

# SAMPLE

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## **Task 1: Lane Bryant Strategic Analysis: 2007 and Beyond<sup>i</sup>**

### **Plus Size Women's Market Key Facts**

#### **Executive Summary**

Growth in the plus size sector is forecast to hit \$65 Billion by 2012. Lane Bryant is forecasting sales of close to 4 billion by the same year. This outlook could be muddled by a new longitudinal study by the CDC which could indicate either a growth pattern or a steadying effect for overweight adult women in 2008 and beyond. Although the long term future of their market potential is fuzzy, it is clear from the CDC study that Lane Bryant can still make inroads in capturing market share from the available market potential in the next four years. Although, many adult overweight women seem to accept their body weight/type and admit that they are different, targeting and positioning Lane Bryant products to them is complicated by recent research concerning body typing, interpersonal weight clustering, and social contagion.

Lane Bryant is the most recognized name in plus-size fashion. Through private labels, such as *Venezia*, *Cacique*, and *Lane Bryant*, the company offers fashionable and sophisticated apparel in plus-sizes 14-28, including intimate apparel, wear-to-work, and casual sportswear, as well as accessories. Lane Bryant has a loyal customer base, generally ranging in age from 25 to 45 years old, and it currently operates 748 stores in 46 states. Lane Bryant Bricks and Mortar growth is based upon strip and life style based centers. Lane Bryant uses Prism cluster analytics to position stores in over 100 markets which include in the top 10, New York, Los Angeles/Long Beach,

Chicago, Washington-DC, MD, VA, WV, Philadelphia/NJ, Detroit, Atlanta, Houston, Boston/NH, Dallas. These ten market areas account for approximately 30% of store growth-present and in the future with a ~400 million dollar market potential.

### **Opportunity 1**

Charming Shoppes established its direct-to-consumer segment in 2005 with the acquisition of Crosstown Traders. This acquisition provides the company with the necessary direct marketing expertise for the launch of its own Lane Bryant catalog in November 2007 after the Lane Bryant catalog trademark reverts to Charming Shoppes. Sales from this catalog are predicted to be in the range of 300 million. Direct- to-consumer accounted for 14% of FY 07 sales, growing at a 43% clip, with particular strength in its growing e-commerce platform. Charming Shoppes mailed 235 million catalogs in FY 07. Charming Shoppes' growth initiatives focus on higher margined Lane Bryant and a multi-channel strategy spanning catalog, e-commerce and store growth (to 1,000 retail stores and 150 outlets). Charming Shoppes sees over 300 new Cacique intimate apparel stores side by side with Lane Bryant locations over the next four years driving \$4 billion in sales.

### **Opportunity 2**

Lane Bryant Bricks and Mortar growth is based upon strip and life style based centers. Analysts see a growth rate of 5-7 % as consumers migrate from traditional department stores (due to consolidation of brands like Macys) to specialty retailers. It seems that the plus size female is underserved at every income level, and Lane Bryant is positioned to take advantage of the migration and growth as they improve their merchandise offerings and price values. Charming Shoppes offer a proprietary Lane Bryant credit card to engender customer loyalty and facilitate targeted promotions. Average credit card sales were double that of a cash purchase. In FY 07, the Lane Bryant credit card accounted for 29% of Lane Bryant Outlet sales, and Charming Stores would like to grow the penetration to 35%-40%. It seems that Lane Bryant is a company that with strong brand development, differentiated products, superior customer service, and attractive price-value propositions could likely outperform their peers.

### **Opportunity 3**

The emphasis on multi-channeling will provide future growth for the Lane Bryant unit. Charming Shoppes research indicates that Lane Bryant retail first customers are worth more than four (4) times more than single channel shoppers after four years. (\$100 year 1 to \$200 year 3 for single channel shoppers); (\$425 year 1 to \$800 year 3 for multi channel shoppers). E-commerce first customers are worth almost three times more than a single channel shopper. (\$100-\$300 year 1-3) vs. (\$425 - \$550, year 1-3).

