

**American Apparel®**  
**Not Your Average...**





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**American Apparel** is a vertically integrated clothing company that sells clothing for Men, Women, Children as well as pets. One of the highlights of American Apparel is that all of its operations from top to bottom are centered here in the U.S. A SWOT analysis showed that American Apparel's strengths lie mostly within its unique style and interpretations of classic fashion pieces. The company is vulnerable based on the fact that its target consumer base is narrower than its competitors. One of the major opportunities we saw was the possibility to broaden AA's customer base through advertising and public relations. Threats to AA's initiatives were mostly centered on its price point compared to similar retailers.

There were many steps that went into developing an advertising campaign for American Apparel:

Interviewing and on-location observation served as our primary research. From this research, we used the demographic information to determine the segment of the market that we planned to target. In addition the results gave us insight into the personality of urban, American Apparel shoppers in terms of the music they listen to, and most importantly, the enormous amount of time that they spend online, which determined where our most impactful advertising was going to be housed.

We held 8 team meetings which were dedicated to conducting research, brainstorming and creative strategy, creating the ads, breaking down the IMC plan and assigning the parts. A lot of inter-group interaction was also conducted electronically and by phone. Details as to what was accomplished during each meeting are attached.

Completing these steps allowed us to take a position, which is:

*"American Apparel will continue to target a large, diverse market of young urbanites who see themselves as unique instead of as part of a generic, main-stream fashion culture. By highlighting a diverse offering of classic fashion pieces in a variety of unique colors, cuts, and styles; American Apparel offers a fashionable alternative to the same-old department store look."*

While reflecting the "Not your average..." concept in our ads we would seek to meet the following communication objectives:

**Objective 1:** Achieve positive feelings towards the brand among 90% of the target audience.

**Objective 2:** Increase male customer-ship by 45%.

**Objective 3:** Preference among at least 25% of the target audience.

**Objective 4:** Increase first time purchases by 20%

**Objective 5:** Expand the size of the current customer base by 10%.



With a budget of \$8 million dollars, American Apparel will spend just over \$5 million, while keeping just under \$3 million for later allocation based on initial response to campaign launch. \$3 million will be spent online, mostly on video advertisements, and \$2 million will be concentrated on mass-transit ads. The details of the Media plan are also attached.

Measuring our success will be a matter of keeping close track of revenue numbers as well as gathering specific information from clients through surveys for online purchases, and by taking information such as zip codes, and email addresses during in-store checkouts in order to monitor the frequency with which customers shop over the course of the year following the launch of our campaign.

## 2.0

## BACKGROUND

American Apparel is a vertically-integrated manufacturer, distributor, and retailer of basic apparel. They design, manufacture and sell clothing for women, men, children and pets through retail, wholesale and online distribution channels. Their wholesale business is a leading supplier of T-shirts and other casual wear to screen printers and distributors. Their primary manufacturing operations are located in downtown Los Angeles, California. The facility takes care of the executive offices, as well as the cutting, sewing, warehousing, and distribution operations. We conduct knitting operations in Los Angeles and operate a dyeing and finishing facility in Hawthorne, California, which provides fabric dyeing and finishing services. Because they manufacture domestically and are vertically integrated, they believe it enables them to respond more quickly to customer demand and to changing fashion trends and to closely monitor their product quality.

### 2.1 S.W.O.T. ANALYSIS

#### Strengths

- Seen as a unique style, people like to be different
- Maintains their target audience well
- Their customer base knows they can depend on American Apparel for their kind of look and need for solid colored basic attire.

#### Weaknesses

- May be “too unique”, a large amount of the public does not dress in the ways portrayed in their advertisements
- It’s hard to diversify customers because everything they sell is too focused on certain people (White and Asian females)
- Advertisements are too “weird” or “overly sexual”
- Most of American Apparel’s advertisements are through print and internet, no other means

**Opportunities**

- Appeals to their targets’ trends, so customers may mix American Apparel clothes to have their own individual style, which is in turn, setting future trends
- Sweatshop free (vertically integrated) – one of the only stores that pushes the fact that they do not outsource and everything is American made. They can use this as leverage against other companies saying that they care about certain topics such as unfair labor conditions in outsourced countries and gain more market share among people who care about the cause, unlike other stores that do not address the topic at all.
- Since American Apparel is well known for basic solid attire, it can venture into having more complex designs for more variety

