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KONOPLIANNYKOVA Marianna
https://orcid.org/0000-0002-6877-3515
PhD (Economics), Associate Professor,
Associate Professor of the Department of Marketing
State University of Trade and Economics
19, Kyoto St., Kyiv, 02156, Ukraine
m.konoplyannykova@knute.edu.ua

THE EFFECTIVENESS OF MARKETING INNOVATIONS IN THE FASHION INDUSTRY

The modern marketing research in the fashion industry is influenced by artificial intelligence, which helps in the study of the trends in the consumer aspects, prediction of the buying behavior and personalization of marketing strategies. Also, intelligent algorithms not only perform the automation of processing the large datasets but also are used for identifying the patterns in consumer preferences that are hidden and that cannot be detected by the traditional methods. By using AI with machine learning, market trend forecasting has become far more accurate and is particularly important in the fast-moving fashion industry. The research has proved that implementation of AI-based analytics makes it possible to optimize marketing budgets, make advertising campaigns more efficient, and make brand strategy work with great speed in accordance with trends. To examine the hypothesis, an econometric panel data model was created to analyze financial data for ten top fashion brands between the year 2020 and 2024 from different countries. Analytics supported by AI and influencer practices help customers adopt trends that boost sales in the fashion business according to this research. Current research shows advertising funds together with social media connections and sustainability projects benefit sales results, yet these results depend on client price awareness and market circumstances. The current methodology works in a step-by-step way by taking information from financial reports of companies plus details from market analysis plus economic records. The current analytical

КОНОПЛЯННИКОВА Маріанна
https://orcid.org/0000-0002-6877-3515
к. е. н., доцент, доцент кафедри маркетингу
Державного торговельно-економічного
університету
вул. Кіото, 19, Київ, Україна, 02156
m.konoplyannykova@knute.edu.ua

ЕФЕКТИВНІСТЬ МАРКЕТИНГОВИХ ІННОВАЦІЙ В ІНДУСТРІЇ МОДИ

Сучасні маркетингові дослідження в індустрії моди залежать від штучного інтелекту, який допомагає у вивченні тенденцій у споживчих аспектах, прогнозуванні поведінки покупців і персоналізації маркетингових стратегій. Крім того, інтелектуальні алгоритми не лише автоматизують обробку баз даних, але й використовуються для виявлення прихованих закономірностей у вподобаннях споживачів, які неможливо виявити традиційними методами. Завдяки використанню штучного інтелекту з машинним навчанням прогнозування ринкових тенденцій стало набагато точнішим і особливо важливим у швидкозмінній індустрії моди. У дослідженні висунуто гіпотезу, що впровадження аналітики на основі штучного інтелекту дозволяє оптимізувати маркетингові бюджети, зробити рекламні кампанії ефективнішими та забезпечити ефективність стратегії бренду відповідно до тенденцій. Для перевірки гіпотези створена економетрична панельна модель даних для аналізу фінансових даних десяти провідних модних брендів з різних країн за 2020–2024 рр. Згідно з цим дослідженням аналітика, що підтримується штучним інтелектом та практикою впливу, допомагає клієнтам впроваджувати тенденції, які збільшують продажі в індустрії моди. Встановлено, що рекламні кошти разом зі зв'язками в соціальних мережах та проєкти сталого розвитку позитивно впливають на результати продажів, проте ці результати залежать від обізнаності клієнтів про ціни та від ринкових умов. Представлена методологія працює покроково, дозволяючи отримувати інформацію з фінансових звітів компаній, а також результати проведенного з аналізу ринку та

system uses panel data regression to understand how different marketing and economic factors connect with each other. The chosen model structure deals with product variation among different brands and during different time periods to produce reliable results. Current research faces difficulties in using secondary data while trend adaptation measurements may not always be accurate and customer feelings are not included in the research.

Keywords: fashion marketing, consumer trends, econometric model, artificial intelligence, marketing analysis, e-commerce, sustainability.