## **Opportunity 4**

Lane Bryant is currently positioned in 2008 and beyond as better than mainstream and very fashionable. They consider their target customer to be contemporary, fashion oriented, with moderate to better income, who are migrating to strips and leisure malls to shop. The customer is 20-45 years old, loves fashion, contemporary, and a woman of many lifestyles (work, casual, active). The key differentiators of a Lane Bryant customer are Fashion and Lifestyle. Lane Bryant caters to 62% of the female “overweight prevalence” population and is perceived as synonymous with “PLUS SIZES”.

## **Opportunity 5**

Lane Bryant is #1 in market share for the specialty plus size intimate apparel and their brand Cacique is the number one brand in Intimate plus sizes apparel. They hold the #1 market share in plus size denim and their brand Venezia is the leading jean brand in specialty plus sizes. They have a very successful magazine called Figure, which has sold 7 million copies to date and is a source of enhancement to their branding power. In July 2007, Lane Bryant launched a new program for denim jeans buying that is similar to the Homeland Security terrorism threat scale. Working with Intellifit, the company scanned 14,000 women's bodies and took the data to Lane Bryant's design team, who came up with three new "fits" for women to choose from. The new fits are part of the company's Right Fit program, and are color-coded, much like the threat level scale. The yellow fit means the body type is straight through the waist and hips, red is slightly curved, and blue is "full at the hips."

## **Plus Size Women’s Market Key Facts**

### **Sales Forecast**

- Plus-Size Category to Forge on to \$65 Billion in 2012
- Larger-Sizes Take Huge Shares of Overall Clothing Sales by Gender
- Women’s/Girls’ Category Dominates Market

## **Consumer Profiling/ Behavioral Factors in Women’s Plus Size Marketing**

### **Weight as a Driver**

- Obesity Trend, Better Selection Drove Sales in 2001-2006
- A National Trend to Overweight, Obesity, and Greater Height

During the past 20 years there has been a dramatic increase in obesity in the United States. The following map illustrates this trend by mapping the increased prevalence of obesity across each of the states. In 2006, only four states had a prevalence of obesity less than 20%. Twenty-two states had prevalence equal or greater than 25%; two of these states (Mississippi and West Virginia) had a prevalence of obesity equal to or greater than 30%. (BRFSS –Behavioral Risk





- Defining Overweight Body Types is Complex

For adults, overweight and obesity ranges are determined by using weight and height to calculate a number called the “body mass index” (BMI). BMI is used because, for most people, it correlates with their amount of body fat. (BRFSS –Behavioral Risk Factor Surveillance System: CDC, 2007)

- An adult who has a BMI between 25 and 29.9 is considered overweight.
- An adult who has a BMI of 30 or higher is considered obese.

See the following table for an example.

Height	Weight Range	BMI	Considered
5' 9"	124 lbs or less	Below 18.5	Underweight
	125 lbs to 168 lbs	18.5 to 24.9	Healthy weight
	169 lbs to 202 lbs	25.0 to 29.9	Overweight
	203 lbs or more	30 or higher	Obese

Or, Basegirl: <http://basegirl.blogspot.com/2004/11/define-plus-size-for-me-please-ms.html>

I can't get enough of "America's Next Top Model."

That's right, the creation of one Miss Tyra Banks (and you best believe she always warrants the "Miss") and a team of network sadists has gotten ahold of me. And they ain't lettin' go. ANTM as it's known by those of us in the know, (or, you know, my coworkers and myself who discuss episodes at length every Thursday morning) may, in fact be one of the worst offenders in this reality TV sweepstakes culminating in the "Death of All Morals." ANTM combines some of the most abhorrent aspects of the rest of these like-minded shows. Like all the others, there is the element of competition which always leads to unprecedented levels of backstabbing, bitching, snarking, manipulation, undermining and sabotage. But this time around, it's all carried out by would-be models. So, in addition to the natural bitchiness inherent in 18ish to 25ish young woman, they're all operating on low blood sugar levels due to starvation. Well, except for Toccara, the token "plus size" model. But more on her later.

