

# Urban Outfitters

Group Grand

# Agenda

- Objectives
- Situation Analysis
  - Competitive Analysis
  - Urban Outfitters' Current Online Standing
  - Target Analysis
- Strategy
  - Geography
  - Media Vehicles
- Proposed Budget and Timeline
- Wrap-Up

# Objectives

- Increase Male SMS Mobile Text Sign-ups by 5%
- Increase Male Friends/Fans on Social Networking sites by 5%
- Increase Male Email Sign-ups by 5%
- Increase Male Customer Base on the Urban Outfitters website by 10%

# Competitive Analysis

## Primary Competition

- Retail Clothing Stores

## Secondary Competition

- Apartment Furnishings Stores

Although Urban Outfitters (UO) faces competition from local boutiques, vintage stores, Forever 21, and “other mall stores,” their main online competition stems from companies who have integrated their interactive strategies.

# Primary Competitors

- American Apparel
- H&M
- PacSun

The logo for American Apparel, featuring the brand name in a bold, black, sans-serif font inside a white rectangular box with a thin black border.

**American Apparel®**

The logo for PacSun, featuring the brand name in a bold, yellow, sans-serif font with a black outline, set against a black rectangular background.

**PAC SUN**

The logo for H&M, featuring the brand name in a bold, red, stylized script font with a white outline, set against a white background.

**H&M**

# American Apparel

## **E-commerce:**

- American Apparel has two online stores: AmericanApparelStore.com and California Select, their eBay store.
- American Apparel accounts for around 15% of total online retail sales<sup>[1]</sup>

## **Interactive advertising:**

- American Apparel maintains user pages on Facebook and MySpace, underwrites Viva Radio<sup>[2]</sup>, and owned a store in Second Life in 2007<sup>[3]</sup>.
- Primarily, they delivered 483 million display ad views in April 2008, which reached 49 million Internet users an average of 9.9 times during that month. However, they do not get a valuable return on investment on these because their profits slumped last quarter<sup>[4]</sup>.

## **Implications:**

- American Apparel's main focus is banner ads on social networking sites. In order to compete, Urban Outfitters needs to improve banner ads on social networking sites in order to drive traffic to the Urban Outfitters website .

<sup>[1]</sup> Stores.ebay.com/California-Select <sup>[2]</sup> viva-radio.com/ <sup>[3]</sup> businessweek.com/innovate/content/jun2006/id20060627\_217800.htm <sup>[4]</sup> finance.yahoo.com/q/is?s=APP

# H&M

## **E-commerce :**

- The website, hm.com, engages the consumer through interactive consumer-generated fashion shows. It also lets them customize their profile and save their information.[\[1\]](#)

## **Interactive advertising:**

- In 2007, H&M teamed up with Electronic Arts to feature its clothes in Sims City 2, holding contests to allow the gamers to design clothes that might be produced and sold in the real world.[\[2\]](#)

## **Implications:**

- Urban Outfitters needs to promote personalized consumer-generated content in order to compete with H&M's online advertising efforts.

[\[1\]](#) HM.com

[\[2\]](#)businessweek.com/innovate/content/jun2007/id20070629\_740435.htm

# PacSun

## **E-commerce :**

- PacSun's website allows consumers to purchase goods, generate a wish list, and customize their account.

## **Interactive advertising:**

- PacSun has created social networking sites for its consumers based on their athletic interests at PacSunTeam.com. [\[1\]](#)
- PacSun also has taken advantage of social networking sites by creating MySpace[\[2\]](#) and Facebook[\[3\]](#) pages.

## **Implications:**

- Urban Outfitters should form communities around the brand in order to compete with PacSun's networking sites.