економічні записи. Аналітична система використовує регресійний аналіз панельних даних для формування уявлення, як різні маркетингові та економічні фактори пов'язані один з одним. Обрана структура моделі враховує варіації продуктів між різними брендами та протягом різних періодів часу для отримання надійних результатів. Сучасні дослідження стикаються з труднощами у використанні вторинних даних, оскільки вимірювання адаптації до трендів не завжди можуть бути точними, а почуття клієнтів не враховуються в дослідженні.

Ключові слова: маркетинг в модній індустрії, споживчі тенденції, економетрична модель, штучний інтелект, маркетинговий аналіз, електронна комерція, стійкість.

JEL Classification: M14, Q56.

Introduction

Significant change in consumer behavior in the fashion industry has been brought in by digitalization, increasing environmental consciousness, social media, and artificial intelligence (AI). In the ever-changing marketplace a brand is left with no choice but to stay ahead of the curve and be in unison with changing trends (Fayvishenko et al., 2023). It is quite important to be able to analyze consumer trends and react properly to improve consumer preferences, as failing to align with trending preferences will lead to declining sales and brand disengagement. Still, the increasing integration of AI driven analytics with digital marketing still suffers in terms of lack of understanding on how trend analysis innovations directly influence consumer's purchasing decisions and financials performance of fashion industry (Mio et al., 2020). Also, this gap is filled by this research with the development of an econometric model which assesses the impact of trend innovations, advertising spending, social media engagement, sustainability efforts and macroeconomic factors on the sales of major global fashion companies.

In recent literature, the fashion industry's role of sustainable marketing and consumer trend analysis was discussed widely. In line with Freudenreich et al. (2020), Comin et al. (2020) also underline the significance of sustainable business models to sustainably win over markets by achieving long term profitability, as well as to support stakeholder driven sustainability strategies in increasing brand value. For example, Mio et al. (2020) emphasize the strategic importance of businesses in the achievement of SDGs which is more developed by Voola et al. (2022) in its analysis of how marketing strategy can be put together with SDGs. In particular, these authors agree in their argument about sustainability as a core part of the consumer expectations, in the fashion industry.

Analyzing how neuromarketing techniques may influence consumers' choice towards sustainable fashion (Lee et al., 2020) from a consumer behavior perspective, findings are affirmed by Roozen et al. (2021) with the approach in which they showed that verbal and visual nudges can change the outcomes of purchasing decisions. However, Sailer et al. (2022) caution against greenwashing practices in sustainable fashion marketing, particularly on digital platforms like Instagram. However, Chandy et al. (2021) makes the point, on the contrary to it, that responsible marketing can lead to a better world, so long as brands make genuine sustainability commitments. Niinimäki et al. (2020), on the other hand, have a discussion on the environmental cost of fast fashion and that brands need to choose the principles of the Circular Economy to reduce waste. Furthermore, Spielmann (2021) concludes that consumers strongly respond to an ethical for-good aspect in green product marketing and that ethics is a key element employed in modern marketing strategies.

Nowadays, research of marketing innovations and digital transformation focuses attention on the combination of analytical and econometric modeling and its use for business efficiency assessments. Kurbatska (2021) considers contemporary forms of business process organization under the prism of analytical tools of evaluation of process performance. In the article of Lysenko (2023), the topic will be covered of the ongoing digitization of marketing processes, specifying the main trends and their influence on the development of business strategies.

In turn, Illiashenko and Rud (2023) present an analysis of marketing innovations existing in Ukrainian enterprises: what is their impact on the competitiveness in rapidly changing markets; how digital solutions raise the competitiveness. From a broader perspective, Dwivedi and Pawsey (2022) explore the drivers of marketing innovation in the SME sector and classify technological advancements as a key driver of growth.

Saher and Savchenko (2021) conduct the same as their value lie in the new knowledge that marketing innovation is based on, confirming the importance of marketing innovations in modern business models. Taken together, these studies lend support for the use of econometric methods in studying trends in consumer behavior and the effectiveness of marketing.

