

# American Apparel®

## Cloud Nine Consulting

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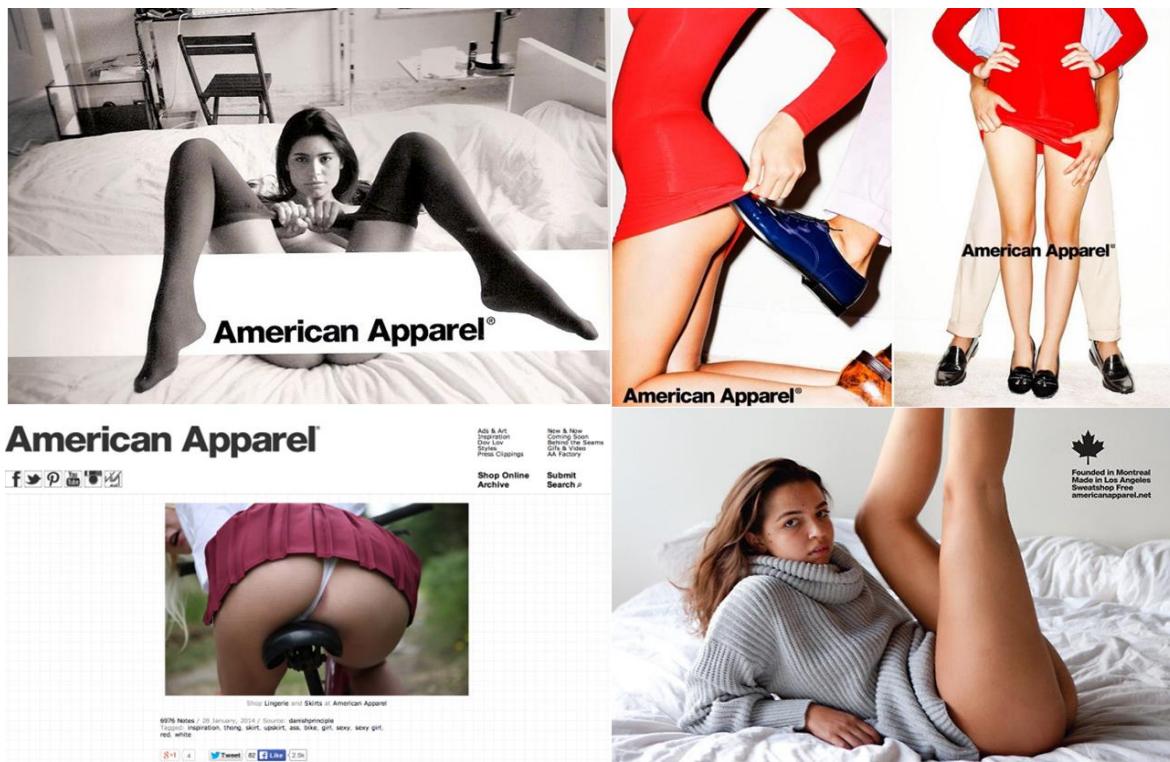
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# The Problem

American Apparel (AA) is no stranger to controversy. It is constantly under public scrutiny, especially in regards to the hypersexualized ads, sexual harassment in the workplace, and more. Just in the past year there has been multiple articles that talk about AA's advertising practices and how AA has not changed since the removal of past CEO, Dov Charney. The current CEO, Paula Schneider, claimed that AA was going to go in a different route with advertising and make sure to ditch the overly sexual-esque photography style that AA is so commonly known for. Although, it has seemed to calm down, there are still hints of negative body image being portrayed and AA is still under-fire for controversial photography. Another problem that AA appears to be facing is a lack of overall presence, particularly online via social media. The stock price and revenue stream has been at a low for years and some argue AA is losing sight of the needs and desires of its' stakeholders and shareholders.

AA offers numerous services that range from wholesale to retail. AA needs to re-evaluate the company's brand message, the direction for the future, and perceptions of the stakeholders, shareholders and industry. As anyone can see from the images below, its image has been tampered through an internal combustion of overly sexual ads.



