History Of Levi Strauss & Co. Essay, Research Paper

When the name Levi Strauss and Company is said, one of the most popular brands of jeans comes to mind. Even if you have never owned a pair of Levi s, the name triggers an image, such as 501 Blues for our generation, and maybe James Dean for our parents. According to the video we watched in class, Levi s was not at the top of any denim tests, however they sell for the most. This is due to their marketing strategies. Over past decades Levi s has changed it s image to fit with the current style. In the 20s and 30s it was the cowboy; after the war it was east coast casual; the 50s and 60s were Marlon Brando and James Dean and the 70s were aimed at college campuses. When Levi s launched its Blues campaign it was trying to get a new image on the same product. Now, to keep up with the changing styles, it has new product lines such as Dockers and Slates. In doing this however, Levi s lost sight of the kids who are the future buyers. So, now Levi s current task is to market it s Silver Tab brand as the new, cool style.

Everything seems to be revolving around marketing. The way a product is marketed affects it s sales. Levi s, as well as every other company, has many factors outside of the marketing department that affect the marketing decisions. In the microenvironment, the rest of the company, it s retailers, customers and competitors affect marketing decisions. The other departments in the company, such as the research and development and the finance department affect the marketing department because they tell them who to target and how much they can spend on the ads. Where a product is sold and the way it is displayed by those retailers is another important micro environmental factor. However, probably the most important micro environmental factors are the customers and competitors of Levi s. Marketing revolves around what other companies are doing and what customers desire.

Aside from all of the micro environmental factors, there are also macro environmental factors, which affect the marketing department, such as the demographical, technological and cultural environments. As technology changes, so do companies and their products. With today s new technology, you can have jeans custom made to your size and tastes with the click of a mouse. Levi s did this to keep up with the changing technology of the world. Also, the size, age, and sex of the population all affect how a product should be marketed. As the population has aged, Levi s has marketed Dockers, Slates, and now Silver Tab to move with the tastes of the differing ages. The ads are also suited for every different culture that Levi s markets to.

When considering their relationship with the baby boomers, it becomes apparent that Levi s product design was successful because it appealed to a specific generation over the course of more than three decades. Initially, Levi s original 501 jeans became popular in the early sixties in the United States. The jeans appealed to the baby boomers, which were teenagers at the time, because they emerged as a sign of rebellion and a break of tradition when compared with the way of life of their parents. In addition, such rebellion was associated with popular movie stars at the time, such as James Dean. The rise in popularity of jeans in contemporary culture allowed Levi s to take control of the apparel industry and become the most popular name associated with blue jeans.

As the baby boomers grew to become more conservative adults, Levi s once again marketed a product line specifically tailored to their needs. Levi s responded to changes in their marketing environment by altering their products to make them more formal, fashionable, and yet more comfortable, thus directly responding to the needs of the baby boomers. Levi s released Dockers, which bridged the gap between formal trousers and informal blue jeans. The pants were extremely versatile. They could be worn in both the office and on the weekend. Baby boomers loved the idea of such a pant because of its casual feel and fashionable design. In addition, the baby boomers felt comfortable purchasing Dockers because they were familiar with Levi s, and trusted the quality of the brand.

As the needs of contemporary culture steered toward more formal, higher quality pants, Levi s once again released a line that appealed to the baby boomer generation. In the mid nineties, Levi s released Slates, a line of higher quality, more fashionable trousers, geared at the older, more refined businessmen of the nineties. The line was ideal for those in the baby boomer generation who found Dockers to be too casual at times. Once again, the baby boomers were able to purchase high-quality clothing that appealed to their needs. Furthermore, baby boomers again felt comfortable purchasing clothing from a brand they trusted.

In the early 1990’s Levi’s introduced their line of Silver Tab jeans. Levi’s goal by introducing these jeans was to regain the market share they had lost over the last decade. They planned on regaining the majority of the market by making jeans that appealed to teenagers up to people in their early twenties. The average age of a person who buys a pair of Silver Tab jeans is 18 and the average age for a person who buys all other Levi’s products is 25. So, Levi’s accomplished part of their goal by getting the Silver Tab brand to appeal to the younger generations. One of the reasons that Levi’s started to lose share in the market was because their jeans cost much more money than other brands. The cost to make a pair of Levi’s jeans is the same as the cost to make a pair of Wrangler’s jeans, but Levi’s charges a premium for their name. In the late 1980’s and early 1990’s children started to turn to other brands for jeans. The brand name Levi’s was not as appealing as it once was, and the brand cost more money than other similar products. Children saw Levi’s jeans as “dads brand,” and therefore wanted to wear a different brand of jeans. It was at this time that Levi’s top executives decided to come out with a new brand of jeans that would appeal to younger individuals.

The Silver Tab brand has a high chance of survival because of many different factors. When developing the Silver Tab brand, Levi’s decided to make the jeans baggier than conventional jeans and to use non-denim fabrics while constructing the jeans. The baggier style jeans appeal to many kids who do not like to wear conventional clothing. Levi’s has also recently expanded the Silver Tab line and has introduced shirts and khaki pants. Levi’s has increased advertising for the Silver Tab brand five fold over the recent years and this is extremely important for name recognition. Children who see the Silver Tab brand name advertised on commercials and billboards are more likely to want to purchase the product. In addition, Levi’s has also used the Silver Tab brand on television shows. For instance, episodes of the show Beverly Hills 90210 have portrayed the characters wearing Silver Tab jeans. When children see their favorite actors/actresses wearing the Silver Tab brand, they are more inclined to go out and buy that brand.

The one main disadvantage of the Silver Tab brand is the price. Parents are much more likely to buy their kids jeans that cost almost half the price of the Silver Tab brand. Levi’s can either lower the price of the Silver Tab brand or they could market the product to wealthier families and areas of the world. If Levi’s can get the Silver Tab brand to also appeal to parents, then the brand has a much higher survival rate. If the older generations are interested in the Silver Tab brand, then they will be less reluctant to spend the money on the brand for their children.

Levi’s marketing team has to make sure that the Silver Tab brand is always coming out with new and exciting clothing lines. They must introduce items before the competition by using the First to Market Strategy. The Silver Tab brand could succeed even though they charge a premium if they are the first to bring new products to the market. Levi’s must also continue to spend a lot of money on advertising the Silver Tab line so that it stays appealing to children. Another option the marketing team of Levi’s should think about is the price of the Silver Tab brand. If they lowered the price by even ten percent, their market share would most probably increase significantly.

Over the course of decades, Levi s has demonstrated how well they respond to changes in the marketing environment. When rebellion was popular and being formal was unimportant, the release of the traditional 501 jeans thoroughly satisfied the demands of the younger generation. Later, when fashion was becoming more formal, Levi s created a pant that allowed people who weren t ready for dress slacks to enjoy a more comfortable pant with Dockers. When being formal became the epitome of fashion, the introduction of Slates set a new standard for proper trousers. Today, to try to appeal to the younger generation, Levi s is focusing their marketing on their Silver Tab brand. Levi s has established a reputation as a leader in the clothing industry by creating products that meet the specific needs of a particular generation, and are currently gaining younger consumers through their Silver Tab label.