**Threats**

- Many people consider American Apparel to be expensive
- People stay away from American Apparel when looking for complex attire because of its mostly solid attire inventory
- They do not show much diversity with people in their advertisements, which may cause a negative impression to certain people that they would not fit into the American Apparel brand
- The cost of production is significantly higher than their competitors because of their “made only in USA” policy. It would be difficult to lower prices to for consumers’ economic needs

**2.2 BRAND EQUITY**

If American Apparel were to be placed in Young & Rubicam’s brand asset valuator, it would be placed at the top right quadrant with a good amount of both strength and stature. American Apparel is nowhere close to being an unknown brand, but its level of esteem is not that high because of its brand image (especially with its ads). It’s unique style differentiates it apart from most clothing stores, our primary research supports this by showing most people cannot even think of another store that is clearly similar to American Apparel. It has a relatively high amount of relevance with the public because they look to the current trends for their looks but also keep to their own style at the same time to maintain their uniqueness.



For the purposes of this campaign we must segment the population by:

**Geography**  
**Age**  
**Lifestyle (psychographic)**  
**Income**

Geographically, the two segments are New York City residents vs. Non-New York City residents. The age segments are < 20, 20-35, 35+. In terms of lifestyle, we segmented the population into liberal vs. non-liberal and outgoing vs. conservative. In terms of income, the segments are < \$100,000 a year vs. \$100,000+ a year.

The “Not Your Average...” campaign will target New York City residents who are 20-35 years old that are outgoing liberals and make less than \$100,000 a year. As a group, we decided to target the urban population in New York. Based on an interview with an American Apparel manager, the majority of their customers are between the ages of 20 and 35. Thus, it makes sense to target people in this age range. Because our campaign is all about individuality and uniqueness, we must target people who are outgoing and liberal. Lastly, since most young people are not making six-digit figures, we must target people who are making less than \$100,000 a year.

The reasons why we chose this segment are as follows:

Because of a limited budget, we decided to focus on the residents of New York City. The people of New York City tend to be more free spirited and individualistic.

Young adults between the ages of 20 and 35 are the demographic of American Apparel. This segment is also more likely to spend on themselves because they are not at the age where they have to spend money on others. They do not have as much responsibility as their elders, who may have families and mortgages.

Since the campaign is about individualism, we are targeting people who are unique and like to express themselves as individuals. They have to be free-spirited, outgoing, and liberal.

When we consider our age target, we must realize that many have entry-level jobs. Others are still in school. And some may have started living their own lives. We must therefore realize that this segment does not earn a massive amount of money. This is why our target is people who earn less than \$100,000 a year.

### 5.1 POSITIONING STATEMENT

*American Apparel will continue to target a large, diverse market of young urbanites who see themselves as unique instead of as part of a generic, main-stream fashion culture. By highlighting a diverse offering of classic fashion pieces in a variety of unique colors, cuts, and styles; American Apparel offers a fashionable alternative to the same-old department store look.*



### 5.2 BRAND POSITIONING STRATEGY

The “Not Your Average...” American Apparel campaign brand positioning reflects what our interviews of those within our target market have indicated are their current perception on American Apparel. We have taken what they currently consider as faults of American Apparel and repositioned the brand in a way that effectively positions the brand positively in our targets’ minds while still retaining the brand’s core concept of uniqueness.

Some of the negative associations our target held on the current American Apparel brand image were:

- A ‘white’ persons’ brand
- Boring, Plain-looking
- Provocative / “Pornish” / Too sexual
- Only women clothing (males’ perception)



Some of the positive associations our target held on the current American Apparel brand image were:

Unique  
Individualistic  
Sweatshop free

By combining the positive feelings our target already had of American Apparel and addressing the negative associations they had of the brand we were able to construct the brand position for our “Not Your Average Campaign...”

Our aim is to position our brand as unique hence the campaign theme “Not Your Average..” because our target consider themselves individuals we are also aiming to position our brand as an alternative to generic, mainstream fashion culture and for purposes of our campaign “the same old department look”. Because our target felt the current American Apparel ads were too provocative we are also aiming to position the brand in a more subtle manner while keeping the fun and youthful image of the brand.

