

Promotional strategies in the branded denim industry



The global fashion apparel industry is one of the most important sectors of the economy in terms of investment, revenue, trade and employment generation all over the world. Apparel industry has short product life cycles, tremendous product variety, volatile and unpredictable demand, long and inflexible supply processes. The industry has been in a transition over the last 20 years. Some of the major contributors are:

Significant consolidation in retail,

Increasing use of electronic commerce in retail, and

Wholesale trade

Given below is a diagram of the types of markets for the fashion industry globally/ India as can be seen comes under Emerging Fashion market.

viewer. png

Figure: Global Fashion Market.

The Indian Fashion Industry

Fashion Industry growth in India is mainly driven by the growing exposure of domestic designers at international forums, but growth is also supported by other factors such as the launch of focused business education courses for emerging designers and the establishment of an industry association.

The Indian fashion industry has gained international acclaim and recognition at several global forums. This has also helped attract a large number of international clients to the country

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Rising affluence has increased brand awareness among Indian consumers. According to the "Nielsen Global Luxury Brands Study", India is among the most brand conscious countries in the world, with 35% of Indian survey respondents reporting to buy designer brands

India is considered an attractive market for luxury brands; about 50 premium and luxury brands, including Jimmy Choo, Gucci, Christian Dior, and Chanel, have opened stores in India in recent years. Consumer spending on fashion products has grown at 7.1% annually from 2002 through 2007

Denim Industry in India

Denim Brands in India Jeans - the working class garment - has something about it which has fascinated the poor and the rich alike, and has survived fashion trends and technology changes for over a century.

The jeanswear market in India is currently pegged at approximately Rs 6,000 crore - the bulk of it in the unbranded market according to recent reports. However, the branded segment is believed to be growing at a faster pace, with brands giving tough competition to one another. According to industry sources, the total size of the jeans market in India is about 40-45 million pairs of denims out of which 44 million pairs are in the value segment (less than Rs 1,000). The Indian retail market size of jeans (men's and women's) in 2007 was Rs 3,080 crore with a healthy growth of 18 per cent over last year as per research conducted by Technopak. According to an Indian expert, denim production in India in 2006 was estimated to be at 400 million metres, of which 250 million metres was for domestic consumption and the rest for exports.

The Indian denim market is still in the nascent stages but it's definitely a growing market which is growing in the right direction.

Brand-conscious market

With changing lifestyles, the organised players are coming up with contemporary designs to target the youthful, stylish, trendy and fashionable consumers. Today's consumer is educated and very well informed about different brands and knows what to buy and what not to buy. Indian consumers are no longer price conscious rather they are willing to spend money on high-end denim brands. Denims are not only restricted to jeans, shirts, jackets and skirts, but are also a popular choice for accessories like bags, belts and caps. In denims, low rise, slim fit and twisted fit are in vogue. Ripped, brushed, torn, bleached, laser finishes acid and ice-washed are enough to tempt the brand conscious customers. The organised denim players are not only catering to the premium class, but are also catering to the upper-middle and mid-segments as well. "Today's customer is definitely brand conscious and asking for brands. Consumers are looking at innovations rather than just a pair of jeans and T-shirt. The key to catching up with these changes is to innovate, as the Indian denim customer is more variety driven," says Shah. The brand has been quick to gauge that the young Indian consumers were getting bored with just a five pocket pair of jeans and hence Pepe Jeans today is a one-stop destination for the young premium segment customer with its exhaustive range of fashion wear, club wear, and evening wear along with the core jeans.

India is an emerging nation and has a huge potential to harness the untapped market. "The denim industry has registered impressive growth in <https://assignbuster.com/promotional-strategies-in-the-branded-denim-industry/>

the last five years. This growth has also changed the consumer preferences- he has become more discerning and fashion conscious.

Major players in the denim market

A number of players, both Indian and international, have entered the Indian market. The brands of both categories that were studied are listed below:

Indian Players

The Indian players include the following:

Spykar has established itself as the Indian youth icon and the brand of the Generation Next in the Indian apparel industry, with a vast and staggering array of designer wear- from the first manufactures of Cargo in India unto the authentic five pocket Jeans to fashionable denims, fatigues, jackets, tees, shirts, etc. to trendy bags, belts, caps, wallets, socks and other accessories like shoes, deodorants, junk jewellery, eyewear. Having provided clothing for the last 15 years to the brand conscious youth, Spykar Lifestyle intends to now offer complete styling solutions to patrons through the Spykar Style Lab, with a reach to 3 million customers, influencing the youth culture across India.