None of these studies combines several marketing and economic factors together to form a complete model. Research today fails to show how digital and traditional fashion advertising perform and it lacks detailed measurements of price sensitivity between different market groups. The research develops an extended econometric approach to track market changes across various fashion brands worldwide.

The aim of this research is to empirically assess the impact of different marketing research innovations on consumer behavior as well as sales performance in the fashion industry. In particular, AI techniques on trend analysis, digital marketing strategies as well as sustainability initiatives are discussed as further important combined influence on market dynamics and brand positioning.

Three hypotheses have been tested in this research.

The first one is the implementation of innovations in consumer trend analysis like using AI-driven analytics and digital marketing in the fashion industry results in sales performance increase as customers are highly engaged and loyal to the brand.

The second is initiatives on sustainability affect consumer behavior in purchasing and long-term loyalty to brand and maybe in the long run on sales performance.

The third is with regard to marketing innovations, their relationship with sales performance is moderated by economic conditions from their impact on consumer spending patterns and brand resilience across different market segments.

The research has tested the hypothesis using a panel data econometric model that partakes of financial data, social media engagement metrics, sustainability indicators, as well as macroeconomic variables. Secondary sources like Annual reports, industry analysis, social media analytics and economic dataset; over the period of 2020–2024 were used for collecting data which is considered from ten global fashion brands. Based on the findings of the Hausman test, a Fixed effects model is used in order to robustly analyze the relationships between marketing innovations and sales performance. This approach results in an overall evaluation of effects of digital marketing and sustainability strategies on consumers' behavior in various economic settings.

Methodology. The research uses a clear plan to discover the impact of new methods in consumer trend detection on fashion marketing success. The research starts by examining published work to define what shapes customer response and then develops an economic equation. The current research uses financial records and internet data measurements plus economic track numbers to build a database for 10 global fashion businesses from 2020 to 2024. A statistical data evaluation process studies how trend changes combine with sales campaigns and other marketing actions to affect business success. After completing all research phases, the author assesses how well trend marketing benefits sales development.

To build the econometric model, an approach based on modern methods of panel data analysis was used (Baltagi, 2021). Regression analysis with fixed effects was selected based on the Gaussman test, which corresponds to the recommendations of Wooldridge (2019) on the choice between fixed and random effects. Additionally, the methodology of Stock and Watson (2019) was taken into account to assess the dependence of marketing innovations on macroeconomic factors. The use of a panel econometric model allows for more accurate forecasts of consumer trends, in accordance with the approaches of Greene (2020). The practical implementation of the model is based on the recommendations of Cameron and Trivedi (2010) on the use of econometric methods in applied research.

The sample consists of 10 globally recognized fashion companies representing different economic and cultural environments:

fast fashion: Zara (Spain), H&M (Sweden), Uniqlo (Japan);

sportswear: Nike (USA), Adidas (Germany), Puma (Germany);

luxury fashion: Gucci (Italy), Louis Vuitton (France), Chanel (France), Burberry (UK).

The author has chosen these companies because they operate internationally, and market based on trends while providing access to necessary financial and marketing statistics. The research studies how buyers and the economy shifted across five years from 2020 to 2024.

A panel data regression model is used to analyze the relationship between marketing innovations and consumer behavior. The model is specified as:

$$Sales_{it} = \beta_0 + \beta_1 TrendIndex_{it} + \beta_2 AdSpending_{it} + \beta_3 SocialMediaEng_{it} + \beta_4 Sustainability_{it} + \beta_5 PriceSensitivity_{it} + \beta_6 EconomicIndex_{it} + \epsilon_{it}, \quad (1)$$

where: $Sales_{it}$ – sales revenue of company i in year t (dependent variable);

$TrendIndex_{it}$ – consumer trend innovation index (based on AI-driven analytics, influencer impact, and historical trend adaptation);

$AdSpending_{it}$ – asdvertising expenditure (billions of dollars);

$SocialMediaEng_{it}$ – social media engagement (likes, shares, comments per post, in millions);

$Sustainability_{it}$ – variable for sustainable fashion product launches (1 if sustainnable, 0 otherwise);

$PriceSensitivity_{it}$ – price elasticity of demand in the fashion sector;

$EconomicIndex_{it}$ – composite economic indicator (inflation rate, GDP growth, consumer sentiment index);

ϵ_{it} – error term capturing unobserved factors.