But there's a bad side too. This would be that whole "plus size" thing. Apparently in modeling world, or, as I like to call it, "make believe," anyone bigger than a size 2 is plus size. Even if, in the lovely Toccara's case, they're perfectly proportional, toned and healthy looking. Not to mention gorgeous. Except for the proportional part because girl had some serious boobage. But according to Miss Tyra and her panel of "experts," the psychotic and drugged-up Janice Dickinson among them, the world isn't ready for a plus size model. Well clearly not. The world is *only made up of what you call plus size women!* What really enraged me is that Toccara was consistently one of the better performers on the show. Her pictures were beautiful, she carried herself well and she had a great personality insomuch as she is likely the only person on that show I would not haul off and smack if stuck in a room with her for five minutes. And that includes Miss Tyra. That said, the judges ultimately booted her for a lack of fire or some such nonsense. And while it's true that she was not nearly as vivacious this week as she had been in the past, can you really blame her? There is only so much humiliation, degradation and downright meanness one can take. And I shan't even mention the other girls, most of whom have had a *string* of shitty weeks.

- For Women, the Trend to Obesity Could Be Leveling Off
- Women's Prevalence Toward Obesity Stabilized in 1999-2004

During this time period, the percentages of adult women who were overweight and obese remained steady at about 62 percent and 33 percent, respectively.

Several experts said women may be more responsive to anti-obesity campaigns because they tend to be more concerned about their weight, primarily for cosmetic reasons.

"We know that women in this society are very focused on their weight -- somewhat for health issues and somewhat for appearance issues," said June Stevens of the University of North Carolina at Chapel Hill. "That may make them more susceptible to the public health messages we have been sending out."

Alternatively, it could be that obesity among women peaked because most of the women who are genetically predisposed to become obese have done so. Because the obesity rate among women has historically led the rate for men, it could be that they reached a genetic saturation point

sooner. (Obesity Among U.S. Women Leveling Off, Study Shows, Rob Stein, Washington Post, April, 5, 2006. <http://www.washingtonpost.com/wp-dyn/content/article/2006/04/04/AR2006040401312.html>)

- America Accepts All Body Types/America Slims Down

Being a Fat Feminist means that I accept and love myself just the way I am. Don't get me wrong - I'm still fat in a society that isn't nearly large enough for me. People give me looks when I wear shorts or eat an ice cream cone in public. Well meaning family members tell me I have "such a pretty face..." and offer quick weight loss schemes found in tabloids. But perhaps most distressing has been my experiences with health care providers. For most of my life, doctors have prescribed everything from amphetamines to ultra-low calorie liquid diets, all in the name of health.

My evolution from chubby girl to Fat Feminist would not have been possible without other large women. Support groups, regional conferences, exercise classes and magazines have been created to empower people of size and I draw strength from them all.

Last July, I attended a Fat Women's Health workshop at the East Coast Fat Feminist Conference, and heard a lot of comments like this:

"The answer to nearly every health condition or concern is 'lose weight'."

"My doctor gave me a diet when I had come in for an earache -- nothing for the ear was prescribed."

"My new gynecologist is terrible; giving me an unwanted, endless lecture on the new diet drugs. This doctor was shocked that I requested a birth control method, not believing I could be sexually active."

"[My doctor] really acts surprised every time my blood pressure shows up normal, which is every time. And every session she says I should lose weight. She says it nicely, but still says it." (Monica Persson, 1996, <http://www.fwhc.org/health/fatfem.htm>)

- Mainstream Marketers Attracted to Larger-Size Potential -- But Many Do Not Emphasize It

Any marketer knows that messaging influences brand choices, political elections and yes, self-image. Sometimes the message is delivered through a catchy slogan; other times through a powerful image. Which begs the question: Why are marketers so worried that average won't sell? To marketers in these image-driven industries, I implore: Align your fashion-forward messages and images responsibly. Exercise care with your impressionable markets and the money will follow. Average is anything but. (Christina Kerley, Marketing Profs, Face It Marketers: Beauty Is OUR Responsibility, [http://www.mpdailyfix.com/2006/10/face\\_it\\_marketers\\_beauty\\_is\\_ou\\_1.html](http://www.mpdailyfix.com/2006/10/face_it_marketers_beauty_is_ou_1.html))

