

# Company overview of levis



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BUSTER**

Levi's is a privately held clothing company known worldwide for its 'Levi's' brand of denim jeans. It was founded in 1853 when Levi Strauss came from Buttenheim, Franconia, (Kingdom of Bavaria) to San Francisco, California to open a west coast branch of his brothers New York dry goods business. Although the company began producing denim overalls in the 1870s, modern jeans were not produced until the 1920s. The company briefly experimented (in the 1970s) with employee ownership and a public stock listing, but remains owned and controlled by descendants and relatives of Levi Strauss' four nephews.

## 2. 0 Products

The main and first products are Jeans, they are trousers made from denim. The American blue jean was invented by Jacob Davis and Levi Strauss in 1873. Jeans, originally designed for work, became popular among teenagers starting in the 1950s. Historic brands include Levi's, Lee and Wrangler. Jeans come in various types, for example, skinny jeans, boot cut, or flare.

Jeans are now a very popular form of casual dress around the world, and have been so for decades. They come in many styles and colors; however, "blue jeans" are particularly identified with American culture, especially the American Old West. Americans spent more than \$14 billion on jeans in 2004 and \$15 billion in 2005.

levi-strauss. jpg

## **S. W. O. T Analysis**

Strength

Levi's enjoys high brand equity. People all around the world recognize the brand name.

Levi's products are unique and innovative in the style.

A lot of variety is offered by Levi's ranging from sunglasses to skirts and shirts.

The products are renowned and are considered as the most durable i. e. the long lasting products.

Levi's follows a high standard of quality.

## **Weaknesses**

Levi's products are considered as very expensive. Therefore a large percentage of people are reluctant to buy the products.

As no discounts are present and products are sold at fixed prices many customers are lost.

Levi's does not provide any services like free delivery etc.

## **Opportunities**

Levi's can do more well in the women section. This section is given less importance as compared to the men section.

The kid's section, which has been started from few years, should also be given proper attention to gain customers.

Sales promotion can be increased by increasing the advertisements expenses so as to enjoy a large number of customers.

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## **Threats**

Competitors.

## **Perceptual Mapping**

The perceptual map represents a geometric comparison of how competing products are perceived.

mapping. jpg

### **3. 0 How people decide to buy Levi's (consumer decision making).**

Decision making can be regarded as an outcome of mental processes (cognitive process) leading to the selection of a course of action among several alternatives. Every decision making process produces a final choice.

### **3. 1 Need Recognition**

Usually buying starts with need recognition. This is the first stage of the buyer decision process, in which the consumer recognizes a problem or need. The need can be triggered by internal stimuli. The basic consequences, needs or values that consumers want to achieve or satisfy are called end goals. Some end goals represent more concrete, tangible consequence: other end goals are more abstract. For instance, a purchase decision to replace a bulb for a flashlight probably involves the simple end goal of obtaining a bulb that lights up- a simple functional consequence. Sometimes we buy products to make ourselves happy when this happened then this means that our end goal would be an abstract goal.

When consumers try solving problems involving abstract end goal, they break down the general goals into several more specific sub goals then end goal and its sub goals are a goal hierarchy. Forming a goal hierarchy is analogous to decomposing a complex problem into series of simpler sub problems, each of which can be dealt with separately.

According to McGuire psychological of needs, Levi's satisfy the Social needs which are the most basic level concern essential requirement. Levi's promote its 501 jeans with the slogan" All I need is all I got" emphasizing that it satisfies the physiological needs.

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### **3. 2 Information search**

This stage represents the motivated activation of knowledge stored in memory or acquisition of information from the environment about potential needs satisfiers.

Information can be gathered internally which involves scanning and retrieving information stored in memory or externally which consists of collecting information from the marketplace. Consumers are much more likely to think of (activate) brands that they have used before.

### **3. 3 Evaluation of alternatives**

When it comes to product decision the choice alternatives are the different product class, product brand, or model. In this case then the alternatives would be the choice of store to visit, time of day or week to go shopping or methods of payment.

We live in the 21st century where everything is made more convenient by the use of the internet and since they are more advantages to shopping online then going to the store, such as being able to shop 24 hours a day for any type of product imaginable. The ability to shop from home allows many people who have trouble getting to real world shops such as elderly or disabled people or others with transport or mobility issues to still purchase the products and services they need.

But the biggest advantage would be the able to compare product pricing, with the online tools the enable products comparison, consumers can compare products price and features to make better decision with less effort. They are many websites which are dedicated to the selling of Levi's products. Not only that but they have their official websites which helps you also find stores that sell the products if you are old fashioned and need the personal touch when shopping.

### **3. 4 Post-Purchase**

The last stage of the consumer decision making purchase is the post-consumption evaluation in which the consumer experiences a sense of either satisfaction or dissatisfaction. The level of satisfaction or dissatisfaction we experience depends upon how well the product's performance meets our expectations.

