

The University of Arkansas at Little Rock

Levi's:
Tailored for Success

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A Golden Opportunity

Levi Strauss's story is one that is true to the American Dream. Born on February 26, 1829, in Buttenheim, Bavaria, Strauss was the seventh child in his Jewish family. After the death



of his father, Strauss immigrated to New York City in 1848 to join his brothers in the wholesale dry goods business.

They called this venture "J. Strauss Brother & Co."

In 1853, news of the California Gold Rush had made its way east and into the ear of the ambitious Levi Strauss.

Determined to make his own fortune, in goods rather than gold, the younger Strauss brother left New York City to open his own dry goods business in San Francisco. This company

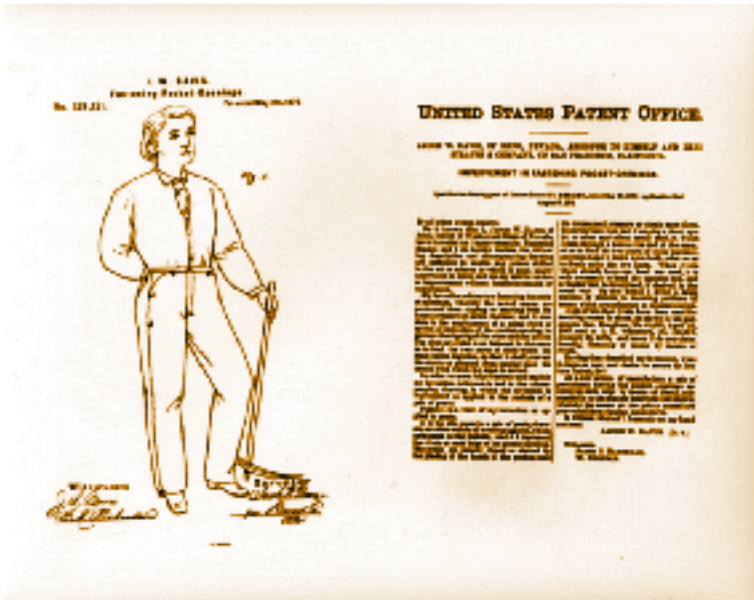
would one day become what we know as "Levi Strauss & Co."

A Riveting Tale

One day in 1872, Strauss received a letter from a customer named Jacob Davis. Davis, a tailor from Reno, Nevada, often purchased fabric from the wholesale store. In his letter, he exclaimed that he had discovered a revolutionary new way of making pants.

While working on a pair of waist overalls for a local laborer, Davis found that placing copper rivets at points of strain, like the pocket corners,





would create a longer-lasting, stronger pant for workmen. After making several more pairs for sale, Davis knew he had something. In order to get the process off the ground, however, he needed a business partner. That is where Levi Strauss would come in - Davis had the idea and Strauss had the means to make it a success. Together, on May 20, 1873, they patented the riveted overalls¹ and began

what can only be called an American icon - the blue jeans.

The modern-day definition of marketing is based around the idea that companies should anticipate customer needs and develop a product to meet those needs. Levi Strauss, with the development of the denim, riveted work pants, was ahead of the curve during the Production Era. Strauss realized that, in the rough gold mines of the West and in hard labor professions around the nation, there was an unrealized demand for affordable, durable garments. Even though he knew workmen would buy unriveted, cheaper waist overalls if he sold them (“If we can make it, it will sell” was the usual marketing approach during the Production Era), he chose to produce something that would better his customers’ circumstances.

¹ Starting in 1937, Levi’s sewed the pockets over the rivets in response to customer complaints about the rivets scratching furniture, saddles, etc.

Getting a Leg Up on the Competition

With success comes the struggle to maintain it. When competitors enter into the new product market, a company's objective is to differentiate itself and develop a well-known, trusted brand name. In order to develop brand recognition, that company must have a way to define itself. This can be done through the use of trademarks.²

Levi's first step in developing its brand image was with its introduction of the two-horse trademark in 1886.³ This logo showcases two horses attempting, and failing, to pull apart a pair of Levi's jeans. This is representative not only of the durability of the pants (due to the innovative use of rivets and the high-quality denim fabric) but also of the company itself. Levi's would not be taken down by the competition.



Their second, and probably their most defining, step towards full brand recognition was



the use of the Levi's red tab trademark in 1936. The tab was placed on the right back pocket of the pants and had the word "LEVI'S" stitched on one side in white lettering (eventually the brand name would be placed on both sides of the tab and the lettering changed to "Levi's"). The tab was developed in response

to competitors' use of Levi's dark denim and Arcuate stitching (the arch design on the back

² According to *Basic Marketing: A Marketing Strategy Planning Approach*, a trademark "includes only those words, symbols, or marks that are legally registered for use by a single company."