The brand Deal: was born in the year 2000 and is today an innovative international design company, manufacturing jeans and casual clothing as well as accessories. It is present in over 22 states with 400 points of sale. From the beginning, Deal jeans team turn their back on the style-dictator and consumer fore-casters of the fashion establishment and lead their own tastes lead them. It is for this reason that Deal became the leader in

developing the styles, manufacturing methods, fabric and quality control and guaranteeing an outstanding quality product

Levi Strauss (India) Pvt. Ltd (LSIL) is a Bengaluru based, wholly owned subsidiary of Levi Strauss & Co. (LS&CO.). The company markets the Levi's®, Dockers® San Francisco & Levi Strauss Signature® brands in India. The company was established in 1994 and brought authentic American jeanswear to India by launching the iconic Levi's® brand. It has since built a strong retail and distribution network spanning more than 250 cities and 750 outlets backed by an equally strong sourcing base. The company, with strength of about 200, is headquartered in Bengaluru.

International players

The International players studied are the following:

Pepe Jeans London:

Pepe Jeans London originated from the fashionable Portobello area of London in 1973 as a result of the efforts of three NRI brothers. In a very short span, the brand became the best selling denim brand in England. The company entered the Indian market in 1989 and today is amongst the premium brands in India in this segment. Pepe Jeans is an absolute casual wear brand and sells everything one would associate with such as casual cotton shirts, denim shirts, lightweight jeans, T-shirts, shirts, jackets, cotton casual pants and accessories such as bags, caps, belts, wallets, wrist bands, etc.

Lee Cooper:

Founded in London in 1908, Lee Cooper offers a wide range of lifestyle jeans and products to men and women of all ages. In 2006, Lee Cooper International entered into an equal joint venture with India's largest retailer, now known as Lee Cooper India Pvt. Ltd, under which the first franchisee store was opened. At present, the company has 31 exclusive brand outlets, 50 shop-in-shops and 250 selling points in India. By the end of this fiscal, it will double the selling points and add 24 new stores to its kitty. The company aims to grow to 100 stores within the next two years. An investment of about Rs 35-40 crore has been earmarked for retail expansion this year.

The competitors at each segment are given below:

Super Premium Segment (Rs. 2000+)- brands like Tommy Hilfiger, Hugo Boss, AN Jeans, Rocky S Jeans

Premium Segment (Rs. 1000-2000)- Pepe, Levi's, Lee, Wrangler

Middle Segment (Rs. 500-1000)-Most Indian brands cover both Middle and Premium categories

Economy Segment (Rs. 300-500)-Ruf n Tuf, Newport, Impact, Thunder as well as in store labels like Westside's SRC and 2Fast4U that are priced between Rs. 375 to Rs. 600

Benefits of this study to the organizations:

As compared to the booming international denim market, India is still emerging. Indian brands haven't enjoyed much success. International brands, which are present in India, are doing extremely well.

Competition is increasing with the presence of a number of denim brands in India. To stay ahead of competition, the players will have to raise their standards to international levels; only then will they be able to make a strong foothold in the country. Every company is coming up with aggressive marketing, promotional campaigns and constant publicity to make their brand popular. Various companies have been successful in the Indian market using different approaches and different strategies. For example - Pepe Jeans London works on a 360 degrees approach on the marketing communications strategy, involving both above the line and below the line activities. Billboards print advertising in both national and regional newspapers and all lifestyle magazines constitute Pepe`s above the line strategy.

The companies in the denim market have to ensure that they have strategies that are successful and make a positive impact on the target segment due to all the competition and the challenges that they face in this environment.

With the Indian youth becoming increasingly fashion conscious and with spending power being consistently on the rise, making life easier for the fast-growing ' premium' category of jeanswear brands. On the other hand, it has been tough times for other segments of the business - one of the underperformers being a mass-market jeanswear brand.

This study helps analyze the promotional strategies of five different popular denim brands in India. This study helps to recognize the success or failure of the brands through the perception that consumers have towards the brand.

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The study helps recognize the weak points in the strategies.

Chapter 2

Research Design

This chapter details the procedures that were used for obtaining the information needed to structure the marketing research. It provides details such as the Purpose, Aim of the study, and Scope of the study, Objective of the study, Research methodology and Data collection.