An important component of post purchase evaluation is the reduction of any uncertainty or doubt that the consumer might have had about the selection. As part of their purchase analysis, consumer try to reassure themselves that their choice was a wise one and they attempt to reduce post purchase

cognition dissonance. They do this by adopting one of the following strategies.

## **4. 0 The psychological core**

### **4. 1 Exposure**

Exposure occurs when there is physical proximity to a stimulus which allows one or more of individuals' five senses to be activated. This activation happens when a stimulus meets or exceeds the lower threshold: the minimum amount of stimulus intensity necessary for sensation to occur.

1levis-ad-campaign-spring-s. jpg

First of all, the most obvious and important element of this advertisement is sex appeal. This advertisement contains colors that are essential for attracting customers. At first glance you're immediately attracted, the black and white which each represents a different aspect of life, which I believe in a way provoke strong emotions. Color may influence our emotional more directly, the black color represent authority, power and mystery. On the other side the white color represent coolness, cleanliness and virginity. It is considered to be the color of perfection. According David McGuire's psychological motivates, this advertisement fit the needs of objectification category because it make people to infer what they feel.

### **4. 2 Attention**

Due to the fact that the brain's capacity to process information is limited, consumers are very selective about what they pay attention to. The process perceptual selection means, that people direct their attention to only a small portion of the stimuli to which they are exposed. Consumers practice a form

of “ psychic economy”, picking and choosing among all the stimuli and rectifying what deserves their time and what doesn’t, so as to avoid being overwhelmed.

That is the reason why the people at Levi’s designed what they did, just like “ In fishing it is sometimes necessary to use one fish as bait for others”. Similarly companies often use images of people so that they may “ catch” the perspective consumers’ attention.

Good looking individuals with barely covered well toned bodies usually attract a lot of positive attention. This is almost a fact of life, just like on the beach, and it’s also true in advertising world. That is why advertisers have a tendency of using this attention-getting device so frequently.

In this advertisement they took advantage of a number of tools another tool used here is semiotic. Semiotics is important to the understanding of consumer behavior because consumers use products to express their social identities.

### **4. 3 Perception**

Sensation refers to the immediate response of our sensory receptors (eyes, ear, nose, mouth, fingers) to basic stimuli such as light, color, sound, odor and texture. Perception is the process by which people select, organize and interpret these sensations.

The unique sensory quality of a product can play an important role in helping it to stand out from the competition, especially if the brand creates a unique association with the sensation. The Levi’s four elements advertisement is



beautifully complex because it captures all of our senses allowing us to feel something more, its show the human natures which are namely, originality, masculinity, youthfulness and rebelliousness. This response is an important part of the hedonic consumption, the multisensory, fantasy and emotional aspects of consumers' interaction with products.

Picture1,,,,.jpg

#### **4. 4 Memory**

According to the information-processing perspective, there are three distinct memory systems: sensory memory, short memory and long-term memory. Each plays a role in processing brand-related information the diagram below summarizes the interrelationship of these memory system.

This following advertisement will be stored in the long-term memory because of the “ Spreading activation” involves the idea of one memory “ triggering” another one. In the case of this advertisement the Levi's brand name which is a famous world renowned brand promising excellence in all of its jeans designs, as well as having a history of making outstanding Jeans which are young, fresh and different. It is useful for firms to have their product be activated by as many different stimuli as possible.

poster\_tough.jpg

#### **4. 5 Motivation**

Each of us is motivated by needs. Our most basic needs are inborn, having evolved over tens of thousands of years. Abraham Maslow's Hierarchy of

Needs helps us to explain how these needs motivate us all. Below is a diagram showing the different levels of Maslow's hierarchy of needs.

## **4. 6 Attitude**

Consumers form an 'attitude' towards the advertising of a product as well as in the act of buying the product. This attitude leads to the intention of whether to purchase the product or not. According to the ABC model; attitude is divided into three components: affect, behavior and cognition.

**Feeling**

**Affective**

**Intention**

**Attitudes**

**Behaviour**

**Beliefs**

**Cognition**

All three components of an attitudes are important, but their relative important will vary depending on a consumer's level of motivation with regard to the attitude object, whether they are light or heavy users, and so on.

Researchers developed the concept of hierarchy of effects to explain the relative impact of the three components. Each hierarchy specifies that fixed sequence of steps occurs en route to an attitude.

## **5. 0 The Consumer Environment**

### **5. 1 Culture**

The usual approach in marketing is to analyze culture in terms of its major attributes or in content.(4) the content of culture includes the beliefs, attitudes, goals and values held by most people in a society, as well as meaning of characteristic, rules, customs, and norms that people follow. The content of culture also including the major social institution in society and physical environment and typical physical object (products, tools and buildings) used by people in a society.