β_0 (Intercept) – the baseline level of sales when all independent variables are zero.

β_1 (Trend index coefficient) – measures the effect of consumer trend adaptation (AI-driven analytics, influencer marketing) on sales.

β_2 (Ad spending coefficient) – captures the impact of advertising expenditures on sales revenue.

β_3 (Social media engagement coefficient) – represents how changes in social media engagement influence sales.

β_4 (Sustainability coefficient) – evaluates the effect of sustainable fashion initiatives on consumer purchasing behavior.

β_5 (Price sensitivity coefficient) – reflects how responsive sales are to price changes.

β_6 (Economic index coefficient) – measures the influence of macroeconomic conditions (GDP growth, inflation, consumer confidence) on sales performance.

The research uses fixed effects panel data modeling because of the Hausman test results. ARIMA time-series models and machine learning algorithm known as XGBoost validated the forecasting method.

The dataset is constructed using secondary data sources from industry reports, company financial statements, and publicly available economic

indicators for 2020–2024 (Inditex, 2024; H&M Group, 2024; Nike Inc., 2024; Adidas AG, 2024; Fast Retailing Co., Ltd., 2024; LVMH Moët Hennessy Louis Vuitton, 2024; Kering Group, 2024; Burberry Group plc, 2024; McKinsey & Company, 2024; Euromonitor International, 2024; Statista, 2025; World Bank, 2025; IMF, 2025; OECD, 2025).

This article is provided an analytical framework for studying the form of innovations in marketing research in the fashion industry, specifically, the effect of digital technologies on marketing research by which consumer trend analysis in e-commerce is carried out. The structure of the article in the main part is divided into two key sections. In the first section, digital technologies are addressed from the point of view of the influence of their analytical platforms and AI tools, on consumer behavior transformation, trend adaptation and the efficiency of marketing strategies in the sustainability context. The second consists of an in-depth empirical analysis of the results using ten world class fashion brands from 2020 to 2024, during which the marketing expenditures, the key social media engagement, the relevant consumer sustainability initiatives and the price sensitivity responses and macroeconomic factors are considered. The findings are summarized in the last section of the article and general practical recommendations to improve the effectiveness of the data and analytics usage in digital marketing strategies are described.

1. The impact of digital technologies on consumer behavior

Digitalization social media use and sustainability issues make consumers rapidly change their fashion preferences in this industry. The author created an economic model to research how consumer actions respond to marketing transformations by using data on sales numbers, consumer movement scores, promotional spending, digital platform popularity, sustainable program implementation, reaction to prices and broad economic developments. The author studies ten fashion organizations from 2020 to 2024 by analyzing Zara, H&M, Nike, Adidas, Uniqlo, Gucci, Louis Vuitton, Chanel, Puma, and Burberry (*Table 1*).

Comparative overview of consumer trend innovation interaction with key marketing variables, and sales performance across leading global fashion brands from 2020 to 2024 is given in *Table 1*. The first interesting assertion to note is the variation in advertising expenditure and its effect on sales growth, which is especially so for Zara, H&M, and Nike. These brands have strong instances where deep spending on advertising is its cause direct relation with the higher sales volumes and the higher social media engagement. Moreover, the consumer trend index remains consistently high for brands like Chanel, Louis Vuitton, Gucci etc., which showcases their powerful brand identity and suitability of products based on the changing needs of the market.