[\[1\]](#) pacsunteam.loopd.com/Members/pacsun/

[\[2\]](#) Myspace.com/pacsun?cm\_sp=TopNav-\_-Community-\_-MySpace

[\[3\]](#) Facebook.com/pages/PacSun/7133041750?cm\_sp=TopNav-\_-Community-\_-FaceBook



# Secondary Competitor Analysis

- Secondary Competitors: Apartment Furnishing Stores
  - Target
  - IKEA



# Target

## **E-commerce:**

- On Target.com, consumers can make purchases, qualify for free shipping, use the “gift-giving” application, and create a wish list.<sup>[1]</sup>

## **Interactive Advertising:**

- Target has a Fan page on Facebook, and several consumer-generated pages on MySpace.<sup>[2]</sup>

## **Implications:**

- Target’s website engages in conversation with the consumer by helping them pick out the perfect gift. To compete, Urban Outfitters must create a meaningful dialogue with the consumer in order to fully understand their wants and needs.

<sup>[1]</sup> Target.com

<sup>[2]</sup> Myspace.com

# IKEA

## **E-Commerce:**

- IKEA.com has interactive living rooms and an interactive, automated assistant named “Ask Anna” who helps customers with questions.
- IKEA.com allows consumers to opt-in to their monthly newsletter and set up personal IKEA accounts.[\[1\]](#)

## **Interactive Advertising:**

- IKEA teamed up with Electronic Arts to use “IKEA Home Stuff” in Sims City 2.[\[2\]](#)

## **Implications:**

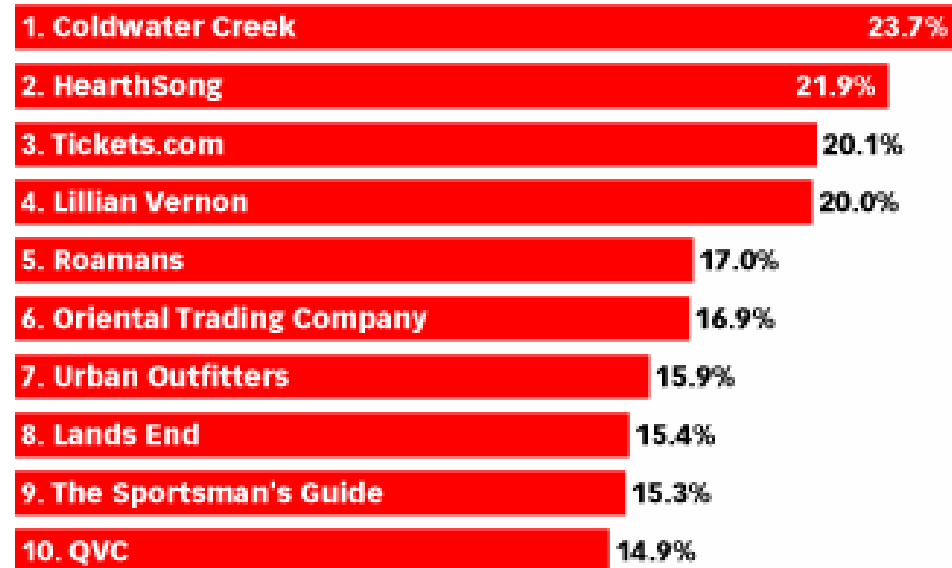
- IKEA’s interactive website and integration with Sims City 2 allows the consumer to interact and play with the brand without having to disclose a lot of personal information. Urban Outfitters needs to interact with men at a level that engages them, but on their terms.