Aim of the study:

The aim of this study is to observe and evaluate the promotional strategies that are used by Levi Straus, lee and Pepe jeans, Spykar and Deal .

Scope of the study:

The study was aimed at understanding and analyzing the promotional strategies implemented by Levi Strauss, Lee, spykar, Deal, Pepe Jeans

The research was conducted in the geographical area of 1 city- Bangalore North (Karnataka).

Objectives:

It will present the promotional activities used by the major players in Branded Denim industry.

It will present the awareness of the promotional strategies that the consumers have.

Further the study will generate some suggestions that could be implemented by the companies.

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Research methodology:

An analytical study, descriptive and quantitative in nature was undertaken to study the promotional activities used in the Branded Denim industry.

Based on the data and knowledge gathered thus, a tool in the form of a questionnaire was prepared to elicit primary data for the study. The customers of the company have been used as the respondents for the study. Questionnaire method was adopted to gather necessary primary data.

Secondary data was gathered from previous other records, journals, papers and books. The data collected by the study is compiled, classified and tabulated for the purpose of analysis. Analysis was done using averages for data consolidation and interpretation.

Methods of data collection:

Survey- Through a closed and structured questionnaire administered to 50 respondents of Bangalore City in the area of New BEL Road (Bangalore North).

Sources of Data collection:

The study required data to be collected from both primary sources and secondary sources.

* Primary research -also known as field research, which involves the conduction and compilation of research for the purpose it, was intended.

Questionnaires were used to collect the primary data.

* Secondary research -also referred to as desk research, is initially conducted for one purpose, but often used to support another purpose or end goal.

Secondary research was collected from Internet sites, books, journals, magazines and research materials provided by other research.

Sample design: This refers to a set of rules or procedures that specify how a sample is to be selected. We have used simple random sample which is a subset of individuals (a sample) chosen from a larger set (a population). Each individual is chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process

Sample size: The number of elements in the obtained sample. The sample size for this study is 50 respondents.

Sampling bias: This refers to the notion that those selected are not “ typical” or “ representative” of the larger populations that have been chosen from. Here we were limited to north Bangalore so it does not reflect the bigger side of the actual population.

Limitations:

The limitations of the study are as follows:

Questionnaires are impersonal, so it is difficult to understand the answers given by the customers also there is a chance that the questions may be misinterpreted, rendering the answer useless to the study.

Questionnaires also invite people to lie and answer the questions very vaguely which they would not do in an interview.

Though a lot of effort was put in at designing the questionnaires, some peoples preferred answers may not have been included, and this also does not allow for much detail.

The research was limited to the city of Bangalore (north Bangalore)

The research did not include the infrequent customers of the company, so a lot of valuable input could have been lost

Chapter 3

Analysis and Interpretation

Q. No. of Male and Female Respondents.

Gender

No of Respondents

Male

26

Female

24

Total

50

Interpretation:

From the above chart it is quite evident the numbers of male respondents exceed female respondents.

Q. Average age of Respondents.

age

No of Respondents

Less than 20

1

20-30

42

30-40

6

40-50

0

Above50

1

total

50

Interpretation:

From the above chart it can be interpreted that the highest range of respondents belongs to the age group of 20-30.

Q. what are the different occupation of the respondents.

occupation

No of Respondents

students

31

professional

17

businessman

2

unemployed

0

total

50

Interpretation:

From the above chart it is clearly visible that the maximum numbers of respondents are students, followed by professionals.

Q Salary of the respondents.

salary

No of Respondents

Less than 2lakh

28

2-4 lakh

15

4-6 lakh

6

Above 6

1

total

50

Interpretation:

Since the most respondents are students and are just employed the salary range is below 2 lakh and for professionals it is 2-4 lakhs.

Q Do you buy anything of these brands (Levis, Lee, Spykar, Pepe jeans, Deal).

Response

No of Respondents

yes

43

no

07

Total

50

Interpretation:

It can be clearly interpreted that 43 out of 50 Respondents have tried one of the brand and rest have not.

Break-up of the different brands bought by the sample group:

Brand name

No. of respondents

Levi

Lee

Spykar

Pepe

Deal

16

15

6

12

1

Total

50

Q Other than the brand you purchase from, Are you aware of the promotional activities followed by other brands.

Responses

No of respondents

Yes

40

No

10

total

50

Interpretation:

From the above chart it can be understood that the people are aware about the promotional scheme of the other brands even if they do not purchase products from the other brand.

