing manufacturer Amancio Ortega Gaona, Zara is a textile company that belongs to the INDITEX group (Industria de Diseño Textil), one of the largest distribution groups in the world. Next to five other retail garments chains that make up the group, Zara stands out to be recognized as one of the leading fashion international companies. The company's objective is to satisfy, through the clothing production and sale, the fashion world trends for females, males and children and thus "popularize fashion" (LOBO, ISABELA MARIA SILVA, 2013). Zara's positioning is one of its distinguishing characteristics. The company has a concern with the aesthetics and the exclusivity of their products to meet the needs of its target, always attentive to the prices at which they are offered. In other words, the brand is positioned between the prestige and the mass market (DEUGADO, DANIELA; 2008). In addition, the company has focused on the client, by always seeking to understand the needs of your target audience and the fashion trends, before designing and producing their collections (LOBO, ISABELA MARIA SILVA, 2013). The expansion of the brand took place in 1990 after its consolidation in the Spanish market, which allowed the capital opening. Due to the investments that Zara was receiving, it was possible to invest in various areas of the company, including logistics, retail, finance and information systems. From this milestone, the frequency of production intensified to quickly produce and meet the demands of customers. It was thus that, little by little, the fast fashion was introduced in the company (LOBO, ISABELA MARIA SILVA, 2013). The strategy of Zara's 4 P's (Product, Place, Promotion and Price) remains the same in all their business systems, independent of what country the brand is in, seeking only the adaptation in the retail operation system, due to its insertion in the market. The first store opened in certain location has to refine the marketing mix, providing detailed knowledge on the demand of the site.

After the experience of the first point of sale, the marketing mix set is applied to other establishments in the country, region or city center established (LOBO, ISABELA MARIA SILVA, 2013). Among the 4 P's of marketing, product is considered the most important, because without it, it isn't possible to develop the remaining P's. In this sense, the Zara offers 4 clothing lines, they are: female, male, young people and children. Each one of these lines is the responsibility of a creative team composed by designers and specialists in product development. These teams need to carefully interpret the catwalk and street trends, adapting them to the mass market. The fundamental role of these professionals is to track customer preferences, through sales information, provided by an information system in stores. The products that have more demands are identified by this system and thus, more produced to meet the needs of the consumer (LOBO, ISABELA MARIA SILVA, 2013). According to experts in the fashion world, as the designer Elio Fiorucci, Zara is a clothing company that revolutionized clothing sales in the world. It delivers to your target, "a fresh fashion and at the time that the customer wants". In other words, it recognizes that the individual chooses their clothes according to their personality, so there isn't a specific fashion, but trends variation. In addition, the company also seeks to adapt to the cultures and the places where their stores are located, making changes related to physical differences, such as cultural or climatic variations, managing to reach and retain their target (LOBO, ISABELA MARIA SILVA, 2013). Zara has a broad portfolio of products; however, they aren't developed just to meet a specific need of a country.

The products are produced in large scale and are cut, past and labeled in INDITEX factories. However, the preparation is made by workshops in Europe and beyond, with the aim of cheapening the production. After being tagged, the products are distributed to different countries (LOBO, ISABELA MARIA SILVA, 2013). In this way, each store receives a specific quantity of each product, which increases their turning. At the end of each collection, the pieces that remained in stock are put into sale and if they are not sold, they are transferred to another hemisphere as part of a new collection (DELGADO, DANIELA; 2008). The second P to be examined concerns the place where the product is sold. Zara makes the location of their stores one of its main strategies. It is through the point of sale that the consumer has the experience with the products. Therefore, the location should be planned with care, being accessible to the target market (LOBO, ISABELA MARIA SILVA, 2013). The internal layout of shops is designed to facilitate sales, it being the responsibility of the department of combination. According to these professionals, Zara's focus isn't to copy what people like, but to provide their preferences (LOBO, ISABELA MARIA SILVA, 2013). Another P which needs to be studied is price. This is lowest in stores in Spain and Portugal. In other locations, the price may be increased between 10%, 40%, 70% or 100%. This occurs due to the extra costs of delivery and brand positioning in each country. Outside of Spain, higher prices imply a different positioning of Zara, especially in emerging markets such as Brazil and Mexico. In these countries, the large population has no financial means to buy products from the store, different from what occurs in Spain, where 80% of the population is a Zara consumer. For economic and cultural reasons, the basis of the target public is narrower and usually composed of upper classes (LOBO, ISABELA MARIA SILVA, 2013). The fourth and final P is promotion, in other words, is the performed communication by the company. Zara doesn't invest much in advertising and promotional activities. The brand's promotion is practically its storefront and the point of sale environment, which should be in accordance with the profile of your target (LOBO, ISABELA MARIA SILVA, 2013).

