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Junior, Class of 2010

HOD 2720: Advanced Organizational Theory

Fall 2008

### The Denim Industry

When shopping for jeans, individuals have different preferences and needs. Regardless of style or brand, what used to be a wardrobe practicality is now a fashion statement. In 1873, Levi's jeans were introduced, bringing forth a future of fashion trends and an enormous industry. The plain, loose fitting pant positioned Levi's as both the inventor of jeans as well as a brand with a diverse line. In 2005, over a century and too many fashion trends later to count, a denim manufacturer and a stylist joined forces to create J Brand, a line of jeans nothing like Levi's. J Brand's mission was to create an exclusive line for a small market share. On cursory review, Levi and J Brand appear to be incredibly different. However, through careful analysis, we see that both companies strive to satisfy their consumers while creating the best possible product.

Levi's, a division of Levi Strauss & Co., is arguably the most recognized jean brand in the world. The company had a first-mover advantage through its launch of the denim industry. Registered and sold in 150 countries, Levi's prides itself on satisfying an immense customer base while consistently producing high-quality garments (Levi Strauss & Co., 2008).

Consistent with its size, the company's competencies are extensive; it produces contemporary designs, quickly responds to customer demands, and provides quality products globally. An organization with a successful business-level strategy is one that understands the domain it wants to compete in and positions itself to best use its resources and capabilities to grow (Jones, 2007). Levi's uses a modified version of a low-cost business strategy. The company

began by producing low-priced denim that would be accessible to most. However, in order to maintain a competitive advantage, Levi's has improved and rebuilt its functional-level resources to fit emerging trends and preferences (Levi Strauss & Co., 2008). For example, the brand relies on extensive marketing to sell its jeans (Levi's Jeans, 2008). Unlike luxury designers, Levi's sells itself as a company that offers products to simultaneously fit diverse shoppers' needs and budgets as evidenced by its price range: the most inexpensive Levi's jeans cost just \$48 while other styles are priced as high as \$168 (Levi's, 2008).

When examining its evolving strategy, Levi's global presence and its corresponding transnational strategy is noteworthy. Similar to how J Brand is seen in America, Levi's is a premium and exclusive brand overseas. Since the most inexpensive Levi's in America sell for inflated prices abroad, the company has consequently expanded its global capabilities to maximize its opportunities and gain greater market share (Jones, 2007). In order to be successful in such a massive market with a great range of consumers, Levi's has a network structure where core competencies and design are centralized in America and strategic alliances for proper distribution are focused overseas (Jones, 2007). This structure and Levi's organizational flexibility correlates with its transnational operations, which allows the company to build business and be profitable.

Unlike market pioneer Levi's, J Brand capitalized on the K-strategy when entering the premium denim industry. The company was formed after numerous other brands entered the high-end designer jean niche. While Levi's focuses on satisfying a wide range of consumers, J Brand only targets an exclusive group of consumers who look for stylish and expensive jeans. The co-founders' roots in high fashion underlie the company's emphasis on classic taste and being ahead of fashion trends. J Brand used its skills in research and development to position

itself in the luxury market and, unlike Levi's, does not rely on traditional advertising but rather relies on the brand to market itself (J Brand, 2008). This is accomplished through reputation: celebrities fervently proclaim it as a leading brand and fashion editors continually feature the small company's designs. High-end shoppers who follow trends are familiar with the brand's strong reputation.

In an extremely competitive industry, J Brand maintains its edge by continuously showing leadership in the retail market. With its founding, J Brand introduced skinny jeans and has subsequently introduced numerous other trends (J Brand, 2008). Although the company is new, it has made up for its late entrance through immense innovation. The company prides itself on going beyond what is known in order to deliver the next trend (J Brand, 2008). In fact, brands like Levi's wait until premium designers create and excel with new styles and trends before integrating similar fashions into their lines.

J Brand's luxury line uses a differentiation business-level strategy to produce high-priced, high quality products for a small market segment. The jeans are quite costly, ranging from \$158 to \$271, yet its consumers purchase them because of reputation, comfort, and style (J Brand, 2008). Moreover, J Brand uses a focus strategy within this small market segment. In order to specialize and expand within the premium industry, J Brand has created five divisions: maternity, infant-wear, environmentally friendly pants, menswear, and a curvy woman line (J Brand, 2008). J Brand differentiated its line while maintaining its exclusivity by ensuring that the brand would only be available in high-end stores. J Brand now caters to the specific needs of its consumers without expanding outside of its small market segment. This strategy has allowed J Brand to become prestigious and to be immensely profitable in a short time. Despite J Brand's originality and success with premium denim, the small business cannot possibly be as successful

as a company like Levi's. It is not global and is only recognized by consumers who are familiar with the luxury segment of the denim industry, which can impede its growth.

J Brand and Levi's accomplishments can be attributed to their intense focus on customer preference and satisfaction. Both companies have done an excellent job of selecting the appropriate domain and using competencies, whether marketing, research and development, or innovation, to build a brand that is immediately recognized by its target consumers. Both Levi's and J Brand are important companies because no one jean style, color, fit, or price can meet the needs of the millions of consumers. Although J Brand and Levi's products are made from the same simple and cheap material, their construction, business-level strategy, and reputation allow both brands to excel in their separate domains. It is through such differentiated companies that the masses of consumers can be satisfied and will surely come back for more denim each season.

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