Levi

Q. Why did you buy this brand?

Characteristics

Number of Respondents

Good Service

Good Quality

Price

Design

Brand Name

Discount Schemes

1

3

10

2

Total

50

Interpretation: it is clearly visible from this chart that most of the people are going for Levis because of the brand name.

Q. Would you like to purchase this brand again?

Willingness to purchase

Number of respondents

Yes

No

15

1

Total

16

Interpretation: It is clearly visible that all those who have purchased this brand want to go again for this brand.

Q. Are you aware of the various promotional schemes available in this brand?

Awareness

Number of respondents

Yes

16

No

0

Total

16

Interpretation: all the respondents are aware of the promotional schemes of Levis.

Q. As per your knowledge what type of promotion activity is undertaken by the organisation

characteristics

responses

Advertisement

3

Publicity

0

Personal selling

0

Social media networking

3

Sales promotion(discount offers, seasonal sales, loyalty programs)

10

Total

16

Interpretation:

It is found that most consumers are aware of the promotional schemes that Levi's has in the form of sales promotions. They also seem to be aware of promotions through advertising and social media networks.

Q. If yes how were you made aware?

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Mode of Awareness

No. of respondents

Newspapers

0

Magazine Ads

6

Television Ads

0

E-Mailer from store

2

Word of mouth

9

Others

1

Total

16

Interpretation: it can be interpreted that people are aware of Levis promotional skills because of tools like newspapers and various emails that are being send from the store.

12. What according to you makes the brand more attractive than others?

Characteristics

Number of Respondents

Quality

1

Price

0

More sizes

4

Better customer services

2

More designs

4

Brand Name

5

Brand Ambassador

0

Total

16

Interpretation:

From this table we can see that consumers are attracted to the brand due to its brand name- the perception towards the brand is positive and also they feel that more designs are available in this brand

Lee

Q. Why did you buy this brand?

Characteristics

Number of Respondents

Good Service

Good Quality

Price

Design

Brand Name

Discount Schemes

1

2

1

3

8

0

Total

15

Interpretation:

The graph shows that maximum people bought the jeans from this brand due to the brand name. Followed by the designs available, and no one bought the jeans due to the discount schemes available

Q. Would you like to purchase this brand again?

Willingness to purchase

Number of respondents

Yes

No

13

2

Total

15

Interpretation:

From the table it is obvious that a large number of the respondents would buy jeans from this brand maybe because they have a positive perception towards the brand

Q. Are you aware of the various promotional schemes available in this brand?

Awareness

Number of respondents

Yes

12

No

3

Total

15

Interpretation:

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From the table it can be seen that most consumers are aware of the promotional schemes available in this brand

Q. As per your knowledge what type of promotion activity is undertaken by the organisation

characteristics

responses

Advertisement

5

Publicity

0

Personal selling

0

Social media networking

4

Sales promotion(discount offers, seasonal sales, loyalty programs)

6

Total

15

Interpretation:

Most of the consumers are aware of the sales promotion schemes like discount offers, seasonal sales, followed by advertising and social media networking.

Q.. If yes how were you made aware?

Mode of Awareness

No. of respondents

Newspapers

0

Magazine Ads

2

Television Ads

0

E-Mailer from store

2

Word of mouth

7

Others

1

Total

12

Interpretation:

In this we can see that most consumers were made aware of the available promotional schemes through word of mouth followed by e-mailer from store as well as magazine ads. None were aware of the television ads of the brand.

Q. What according to you makes the brand more attractive than others?

Characteristics

Number of Respondents

Quality

1

Price

1

More sizes

2

Better customer services

2

More designs

4

Brand Name

5

Brand Ambassador

0

Total

15

Interpretation:

As can be see, the brand is found to be attractive due to the brand name and the positioning of the brand, followed by the fact that consumers perceive that plenty of designs are available in this brand. Better customer service also seems to have made an impact on the consumer.

Spykar

Q. Why did you buy this brand?

Characteristics

Number of Respondents

Good Service

Good Quality

Price

Design

Brand Name

Discount Schemes

0

2

4

0

0

0

Total

6

Interpretation:

The primary reason that the respondents seem to have bought the jeans was since they perceived the jeans to be cheaper than the other branded jeans.

The next reason was since the jeans were perceived as good quality. Hence Spykar can be said to be a 'value for money' brand.

