

The most favourite jeans brands in malaysia marketing essay



**ASSIGN
BUSTER**

Levi Strauss Co. is the world's leading branded apparel companies founded in 1853 and is headquartered in San Francisco, Brussels and Singapore to smoothen the regional operations. The company offers a variety of product from jeans to accessories to men, women and children under associated brands such as Levi's®, Dockers®, Signature by Levi Strauss Co. and Denizen TM brands. Levi's products are distributed to over 110 countries worldwide with chain retailers, department stores, online sites, and franchised and company-owned stores (Levi Strauss Co., 2009). The company's gross profit risen 5% in the fourth quarter to \$618 million last year compared with the same period in 2009 driven by sales growth in America (7%) and Asia Pacific (8%)(LS CO, 2010). Asia Pacific has been the prominent market for the company as the Levi's is ranked as the most favourite jeans brands in Malaysia.

PRODUCT

Levi's® Curve ID is a new product line of jeans focuses on women with the aim to improve fit by targeting three distinct body shapes rather than a “one-size fits all” approach (INFO[1]). The company developed a new fitting system based on the individual shape and proportions of woman's body in order to classify women into three customs fits which are known as Slight Curve, Demi Curve and Bold Curve by using the ratio of a woman's high hips and seat measurements

The distribution channel of Levi's product in Malaysia is selected and products like Levi's® Curve ID is only available in any retail outlets of Levi's in specific states of the country. Unlike in United States and other European countries, products of Levi does not restricted to retail outlets but available <https://assignbuster.com/the-most-favourite-jeans-brands-in-malaysia-marketing-essay/>

in Levi Store Online. These enhances flexibility of consumers' whom have little time for shopping enjoy a full range of services from product ordering, online payment to house shipments.[2]

PRICE

Products of Levi's used premium pricing to indicate the quality of the product for instance Levi's Curve ID is retailing from RM 229 onwards.

PROMOTION

Levi Strauss advertise around the world through a broad mix of media, including television, national publications, the Internet, cinema, billboards and other outdoor vehicles. The marketing tools frequently used globally are event and music sponsorships, product placement in major motion pictures, television shows, music videos and leading fashion magazines, and alternative marketing techniques, including street-level events and similar targeted "viral" marketing activities (Levi Strauss Co., 2009).

F: ImagesImage1383. jpgF: ImagesImage1382. jpg

MARKET ANALYSIS

MARKET GROWTH

Global retail sales of apparel and home textiles made from organically grown cotton increased by 35% in 2009, and are forecast to grow by 20-40% in 2010 and 2011[3]. Euromonitor International predicts the sales and demands of clothing will perform positive growth from 2009-2013 at a slower rate due to global impact economic situation. Clothing industry in Malaysia is expected to show a slow growth due to global economic recessions which

undermined consumer purchasing power. However, the market growth will constantly supported by increasing promotional activity, fashion trends and sales from retail outlets and shopping centres (Euromonitor, 2011).

MARKET TREND

Consumers spending less on branded apparel fashion due to worsening global economic recession.

Trends of apparel sector are constantly influenced by change in lifestyle and spending capacity. Consumers' in Malaysia is spending less on branded fashion apparels and accessories due to less disposable income being available (Euromonitor, 2011). Therefore, consumers are getting more price conscious in selecting apparel brands or adopting non brands purchases.

High awareness of fashion with the aids of government's policy and electronic media

Malaysian Government on the other hand, is actively promoting apparel industry as it is one of the most important sectors the country economy in terms of investment, revenue, trade and employment. In the past, numerous of fashion shows, events and competitions being held in Malaysia including the annual Malaysian Jewellery Fair (E. M) which heightened the public awareness towards fashion world. Thus, it benefits retailers both local and international brands, to invest in the fashion and apparel sector in Malaysia. The availability of media and internet access has improved consumers' awareness towards latest fashions and the latest brands in the fashion.

Young working professionals as the new segments of customers

According to Euromonitor International, young working professionals are the new targeted group of customers for many fashion retailers or company in Malaysia due to their higher purchasing power as compared to other group. This group of customers is the driver of growing demand in the clothing market mainly due to increment in workforce and job opportunities of the country.