Marketers think we should acknowledge that the things we buy do carry meaning, as long as we also recognize that we're the ones who gave it to them. A wedding ring, for example, only represents the relationship between two people because those two people (along with the society around them) agree that it does. We are the ones who invest these objects with symbolic power, and, furthermore, to do so is a universal human activity.

### **5. 2 Social**

Status hierarchy in which individuals and groups are classified on the basis of esteem and prestige acquired mainly through economic success and accumulation of wealth. Four common social classes (in their descending order) are: 1st is the Upper class, 2nd is the Middle class, 3rd is the Working class, and the 4th is the Lower class

Between upper and middle class there is a class which is called upper middle class which is defined sociologist Max Weber the upper middle class consists

of well-educated professionals with graduate degrees and comfortable incomes and this is the social class the represents the Levi's brand.

### **5.3 Brand communities & life style**

Although past research has confirmed that consumers often choose products and brands that represent who they are, the current research suggests that consumers also choose products in ways that demonstrate who they are not.

Levi's brand does many projects to bring new styles for people and help society. For example, In January 2010, The Dockers Brand-the brand which founded by Levi's in 1968- launched an aggressive, cross-channel advertising campaign with the tagline " Wear The Pants." The campaign premiered during the 2010 Super Bowl, and was the first Super Bowl advertisement to offer an exclusive, limited time online offer for viewers.

The Dockers campaign tagline, " Wear The Pants," was marketed as a call to masculinity for men. The campaign incorporated outside sources to incite men to reclaim their lost male-aesthetic. Along with a new campaign message, the Dockers brand has since revitalized their product line as well, featuring several new styles aimed at a younger, status-seeker consumer. The Dockers brand has also partnered with Habitat for Humanity as their charitable cause.

The Levi's does not just represent the New York life style but it represents more by doing this it brings people together and if you're walking down a street and you some wearing the same T-shirt or the same jeans you feel like your apart of something.

## **6. 0 Marketer controlled activity**

Like other successful companies, Levi's also has realized that the marketing environment presents a never-ending series of opportunities and threats.

The major responsibility for identifying significant changes in the macro environment falls to a company's marketers. More than any other group in the company, the marketing managers of Levis are the trend trackers and opportunity seekers.

### **6. 1 S. T. P**

STP refers to the three activities segmentation, targeting, and positioning.

The growing use of the STP process has occurred as a direct result of the prevalence of mature markets, the greater diversity in customer needs, and the ability to reach specialized segments. Benefits of the STP process include:

Enhancing a company's competitive position by providing direction and focus for marketing strategies.

Examining and identifying growth opportunities in the market through the identification of new customers.

More effective and efficient matching of company resources to targeted market segments promises the greatest return on marketing investment.

#### **6. 1. 1 Segmentation**

Market segmentation is the division of a market into different groups of customers with distinctly similar needs and product or service requirement.

## **Limitation of segmentation**

Levi's faces some limitation because of market segmentation:

Lack of awareness in middle class.

Company has to pay extra cost for multi-advertisement.

In some countries they have to face several Cultural Barriers

### **6. 1. 2 Targeting**

501® JEANS targets its market by evaluating the wants of customers. Mostly

Levi's targets its market among the following classes:

Upper Class

Upper Middle Class

### **6. 1. 3 Positioning**

Positioning is important because it is the means by which goods and services can be differentiated from one another and so give consumers a reason to buy.

## **6. 2 Marketing mix (4ps)**

### **6. 2. 1 Products**

Usually products considered to be No1 factor to build a goodwill company. So products should be unique, stylish, reliable and comfortable. Here some basic attribute of Levis product:

Features

Design

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Color

Size

### **6. 2. 3 Price**

Price is one of the important elements of the marketing mix, as it is the only mix which generates the turnover of the organization. All Levi's products are sold at listed price and it's fixed. There is no discount offered even to the employees of Levis. The company also deals with credit sales, but they don't overcharge the customers.

### **6. 2. 4 Place**

Normally placement objective helps to increase the brand quality by reaching every place in this world . Also it fulfill the requirement of every locality according to the taste of the people. Levi's brand is sold in 49 countries, and Dockers sold in 31 countries.

### **6. 2. 5 Promotion**

For the promotion of sales, Levi's adopt a very effective but comprehensive strategy. The major success of Levi's is done by creating public relations. Levi's use two types of advertising, competitive advertising and institutional advertising. Also they use a lot of media advertising like TV, fashion magazine, internet and etc.

## **Recommendations**

If Levi's lower down its prices to some extent the sales volume could be increased to a very large extent. Opinions of some people show that those

consumers who are somewhat dissatisfied or who are completely dissatisfied gave the reason of high prices.

Levi's pays its maximum attention to the men's wear. Although the women section and kid's sections are present but they are not full filling the requirements much.

The kid's section, which is just in start, should be given attention to attract more customers.

A lot of importance should be given as far as the advertisement is concerned. They should stress on promoting their products especially through TV media.