[\[1\]](#) Ikea.com

[\[2\]](#) Adage.com/abstract.php?article\_id=127117&mv1

## Urban Outfitters: Current Online Standing

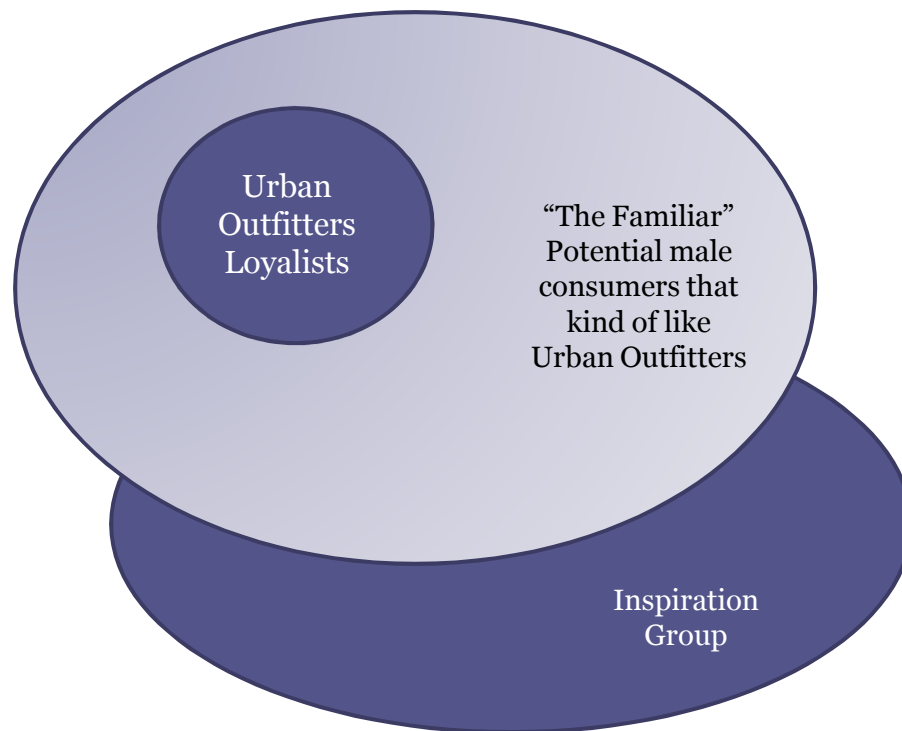
### Top 10 Online Retailers in the US, Ranked by Unique Visitor-to-Buyer Conversion Rate, November 2007



Note: Web sites with 500,000+ unique visitors per month  
 Source: Nielsen Online, "MegaView Retail" as cited by Marketing Charts, January 7, 2008

- UO's general online approach has made UO a formidable online competitor.
- 30% of UO's website visitors are male. However, only half of these males opt-in to current mobile efforts.
- In order to climb the ranks and convert males to buyers, a more tailored approach is necessary.