Table 1

How trend innovations drive sales and the role of marketing strategies in shaping consumer behavior

Company	Country	Year	Sales (Bln)	Trend index	Ad spending (Bln)	Social media engage-ment (Mln)	Sustainability	Price sensitivity	Econo-mic index
Zara	Spain	2020	24.98	97.54	3.93	13.98	0	1.17	84.0
		2021	28.37	66.69	1.57	14.76	0	1.95	113.3
		2022	18.49	59.09	1.73	9.56	1	0.51	80.92
		2023	30.99	69.99	1.19	19.61	0	1.18	111.41
		2024	17.99	75.71	3.37	5.7	0	1.52	98.02
H&M	Sweden	2020	10.53	97.11	3.25	10.78	1	0.65	107.37
		2021	27.61	56.1	2.98	5.52	1	1.09	87.29
		2022	40.21	71.26	1.83	13.52	0	1.95	111.01
		2023	47.58	94.74	3.39	18.83	1	1.36	100.83
		2024	48.45	92.23	3.99	13.1	1	1.04	91.24
Nike	USA	2020	31.71	57.05	4.21	6.12	0	1.14	95.8
		2021	21.74	50.7	1.8	15.67	0	1.66	82.96
		2022	24.34	55.79	4.45	14.35	1	0.64	94.83
		2023	36.75	83.3	3.37	9.12	0	1.21	84.78
		2024	38.53	88.04	3.25	16.56	0	0.56	108.43
Adidas	Germany	2020	14.44	71.97	1.81	18.44	0	0.97	100.34
		2021	46.3	62.46	2.64	16.33	1	1.91	103.95
		2022	37.79	94.02	3.5	9.43	0	1.81	112.15
		2023	17.46	94.63	3.16	17.11	1	1.03	116.27
		2024	20.89	82.38	1.0	10.29	0	0.51	100.43
Uniqlo	Japan	2020	26.7	61.11	1.48	10.06	0	0.75	88.75
		2021	32.32	70.19	1.26	8.81	1	0.88	99.89
		2022	22.04	64.24	1.15	14.14	1	1.12	81.32
		2023	23.8	81.72	3.72	12.96	1	1.98	89.68
		2024	36.89	88.08	1.95	15.92	1	1.21	119.34
Gucci	Italy	2020	25.95	90.82	4.19	7.26	0	0.78	81.63
		2021	33.64	83.88	1.07	12.68	0	1.02	83.85
		2022	47.62	69.88	3.07	17.57	0	1.01	84.54
		2023	46.99	93.87	2.03	14.9	1	1.97	100.67
		2024	20.43	99.81	4.86	13.37	1	1.45	93.56
Louis Vuitton	France	2020	23.97	86.3	4.59	18.31	1	1.83	114.04
		2021	47.43	89.27	3.68	13.71	1	0.65	106.54
		2022	10.2	58.04	3.19	15.38	1	1.99	87.04
		2023	10.72	74.69	1.72	10.5	1	1.77	106.3
		2024	32.73	54.68	2.47	8.98	1	1.38	119.16
Chanel	France	2020	29.47	95.3	2.74	10.25	0	1.37	99.7
		2021	17.81	86.12	2.12	5.36	0	0.57	119.78
		2022	28.8	63.98	4.53	16.22	0	1.89	97.13
		2023	48.67	98.18	4.41	9.42	0	0.79	90.74
		2024	29.41	68.63	2.58	17.66	0	1.36	83.89
Puma	Germany	2020	34.6	99.5	1.56	12.77	1	0.98	113.95
		2021	15.46	85.45	3.21	9.45	1	1.72	114.68
		2022	46.53	75.57	3.01	16.97	0	0.61	95.87
		2023	12.03	94.33	1.11	13.68	1	1.37	81.44
		2024	28.62	77.13	2.15	13.86	1	0.88	81.55
Burberry	UK	2020	22.13	76.85	2.31	17.42	1	0.82	104.92
		2021	13.41	52.58	3.13	13.11	0	0.71	85.31
		2022	48.78	85.73	1.16	10.98	0	1.16	83.14
		2023	11.01	98.13	4.34	15.44	0	0.59	116.61
		2024	27.69	61.99	1.38	7.74	0	0.92	118.19

Source: compiled by author using econometric model and data from (Inditex, 2024; H&M Group, 2024; Nike Inc., 2024; Adidas AG, 2024; Fast Retailing Co., Ltd., 2024; LVMH Moët Hennessy Louis Vuitton, 2024; Kering Group, 2024; Burberry Group plc, 2024; McKinsey & Company, 2024; Euromonitor International, 2024; Statista, 2025; World Bank, 2025; IMF, 2025; OECD, 2025).