This is the image that we at Cloud Nine wants to change.  
**Social Media Presence Compared to Competitors**

	Facebook	Twitter	Instagram	Pinterest	YouTube
American Apparel	1.5 Million Followers	553,684 Followers	1.3 Million Followers	46,889 Followers	13,024 Subscribers
	22 Million Followers	5.77 Million Followers	7.1 Million Followers	134,234 Followers	104,465 Subscribers
	6.7 Million Followers	621,356 Followers	863,000 Followers	93,033 Followers	6,513 Subscribers
URBAN OUTFITTERS	2 Million Followers	1 Million Followers	2.9 Million Followers	236,073 Followers	22,378 Subscribers

## The Goals

The main goal of the campaign is to help create awareness that American Apparel cares about its stakeholders (customers, employees / models), and also the environment. Secondly, we want to gain back lost customers and attain non-customers who consciously neglect to buy American Apparel clothing. We will monitor this goal by creating awareness through the amount of Facebook likes / shares, Twitter re-tweets, Pinterest pins, and Instagram favorites. We want AA to be a company engaged in a conversation about the past, present and future direction as not only a clothing retailer but also the clothing industry and changing trends. Due to the controversies in the past with our stance on sexuality, we need to carefully steer this conversation on a trajectory that will lead to stronger brand ambassadors for AA. We will begin by putting out content that exhibit our new direction. Examples will include “Loading Sexy”, rebranded social media content, and also a series of video advertisements.

While American Apparel has toned down the derogatory and hypersexual advertisements in the last few years, it still is an issue that the company has been associated with. Even though AA has taken some steps to alleviate the negative media attention, we want AA to tackle these issues with a new direction. Advertisements from AA have been under the scrutiny of the media for being both inappropriate and connoting a negative body image. With this scrutiny, AA has the unique opportunity to resolve these issues. We at Cloud Nine consulting want to promote sexy for AA in a way that will appeal to a larger segment of customers.

We also want to redefine what sexy means while reintroducing the sustainability aspect harder onto its customers that has been overshadowed by the overtly sexy aspect in previous campaigns. American Apparel's website is keen to mention the company's sustainable ways as a business, but they often stray away from effectively communicating this in its marketing efforts. Utilizing social media, American Apparel will open up this aspect so more people are aware of the environmentally sustainable manufacturing practices. This includes promoting the company's plan to increase the amount of energy AA attains from solar currently sitting at 15% of its electrical usage (American Apparel, 2015). Added on, we will continue to raise awareness of our energy and recycling efficiency.

## **The New Message**

*“American Apparel is more than just a brand, and much more than just a clothing company. It’s a lifestyle, the way you look at yourself, and the way others look at you. Our Customers are simple, sustainable, and sexy.”*

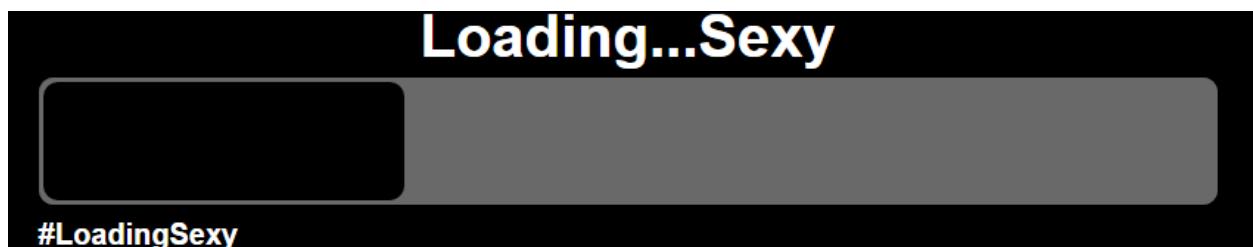
## **The New Target Market**

Although, females tend to be more heavily targeted by AA since the specific demographic shop there often, for the purpose of taking advantage of both the unique unisex aspect of the brand and the opportunity for a rebranding, the new target market will be both male and female (Roessler, 2013). These individuals tend to be between the ages of 18-24 years old. AA will not discriminate or target a particular ethnicity. It embraces all cultures and it is quite evident in the company's advertising and photo's online. The target markets income tends to be of a typical high school student, college student, and post-graduate college student which can range from \$16,000-\$60,000. The clothes are not marked out of the value range of high school to college students but are historically more expensive in cost than companies such as H&M and Forever 21. This target market has an education background that is equivalent to high school diploma, some college, or a bachelor's degree. The household size is between the sizes of 1-6. We have chosen this size based off of whether the customer is living alone, living with family or friends, living in a dorm, or living in a rented house throughout its college career. These consumers tend to live in metropolitan areas or close to universities. We decided on this demographic area because fashion tends to be a bigger part of an individual's life if the customer lives in a metropolitan area opposed to a rural area. AA also makes sure that there locations are near universities because AA is fully aware of where it's target audience is located. Since the implementation of AA's e-commerce site this has widened the area to which AA is able to capitalize on exposure and conversion.