Fashion retailing getting competitive

Retailing sectors in Malaysia is moving saturation due to the increasing number of local and international brands, increasing number of malls and hyper markets and easy availability of retail space. These indicated the fashion retail business is highly competitive as they are sharing the same batch of consumers. Hence, fashion retailers need to stand up in the industry with product innovations as survey found that Malaysian adults (above 18 years old) spent 48 per cent of their leisure time in shopping centres (Frank Small and Associates)[4].

Denim trends

2011 is a new year of women denim trends where women consumers are opt to different style and cuts of jeans such as skinny, boot and straight cuts. Jeggings (denim leggings) another type of jeans adored by many women after skinny jeans which created more fabric elasticity and high comfort level. Thus, it would be a very competitive market for conventional jeans design.

SWOT ANALYSIS

Strength

Levi is the pioneer in the jeans industry with long history which is also regarded as the expertise in denim market. Over the years, the company has developed a substantial reputation in denim market of quality concern. Levi is chosen as the Malaysian favourite jeans brand as the company experiencing good sales in the footwear and clothing sector mainly due to their brand name and long establishment in Malaysia (Euromonitor, 2011). Levi constantly engage consumers with innovative brand experiences with variety of cuts and styles to men and women market through the collaboration with skilful pattern makers and denim expert to deliver the jeans. The company also has excellent global distribution channel from manufacturing to retailing to ensure the products is reachable to customers.

Weakness

Levi suffered a weak financial status after the event of global financial crisis in 2008 in United States indicated by dropping profit margin. Furthermore, consumers' purchasing power is weakening on branded items like Levi's, which unable to penetrate to every level of customers.

Opportunity

Women's jeans market is always profitable as women have more purchasing power as compared to men if they found the suitable. Levi's global survey shows that 54% of women try at least 10 pairs of jeans to find one pair they would buy. Thus, Levi's Curve Id the shape fitting jeans is deemed to obtain positive response by women who eager to find a perfect fitting pair of jeans.

Threat

Denim industry is becoming highly competitive due to its low barrier to entry. In this way, Levi's position in the market is threatened by either existing or new competitors who offer price cut and good quality. The availability of substitutes like jeggings and pants have decreases the purchasing power of consumers in jeans. Furthermore, the more frequent the sales promotions undertaken by the Levi's many have downgraded the brands which decreases market share of the company.

COMPETITORS ANALYSIS

Women's apparel market is the most competitive and fragmented market characterised different targets consumer segments, many regional and local competitors, and an increasing number of global competitors (Levi Strauss Co, 2009). Levi's primary global competitor is vertical integrated specialty stores operated by Gap Inc. However, Gap is not very popular in Malaysia which has five stores in the country. Levi's Malaysia faces other denim competitor brands such as Lee Cooper, Gap, UNIQLO as well as local brands PADINI.

Jeans brand

Description

Lee Cooper

Lee Cooper jeans brand is founded and incorporated in 1899 in Pennsylvania under the VF corporation. The brand is distributed by Amtek Holdings Bhd in Malaysia and manufactured locally as well as in US, Japan, Hong Kong, Taiwan and Australia. The main strength of Lee jeans is being the first

company position closed women market for women and changed the jeans design from traditional straight line cutting and highlighting women's body and lines[5]. The brand also has established brand name emphasize in quality and sold in many stores in Malaysia. The weakness of Lee jeans is the brand has low popularity in Malaysia due to the lacking of consumer exposure to their campaign and advertisements. The threat of Lee jeans to Levi Curve ID is the brand has their own developed a collection of jeans and pants designed to help every woman look and feel great[6].

GAP

The strength of GAP is getting a bonding with consumers through social network and online media. Their global campaign 'Born to fit' in 2009 promoting their Premium Jeans collection 1969 in celebration of 40 years of the brand is one of the example. But, GAP may not be the competitor of Levi in Malaysia as the brand suffers a weakness of gaining low popularity in local. And there are only four stores set up in Malaysia which deduce that the attainability of their product to consumer is low.