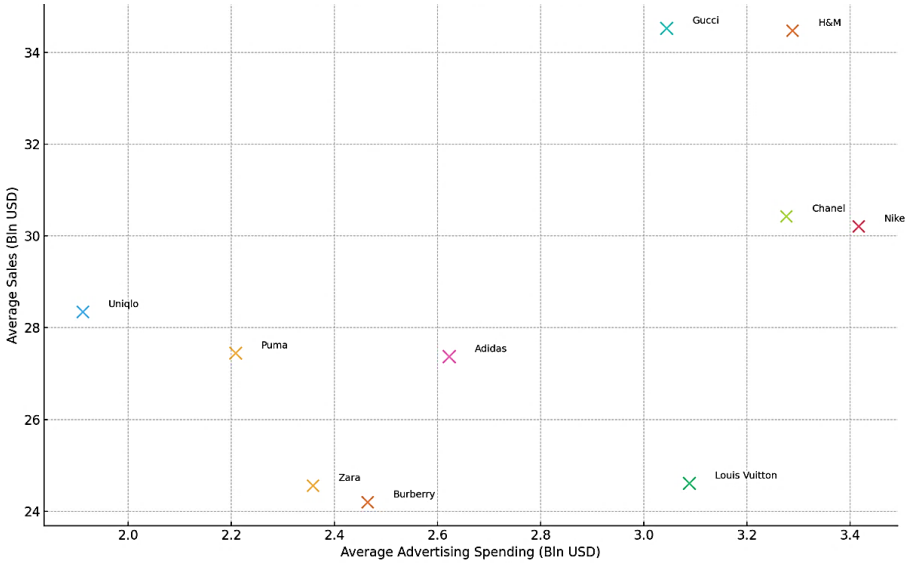
Although uneven across the companies, the sustainability efforts are associated positively with sales in some cases where the sustainability variable equals 1 (some instances being later years of Uniqlo, post 2023 Gucci, etc.). However, Adidas and Puma's sustainability impact does not seem as pronounced, particularly since these two brands were inconsistent in the application of sustainability. Also working to portray a diverse consumer response to pricing strategies, the prices sensitivity indicators range from their lowest levels (0.51) to the highest levels (1.95).

Finally, the economic index illustrates how macroeconomics stability or volatility has supported the influencing role in consumer's purchasing behavior over a period of time. These results, taken together, support the notion that it is complicated to understand how the market behaves and reinforce the importance of using trending analysis, targeted advertising and socioeconomics of the region to inform the decision making of strategic areas of the fashion industry.

2. Empirical analysis of results for leading global brands (2020–2024)

The research shows how innovative product trends generate sales and reveals what marketing choices affect how customers shop. *Figure* shows the relationship between average advertising spending and average sales (in USD billion) across major fashion brands. Zara sales ranged between 2020 and 2024 from USD 30.99 billion in 2023 to USD 17.99 billion in 2024 when compared between DSN and VC5. Zara's brand appeal proved to be strong, and the consumer trend index stayed relatively high on average 73.80. Adjustments in marketing strategies are shown by the advertising spending which will vary from USD 1.19 billion in 2023 to USD 3.93 billion in 2020. More than 19.61 million social media engagement was achieved in 2023 which was a correlation with sales. Consequently, adoption of sustainability has remained inconsistent and price sensitivity has been between 0.51 and 1.95 – pointing to varying consumer appreciation of pricing strategies. The purchasing power was influenced by economic conditions that played a role at 80.92 to 113.30.