- New Perceptions of Body Size Could Change the Market Definition

Recent research (Table 1, Section one of this paper) seems to indicate that plus size women need to be empowered, although not in some negative feminist sort of way. Our culture is pervaded by images of thinness and we learn at an early age that thin and pretty is better. We cannot blame this all on Barbie, nor can we on our mothers. Plenty of research in psychology supports that we are all naturally drawn to beauty. However, a pretty face comes on many sizes of bodies. Therefore, the objective is to encourage women to embrace their curves, not in a conciliatory fashion, but one of self love and acceptance. Secondly, the literature suggests that women need clothes that fit. Proper fit from body scanners addresses only part of the problem. A numerical size, temporarily fixed on a hang tag and permanently stamped on the garment is much like a body brand. In a culture where smaller is better, it is very difficult to convince someone that is convinced that she wears a size 20, that the 22 would diminish her muffin top.

- Certain Races/Ethnicities Also Getting Heavier

Generally speaking, women are getting heavier by race/ethnicity. (See June 2007, CDC report. <http://www.cdc.gov/nchs/data/nhis/earlyrelease/earlyrelease200706.pdf>, Pg 36-41)

### **The Consumer: Just My Size and Lane Bryant Plus-Size Jeans**

- Almost 3.4 Million Just My Size Jeans Purchasers
- Almost 3.2 Million Lane Bryant Jeans Purchasers
- Plus-Size Jeans: Two Brands Have Different Audiences
- Lane Bryant consumer is a weight admitter
- There are nearly 28 million weight admitters

### **Weight Admitters' Direct Purchasing**

- Over 5 Million Weight Admitters Buy Apparel Via Mail/Phone Order
- Almost 5 Million Weight Admitters Buy Apparel Online
- Mail/Phone Users Older, Less Affluent; Internet Users Younger, More Affluent
- Most Weight Admitters Who Direct-Purchase Spend Over \$100 Annually
- Catalogs Still See More Purchasing Than Websites; Mail/Phone Ordering Still Outpaces Online Ordering
- Six Million Female Weight Admitters Shop Gender-Specific Catalogs
- Six Million Weight Admitters Watch Television Home Shopping

### **Channel Effects**

- Online Activity a Boon to This Market

- Plus-Size on eBay
- Potentially Higher Price-Points than for Mainstream Apparel
- Influence of Society's Trend to Elegant, Upscale Products
- Charming Shoppes Is Clear Dominator of Plus-Size Specialty
- Consumer Advertising and Website/Catalog Positioning

### **Marketing and Product Trends**

- More Marketers Accommodating Plus-Sizers -- But Discreetly
- Practicality
- More Style, Please
- Bigger and Smaller Cups, for Plus-Size Bodies or Not
- Digital Measuring Kiosks (DMKs)

### **Consumer Promotions**

- Discount and Free Shipping Offers
- Win Prizes
- A Proprietary Slick Magazine
- A TV Series Tie-In
- A Charity Gala

### **Factors in Future Category Growth**

- Larger Females Simultaneously Accepted, Warned About Their Health (See Above)
- Trends to Overweight and Obesity Are Likely to Moderate ( See Above)
- Design, Retail Trends to Keep Pumping Plus-Size Category
- Time to Target Plus-Size Teen and Tween Girls

Although this is a societal responsibility issue, there is a “qualified” market if trends are continuing. (See <http://www.cdc.gov/nchs/data/nhis/earlyrelease/earlyrelease200706.pdf> )

### **Trends and Opportunities**

- A lot of strategic weight marketing is truly bad for business unless you are a specialty oriented retail concept.
- Let upscale style, image infect brands in all price-tiers
- Digital-measuring Kiosks (DMKs): selling the best to the biggest