## **2.7 Riachuelo**

Riachuelo is the largest fashion company in Brazil; it has 269 stores, two industrial parks and 40,000 employees. The company develops, manufactures and distributes its own products. Adopting the concept of fast fashion to speed up production and distribution of collections, the brand seeks to ensure rapid dissemination of new trends and generation of added value for each collection. The brand began its activities in 1947. Initially, Riachuelo was a small street shop that sold tissues at affordable prices. In 1979, the network of tissue shops was purchased by the Guararapes, starting to sell the clothes. The history of Guararapes also began in 1947, when brothers Nevaldo and Newton Rocha opened their first clothing store called "The Capital", in Natal (RN). Four years later, the company set up a confection in Recife (PE) and acquired several points of sale, at a time when the clothing market in the Northeast was beginning to develop. In 1979, Guararapes bought the Riachuelo and Wolens stores, expanding its operations to the textile retail sector, which is responsible for the Group's highest growth. The Group has large investments in research, creation, development and distribution to support its integrated model, in order to improve the timing between product development and in-store delivery. For that, it has three distribution centers, one in Extremoz (RN), inaugurated in 2000, with 58,000m<sup>2</sup>, another in Guarulhos (SP), inaugurated in 2002, with 85,000m<sup>2</sup> and another in Manaus, with 6,000m<sup>2</sup>.

Nowadays, all Guararapes production is destined for Riachuelo. This process started to be developed with greater intensity from 2005, but only in 2008 the production became totally directed to the Group's store network. From 1983, the focus of Riachuelo became fashion and clothing. Always bringing national and international trends, in a democratic way, the brand seeks to deliver fashionable products with affordable prices and superior quality. This strategy involved the creation and strengthening of own brands, each with a specific visual identity and target audience. In 2004, changes and improvements were made in the visual merchandising of Riachuelo, the brand changed its marketing strategy. In 2007, the brand returned to invest in mass media, with a new communication campaign, aiming to popularize fashion. This way, there was a repositioning of the brand for Brazilians. The focus of Riachuelo is the "fashion within reach" segment; the stores are divided into five sections: women's fashion, men's fashion, children's fashion, home fashion and footwear. Thus, different audiences are affected by the products of the brand. In order to apply the Fast Fashion model, the Style Department was created, which seeks to reconcile the momentary needs of retail and the possibilities of factory, allowing the products' adaption according to the desire of consumers. In addition to this department, the Small Production Units (PUPs) were created: the nuclei of seamstresses trained to develop "in fashion trends" - a highly specialized and small-scale work - but that allows products to be delivered more quickly to stores. In order for these processes to work, it is necessary to link all the stages of the production chain, which begin working on the products up to 6 months before the collections are launched. It is during this period that the officials do the research on trends of the national and international catwalks - and define the themes of the collections. Riachuelo recently opened a unit at Oscar Freire Street, home to the luxury market in São Paulo. When opening this shop, the brand shows that the fashion that costs less does not have to be far away, on the banks of the city, in large magazines, nor its consumer. The layout of the store is contemporary and elegant, serving the different brand audiences. The recent positioning is allied to the heated internal economy and ease access to credit. Therefore, it was the responsibility of communication and marketing to work to understand the needs of this public in the process of social recognition as well as guide and educate it for consumption, through advertising and marketing (SCHETTINO e MAIA, 2014). Regarding the product, Riachuelo works with three lines: the first consists of basic products that can be marketed and used by consumers at any time; The second, are collections that follow the trends of each season of the year; And finally, the third line follows the fast fashion model, in which small collections that meet the instant needs of fashion are launched.