³ The primary motivation behind the logo was the knowledge that Levi's patent on riveted clothing would go into the public domain in 1890. This would allow other companies to legally manufacture riveted clothing.

pockets).⁴ Starting in the 1950s and 60s, Levi's used different colored tabs to categorize products within their own brand. For example, the red tab was used on the original 501 jeans, an orange tab (introduced in the 60s) was used on fashion denim (bell bottoms, boot cuts), and a silver tab (introduced in 1988) was used for baggy, grunge-style jeans.

One Size Doesn't Fit All

Part of the appeal of Levi's is that it has a jean for everyone - it is the "great equalizer". It is no longer just a lower-class work pant for men. Over the years, the company has crossed gender and class lines and evolved to fit the size, style, and budget of multiple markets.

In today's world, jeans are seen as a staple fashion for both men and women, an article of clothing we all take for granted - that, however, was not always the case. Jeans, or waist overalls as they were called until 1960, were seen solely as men's work pants; they were meant to withstand the effects of hard labor. They were not for the "delicate" female lifestyle. That is until 1934 when Levi's came out with the first line of women's jeans - Lot 701 Lady Levi's. These were the pants that were marketed towards the independent and edgy woman, these were the pants of feminism.



No. 701

⁴ The Arcuate stitching was not trademarked until the 1940s.

The development of the Lady Levi's showed that Levi's was willing to adapt and change. It was their first step into diversity, but it would not be their last. Levi's now makes not only men and women's sizes, but they also cater to children and plus sizes.

Along with being gender-inclusive, Levi's has strived to reach different class markets. Despite starting out as a lower-class work pant, Levi's has developed into a brand primarily worn by the upper-middle class. In order to attract other markets, Levi Strauss and Co came out with more budget-friendly brands in the form of Signature in 2003 and Denizen in 2011. These brands can be found at mass-market retail chains like Target and are advertised as quality, comfortable, stylish jeans at a value price point.

Levi's cleverly developed a brand that was accessible to people of different sizes and financial means, but it has occasionally struggled with stylistic choices. Part of the brand's appeal is its brand recognition and its durable, simple, "classic" image. Brand consistency is, for the most part, a blessing. However, a brand does have to adapt to the times and to the changing style of consumers in order to promote growth.

During the 1980s with a heavy increase in competition, Levi's sales started to suffer. In a move to combat this loss in the denim industry, Levi Strauss and Company came out with the

men's Dockers Khaki brand in 1986. This brand was meant to appeal to the young professional and "preppy" style markets.

Just as Levi's had come out with the original "working man's pants", Dockers were meant for the modern, business



“working man”. Soon after its original release, however, Dockers extended its brand to women as well. The Dockers brand is still available today, but it only accounts for around 10 percent of Levi Strauss and Co’s total sales.

During the early 2000s, Levi’s hit another sales decline. The brand was having a hard time appealing to the trendy, young consumer with the rise of designer label jeans. Brands like 7 For All Mankind appealed to consumers with an emphasis on fashion over durability and celebrity endorsements. To turn business around, Levi’s adapted with new styles, fits, and fabrics, and collaborated with companies and designers such as Vetements, Re/Done, Virgil Abloh, and Karla Welch.

Stepping into the Future

There are few products that can maintain success without innovation. As mentioned earlier, effective marketing entails anticipating customer needs. A company must adapt to the changing social, technological, and cultural environments that affect those needs.

Levi’s has launched a variety of initiatives aimed at making the company more technologically, environmentally, and, as always, more consumer friendly. In 2013, Levi’s opened its Eureka Innovation Lab. The purpose of the lab is to increase research, development, and prototyping. In 2017, Levi’s debuted its Commuter Trucker Jacket with Jacquard.⁵ Designed

⁵ Jacquard is a Google technology.

for urban transportation, such as bike riding, Jacquard technology woven into the jacket lets wearers access music, navigation, and communications (texts and calls) with a swipe of the sleeve. Most recently, Levi's introduced Project F.L.X. in 2018. Project F.L.X. has digitized the denim finishing process. By automating this process, Project F.L.X. not only reduces the time it takes jeans to reach the market, but it also allows Levi's to eliminate thousands of chemicals used in jean finishing. This creates a high quality, greener jean for traditional and environmentally-conscious consumers alike.



Levi's is one of the oldest and most iconic American brands. It has not only survived all of these years, but, with a few exceptions, it has thrived. Levi's maintains and gains customer loyalty by consistently producing quality products, developing a recognizable image, adapting styles and fits for every size and situation, and innovating to stay at the forefront of changing consumer needs and circumstances. Levi's has stitched its way into history and tailored its brand for success.

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