## General Overview of the Parent Company

Lane Bryant is a unit of Charming Shoppes Corporation. Charming Shoppes is a multichannel, multibrand specialty apparel retailer primarily focused on plus-size women's apparel. Its Retail Stores segment operates stores and related e-commerce Web sites through three distinct brands: *LANE BRYANT*, *FASHION BUG*, and *CATHERINES PLUS SIZES*. Charming Shoppes Spends \$5 Million in advertising its brands. The company's Direct-to-Consumer segment operates numerous apparel, accessories, footwear, and gift catalogs and related e-commerce Web sites through its Crosstown Traders business, which it acquired in June 2005. During FY 06 (Jan.), the sale of plus-size apparel represented approximately 72% of its total net sales.

Through its multiple channels, fashion content, and broad merchandise assortments, The company seeks to appeal to customers from a broad range of socioeconomic, demographic, and cultural groups. As of Jan. 28, 2006, Charming Shoppes operated 2,236 stores in 48 states. The company's 2,236 retail stores (as of Jan. 28, 2006) are primarily located in suburban areas and small towns. Approximately 70% of these stores are located in strip shopping centers, with the remainder located in community and regional malls. The majority of the Fashion Bug and Catherines stores are strip-center based. Most Lane Bryant stores are in malls. Over the past few years, Lane Bryant has expanded into strip and lifestyle centers, and has demonstrated success in such locations.

Lane Bryant is a widely recognized name in plus-size fashion. Through private labels, such as *VENEZIA*, *CACIQUE*, and *LANE BRYANT*, the company offers fashionable and sophisticated apparel in plus-sizes 14-28, including intimate apparel, wear-to-work, and casual sportswear, as well as accessories. Lane Bryant has a loyal customer base, generally ranging in

age from 25 to 45 years old, and it operates 748 stores in 46 states. Lane Bryant uses Prism cluster analytics to position stores in over 100 markets which include in the top 10, New York, Los Angeles/Long Beach, Chicago, Washington-DC, MD, VA, WV, Philadelphia/NJ, Detroit, Atlanta, Houston, Boston/NH, Dallas. These ten market areas account for approximately 30% of store growth- present and in the future with a ~400 million dollar market potential. Fashion Bug stores specialize in selling a wide variety of plus-size, misses and junior apparel, accessories, intimate apparel, and footwear. Fashion Bug customers generally range in age from 20 to 49 years old and shop in the low-to-moderate price range. The 1,025 Fashion Bug stores are located in 45 states, primarily in strip shopping centers. Catherines plus sizes is particularly known for sizes over 28 and petite plus-sizes. Catherines offers classic apparel and accessories for wear-to-work and casual lifestyles. Catherines' customers generally range in age from 40 to 65 years old. The 463 Catherines stores are located in 44 states, primarily in strip shopping centers in the Southeast, Mid-Atlantic, and Eastern Central regions of the U.S. Charming Shoppes acquired the Petite Sophisticate trademark in FY 07, and opened 45 outlets, averaging 2,700 square feet, utilizing side-by-side locations with Lane Bryant Outlets.

## **Task II (Insert Executive Summary Here)**

### **Specific Overview of Lane Bryant Unit**

The retail landscape is consolidating, with share accruing to mass merchants and specialty chains as traditional department stores lose ground. Specialty chains like Lane Bryant compete by using customer knowledge garnered by daily interactions, focus groups and market intelligence. This knowledge is often combined with high customer service levels to result in an attractive price/value equation for consumers. By channel, specialty stores account for the largest

share (30%) of apparel sales; however, this penetration is lower for Charming Shoppes' target demographic, at about 25%, which traditionally shop department stores. Charming Shoppes' plus size apparel brands cater to 62% of the U.S. adult female population and represent the fastest growing apparel market segment.