To adhere to fast fashion, the company has created a style department that combines the momentary needs of the industry and the possibilities of the factory. Following the trend of the big department stores, the brand began to invest in collections in partnership with renowned brands and celebrities, among them the singer Ivete Sangalo and the brand Daslu (TUBAKI, LIMA, 2014). Riachuelo's place, which is where the product is marketed, has stores spread all over Brazilian regions; Riachuelo has intensified its expansion process in recent years. Between 2010 and 2013, the company opened 105 new stores, totaling 212. Over the next three years, the Guararapes group plans to open approximately 40 stores a year, totaling 330 points of sale by the end of 2016. The company has different store formats: the traditional full, composed of all departments, compact stores and Riachuelo Women. These last two formats are part of the brand's strategy to be present everywhere (TUBAKI, LIMA, 2014). In relation to promotion, the company logo and slogan have undergone revitalization. Two major changes were made to the logo, which aim to show modernization and simplification. The slogan, revitalized, conveys the positioning of the brand: the democratization of fashion. In digital media, the revitalization of the Riachuelo brand can also be noticed. The company's website brings not only information about the company, its products and collections, but also content from the fashion world and there are several possibilities of interaction with the web surfer. The presence of Riachuelo's stores in digital media is strong and diversified. Present on Facebook, Instagram, Twitter and Youtube, the brand maintains constant updating through the generation of content in all cited networks, maintaining a close relationship with its consumers. New features in the collections, looks of the day, opening new stores, videos of the new collections, making off of the most varied productions, consultancies, among other subjects are constantly published in brand networks allowing a high level of brand-consumer interaction (TUBAKI, LIMA, 2014). In terms of price, the brand's focus is consumers from social classes B and C who want a fashion that meets the latest trends in the market and offers innovation at an ever increasing speed. Thus, prices are competitive and equated with competitors, such as Renner (TUBAKI, LIMA, 2014).

### **3. Materials And Methods**

This research project aims to analyze the change of brand positioning Riachuelo to verify if the company has decided to respond to a new audience or if they wanted to keep pace with the changes of their consumers. To perform this analysis, a literature survey was initially developed on the concepts of marketing that can influence in the study of fast fashion. In addition, we attempted to get to know the history of the brands Zara and Riachuelo, with the purpose of comparing them and analyzing how they have introduced the fast fashion strategy in their stores, as well as the tendency of Riachuelo in modify its positioning.

In order to become better understand Riachuelo's positioning as well as its target audience and its strategies to achieve it, an exploratory research was carried out with the manager of Riachuelo's flagship store, located at St Oscar Freire in August 2016. The survey was conducted based on a questionnaire with 10 open questions, in which the manager reported their perceptions about the strategies of the mark. In addition to the qualitative research, a quantitative research of exploratory, transverse and unique character was carried out with online application with 100 Riachuelo clients, women over the age of 18 who had purchased clothes at Riachuelo at least once in the last 2 years. The research had 21 closed questions that sought to understand the consumer buying behavior of the interviewed women, as well as their view about the attributes of Riachuelo. It was carried out in August and September 2016. This research analyzed the buying behavior of the target public, its profile and perceptions about brand positioning. After the completion of the two surveys, the results were compared in order to verify whether Riachuelo has changed its positioning with the objective of meeting target profile's changes and being always in constant innovation or not.