UNIQLO

UNIQLO is the innovative brand from Japan which inspire the world to dress casual[7]. The brands establish 1st store in Malaysia on 10 June 2010 distributed by Uniqlo Malaysia Sdn Bhd. The strength of the brand is their main focus of developing high quality clothing. The brand emphasize with high quality and long staple cotton in denim manufactured in China. The brand is expanding the women's wear twice that of men's[8]and the price of women denims is cheaper compared to Levi's Curve ID. However, the recent

incidents of leakage of radiation in Japan has weakens consumers' confidence towards Japan and the brand is still in infant stage in Malaysia.

PADINI

PADINI is incorporate as a private company on 30th August 1979 and it became a public company on 8th June 1992. The company offer variety of clothing and footwear for men, women, and children which manufactured locally. The strength of the company is their rapid expansion in Malaysia. The company also aggressive in establishing their brand image through advertising as well as using sales promotion to create brand loyalty like membership cards and promotional events. The weakness of the company is consisting of too many sister brands (i. e. Vincci) which led to their lost focus to become a brand leader in any field.

MARKET SEGMENTATION

Segment base

Youth women

Working women

Demographic

Age

Income

Occupation

Education level

Family life cycle

16 -25

Below RM 2000

Students, Part-timers

Medium, High

Single, couples

25 - 44

Above RM 2000

Self-employed, Full-timers,

Professional

High

Single, couples, married

Geographic

Country

Regions

Race

Malaysia

East and West Malaysia

Chinese, Malays, Indians and other

Psychographic

Social class

Lifestyle

Personality

Benefits

Attitude

Loyalty status

Middle, High

Outdoor oriented

Ambitious, confidence, sporty

Economy and quality

Enthusiastic, indifferent

Medium, strong

Working class, upper middle

Outdoor oriented

Confidence

Quality, economy and service

Indifferent

Strong

Behavioural

Usage rate

User status

Heavy user

Regular user

Medium user

First time user, potential user,

TARGETING

Levi's shape-fitting Curve ID jeans aim to target women consumer market which is slightly older women groups in the age between 25 to 44 years old[9]. Working women is the primary targeted group because they have large influence apparel sector as compared to home makers are found to be less aggressive in buying clothes.[10]

The secondary targeted group is youth women age ranging from 16 to 25 because they're the heavy user of jeans and their attitude towards new product is much enthusiastic compared to working women. Thus, the Levi's Curve ID campaign is focuses on increase awareness and change the purchase behaviour of these two groups.

POSITIONING

Levi Curve ID uses emotional positioning through its global campaign theme " Believe" to redefines women views of their confidence and courage with the brand which keep inspiring, multidimensional d youthful, always

believing in her, what she does and what she wears (Curve ID Press Release). The campaign also wants to women to believe Levi Curve ID is the only brand that can fulfil women dread of having perfect fitting pair of jeans.

Shape fitting, uniqueness defined personality

Unfit, dull, undefined personality

High Price, High quality

Low price, Low quality

Levi Curve ID

Figure Market positioning of Levi's Curve ID

MARKETING COMMUNICATION OBJECTIVES OF LEVI CURVE ID

Corporate objectives

Our key long-term objectives are to strengthen our brands globally in order to deliver sustainable profitable growth, continue to generate strong cash flow and reduce our debt (Levi's Annual Report 2009).

Driving continued product and marketing innovation that builds upon our leadership position in the jean and khaki categories

Driving sales growth through enhancing relationships with wholesale customers

Expanding our dedicated store network, capitalizing on our global footprint to maximize opportunities in targeted growth markets, and continuously enhancing our productivity.

Marketing objectives

To launch new global fit's range in 2010 and new men global fit range similar to 501 introduced in 2008 and new premium (Levi's Annual Report, 2009).

To increase the market share of Levi's through the launched of Levi's Curve ID.

To achieve 40 percent growth of Levi's new women denim line.[11]

Marketing objectives

To increase the awareness of Levi Curve ID which utilizes a unique, custom fit system focusing on a woman's shape and proportions but not size.

To establish an emotional connection with women that Levi Curve ID is solution provider of their problem finding a perfect pair of jeans.

To exposed of different aged group of women with different marketing communication tools.[12]

To increase in advertising and selling expenses of the company with a lower operating margin, and higher capital expenditures during the 2010 fiscal year (Levi's Annual Report, 2009).