Lane Bryant holds the #1 market position in women's specialty plus apparel. It is the most profitable unit of Charming Shoppes and has the highest sales per square foot. Lane Bryant offers fashionable and sophisticated apparel and accessories, at moderate to better price points for women age 25 to 45. With 787 stores in 46 states as of February 2007 (with growth expectations of 1000 stores), averaging 5,800 square feet per store, it generated 39% of FY 07 sales with three proprietary brands – *Lane Bryant*, *Cacique* (over 300 stores to be built and put in operation over the next four years) and *Venezia*. Lane Bryant Bricks and Mortar growth is based upon strip and life style based centers.

Charming Shoppes established its direct-to-consumer segment in 2005 with the acquisition of Crosstown Traders. This acquisition provides the company with the necessary direct marketing expertise for the launch of its own Lane Bryant catalog in November 2007 after the Lane Bryant catalog trademark reverts to Charming Shoppes. Sales from this catalog are predicted to be in the range of 300 million. Direct- to-consumer accounted for 14% of FY 07 sales, growing at a 43% clip, with particular strength in its growing e-commerce platform. Charming Shoppes mailed 235 million catalogs in FY 07. Charming Shoppes' growth initiatives focus on higher margined Lane Bryant and a multi-channel strategy spanning catalog, e-commerce and store growth (to 1,000 retail stores and 150 outlets). Charming Shoppes sees over 300 new Cacique intimate apparel stores side by side with Lane Bryant locations over the next four years driving \$4 billion in sales.



Analysts see a growth rate of 5-7 % as consumers migrate from traditional department stores (due to consolidation of brands like Macys) to specialty retailers. It seems that the plus size female is underserved at every income level, and Lane Bryant is positioned to take advantage of the migration and growth as they improve their merchandise offerings and price values. Charming Shoppes offer a proprietary Lane Bryant credit card to engender customer loyalty and facilitate targeted promotions. Average credit card sales were double that of a cash purchase. In FY 07, the Lane Bryant credit card accounted for 29% of Lane Bryant Outlet sales, and Charming Stores would like to grow the penetration to 35%-40%. It seems that Lane Bryant is a company that with strong brand development, differentiated products, superior customer service, and attractive price-value propositions could likely outperform their peers.

Charming Shoppes research indicates that Lane Bryant retail first customers are worth more than four (4) times more than single channel shoppers after four years. (\$100 year 1 to \$200 year 3 for single channel shoppers); (\$425 year 1 to \$800 year 3 for multi channel shoppers). E-commerce first customers are worth almost three times more than a single channel shopper. (\$100-\$300 year 1-3) vs. (\$425 - \$550, year 1-3).

Lane Bryant is positioned in 2007 as better than mainstream and very fashionable. They consider their target customer to be contemporary, fashion oriented, with moderate to better income, who are migrating to strips and leisure malls to shop. The customer is 20-45 years old,

loves fashion, contemporary, and a woman of many lifestyles (work, casual, active). The key differentiators of a Lane Bryant customer are Fashion and Lifestyle. Lane Bryant caters to 62% of the female “overweight prevalence” population and is perceived as synonymous with “PLUS SIZES”.

Lane Bryant is #1 in market share for the specialty plus size intimate apparel and their brand Cacique is the number one brand in Intimate plus sizes apparel. They hold the #1 market share in plus size denim and their brand Venezia is the leading jean brand in specialty plus sizes. They have a very successful magazine called Figure, which has sold 7 million copies to date and is a source of enhancement to their branding power. In July 2007, Lane Bryant launched a new program for denim jeans buying that is similar to the Homeland Security terrorism threat scale. Working with Intellifit, the company scanned 14,000 women's bodies and took the data to Lane Bryant's design team, who came up with three new "fits" for women to choose from. The new fits are part of the company's Right Fit program, and are color-coded, much like the threat level scale. The yellow fit means the body type is straight through the waist and hips, red is slightly curved, while blue is "full at the hips."