## Loading Sexy

“Loading Sexy” - The concept behind the new website is to introduce a new face for American Apparel’s digital presence. With a high brand awareness but negative brand image, we want to change the relationship with consumers from struggling to stay in touch, to being the trendsetter in the fashion industry. As mentioned before, our campaign is focused around Simple, Sustainable and Sexy. The shopping function of the AA site will be revamped to display clothing in a more positive fashion and changes to the site itself will reflect this direction.

Applying the advantage of in-store strategic positioning of goods to the site, we will navigate users through our campaign in a subtle fashion so as to get where the customer wants but also build awareness around the campaign during the launch. The landing page would open with the “Loading Sexy” bar which will consist of the loading time for the actual site. The #LoadingSexy will appear below and be present throughout the campaign.



## Media Outlets

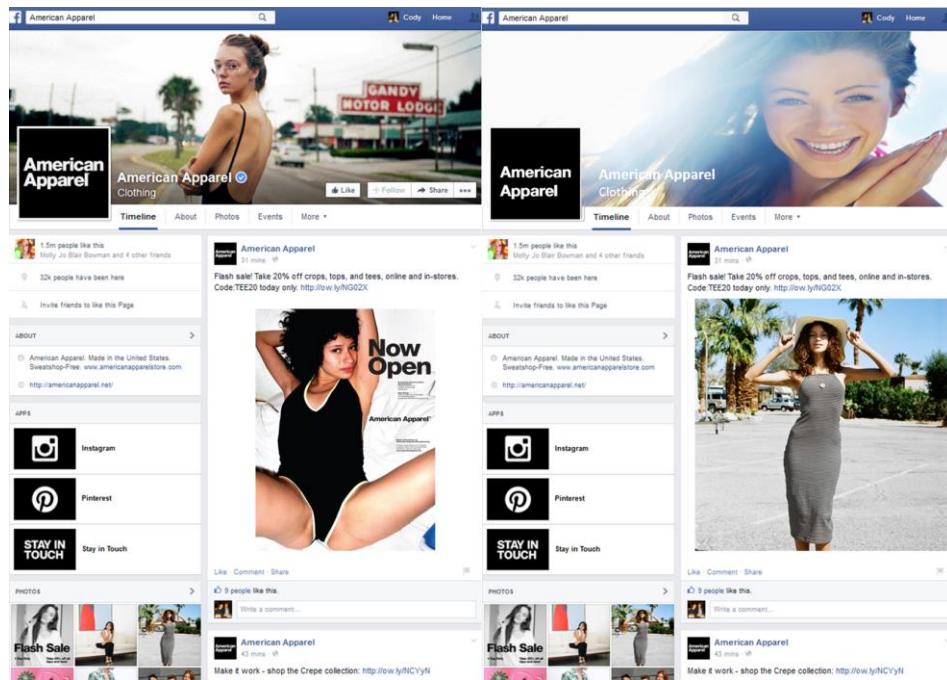
### **Website Redesign**

“Loading Sexy” - The concept behind the new website as mentioned in Phase 1 & 2 is to introduce a new face for American Apparel’s digital presence. With a high brand awareness but negative brand image, we wanted AA to change the relationship with its consumers. As of now, AA is struggling with challenges such as failing to communicate and engage to be the trendsetter both on the runway and online. As mentioned above our campaign is focused around Simple, Sustainable and Sexy. Specifically, we decided to push AA into a more widely acceptable form of sexy that would tackle both the issues with previous marketing communications from AA and also the uncertain direction for the future. The shopping function of the AA site will be revamped to display clothing in a more positive fashion and changes to the site itself will reflect this direction.

Applying the advantage of in-store strategic positioning of goods to the site, we will navigate users through our campaign in a subtle fashion so as to get where the customer wants but also build awareness around the campaign during the launch. The landing page would open with the “Loading Sexy” bar which will be consistent to the loading time for the actual site. The #LoadingSexy will appear below and be present throughout the campaign. An example of our Loading Sexy page is below.