LEVI'S CURVE ID CAMPAIGN

Recently, Levi Strauss launched global Levi's Curve ID campaign named as 'Believe' for the launch of a pioneering new fit concept that captures three female artists in a uniquely feminine vision that celebrates the Levi's® brand and its unquestionable denim authority (Levi In). The aim of the campaign is

to reconnect women with the brand and walk away feeling good about their body[13].

ELEMENTS OF MARKETING COMMUNICATIONS

Media, content and tools are the prominent elements in marketing communications as shown in Figure 2. According to Fill, C (2009), media and messages are the key reaching consumers today as compared to the tools because consumers are able to decide how and when to consume information and entertainments.

Figure

Source: Fill, C., 2009. Marketing communication: interactivity, communities content, 5th ed. Financial Times Prentice Hall: Harlow

CONTENT

Content is also known as messages that need to be conveying in a campaign. Levi's Curve ID ' Believe' campaign include a tagline of ' Levi's Curve ID believe is all about shape not size' which imply that women should blaming their weight or size for not finding a jeans that fits her well , in turn the cutting of the jeans itself is the cause because it does not fit to all different body shape. Thus, Levi's Curve ID wants women to believe they can be the solution provider of getting a pair of perfect fitting jeans that define their courage and confidence through shape but not size.

TOOLS MEDIA

Levi's Curve ID campaign had included the five major marketing communication tools as shown in Figure 3. Advertising and public relation is used to increase the product awareness of customers until they build interest to it. Later, sales promotion, personal selling and direct marketing are responsible to create the desire of customers of the jeans through persuasion until the purchases play into action. Media of the campaign is used to deliver message to one or more people and the selection is based on the ability if each medium to deliver the client's message in an effective way and compelling way and in such a manner that it reinforces other media activity (Fill, C., p. 293).

MARKETING COMMUNICATION TOOLS AND STRATEGIES

Figure Levi's Curve ID Campaign's marketing communication strategies, tools and media involved.

According to Nowak, G. Et al (1998), the failure rates of new consumer products or services were up to 90% caused by difficulties of company to influence consumer behaviour. Thus, Levi's Curve ID campaign applied integration marketing communication approach which include a variety of communication mix to influence the behaviour of a targeted population in a consistent and audience driven manner (Caywood, 199: Smith, 1995).

SALES PROMOTION

Sales promotion is offer buyer additional value, an inducement to generate an immediate sale which targeted at consumers, distributors, agents and

members of the sales force (Fill, C., 2006). Levi's used sales promotion as a key way of developing sales of Levi's Curve ID by increasing product trials and consumptions of women consumers. The usage of incentives in the campaign such as voucher, premium that valid in a specific period created a sense of urgency among customers to buy the jeans. Levi's premium indirectly to generate Levi's stores traffic and increase the number of people who become brand loyal (Fill, C., 2006). Contests are included in the campaign for effective new product introductions, revive falling sales, offset a rival's competitive moves and build a strong customer base (Fill, C., 2006).

Table Levi' two different premiums for both new customers and existing customers.

Premium for new customer

Premium for existing customer with Loop Membership

Customers that purchase minimum RM 249 for Levi's Curve ID jeans is eligible to immediate Loop membership which normal entry is RM400.

Existing member can enjoy RM50 off with minimum purchase of RM300 including a pair of Levi's Curve ID in a single receipt.

DIRECT MARKETING

Kotler (1995) noted that extensive evidence of an apparent lack of any lasting change on consumer behaviour after sales promotion has finished. Thus, direct marketing deployed by Levi's to create and sustain a personal and intermediary free communication with existing customers, potential

customers and other significant stakeholder (Fill, C., 2006, p. 268). Levi's sales personnel emulated sales by gathering personal details of women customers during the measuring sections for Levi Curve ID which allows different categories of customer categories to be identified, split and treated separately. Media used by Levi's under the categories were insert, print media, radio and internet which can lead to rewarding relationship with each customer, a reduction in media costs and an improvement in effectiveness and measurement.