### TASK III

#### **Portions (You will complete it) of Proposed Marketing Strategy 2008 Lane Bryant Stores**

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#### **Executive Summary**

An analysis and synthesis of the recent literature (Table 1) and the incorporation of decision information assimilated from the Lane Bryant strategic analysis indicates an opportunity for Lane Bryant to reposition their retail concept and merchandise for optimal sales in the future. Specifically, this repositioning decision involves testing the new positioning focus, “***Embrace your curves, accept, and let Lane Bryant provide a fashion - fit not a size tag***” in three channel venues. The results of these studies would reveal the impact of the new persuasive campaign on

the changing dynamics of the Lane Bryant “Plus Size” customer and the resultant impact to increase sales to this target audience.

### **Retail Concept/Unit Analysis**

The assumption behind the development of this promotion strategy proposal is that Lane Bryant maintains the current and future unit aspirations. Lane Bryant has a loyal customer base, generally ranging in age from 25 to 45 years old, and it currently operates 748 stores in 46 states. Lane Bryant Bricks and Mortar growth is based upon strip and life style based centers. Lane Bryant uses Prism cluster analytics to position stores in over 100 markets which include in the top 10, New York, Los Angeles/Long Beach, Chicago, Washington-DC, MD, VA, WV, Philadelphia/NJ, Detroit, Atlanta, Houston, Boston/NH, Dallas. These ten market areas account for approximately 30% of store growth- present and in the future with a ~400 million dollar market potential. They are a multi-channel offering under the Lane Bryant, Lane Bryant Outlet branding. By October 2007, they will have a sales/distribution capability through their branded brick and mortar outlets, branded catalog, branded Internet site, and direct mail.

### **Product Assortment Analysis**

Lane Bryant is the most recognized name in plus-size fashion. Through private labels, such as *Venezia*, *Cacique*, and *Lane Bryant*, the company offers fashionable and sophisticated apparel in plus-sizes 14-28, including intimate apparel, wear-to-work, and casual sportswear, as well as accessories. Lane Bryant is #1 in market share for the specialty plus size intimate apparel and their brand Cacique is the number one brand in Intimate plus sizes apparel. They hold the #1 market share in plus size denim and their brand Venezia is the leading jean brand in specialty plus sizes. They focus on style and create average size assortments on continuing size research which currently indicates that 30% of the US female populations wear a size 12-16 and 48%

wear 12 or larger. Lane Bryant uses continuous customer satisfaction surveys to learn what customers are not finding at each of the multi-channels and can adjust accordingly. This adjustment is more apparent online where the adjustment can take place in real time. Essentially they push deeper into levels of inventory and positively affect online conversions. Tag Lines stress comfort, fit, style, and value in their multi channels.

### **Current Brand Positioning**

Lane Bryant is positioned in 2007 as better than mainstream and very fashionable.

### **Current and Future Competitive Market Positioning**

#### **Product**

- Maintain current brand offerings. Strengthen brand through suggested promotional strategy. Develop unique and differentiable fit (focus on body part management – product specific answers) and style combinations based upon continued feedback from target customer from all channels. Establish quality and satisfaction scoring from all channels.

#### **Pricing**

- Maintain moderate and higher price points.

#### **Service**

- Continue added value of customer service and support via all channels.

#### **Distribution**

- Maintain and develop Multi-Channel strategy.

### **Profile of Target Audience**

Lane Bryant has a loyal customer base, generally ranging in age from 25 to 45 years old, and it currently operates 748 stores in 46 states. They consider their target customer to be contemporary, fashion oriented, with moderate to better income, who are migrating to strips and