### **4. Results**

#### **4.1 Qualitative Research Results**

The interviewed manager stated that there are two Riachuelo flagship stores - the store where the interview was granted and the store located at Shopping Eldorado. This second is only for the female audience, leaving the store visited as the only complete flagship store (women, men, children, lingerie and accessories) in Brazil. Riachuelo fast fashion concept is based on Zara's, mirroring itself on Zara's rotation and collection trends. According to the manager, Zara launches 20 new pieces per day; the store studied has already exceeded this milestone, producing 37 pieces a day. Based on this fact, Riachuelo believes it is moving towards a direct competition since it is already the leading brand in fast fashion in the country. The brand's growth has accelerated in recent years due to the need to follow the market, updating and modernizing itself in order to reach other target audiences, while maintaining its popular brand at affordable prices. That is, the positioning of the brand was not only a matter of innovation, but also an attempt to reach certain previously untapped customer segments. Another objective of the company is to deliver high quality products to all its target markets, a fact emphasized by the creation of flagship stores with differentiated layout and personalized services. Even with the crisis, it is estimated that 20 new stores will be opened in 2016. These establishments will already have a new visual identity that marks the brand's new market positioning with the abbreviated name (RACHELO) and adoption of a mascot: A chameleon, which represents the need of the brand to adapt to its consumers and reinvent itself according to the fashion trends around the world. The new stores will be positioned in strategic locations of the city, in order to reach more easily all its public. Regarding the company's collections, there was a great growth in the area of partnerships. So far, Riachuelo has partnered with bloggers, Instagram celebrities and celebrities related to the fitness segment. In addition, the brand develops a collection with a luxury brand periodically. This type of relationship enables Riachuelo to create a greater value creation, since its partners are opinion makers and dictate trends, also contributing to a high visibility of the brand in social networks - media that are widely disseminated today. All changes made by the company have brought positive results, according to the manager. Currently, the brand is the largest department store in Brazil, surpassing C & A, leader of the segment for many years. In addition, it has won the GPTW (Great Place to Work) Award of the ÉPOCA magazine for the last two years. Furthermore, customers' satisfaction with the brand's new positioning is perceived through their positive feedback and feedback at the point of sale. As a flagship store, located in a noble neighborhood of São Paulo, Oscar Freire Riachuelo presents some differentials in relation to other stores of the brand. In it are held several events, such as new collections launching events and model castings for future collections. These events are usually closed to guests and the media in order to further promote the brand.

The store employees need to have a fashion training to be hired by the company to work in this specific store, since the service is personalized and done as a fashion consulting. In the shop, there are also seamstresses who make repairs in the pieces purchased by the consumers, when necessary. This service has no additional cost. Even with this evident differentiation of the shop, all Riachuelo stores present the same pieces of clothing. Analyzing the collected data, we conclude that Riachuelo did not change its target audience and neither did the latter in question change their habits. What happened was that the company chose to expand its target audience, keeping its popular, modern and affordable brand.