## Social Media Redesign

AA’s social media presence lacks both the necessary responsiveness and personality to appeal to our target market. New content will push the new direction and branding of AA towards a more widely acceptable form of sexy. Below are examples of the changes to the social media that will be made.



By changing the social media content from obligatory posts by inexperienced interns to a collaborative cohesive effort, we will alter the attitude of our social media to be more inviting and inclusive. To help create a presence in an area of weakness, posts will be forecasted and strategically pushed during the campaign. The hashtag #LoadingSexy will accompany posts while our social media team will monitor and develop brand reports throughout the campaign. By implementing these changes, AA will be able to avoid blunders such as the accidental July 4th Tumblr post of the Challenger exploding.

## Paid Social Media Ads

We will be using Facebook, Instagram, Twitter and Vine to promote the AA campaign. Each day we will invest one hundred dollars on each social media platform to ensure that the message is reaching individuals who have already following our social media pages and those who have yet to become followers. We will be doing this for the 30 days and constantly measuring our impressions, clicks and overall reach for each day. This will allow us to practice A/B testing and figure out what our customers and potential customers like most about our social media creativity.

**American Apparel** @americanapperal Jun 1

Simply made, sustainably practiced, sexy clothing all at one stop that fits your lifestyle only at American Apparel <http://ow.ly/NGSOM>



**Shop for summer at AmericanApparel.net**  
americanapparel.net

**Shop now**

11 30

Promoted Dismiss

Lauren House likes American Apparel

**American Apparel** Sponsored

Looking for something simple, sustainable and sexy to wear this summer? Come to American Apparel for all your summer essentials! <http://ow.ly/NGSOM>



Like · Comment · Share · 1,835 235 483

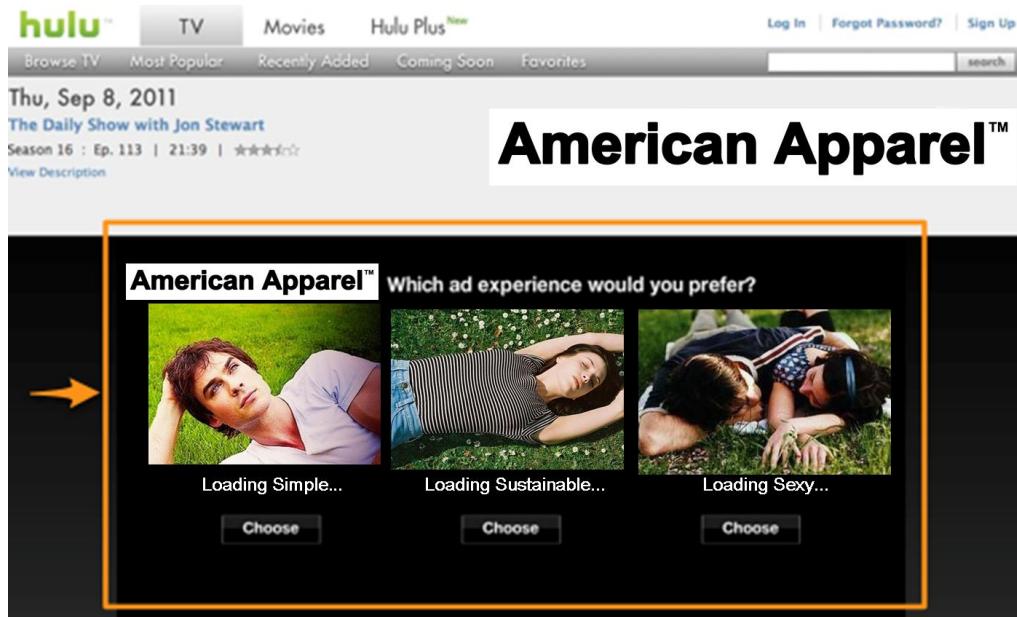
## In-Store Marketing

We want to keep print advertising in the store. The amount of money American Apparel has been spending on billboard and other print ads isn't working for company, and as a result, we are going to introduce an in-store print advertising division to our campaign. When customers check out, it will be given the option of either using a free bag like the customer normally does, or can buy a reusable bag for \$15. This will show off the "Sustainable" part of the campaign, but both bags will also have American Apparel's logo, as well as pictures on them. That way, it will make a little profit for the company while creating very cheap advertising for the company. The store itself will have "Loading...xxxx" signs everywhere. For example, there will be a sign next to the pants that says "Loading...Pants", all done in the exact same style as the website.