leisure malls to shop. The customer is 20-45 years old, loves fashion, contemporary, and a woman of many lifestyles (work, casual, active). The key differentiators of a Lane Bryant customer are Fashion and Lifestyle. Lane Bryant caters to 62% of the female “overweight prevalence” population and is perceived as synonymous with “PLUS SIZES”. Lane Bryant Bricks and Mortar growth is based upon strip and life style based centers. Lane Bryant uses Prism cluster analytics to position stores in over 100 markets which include in the top 10, New York, Los Angeles/Long Beach, Chicago, Washington-DC, MD, VA, WV, Philadelphia/NJ, Detroit, Atlanta, Houston, Boston/NH, Dallas. These ten market areas account for approximately 30% of store growth- present and in the future with a ~400 million dollar market potential. Since this is a multi-channel concept Lane Bryant tries to satisfy customer needs using three channels for optimal conversions and stress appeals that fulfill this objective. Currently the emphasis on multi-channeling will provide future growth for the Lane Bryant unit. Charming Shoppes research indicates that Lane Bryant retail first customers are worth more than four (4) times more than single channel shoppers after four years (\$100 year 1 to \$200 year 3 for single channel shoppers); (\$425 year 1 to \$800 year 3 for multi channel shoppers). E-commerce first customers are worth almost three times more than a single channel shopper (\$100-\$300 year 1-3) vs. (\$425 - \$550, year 1-3).

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Behaviorally, the target audience is overall weight admitters – they acknowledge that they are overweight and would like to be served as such. There are nearly 28 million weight admitters in the US population. The changing dynamics of the “plus size” market is having a dramatic effect on the way Lane Bryant must view the behavioral profile of their customer base.

Recent research (as developed from this literature review contained herein) indicates that the weight admitters are influenced by real images, spokespersons, and the beauty from within.

### **Actionable Elements of the Plan**

- Diversity in real models as credible spokespersons
- Focus on Multiple selves of Lane Bryant Woman
- Focus on *Fashionista*; Promote *Fashionista*
- Use real –source credible-spokenpersons
- Use real images
- Focus on community, especially in the new media
- Conversation/buzz are strongest source of influence
- Testimonial usage
- Focus on woman doing real things
- Capitalize on social similarities
- Engage customer evangelists
- Focus on the universal relational message – she wins, you win
- Create in channel events based upon group, i.e., aspects of being a women
- Focus on appearance management
- Focus on body part management – product specific answers

### **Communication Objectives**

- Generally the communication objective is to counter the negative buzz/contagion of obesity and create a positive affinity within the Lane Bryant plus size target consumer.
- Establish portrayals of the audience based upon their perceptions rather than the market data.
- Focus on making size and weight less a part of the Lane Bryant consumer identity.
- Establish a culture of women that perceive realistic body images that don't define them as overweight but as plus size realistic women.
- Sell more stuff

## **Message Content**

The underlying message for the women targeted by Lane Bryant is that of empowerment, although not in some negative feminist sort of way. Our culture is pervaded by images of thinness and we learn at an early age that thin and pretty is better. We cannot blame this all on Barbie, nor can we on our mothers. Plenty of research in psychology supports that we are all naturally drawn to beauty. However, a pretty face comes on many sizes of bodies. Therefore, the objective is to encourage women to embrace their curves, not in a conciliatory fashion, but one of self love and acceptance.

Secondly, we need to encourage women to buy clothes that fit. Proper fit from body scanners addresses only part of the problem. A numerical size, temporarily fixed on a hang tag and permanently stamped on the garment is much like a body brand. Realizing the stigma of this, Chico's departed and created a proprietary sizing system. In a culture where smaller is better, it is very difficult to convince someone that is convinced that she wears a size 20, that the 22 would diminish her muffin top.

## **Positioning Statement**

*Embrace your curves, accept, and let Lane Bryant provide a fashion - fit not a size tag.*

## **ADD Implementation Here**

## **ADD Control Here**

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<sup>i</sup> In addition to the cited references, the following analysis is based upon reports, classifications, data, analysts reports, and internal Lane Bryant documents from the following sources, Hoovers Online, Yahoo Finance, Ameritrade, Standard and Poors, The Street.com, Lane Bryant - Strategic Target Market Analysis (2004), Cowen and Company, 5<sup>th</sup> annual consumer conference, Charming Shoppes, Inc, January, 2007, Plus-Size and Big and Tall Clothing in the U.S., by Packaged Facts - 6/1/2007 - 290 Pages - ID: LA1430582 - URL: <http://www.marketresearch.com/product/display.asp?productid=1430582>