

# Case study – american apparel

Education



The company segmented their market to young men and women in their 20s, and further targeted a niche audience of environmentally conscious consumers. The company catered to this artsy, bohemian audience who resided in hip neighborhoods of large, metropolitan cities that upheld a "hip, subversive, and degenerate" culture (Wolf, 2006). Until 2008, the company used concentrated marketing by positioning themselves as a sweatshop-free manufacturer who pays their employees fair wages and provides them healthcare benefits.

Positioning the brand by attributes and benefits led American Apparel to become known for their ethics and sustainability. As more and more retailers attempt to be "green," American Apparel had a harder time standing out as a company trying to be good (Hill, 2010). Charley later realized that he was limiting his sales potential by targeting a niche and wanted to go mainstream by expanding to a larger market (Walker, 2008). He decided to reposition the brand to appeal to a generation and used sex as a way to bring people closer.

The new generation, as Charley puts it, is exciting, mobile, and open-minded. These are the people he wants to be in business with (Wolf, 2006). The company incorporated sex into their advertising strategy as a way to position the brand by user. Since 2008, American Apparel's promotional strategies have been focused on highly sexual images of young people in provocative poses. Their amateur models and lack of photocopying reflects their honesty by showing the models' imperfect bodies and blemished skin (Wolf, 2006). Not only do they show "real" people, they also expose nipples and pubic hair.

The use of shock tactics in their sexual honesty has attracted much attention, and their openness with sex has come part of their brand image, since they have worked hard to create an image infused with youth and sex (Chuddar, 2008). The brand's undifferentiated marketing reached more people than before and crossed all genres, including high-fashion kids, clubbers, geeks, and gays (Hill, 2010). However, their controversial advertising has received backlash and negative responses from the media, labeling the brand as "porn chic" (Giving, 2014).

The company claims to not be worried, since there seems to be a disconnect between how young people perceive the ads and how mainstream media reports the ads. By narrowing their brand image, many people argue that American Apparel alienates their original user base, but the company asserts that they can connect many small groups together into a big audience (Chuddar, 2008). Their most recent ad strategy tailors to different demographics, including their use of a 62-year-old model, a plus-sized model, a Bangladesh model, celebrate diversity by targeting consumers of different ages, sizes, ethnicities, and religions.

Additionally, the company has gone global, establishing stores in Asia and representing the American dream (Woo, 2013). The message behind their advertising conveys openness and freedom, not just in sexuality but also for people who are normally ignored (Chuddar, 2008). Suggest a future plan: In order for a brand to grow or at least stay competitive, they can't stop presenting fresh, new advertising campaigns to consumers. In American Apparel's case, there's also an ethical issue involved. What direction should they take with their advertising campaign?

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Recently, founder and CEO Charley has been fired, leaving many people wondering what's next for the company's marketing aesthetic. With Charley gone, many believe that the company should completely re-brand itself (Holland, 2014), however, the company still plans to maintain their " sexy' and " edgy' image (Walker, 2014). As fashion has evolved and sex has become mainstream, shoppers have become desensitizing and started to move on. Activist groups consider American Apparel to be pass©, sexist, and demeaning (Walker, 2014), and according to sales, sex Just isn't selling anymore (That, 2014).

Consumer reports found that sexy apparel has limited appeal and consumers have been expressing that they want comfortable clothes that can be dressed-up or dressed-down (That, 2014). Consumers want it all and sexiness limits their style. American Apparel should focus their advertising campaign on the versatility of their merchandise, thus their promotional objective should be to increase awareness of the multiple functions of their apparel to yield variableness with consumers. One of the core concepts of marketing is that it is better to maintain existing customers than trying to gain new ones.

In this case, American Apparel should target the same consumers, but with a different spin. Sex still appeals to their target market, the young, 20-something men and women in metropolitan areas, but as these consumers age and their style evolves, their taste will too. The advertisements used in the past are becoming increasingly tacky, therefore sexual ads should be more tasteful and appealing to a maturing audience. To emphasize the

apparel's versatility, the brand should be positioned by product attributes and benefits.

The company manufactures basic apparel that can be used in a variety of ways. The clothes can be worn alone, in layers, combined with other brands, etc. Countless looks can be created, which can communicate different styles to different types of shoppers. The versatility of these pieces produces more variety and greater product benefits. American Apparel's major selling idea should highlight the duality of people, combining both emotional and rational advertising appeal. The company's philosophy on being sweat-shop free, Made in USA puts them at odds with their overly-sexed advertisements.

Since people have layers, the brand can appeal to shoppers by helping them embrace their duality. Consumers want a brand that they can emotionally connect with, brands that reflect their passion and interests (That, rational consumer looking for items with multiple uses, which translates into a good value for their money. To execute this strategy, their advertisements should demonstrate the ease of versatility with their apparel, since demonstration advertising can be effective in highlighting product benefits.

An example of this approach would be to show a model wearing an article such as a cardigan, suggesting a preppy look. She could be styled with her hair in a bun and wearing glasses. In another image, the model would be shown with her hair down and wearing the same cardigan, maybe unbuttoned, revealing her bra and her sensual side. This good-girl/bad-girl image translates the regularity of apparel to the duality of personality. In this

sense, usage imagery demonstrates how the product could be used. An indirect headline can be used to provoke interest for shoppers.

A headline such as "Embrace your Duality" can challenge shoppers to style themselves in different ways. The visual element from the preppy/sexy example could convey the same message if stood alone. Yet, a headline attached to the visual portion is more effective for attracting attention. The subhead for the ad would be the brand's usual "American Apparel: Sweatshop free, Made in USA" tagging, which also implies the brand's duality. The sexual imagery combined with their ethical practice demonstrates the duality in brands as well as in people.