



HOW **LEVI'S**  
USED CREATIVITY TO  
INCREASE MARKET SHARE  
OF DENIMS TO 11.1%



“WHAT IS EXCITING ABOUT THE LEVI’S STORY IS HOW CREATIVITY WAS UNLEASHED: HOW THE DECISION TO CRACK THE STRATEGIC ISSUES WAS FORCEFULLY TAKEN AND, SIGNIFICANTLY, ALSO INCLUDED THE AGENCY. THIS ADDRESSES SOME KEY ISSUES FOR US ALL, PARTICULARLY HOW GOOD CREATIVE WORK NEEDS SOMETHING TO FEED OFF AND HOW A CLEAR STRATEGY CAN RESULT IN GREAT ADVERTISING.”

Tony Spong

Head of Media Consultants, MAIL MEDIA CENTRE

**CREATIVITY WORKS** IS A PROJECT LED BY **D&AD**, THE PROFESSIONAL ASSOCIATION REPRESENTING CREATIVE PRACTITIONERS IN DESIGN AND ADVERTISING.

THE PROGRAMME HAS BEEN DEVELOPED IN COLLABORATION WITH THE FOLLOWING INDUSTRY PARTNERS: **ROYAL MAIL, DESIGN COUNCIL, AQUENT, IPA, ISBA AND THE FINANCIAL TIMES.**



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Client

Levi's

Agency

Bartle Bogle

Hegarty

Creative discipline

Mixed media

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Declining sales forced Levi's into a major re-think culminating in a new strategy in which both product and advertising innovation are now challenging creative boundaries and evolving hand-in-hand.

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**Levi Strauss & Company has been making jeans since 1886. Over the past 116 years it has become one of the best-known global brands and a denim market leader worldwide.** In Europe, market dominance was for many years underpinned by the 501, launched in Europe in 1985. By 1996, however, Levi's was on its way to becoming a one hit wonder for having focused on the 501 for too long. Levi's share of the core youth market was halved between 1996 and 2000 falling from 21% to 10.9%.

For despite reintroducing an old product, Sta-Prest, sales of its flagship product, 501, were in freefall and consumer research confirmed the Levi's brand's declining relevance amongst its core market of 11 to 24 year-old consumers. Even its advertising, much of which over the previous 17 or so years had been widely regarded by those within the advertising industry and outside as iconic, seemed tired. As consumer tastes shifted away from denim in favour of combat gear and cargo pants, Levi's had to do something to stem falling

sales, and fast. The turning point came in 1998/9. Survival depended on Levi's addressing its problems head on.

The company made a brave decision. It decided there was little point in doing things by halves and that structural change was needed to drive through any shift in product or communications strategy.

So a complete re-organisation was instigated with its former network of country managers replaced by a central brand management structure headed by

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11.1%

market share in 2000, a rise of 0.5%

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a Brand President. Levi's acknowledged it needed to get back to some basics: its origins as an innovator, and its former reputation as a brand seen by its core target market as cool, sexy and rebellious. It had to reinvent itself and reinvent its core product, the five-pocket jean.

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And having reinvented that, it had to reinvent its communications strategy and retail presence. The result was the introduction of Levi's Engineered Jeans (LEJ), a major shift in its communications strategy and a new business focus on innovation and on-going new product development.

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## reversal of fortune

Levi's fortunes hung on its ability to reinvent itself. For more than 12 years it had successfully persuaded successive generations of consumers that 501s were the only jeans to buy. As a result, 50% of the brand's product sales was made up of 501s, and sales of 501s in Europe alone accounted for 40-45% of company profits. A great achievement. Until 501s fell from favour, and the company saw it had relied too heavily on advertising innovation and not enough on product innovation.

"It became apparent the advertising and brand image had grown tired because we hadn't provided anything new to communicate," Levi's brand president

Kenny Wilson now readily admits. So in 1999 a multi-disciplinary team from Levi's and a number of its agencies conferred to plan a new strategy. At the heart of the initiative, code-named Project Stealth, was a new, clearly segmented brand strategy to provide a framework for a fresh business focus on on-going new product development. Levi's re-assessed every activity against four measures – Focus, Impact, Simplicity and Clarity – and axed any range, individual product, piece of packaging and even retail environment not meeting this new brand vision. All Levi's-branded retail outlets were modernised, and brand communications – which both Levi's and its long-standing advertising agency, Bartle Bogle Hegarty (BBH), now concede had become predictable and formulaic – were overhauled.

The company decided to focus on two areas: the Levi's Vintage Clothing line comprising reproductions of original designs with contemporary enhancements, and Levi's Red – a new side of the business to be dedicated to new product innovation.