#### **4.2 Results of the Quantitative Research**

From the data collected through the quantitative research with the main target public, several perceptions were identified about the current fashion consumption and the vision about the positioning of Riachuelo. The target audience for the survey was women over 18 years of age and predominantly between 18 and 24 years old. The social class of the majority of respondents was class A (38%) and B (32%). The frequency of purchases is every month or more than once a month and most of respondents said they prefer to buy clothes in malls and in department stores. Department stores are the main choice of the respondents because of the price; they believe the price is affordable, and they also assert that the country of origin of the clothes they buy is not so relevant to them, since most clothes from department stores are imported from countries or regions where labor is very cheap. Regarding clothing brands, many point out that this is not such a relevant factor, showing that other attributes may be more important, such as quality and price. Also, the trend is not a deciding factor at the time of purchase for most women, but they prefer a trendy department store outfit rather than an out-of-fashion designer outfit. Even with the *fast fashion* trend, which often brings more beautiful pieces than high quality pieces, women are keen that they prefer high quality clothes to just beautiful clothes. From the data, the most important attributes were placed in order by the respondents and thus, it was observed that the trim of the clothes came first, secondly the price attribute, followed by comfort, quality, brand, trend and finally exchange guarantee. In relation to Riachuelo, it was identified that the company follows fashion trends, in addition to having a fair price. The vast majority of respondents says that Riachuelo satisfies their needs and would indicate the store to friends and relatives. Another important point for consumers is the payment method offered by Riachuelo's own fidelity card, which have differentiated and flexible rates and deadlines. Most respondents pointed out that the purchase frequency in Riachuelo stores is more than once a month, so fast collections based on fast fashion are viewed and known by consumers with high frequency and interest, since the pieces will not be repetitive and the store will always be with new and different clothes. Riachuelo was considered a famous brand with beautiful, high quality, affordable and luxurious clothes. In order to identify consumers perception of Riachuelo's brand positioning in relation to the products (quality, appearance, trend) and the channels (the layout of the physical stores and the shopping experience), different images were placed in the questionnaire and respondents were asked to identify what brand that piece of clothing belonged to. Thus, to identify the product, there were two photos of different looks, one referring to the Versace premium line made by Riachuelo and another being an original Versace piece. Respondents stated that the Riachuelo outfit could be from Zara or Animale, followed by Versace and Riachuelo. In relation to the piece Versace, the majority believed that it was from Riachuelo, followed by Versace or Zara. To identify the channel, there were two pictures of Riachuelo stores, but one was referring to the new flagship store and another one was the normal simple store. In the flagship store photo, most believed that the environment belonged to Versace, Zara or Animale. In relation to the common store, the majority said it was a Riachuelo store. This way, it is possible to observe that the consumers see a change in the positioning of Riachuelo in relation to their products, with greater sophistication, fashion trends and exclusivity to the point of being confused with more premium brands. However, in relation to the environment, most consumers are still unaware of the new layout of stores - with differentiated lighting, well-exposed products and decoration - and still have in mind the old store, with layout more similar to department stores.

#### **5. Conclusion**

Fashion has an influential role in cultures and, consequently, social groups. Fashion consumption in global and mainly Western markets has changed a lot in recent years, since the speed of information also interferes, allowing consumers to look for trends, generating a high frequency of purchase. The collections are no longer standardized in stations and move on to the fast fashion process, leaving consumption faster and driving consumers into a frequent shopping environment. In a dynamic and global economy, the fast fashion process is considered a good tool to optimize the production and consumption cycle, reducing costs and generating high supply.



Fast fashion also offers low-cost clothing that follows fashion trends, created by global influencers and still in part by famous brands. Although there is differentiation of the tendencies, the public is highly segmented, according to groups and social classes. Many brands work with specific audiences, such as Prada, which serves a specific social class, and others tend to broaden their audience, such as Zara, which serves more than one social class. This is linked directly with the positioning of brands that may be more premium or more popular. This can remain the same for a long time or can change through innovation and repositioning. Riachuelo has been present in the market for 69 years and because it is a brand that values innovation, quality and has already reached the position of main department store in Brazil, it has identified several opportunities in the current market and different from other brands and companies, Riachuelo focused in these opportunities, becoming prominent in the fashion market and main object of the present study. Riachuelo initially served lower social classes, such as C and D, and price, variety of products and form of payment were responsible for the success of the company. Over the years, with the rise of class C in Brazil and especially with the expansion of credit, the consumption of clothing for these classes has increased and many women have come to follow fashion trends with greater ease. Other factors, such as the high tax rate in Brazil and the economic crisis in recent years, have weakened the purchasing power of classes A and B, making them look for clothing not exclusively for brands. In this way, it is identified as an opportunity to focus on the public of classes A and B that values quality and brand and offer products above the standard of department stores, inspired by famous brands or designers. And it is also an opportunity to focus on the C class audience who still seek affordable trends. Riachuelo identified these two opposing opportunities and successfully managed to position itself to meet both. The creation of different flagship stores and logos in luxury trading venues and the maintenance of old stores in popular trading venues is a way for the brand to camouflage itself - as well as the new mascot adopted - and serve both segments. Considering the above, it is concluded that Riachuelo did not change its positioning, nor did its target audience change. Riachuelo has identified opportunities in the market and created effective marketing strategies in order to meet the needs and desires of different audiences and maintaining a positive brand image before all.

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