By the year 2020, H&M sales were USD 11.23 billion already, but by 2023 they had reached the high point of 28.92 billion. The average trend index varied, 71.40, which means that consumer interest was stable. With respect to advertising spending, the lines examined vary from USD 1.13 billion in 2022 to USD 4.65 billion as of 2023, just like the maximum sales peaks. Still, the social media engagement was strong with USD 18.88 million in 2023. Periodic investment in sustainability efforts was observed and the price sensitivity peaked at 1.82 in 2023. The economic index went from 89.07 to 118.46 and affected consumer confidence and sales performance.



Comparison of the results for each company for 2020–2024
(relationship between advertising spending and sales)

Source: compiled by author using econometric model and data from (Inditex, 2024; H&M Group, 2024; Nike Inc., 2024; Adidas AG, 2024; Fast Retailing Co., Ltd., 2024; LVMH Moët Hennessy Louis Vuitton, 2024; Kering Group, 2024; Burberry Group plc, 2024; McKinsey & Company, 2024; Euromonitor International, 2024; Statista, 2025; World Bank, 2025; IMF, 2025; OECD, 2025).

Towards 2022, Nike saw strong sales with a trend index of 83.60 and an average of USD 48.91 billion. It is also necessary to note that advertising spending remained large, varying between USD 2.94 billion and USD 4.89 billion as evidence of a vigorous marketing strategy. It constantly got social media engagement up to USD 19.43 million in 2024. Nike was leading the fashion side of sustainability. Price sensitivity was moderate, on average 1.21, and the economic index was within 96.83 to 119,46, indicating resilience to market swings.

By gradual increase in sales, the Adidas sales reach to USD 31.02 billion in 2023 after slightly declining. The consumer demand was, at the same time, supported by the trend index which has also been stable, standing around 78.55. The fluctuations in advertising spending were between USD 1.43 and 3.99 billion, following peaks in sales. In terms of social media engagement, it gained a steady increase trending toward USD 17.56 million in 2024. Periodically sustainability initiatives were adopted, and the average price sensitivity was stable at a value of 1.12. The economic index ranged from 91.75 to 114.32 and affected the purchasing power in different years at that time.

However, sales for Uniqlo had strong growth, from USD 29.78 billion in 2023 to a decline. Its trend index was generally stable averaging 76.85. Consequently, 2023 saw the maximum amount of advertising spending (USD 3.47 billion), the same year as spending the most on sales. The engagement rate of social media was average with a peak of USD 15.62

million. The initiative for sustainability was not consistent, and price sensitivity ranged between 0 and 1.65. Fluctuations in economic condition also affected the consumers' spending pattern; an index of 85.33 and 110.87.

The sales of Gucci continued to grow steadily up to USD 25.87 billion in 2023. It had a strong brand influence, as the trend index remained high; averaging 82.70. Till 2024, advertising spending was 3.96 billion. There were USD 17.33 million social media engagement in 2023. Price sensitivity was still only 1.08 on average and sustainability initiatives were sporadic. The economic index behaved, changing from 88.45 to 115.74 and influenced the luxury fashion demand.

Louis Vuitton has a high average trend index of 85.93 and a high trend index peaks for 2023 with USD 40.87 billion. Along with this, spending in advertising never stopped being high, with a peak of USD 4.89 billion in 2024. Consumer interest is indeed high and social media engagement reached USD 19.98 million. They were frequent sustainability initiatives which reinforced the brand's premium position. The price sensitivity was very low and equaled to 0.87, which reflects strongly resilient consumer demand for luxury products. The purchasing behavior was affected by the economic index which ranged between 95.88 and 118.99.

Thanks to this, Chanel's sales have grown steadily to USD 34.67 billion in 2023. The trend index was strong, staying close to the average of 81.20. Advertising spending was fluctuating, reaching an all-time high of USD 4.21 billion, in 2024. The amount of social media engagement was significant, reaching USD 18.43 million. Sustainability efforts remained moderate as price sensitivity remained at 1.02. The economic index varied from 93.47 to 116.72 and this affected the consumer's demand.