## Hulu

American Apparel will introduce a three-part advertisement throughout Hulu shows. The first ad will show off the "Simple" part of American Apparel's campaign. The second will show the "Sustainable" part, and the third will sum up the first two, by showing that "Simple + Sustainable = Sexy". Advertising on Hulu should be done on shows that tend to be an hour long, so the three-part ad can be fully shown in the broadcast and shows that have the same target market as American Apparel does. (i.e. The Vampire Diaries, Teen Wolf, Pretty Little Liar etc..) Running this ad shows American Apparel cares about its consumers since the customer gets a choice in the matter of which advertisement the customer gets to watch. Additionally, shareholders will be happy that the ad is reaching such a large audience.

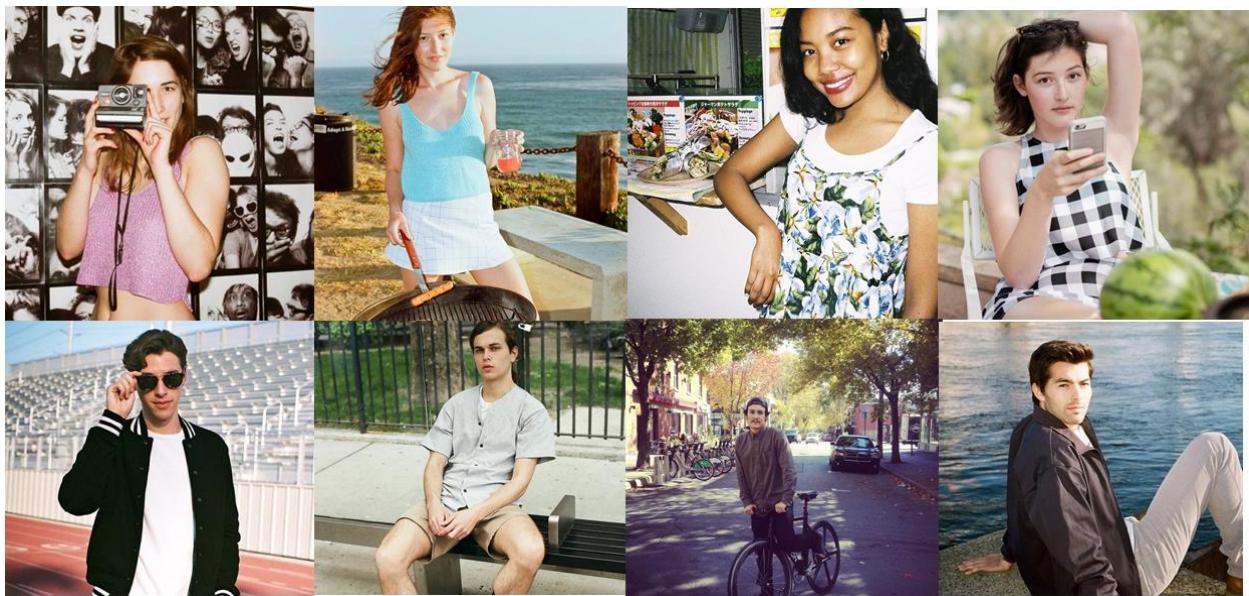


## New Advertising Campaign

Once the video and new photographs are taken, the Loading Sexy bars will be taken off the social media sites and the new happier fun filled American Apparel pictures will be posted on all the media outlets listed above. The video will be divided into 3 sections for our Hulu viewers as it appears above. Each video starts off with the loading bar that flashes through a few words (loading pants, loading tees, loading smiles, loading love etc...) and will eventually end at 33% filled with the title saying, Loading Simple. The bar will be filled up at 66% and say, Loading Sustainable, and the last video will start with the loading bar filled at 100% and say Loading Sexy! The following is the detailed characteristics of our new video campaign.