## 6.0

## COMMUNICATION OBJECTIVES

The “Not Your Average...” campaign’s main objective is to effectively position the American Apparel brand and image to our chosen targeted customers. Achieving brand awareness is not a priority as our primary research have indicated that the brand’s awareness among our target is extremely high. We are striving to achieve the following objectives within a year:

**Objective 1:** Achieve positive feelings towards the brand among 90% of the target audience.

**Objective 2:** Increase male customer-ship by 45%.

**Objective 3:** Preference among at least 25% of the target audience.

**Objective 4:** Increase first time purchases by 20%

**Objective 5:** Expand the size of the current customer base by 10%.

**BUDGET** 8 Million

**MAIN GOAL** Increase awareness of the new image for American Apparel, which would increase market share.

**AMERICAN APPAREL WILL USE**

<b>Facebook</b>	\$200,000
<b>Youtube</b>	\$1,800,000
<b>Hulu</b>	\$1,000,000
<b>Buses</b>	\$535,000
<b>Bus shelters</b>	\$500,000
<b>Trains</b>	\$1,000,000

**Internet Ads**

*50 second commercials or shorter 15 second versions of the commercials on Hulu and Youtube + digitalized print ads on Facebook.*

\$3,000,000

**Print ads in buses, bus shelters, and trains**

\$2,035,000

**Production Cost**

\$800,000

After six months we would be able to see the effects our advertising strategies and use the left over \$2,165,000 in allocate money towards strengthening our most effective advertisements.

Our Internet ads on Hulu would be placed in front of shows we researched that our target audience would watch. We would put our ads with the following shows: Desperate Housewives, Gossip girl, Greys anatomy, Vampire diaries, Glee. With our target market watching these shows on Hulu they must watch the commercials that come with them, which means that would commercials are not likely to be ignored. We believe these internet ads would provide the largest reach and viewer frequency because of the fans of the show will keep coming back to watch more episodes of their favorite television shows. This would in turn increase our GRP ratings (reach X frequency) the most out of all our advertisements.

Facebook advertisements and constantly updated pages and contests would help remind American Apparel's fans of its changes.

Since we do not have a large media budget to work with, we will focus placing our print ads in New York City. Our advertisements for buses, bus shelters and trains will be placed around areas that are populated with younger, trendy, "urbanite" crowds. cities where our target market would be located in, such as, Los Angeles, San Francisco, Chicago, and Houston.



## 8.1 CREATIVE BRIEF

### 1) What are the advertising and communication objectives?

We want current and prospective American Apparel customers in to gain a new perspective on our brand in terms of diversity and style. We want them to see how American Apparel clothing can be worn and who wears them. We also want to break away from the typical “sex sells” ads to cater to a more reserved group of people. Most of American Apparel’s clothing is not provocative, so through this campaign, we can gain a new customer base while keeping our current one.

### 2) Who are we targeting?

We are targeting a large, diverse market of young urbanites. This includes Blacks, Whites, Hispanics, and Asians between the ages of 20 and 35 who live liberal lifestyles; make less than \$100,000 a year; and see themselves as unique as opposed to part of a generic, mainstream society.

### 3) What is the major selling idea or key benefits to communicate?

With its various different styles, cuts, and colors, American Apparel offers something different - a fashionable alternative to the same-old department store.

### 4) Creative strategy statement (campaign theme, appeal).

Campaign Theme: “Not Your Average...”

Appeal: The typical American Apparel customer is different and unique, but they are “real people” too. This campaign shows both of those things - somebody who seems like your average business person, waiter, etc.; but they express their individuality through American Apparel clothing.

## 5) What are the execution techniques?

### “9AM / 9PM” Print Ad

A young man is shown going up the escalators wearing business attire, and on the corner of the image is the time “9AM” to indicate that he is at work. Next to that is another image of the same young man going down the escalators wearing American Apparel clothing, and on the corner of this image is the time “9PM” to indicate that this is what he wears outside of work.

### “6PM / 9PM” Print Ad

A young man is shown going into his apartment building wearing business attire, and on the corner of the image is the time “6PM” to indicate that he just got home from work. Next to that is another image of the same young man leaving his apartment building wearing American Apparel clothing, and on the corner of this image is the time “9PM” to indicate that this is what he wears when he wants to have fun.

### “Not Your Average...” Video Ad

A young woman is shown walking up to the camera looking bored and wearing a dull outfit. She stands still in the center of the frame and suddenly transitions into a fun, happy, and stylish person wearing American Apparel clothing. The music in the background will be slow, but happy.