PERSONAL SELLING

Personal selling is important in Levi's Curve ID campaign to develop relationships with women customers with the support of other tools to reach the other customers in their portfolio. It is also the determinant of sales behaviours from the perspective of Reid et al (2002). Sales personnel is one of the example of personal selling deployed in Levi's stores and during the event of Levi's Fit Festival which is concourse events of Levi's Curve ID in Malaysia. Levi's sales personnel are trained with sufficient product knowledge and proper measuring technique to service fragmented targeted audience who are either aware or unaware of Levi's Curve ID as well as pulling sales through building the customer relationship in the process of interactions.

http://www.tonguechic.com/assets/0012/5344/levisfit-midvalley21_std.jpg

Figure Equipped with their measuring tape and know how, the Levi's curve ID personnels were ready to help shoppers determined their fit.

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Source: http://www.tonguechic.com/assets/0012/5344/levisfit-midvalley21_std.jpg

ADVERTISING

Advertising is an effective communication tools in developing brand awareness, induce an engagement and to (re) position brands, by changing either perception or attitudes of audience (Fill, C, 2006, p. 172). Levi's had invested bulk investments in advertisements to increase the brand awareness of Levi's Curve ID are globally that their jeans cater all women with all type of body shape but not size. It is also play role in persuading women audience that the new brand is the solution provider for women frustration and disappointment of finding a pair of perfect fitting jeans. The advertising media involved in the campaigns included are magazines, radio, newspaper and social media in order to reach wider range of women audiences.

http://3.bp.blogspot.com/_MfYI55tt9is/TKMkOFt1VKI/AAAAAAAAABKI/klu_hNeOzBw/s400/IMG_6985.JPG

JPG

Figure Levi's Curve ID ads in CLEO Malaysia

Source: http://3.bp.blogspot.com/_MfYI55tt9is/TKMkOFt1VKI/AAAAAAAAABKI/klu_hNeOzBw/s400/IMG_6985.JPG

http://3.bp.blogspot.com/_MfYI55tt9is/TKMkOFt1VKI/AAAAAAAAABKI/klu_hNeOzBw/s400/IMG_6985.JPG

JPG

[http://www.everyday.com.my/photo/2010/07/Levi-s-Fit-Festival-Levi-s-](http://www.everyday.com.my/photo/2010/07/Levi-s-Fit-Festival-Levi-s-Jeans-Party.jpg)

[Jeans-Party.jpg](http://www.everyday.com.my/photo/2010/07/Levi-s-Fit-Festival-Levi-s-Jeans-Party.jpg)

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Figure Levi's Fir Festival Ads

Source: <http://www.everyday.com.my/photo/2010/07/Levi-s-Fit-Festival-Levi-s-Jeans-Party.jpg>

PUBLIC RELATION

According to Institute of Public Relations, public relation practice is planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its public (Pickton, D. Broderick, A., 2001). Since Levi's Curve ID is a new product which needed higher level of publicity and credibility through public relations to penetrate Malaysian market. Levi's Curve ID media launch event relation invited selected Malaysian celebrities for sharing their satisfactions and experiences after wearing the new fitting jeans. The aim of the event is to ensure good media coverage by fostering the relationships with editors and journalists. Other approaches undertaken by Levi were product events (Levi's Fit Festival) and updated press release in Levi's company websites.

Photos courtesy of Levi's // Photos courtesy of Levi's Photos courtesy of Levi's // Levi's Curve ID

Figure Celebrities involved in Levi's Curve ID media launched event

Source: <http://sgstb.msn.com/i/74/89A1F8B49B7C74BAD28F6CD51C7670.jpg>, <http://sgstb.msn.com/i/8E/C970419034F2FBB87048C18CAEF990.jpg>

MARKETING COMMUNICATION STRATEGIES

Marketing communication strategy of Levi's Curve ID campaign was a combination of pushed, pulled and profiled with the support of various selected tools and media.

PULL STRATEGY

Levi's Curve ID is a new product which needed high levels of awareness, change or reinforce attitude, reduce risk, encourage involvement and ultimately influence consumer behaviour so that target audience can expect the offering to be available to them when they decide to enquire, experiment or make a repeat purchase (Fill, C., 2006). Levi's applied pull strategy aimed at encouraging women customers to 'pull' Levi's Curve ID through sales promotion and direct marketing as these tools are effective in persuading consumer audiences.