### **Simple**

In the last part of the message Cloud Nine has created, the tagline reads, "Our customers are simple, sustainable and sexy." Simple is the first part of our new tagline. The main idea of the video is watching kids enjoy summer. Summer is simple! No homework and no plans. Everything is spontaneous like barbeques, beach dates with friends and going to local sporting events. But this isn't just any summer. This is the summer before college, so hanging out with friends is essential since they will all be going their separate ways before school starts. The main actor and actress will be the camera's main focus but will also pan to their friends and the surrounding area. Of course everyone is dressed to the nine's in American Apparel and just enjoying a good old time.



## Sustainable

The next scene is our actor and actress getting reading for college and arriving there. The second part of our slogan is sustainable which is why both students will be driving eco-friendly cars. The male will be driving the Nissan Leaf and the female lead will be driving the Toyota Prius. Before arriving at the school, there will be scenes of both students packing, shopping for environmentally friendly products (7th Generation laundry soap,) new clothes (at American Apparel obviously,) and going to garage sales to find furniture and other essentials for their dorm. Since American Apparel is all about recycled clothing, implementing the garage sale for furniture shopping is a nice touch. Once the lead characters are all packed up there will be shots of them driving to school and unpacking their dorms. Some close up shots are really going to push the message of sustainability such as the characters inserting curly eco-friendly light bulbs, setting up their recycling bins, and opening the curtains to let in natural lighting so they don't need to use electricity.



## **Sexy**

The final video is a summation of simple and sustainable in addition to adding sexy. The couple will finally bump into each other in a business sustainability class and realize they have seen each other before. There will be a flashback scenes to the garage sale and hanging out with mutual friends. They end up talking in the grass at school for hours on end and finally become a couple. There will be a few date scenes such as going on a picnic, hiking up to different trails, and a scene of them working together on a team project. This video will also be their senior year and at the end of the video they will be each be graduating with degrees in marketing and business sustainability. They hold hands and the entire graduating class throws their caps into the blue sky with the fluffiest of clouds. The clouds turn into a white screen that displays their logo, and then pops up, “is simple, sustainable, and sexy.”

## **Sales Promotions**

### **In-Store Sales on Environmental Holidays**

Throughout the year, we will be holding in-store promotions around environmental holidays. This will bring attention to the holidays that mean the most to American Apparel and correlate with the company's sustainable habits and beliefs. This will allow our customers to also think about the holiday and the different ways the customer can contribute.

On April 22th, we will be celebrating Earth day. This is arguably the most well known environmental holiday and will be a great way for customers to save money on clothes and feel good about the purchase. AA will be promoting a discount of 10% of all organic clothing and 5% of your overall bill goes towards causes that are directly aligned with Earth Day.

On July 25th, we will be celebrating National Tree Day. This is a holiday that is not as popular and Cloud Nine believes that it should have more exposure. AA will be holding in-store promotions that are 10% off of all organic clothing and 5% of the customers overall bill goes towards National Tree Day. This will give customers the incentive to come in and shop our organic cotton. Studies have shown that when customers are aware of a discount, the brain releases a small amount of dopamine to make them feel good. In return, there will be more sales and more happy customers.

On December 3rd, we will be celebrating National Conservation day. During this environmental holiday, we will be promoting 10% off of all organic clothing and 5% of the customers overall bill goes towards causes that are directly aligned with National Conservation Day. This is also an environmental holiday that is often not discussed. We believe that this would be a great opportunity for AA to show that the company is not solely profit-driven but have human characteristics.

# **Supporting Communications**

## **Coupons**

To build awareness and commotion around our campaign, American Apparel will be giving out coupons that will last three months before the coupons expire (June 1st - August 30th). Each month will be related to the different components of the Simple, Sustainable and Sexy categories.

During the month of June, we will be highlighting the simple section of the campaign. This coupon will be 'buy 2 tees and get the second 50% off'. This will encourage our customers and potential customers to take advantage of our sale.

In the month of July, our coupons will revolve around sustainability. Since AA is known for sustainable practices, we want to really focus on bringing this component to our customers' minds. This coupon will read, "10% off 100% organic cotton clothing." Since the organic clothing tends to be more expensive this will be a great way for customers and potential customers to take advantage of supporting sustainable clothing practices. Customers will feel good about the purchase and not feel buyers' remorse.