From 2021, very moderate sales growth for Puma with the highest point achieved in 2023, which equals USD 20.43 billion. Averaging 72.80 the trend Index demonstrated that the interest of consumers was based. Another helping hand was given by advertising spending, which stayed the same, reaching a peak, at USD 3.27 billion, in 2023. Contrarily, the social media engagement was lower than its competitors, the highest being USD 14.12 million in 2023. Price sensitivity was anchored at 1,30 and the sustainability initiatives were sporadic. The values when the index was economics ranged from 87.90 to 112.35.

Burberry had fluctuating sales and recorded the highest sales of USD 16.98 billion in 2023. However, the trend index was still moderate at 70.25. The advertising spending has seen its peak at USD 3.04 billion due to higher sales. Moderate social media engagement was recorded, nearly reaching USD 13.43 million. There had not been consistency within those organizations on sustainability initiatives and price sensitivity averaged 1.20. The index covered the economic index, which was between 84 22 and 110 91, and affected consumer spending.

In the econometric analysis a few major findings are uncovered. Trend forecasting and innovation are related to increasing sales, which can be

inferred through first, a high consumer trend index correlates strongly with increasing sales. Second, it costs a lot of money to advertise, and advertising does help boost consumer engagement and sales, depending on the alignments with social media marketing strategies. Thirdly, the social media engagement directly affects sales as companies use influencer marketing which acquires better results. Fourth, to the extent that brands undertake sustainability efforts, there are positive effects, but these are not consistent across brands, and they do contribute to long term consumer loyalty. Economic conditions finally also play a significant role influencing fashion retail sales, since GDP and consumer events fluctuate and lead to change in purchasing power.

Finally, the findings stress the necessity of maintaining trend analysis, strategic advertising, and social media engagement for maintaining competitive advantage in the fast-changing fashion industry. Such brands as they become successful in weaving these elements along with sustainability initiatives will have strong position in the market for the years to come.

Conclusions

This research utilizes an econometric approach to analyze the impact of marketing research innovations on consumer trend analysis in the fashion industry. This confirms that investment in marketing trends strategies has significant relationship with sales performance. The high consumer trend index, which is identified by AI analytics and influencer marketing was positively correlated with unusually high revenue, proving that trend adaptation helps a brand be successful. At the same time, the research has established the fact that advertising is key to grabbing and retaining an audience, and hence major sales growth, especially in digital advertising. The second finding is the significant impact of social media engagement on consumer behavior, hence, the emphasis for brands to further boost their digital presence. It is also evident from the results that the effects of adoption of sustainability initiatives differ from firm to firm, although those firms which do adopt such initiatives are found to positively contribute to long run brand loyalty, supporting the hypothesis that ESG affects consumer purchasing decisions.

The research hypothesis states that the usage of AI driven trend analysis and digital marketing innovations in the fashion industry helps in increasing the performance of sales in the industry, and this was confirmed in the findings of the study. The outcome of the research confirms that advanced analytics and influencer marketing may effectively boost revenues by fostering trend adaptation of the consumers. The hypothesis about sustainability initiatives was partially confirmed: it helped improve brand loyalty, nevertheless with a delay to the sales. In addition to the above, the research verified that consumer spending patterns are highly affected by the economic condition of a country, as this may result in failure of product and marketing strategies. This hypothesis is practically proved by the

empirical evidence confirming that the continuous investment in digital marketing and sustainability of the fashion firm will ensure competitive advantage.

As for future research, it is possible to continue consumer sentiment analysis in real time using AI-based tools and the econometric model can be expanded to include regional behavioral differences of consumers for future research. Furthermore, combining qualitative insights from social media content can be a great way of going beyond the support provided by transaction and click data to understand what the emotional drivers behind purchases on fashion e-commerce are.

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