PUSH STRATEGY

Push strategy involves the presentation of info in order to influence other trade channel organisations (Fill, C., 2006). Levi's pushing the product down through channel towards the end-users for consumption. Levi's use in to encourage Levi's store dealers to take stock of Levi's Curve ID as well as help them fully aware of the key attributes and benefits associated with each product with a view to adding value prior to further channel transaction (Fill, C., 2006). Push strategy is help by sales promotion and public relations and advertising.

PROFILE STRATEGY

Levi's is a pioneer in jeans industry for long history which needed organisation communications to develop corporate image, reputation and relationships, whether they are internal, external or both. The company applied profile strategy with the aids of public relations and corporate advertising strengthen the global position of Levi's brand as well as changing perception and understanding of organisation that Levi's is refocus to women denim line in global arena.

LOOK

<http://www.accessmylibrary.com/article-1G1-161394189/comparing-application-integrated-marketing.html>

Class

Types

Partners in Malaysia

Print media

Magazine

NUYOU, FEMALE, EH!

Newspaper

—

Outdoor media

Billboard

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Shopping Mall (Mid Valley Megamall)

Transit

Mobile Trunks

Broadcast media

Television

—

Radio

Hitz. fm, MY fm, era fm.

In store media

Point of purchase

Window display

Packaging

Special Labelling

New Media

Internet

Facebook, Twitter, Eblogger, Websites

Other

Cinema

—

Exhibitions

Product Placement

—

Ambient

Distribution of Levi's ECO bag

Source: Fill, C., 2009. Marketing communication: interactivity, communities content.

http://www.tonguechic.com/assets/0012/5359/levisfit-midvalley28_std.jpg

http://www.tonguechic.com/assets/0012/5359/levisfit-midvalley28_std.jpg

COST INDICATIONS OF LEVI'S CURVE ID CAMPAIGN

Tools

Costs (RM)

Percentage (%)

Advertisements

Magazines

Radio

Billboard

Transit

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Insert

Advertorials

RM8, 400(2800*3)

RM

RM

RM 25, 000

RM 12, 000[14]

RM3500[15]

Sales Promotion

Voucher

RM30, 000

Public Relation

-Media Launch Events Public Relation

-Levi's Fit Festival

RM 20, 000 (

Direct Marketing

Online, Blogs

In store

Advertising rates of magazine in Malaysia refer

<http://www.genesis2u.com.my/advertisement.aspx?mid=3&mid=11>

The total Levi's advertising expenditure was \$297.9 million worldwide. The message that Anderson took from these stats was that a single global message could drive results and elevate the awareness of the iconic brand ().

GLOBAL – Levi Strauss Co has handed its Asia-Pacific media and creative business to OMD and Wieden+Kennedy (W+K) as part of its recently concluded global creative and media pitch (<http://www.campaignasia.com/Article/246370,update-omd-and-wiedenkenedy-win-levis-business-in-asia.aspx>).

MEASUREMENT OF EFFECTIVENESS OF MARKETING COMMUNICATION METHODS

Figure the relative effectiveness of the tools in the marketing communication mix

Modified source: Fill, C., (2009) Marketing communication: interactivity, communities content, p. 25.

Each marketing communication tools deployed in Levi's Curve ID ' Believe' campaign has different capacities to communicate and to achieve different objectives. The effectiveness of tool can be tracked against the purchase-decision process as shown in Figure 9 (Fill, C., 2009).

-Advertising and direct marketing is more effective at creating awareness of consumers towards Levi Curve ID.

-Sales promotion and personal selling are more effective at informing, persuading and provoking purchase of Levi Curve ID

-Public relation

SALES PROMOTION

Sales promotion tends to affect the later stages of the buying process (i. e triggering action) such as a purchase or increased usage of a particular brand, whereas advertising tends to affect the earlier stages such as awareness, interest and desire (there are exceptions, particularly where direct response advertising is concerned). (Paul Russell Smith, Jonathan Taylor, 2004, p. 357)

ADVERTISING

Measuring advertising after broadcast evaluate how ad affected consumer recall or produce awareness, knowledge and preferences (Olorunleke Kola S. T. Akinyele, 2010).

Whether it cre