# 28%

rise in consumers  
acknowledging Levi's  
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the 'Twist' campaign



LEVI'S. ENGINEERED JEANS. IT'S ORIGINAL.



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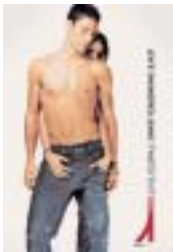
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*"I can't have someone developing advertising who doesn't understand how my brand is performing and how we run our business."*

Kenny Wilson



Innovations from each would then be rolled into the company's Levi's Red Tab jeans range translating state-of-the-art product innovation for the mass market. The first new product to come out of this new strategy was Levi's Engineered Jeans (LEJ), the first new product from Levi's since the launch of its Sta-Prest range in 1964.

While others may have chosen to part company with their advertising at such a difficult time, Levi's opted to bring BBH closer and the agency was intimately involved at all stages, leaving it well-positioned to create the best communications strategy to reflect Levi's new business strategy. The aim was for the strategy to re-position Levi's business and brand communications worldwide from London where a four-strong team was assembled to tackle the problem which included a representative from its long-standing advertising agency, BBH.

"Since the re-structure, BBH have been a highly integrated part of our business," Wilson explains. "I can't have someone developing advertising who doesn't understand how my brand is performing and how we run our business." LEJ featured a number of

design innovations the most notable of which was new cotton/Tencel denim fabric and the twisted side seam – a feature designed to increase comfort and make the jeans easier to move in. The new product was launched alongside Levi's redesigned retail network, supported by a series of commercials emphasising the twisted side seam.

## early success was not enough

Sales rose sharply after the first campaign. By spring 2001, however, new advertising was needed to meet company targets to sell 4.5 million units; to raise aided awareness to 60% and to increase perceptions of the brand's sexy, cool image by 6%.

BBH created a mould-breaking campaign led by a 60-second TV commercial, 'Twist', in which young people are seen to be twisted to fit the jeans with the twisted seam. The idea

evolved seamlessly from the product. The execution was striking. The creative theme was used throughout the campaign which also included print and poster executions, shop window and point of display materials, and a web site. The unashamed aim was to create advertising to become 'famous'.

"Previous Levi's campaigns had worked best when the ads were most talked about – something that had been lost in latter years," BBH business director Derek Robson explains.

The resulting campaign broke almost all the rules of previous Levi's campaigns – it had no narrative, the product was central, it featured no couples or sexual undertone, and it eschewed Americana in favour of a more enigmatic setting.

A second campaign was created, again led by a 60-second TV commercial – 'Odyssey', in which a young couple escape from the restrictive confines of a series of rooms within a building, burst



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The 'Twist' campaign helped raise sales of LEJ in line with those of rival jeans brand Diesel. The question was, how to build on this and drive sales further?

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through the outside wall and scale a giant tree before leaping into nothingness and freedom. Again, this theme was integrated across brand communications using a variety of other media.

Advertising has firmly consolidated LEJ's market position, resulting in widespread acclaim and numerous industry awards, including a D&AD Gold.

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In 2000, total volume sales in the UK exceeded forecasts by

> 23%

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While sales of 501s are still in decline, sales of LEJ are rising steadily and the line now accounts for 9-10% of total sales by volume for the Levi's brand. Levi's and BBH are now at work on the next big new product launch due in spring 2003. This will be preceded by a smaller launch of a Shaped & Worn range in autumn 2002.

## figures that speak for themselves

**While the battle is yet to be won, the impact of Levi's new marketing - and business - strategy is already evident**

**In 2000, Levi's total volume sales in the UK grew for the first time in three years exceeding forecasts by 23%**

**Market share for the brand rose after constant decline since 1996 - from 10.6% in 1999 to 11.1% in 2000**

**The number of consumers acknowledging Levi's as a producer of new and interesting products rose by 28% following the 'Twist' campaign**

**And the decline of the denim market was slowed towards stabilisation and growth**



**"In 2001, business grew quarter on quarter by 3% having declined by between 13% and 17% the previous year," Wilson says. "This has been down to investing in a constantly evolving creative strategy. Each product and each communication will be different: we cannot afford to stand still."**



## no longer a one trick pony

Levi's is not yet out of the woods. The success of LEJ certainly stopped the brand from falling into the abyss. But it will take the next big new product launch to move Levi's forward. Yet the fact remains that when its back was against the wall, Levi's acted and acted boldly.

It instigated internal, structural changes. It acknowledged the need to innovate and to innovate across the board where in the past it had assumed advertising innovation would make up for lack of new product development. And in this way it has persuaded consumers to re-appraise the Levi's brand – both in terms of what Levi's stands for, and in their appreciation of Levi's as more than just a one trick pony.



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