### “The New Blue Collar / Not Your Average Suit / These Are My Party Shoes” Video Ad

The first part of the video shows a young man wearing a bright blue collared American Apparel shirt. The second part of the video shows another young man wearing American Apparel as his business casual attire. The third part of the video shows a young woman wearing American Apparel shoes. All three parts will have several abrupt cuts, showing many different scenes of these people wearing their American Apparel clothing, being happy, looking stylish, and having fun. The music in the background will be fast and upbeat.

## 6) What are the supporting rational and emotional ‘reasons to believe and buy?’

The American Apparel customer is a real person, and real people want to be able to envision themselves in the clothes featured in ads. Through our campaign, we will show just that - real people and real situations.



8.2 PRINT AND VIDEO ADS

“9AM / 9PM” PRINT AD



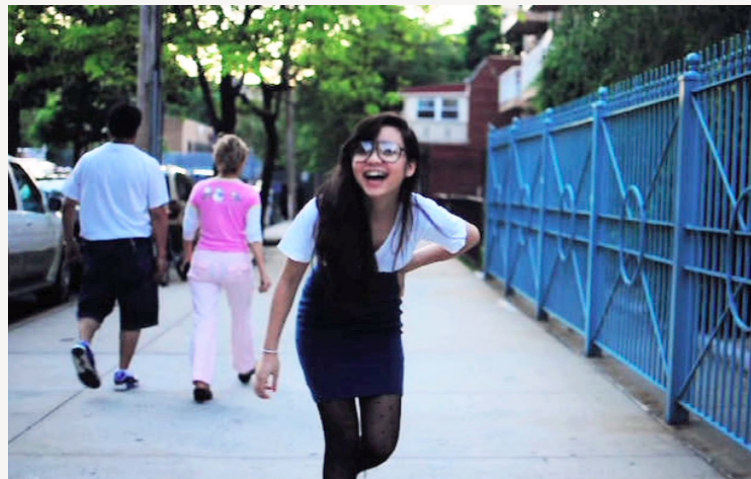


“6PM / 9PM” PRINT AD



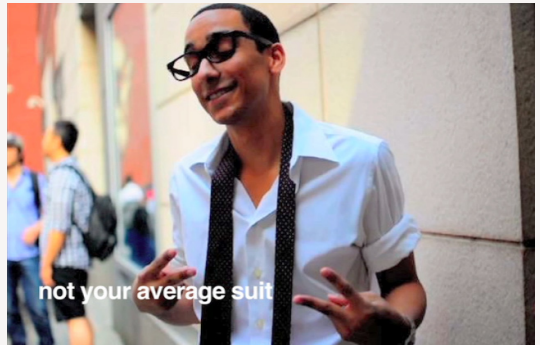


“NOT YOUR AVERAGE...” VIDEO AD





“THE NEW BLUE COLLAR / NOT YOUR AVERAGE SUIT / THESE ARE MY PARTY SHOES” VIDEO AD





### 8.3 AD EXECUTION SAMPLES

#### YOUTUBE VIDEO AD

The screenshot shows a YouTube interface. At the top, the YouTube logo is on the left, and search, browse, and upload options are in the center. On the right, there are links for 'Create Account' and 'Sign In'. Below this is a white banner for 'VEVO' with the text 'WATCH WITH LYRICS', 'VIEW ARTIST PROFILE', and 'CREATE A PLAYLIST'. The main content area features the 'MGMT' channel header with a 'Subscribe' button and tabs for 'All', 'Uploads', and 'Favorites'. A video player is shown with a thumbnail of a man in glasses and a blue jacket. The video player controls at the bottom indicate a duration of 0:01 / 4:23 and a resolution of 360p. A text overlay on the video reads 'Advertisement: Your video will start in 16 seconds.' To the right of the video player is an 'Advertisement' sidebar with a search bar, sorting options ('Date Added', 'Most Viewed', 'Top Rated'), and a video thumbnail with a duration of 4:10 and '1 views - 11 hours ago'.

SUBWAY AD



BUS SHELTER AD





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Not Your Average...

We plan to measure the success of our advertising campaign by tracking simple data obtained during both online, and in-person sales transactions. Online, we will prompt our customers to take surveys both upon completion of purchase as well as within their order confirmation emails. Incentives such as coupons for future purchases will hopefully entice customers to complete the questionnaire. These surveys will ask for information such as how many times they have shopped, or plan to shop at American Apparel in the future as well as show them quick samples of advertising and inquire as to their reactions to them.