Q. Would you like to purchase this brand again?

Willingness to purchase

Number of respondents

Yes

No

3

3

Total

6

Interpretation:

Only have the consumers who bought the product have the willingness to repurchase the product. The reasons could be that they were dissatisfied with the design, or with the service.

Q. Are you aware of the various promotional schemes available in this brand?

Awareness

Number of respondents

Yes

0

No

6

Total

6

Interpretation:

Out of the six respondents who had purchased the jeans from this brand, none were aware of any promotional schemes that were conducted by the company.

Q. As per your knowledge what type of promotion activity is undertaken by the organisation

Since no one was aware of the promotional schemes, this table was Not Applicable

Q. If yes how were you made aware?

Since no one was aware of the promotional schemes, this table was Not Applicable

Q. What according to you makes the brand more attractive than others?

Characteristics

Number of Respondents

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Quality

1

Price

3

More sizes

0

Better customer services

0

More designs

2

Brand Name

0

Brand Ambassador

0

Total

6

Interpretation:

The main reason that people seem to go for this brand is the price since the jeans are more ‘pocket friendly’ as compared to the other branded jeans.

Pepe jeans

Q. Why did you buy Pepe jeans?

Characteristics

No of respondents

Good service

0

Good quality

2

Price

1

Design

8

Brand name

1

Discount Scheme

0

total

12

Interpretation: From the above graph it can be easily interpreted that more people are going for the design in pepe jeans than the other factors.

Q Would you like to purchase goods and services from this store again?

Responses

No of respondents

Yes

10

No

2

Total

12

Interpretation: From the above chart it is clearly seen that people are willing to purchase the goods and services as they are happy with their experience.

Q. Are you aware of the various promotional schemes and offers available in the store?

Responses

No of respondents

Yes

5

No

7

Total

12

Interpretation: From the above chart we can easily understand that people are not much aware of the promotional schemes carried out by Pepe jeans.

Q. As per your knowledge what type of promotion activity is undertaken by the organisation

characteristics

Responses

Advertisement

4

Publicity

0

Personal selling

0

Social media networking

3

Sales promotion(discount offers, seasonal sales, loyalty programs)

5

Total

12

Interpretation:

Most of the consumers were aware of the sales promotion strategy followed by Pepe Jeans followed by Advertising.

Q . If yes, how you were made aware?

Characteristics

No of respondents

News paper

2

Magazine

1

Television advertisement

5

E-mail

0

Word of mouth

4

total

12

Interpretation: From the above chart it's clear that tools like television ads and words of mouth plays a very important role in creating awareness for Pepe Jeans.

Q. what according to you made the brand more attractive from the other leading brands of jeans?

Characteristics

No of respondents

Quality

2

Price

1

More fashionable

1

Better customer services

0

More diverse design to choose from

2

More customized product

2

Brand name

4

Brand ambassador

0

total

12

Interpretation: From the above pie chart it can be concluded that the quality, more customized products and more diverse design to choose from are some of the features that makes this brand attractive as compared to others.

Deal jeans

Q. Why did you buy Deal jeans?

Characteristics

No of respondents

Good service

0

Good quality

0

Price

1

Design

0

Brand name

0

Discount Scheme

0

total

1

Interpretation: Price is the only characteristics that pull the customers to stores.

Q. Would you like to purchase goods and services from this store again?

Responses

No of respondents

Yes

1

No

0

Total

1

Interpretation: The person who has bought the product is satisfied and is ready to try the product again.

Q. Are you aware of the various promotional schemes and offers available in the store?

Responses

No of respondents

Yes

1

No

0

Total

1

Interpretation: The person seems to know about the promotional schemes that are carried out by Deal jeans.

QAs per your knowledge what type of promotion activity is undertaken by the organisation

characteristics

Responses

Advertisement

1

Publicity

0

Personal selling

0

Social media networking

0

Sales promotion(discount offers, seasonal sales, loyalty programs)

0

Total

1

Q. If yes, how were u made aware?

Characteristics

No of respondents

News paper

0

Magazine

0

Television advertisement

1

E-mail

0

Word of mouth

0

total

1

Interpretation: The person is aware of the product through the television ads.

Q what according to you made the brand more attractive from the other leading brands of jeans?

Characteristics

No of respondents

Quality

0

Price

1

More fashionable

0

Better customer services

0

More deserve design to choose from

0

More customized product

0

Brand name

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