In the month of August, we will be highlighting the sexy portion of the Loading Sexy campaign. The coupon will be allowing customers to get a free gender neutral brief. By giving out the free brief coupon, the customer has to go to the website to order the item. While the customer is on the AA e-commerce site the customer might feel obliged to look around see if there are any good deals. We believe that more times than not, the customer will purchase something instead of solely ordering the gender neutral brief.





## College Sponsored Events

AA will go on a road trip across America to the largest college campuses. During these visits, AA will be promoting American Apparel clothing, giving out coupons and taking pictures of college students wearing AA clothing. We will hold a competition where the college students will have the chance to make it on the AA website if the student is the poster child of simple and sustainable.



Throughout these sponsored college events, we will be measuring what went well and areas that we can improve on. We will post in college FB groups, our website, email marketing and our social media platforms to inform the college students when and where we will be. This will build anticipation and awareness around our college visits which in return will yield massive turnouts.

We will be counting the number of individuals who have taken our coupons, taken pictures with us, tweeted #LoadingSexy and are wearing our clothing. We will check to make sure that our language on social media is consistent and compelling. Meaning that if we are using certain keywords that might not entice the college students to attend the event then we will switch up our language and hashtags. Throughout this process we will be using A/B testing on our email marketing, social media marketing and website marketing.



# Budget

Type of Media Outlet		Cost Per Day	# of Days	Total
<b>Social Media</b>				
	<b>Facebook</b>	<b>\$300</b>	<b>30</b>	<b>\$9,000</b>
	<b>Instagram</b>	<b>\$300</b>	<b>30</b>	<b>\$9,000</b>
	<b>Twitter</b>	<b>\$300</b>	<b>30</b>	<b>\$9,000</b>
	<b>Vine</b>	<b>\$300</b>	<b>30</b>	<b>\$9,000</b>
<b>Social Media Total</b>				<b><u>\$36,000</u></b>
<b>Website Redesign</b>				<b><u>\$30,000</u></b>
<b>Commercial</b>				
	<b>Red Epic-X Kit</b>	<b>\$900</b>	<b>5</b>	<b>\$4,500</b>
	<b>Tripod</b>	<b>\$150</b>	<b>5</b>	<b>\$750</b>
	<b>Actor/Actress</b>	<b>\$200 (Per Person)</b>	<b>5</b>	<b>\$2,000</b>
	<b>Building/Set Rental</b>	<b>\$1,000</b>	<b>5</b>	<b>\$5,000</b>
<b>Commercial Total</b>				<b><u>\$12,250</u></b>
<b>College Sponsored Events</b>				
	<b>Van Decal</b>	<b>\$1,500</b>		<b>\$1,500</b>
	<b>College Set Up (Clothes, Tables, Swag etc...)</b>	<b>\$1,500 (Per School)</b>	<b>30</b>	<b>\$45,000</b>
	<b>Gas for Van</b>	<b>\$75</b>	<b>30</b>	<b>\$2,250</b>
<b>College Sponsored Events Total</b>				<b><u>\$48,750</u></b>
<b>Cushion/Safety Net</b>				<b><u>\$13,000</u></b>
<b><u>Grand Total</u></b>				<b><u>\$140,000</u></b>

Cloud Nine Consulting has budgeted what we will need to promote the new Loading Sexy campaign on Facebook, Instagram, Twitter and Tumblr. We will be spending \$36,000 over the a thirty day span. The website redesign will cost \$30,000. (Executionists, 2015) The commercial is estimated to cost around \$12,250. (Haskin, 2015) The college sponsored event will cost around \$48,750. Just in case something ends up being more expensive than budgeted or if there are miscellaneous costs, there is a cushion/safety net of \$13,000 dollars. If it's not used it will go back to American Apparel. In total the campaign will run for around \$140,000.

## **Conclusion**

Overall, we would like American Apparel to re-strategize its brand with Cloud Nine's proposal. American Apparel is not doing well in the marketplace but Cloud Nine sees potential. American Apparel just needs to clean up the mess Dov Charney left behind. Instead of the 70's motel look with half naked girls, Cloud Nine wants to see happy girls fully clothed walking around college campuses. Cloud Nine would like to see more of American Apparel's sustainable practices see the light of day since AA has been hiding being the portraits of what looks to be under aged girls for the past 20 years. Cloud Nine promises to keep the clothing image simple, flourish how incredibly sustainable AA is, and keep American Apparel's brand identity sexy!

## **Citations**

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