Upon completion of in-store transactions, we will ask customers to provide us with zip-codes and email addresses so that we can also gather information as to where our shoppers are coming from as well as keeping track of the frequency with which customers shop. American Apparel employees will also inform customers of downloadable coupons for future purchases will also be offered to in-store clients if they too complete the online survey.

The information captured through these methods will go into a database in which we will be able to find information such as male customer-ship, the size of the current consumer base, the number of first-time purchases, as well as feelings towards the brand.

## OBJECTIVE

To find out the current perception of American Apparel in order to help us target our Segment.

## INDIVIDUAL INTERVIEWS

Qualitative method

We spend a long time with each respondent and go in depth into open ended questions, probing and exploring different issues that may interest our potential target

In-depth interviews provide a more focused and detailed insight into the interviewees answers.

The interviewer can follow up with the individual's answers as opposed to a survey where some people may not care.

## METHOD

Interviewees were individuals that belonged to our target market. We chose them because we value the opinion of our target. In fact, we need the opinions of the people in our target market in order to know how to best target to them. We must find out what appeals to them, what turns them off, etc.

In order to conduct our research, we went to Union Square in New York City on Friday, April 16<sup>th</sup>, 2010 at 1:00P.M. We took advantage of the summer-like weather and chose this location because there are always a lot of people in Union Square when the weather is nice. We also chose this location because of the various types of individuals that frequent the area. There are a lot of unique people at this location. We approached a variety of people and asked them the series of questions we came up with. In total, we interviewed five males and five females.

## QUESTIONS

Age/Sex/Ethnicity

Have you heard of American Apparel? If so, where have you heard of it?

What do you think of when you see this? (show picture of AA ad)

What comes to your mind when you think of American Apparel?

What do you like about AA? What do you dislike?

What kind of people do you think shop there?

Would you shop there? Why/why not?

If American Apparel was a person, what kind of person would it be?

What type of music do you listen to you?

How much of your time is spent online? watching TV? Listening to the radio?

Do you ever go on YouTube? If so, what do you watch?

Do you use public transportation?



## FINDINGS

After conducting 10 interviews, the average age of our respondents was 25.4 years.

There were 5 males and 54 females.

We interviewed a variety of races including Black, White, Hispanics, Asians, and Mixed.

We found the overall perception of American Apparel from our target market.

All of the respondents have heard of American Apparel at least once in their lives.

Most of them said they have walked past a store.

A number of them have seen Facebook advertisements, one respondent says she shops there frequently, and another respondent says she buys her leggings there.

We also noticed that none of the male respondents have ever shopped at an American Apparel store.

After showing our respondents an advertisement for American Apparel, we noticed that most of the females reacted strongly to them. Some of the descriptions included: Provocative, WOW!, "Pornish". While men said the advertisement was: Sexy, HOT!, Nice.

When our respondents think of American Apparel, they think of boring, plain-looking clothes.

They see it as different and out-there.

Some of them thought that their advertising was a little too sexual.

Others said that it was not appealing.

The respondents who shopped in the store said they liked the fact that the clothing fit really well.

One of them brought up that they liked the fact that American Apparel did not outsource to other countries and that they were sweatshop free.

According to our interviewees, the people who shop at American Apparel are eccentric, unique, individualistic, skinny, young, white.

Two of our respondents already shop at American Apparel.

Most of the men said they would not shop at American Apparel because it looks like a woman's store.

A couple of them said they would give it a chance but have had no reason to go into the store.

The women who do not shop there said they were willing to shop there.

If American Apparel were a person, it would be a white, skinny, hipster, underdressed, young female.

We came up with this by combining the adjectives given by our respondents.

We chose the ones that seemed to come up quite often.

Our respondents said they listened to Dance/Electronica, Eclectic, Indie, Alternative, Pop, Old-School Hip Hop.

On average, our respondents are online for 6.4 hours a day.

They watch television for an average of 1.2 hours a day.

Surprisingly, none of our interviewees listens to the radio anymore.

All of our respondents said that they have visited the YouTube website.

They use it to watch music videos and movie trailers

(Indie films, foreign films, romantic comedies, documentaries, and horror films).

Some of our younger respondents said they use it for PowerPoint presentations at school.

All of our respondents said they use some form of public transportation.

Y&R: Brand Asset Valuator

