

# An evaluation of the calvin klein



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The multiple definitions and understanding of the term 'brand' have created difficulties in creating a 'grand theory' for brands (i21). The meaning of brands has been continually changing as new understandings of the term emerge and replace the older understandings (i21). While a production centered brand theory focused on the creation process, especially the design, logo and advertising campaigns, the consumption centered brand theory emphasizes on the interpretation of brands by the customers (i3). Presently the brand theory has shifted from being production-centered, by differentiating products or services from its competitors, to becoming consumption-centered, by differentiating consumers from each other (i3) into different brand tribes.

According to Aaker (1993 in 2), a brand represents a name, sign, symbol, design or a combination of such elements which uniquely identify and differentiate particular products or services from others. However, a brand is distinct from a company's name or trademark (i2) and unlike a trademark, which is a tangible item of intellectual property, a brand additionally incorporates the intangibles like identity, personality, associations and meanings; for example, Pepsi is portrayed as the "choice of new generation" suggesting Coca-Cola as an historical brand (i2, i3). In present scenario, different formats of brands exist, whether as family brands like Heinz, where each product exists under a single name or as standalone brands as in case of Unilever (i2) where each brand demonstrates an individual identity. Nevertheless, the aim of brands is to develop relationships with customers by creating value propositions related to functional, emotional or self-expressive advantages (Aaker, 1996 in 2). Today brands are acknowledged

as assets on balance sheets similar to the values assigned to tangible properties.

Private labels are the products produced under a retailer's account and sold under the retailer's brand or another brands through specific retail chains or retailers (pl2). Such products that are natural extensions of other product lines are ideal private-label products and they can build value and recognition from the customers. Private label products are usually not advertised and cheaper than the similar branded products as the entrance cost of such products at the sales points are eliminated. Hence private labels assume significant importance in times of economic downturns. However, they have also been associated with low quality. But the situation is changing with retailers offering premium private label brands, like the Tesco's finest range, which compete directly with the national brands on the basis of their quality (private label1) and are now considered to offer high value (pl2). Nevertheless, consumer purchase behavior for private label product is tends to be product specific (Livesay and Lennon, 1978, in pl2).

Brand leveraging is a process which aims at reinforcing a brand by linking it to another person, place, thing or brand (i5). One popular way has been associating a brand with celebrities. Many of the popular fragrances in UK are associated with celebrities like Kate Moss, David & Victoria Beckham (i8). Calvin Klein has also been using a similar strategy to leverage its brand and has lately associated with Eva Mendes to promote its fragrance brand ' Obsession' (i13). However source credibility and country of origin effect have significant influence in such strategy (i5) and linking with UK celebrity who matches the personality of the brand may also be used to leverage Calvin

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Klein in UK. Apart from celebrities Calvin Klein can also utilize its range of clothes and accessories to leverage its new fragrance brands like ' Obsession' by linking it with selected range of premium class clothes and accessories. Over the past several years, Calvin Klein has produced several flakers to Eternity, including Eternity Rose Blush and Eternity purple Orchid; all those targeted for women from 30- to- 45 years old and Eternity Moment targeted for young women. Brand extensions into other product classes (Aaker, 1996) can also be used to Leverage Calvin Klein.

Successful brands enable organizations to build stable, long-term demand and enable them to build and hold better margins than either commodities or unsuccessful brands. Successful brand building helps profitability by adding value that entices customers to buy a product(Leslie de Chernatony & Malcolm 2003: 18). Calvin Klein satisfies these criteria of success as its fragrances are well perceived by customers, which reflects in the market shares and performance figures of Calvin Klein as evident in the company analysis. As a brand Calvin Klein reflects a sense of style and premium quality. However, the competitor analysis suggests that other popular fragrance brands from L'Oreal and even from Coty may pose some challenges for Calvin Klein. Additionally, as evident in the customer analysis, private label fragrance brands do not present a significant competition for Calvin Klein.

Calvin Klein is one of the strongest and well established players in the UK fragrance market being supported by Coty. While private label fragrances do not seem to be much of a threat for Calvin Klein, other brands from Procter and Gamble, L'Oreal and even Coty do pose a competition for Calvin Klein.

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While product differentiation, brand extensions and celebrity endorsements may help to leverage the product, entering into niche fragrance segments, botanical and organic perfume market, along with targeting the 15-34 year age group segment may offer future possibilities for Calvin Klein. However, any such measures have to be in accordance with the brand's personality and associations with its target customers.