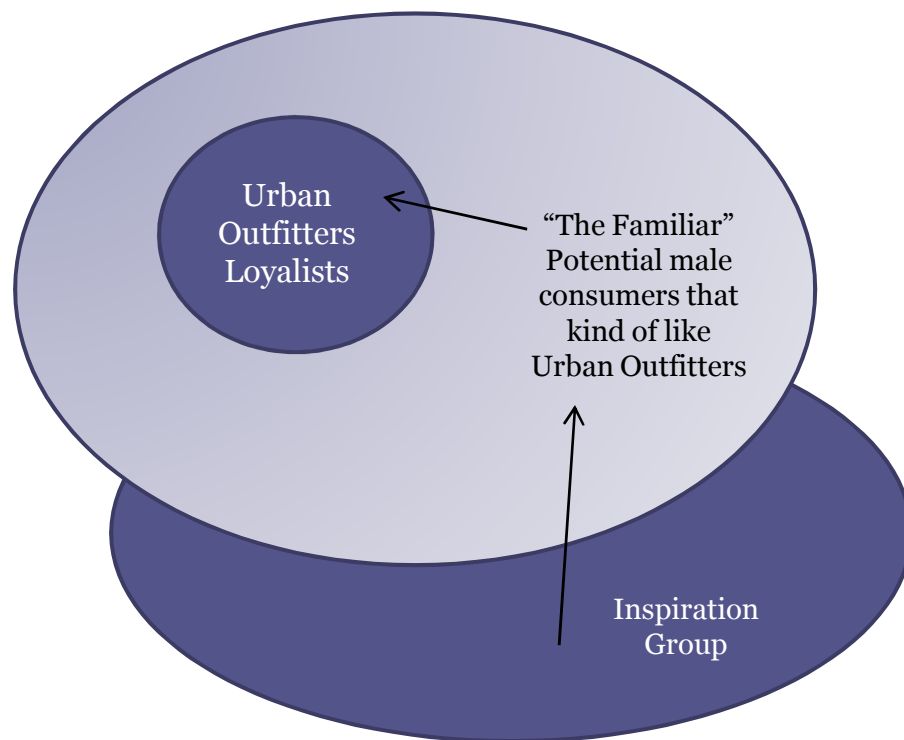
# Target Analysis



## There are 3 types of Male Urban Outfitters Consumers

- 1. Brand Loyalists:** The core group of Urban Outfitters' male consumers. They enjoy high involvement with the brand both online and offline.
- 2. The Familiar Group:** Customers who shop at Urban Outfitters but are not brand loyalists. They do not engage in high levels of online engagement with Urban Outfitters but have potential for conversion into the core group.
- 3. Inspiration Group:** Consumers that see Urban Outfitters as "just another retailer." They must be prompted to join the familiar group.

# Creating Brand Loyalists



- ## Upward Movement
- The desired outcome is for all available consumers to be brand loyalists.
  - The Urban Outfitters marketing strategy should encourage the least engaged group (the inspiration group) to move into "the familiar" group and then finally into the loyalist group.
  - An approach involving tiered levels of digital engagement will be a practical and effective strategy.

# The Core Urban Male

- College Student
- Aged 18-25
- Music and Fine Arts Oriented
- Traveler
- Early-Adopter of New Technology
- Fashion Conscious
- Chooses Urban Outfitters because it represents his avant-garde lifestyle and personality<sup>[1]</sup>

[1] Primary Research



# The Urban Male's Online Expectations

- The Urban Male is a different kind of animal: his fast-paced, high-tech lifestyle drives their decisions.
- They will only opt-in to content if they find it interesting.
- These men need to be in the driver's seat and approach a brand for information, not the other way around.
- Urban Outfitters can facilitate this process without bombarding them with unwanted messages.





# The Urban Male's Online Activities <sup>[1]</sup>

- Media Activities
  - Spends 6-20 hours online per week
  - Sends/ receives e-mail
  - Downloads/watches streaming online TV shows – 61% increase since last year
  - Visits social networking sites
- Top Websites Visited
  - Social networking - Facebook
  - Search engines- Yahoo, Google
  - CollegeHumor
  - Digg

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a blue rectangular background.The Google logo, with the word "Google" in its characteristic multi-colored font.

[1] [www.emarketer.com](http://www.emarketer.com)

# Media Vision

Give each type of consumer the feeling of control while accomplishing Urban Outfitter's marketing objectives. The target consumers want to initiate the conversation, so our plan seeks to give each individual consumer their desired level of engagement with the brand. This non-intrusive strategy will promote positive attitudes about Urban Outfitters. A positive brand image will raise consumers' commitment level and increase brand loyalty.

# Media Strategy: Improve and Launch

## Improve:

Some of the media vehicles that UO currently utilizes need to be refined in order to cater to the individual needs of the target, thereby maintaining share of voice.

## Launch:

UO can take advantage of new, innovative digital marketing tools to reach all segments of the target market.

# Launch Social Bookmarking

- Digg.com

- Digg allows people to discover and share content from anywhere on the web<sup>[1]</sup>
  - 76% of the audience is male
  - 42% of the audience is aged 18-34
  - Avid digital media users
- Digg's community members submit website links that they like, and other community members vote on it. A high number of votes generates popularity for the website .
- UO should add a “Digg This” button to their blog and website next to the RSS Feed button.
  - Highly engages the Core Group
  - Offers a higher level of commitment to the Familiar Group
  - Builds brand awareness for the Inspiration Group



- Takeaway

- This will allow consumers to quickly and easily give positive feedback, and share interesting content with other like-minded users. This is another example of ways to create communities amongst UO customers. It will result in far more loyal customers, both to the community and the brand.

<sup>[1]</sup> [www.digg.com](http://www.digg.com)

# Social Bookmarking



- StumbleUpon
  - StumbleUpon.com is an interactive toolbar application, allowing users who opt-in to discover and share high-quality pages matched to their personal preferences.
  - After signing up, users are able to “preference” enjoyable websites, “friend” other users, and recommend sites they stumbled upon, increasing a website’s potential to become viral.
  - StumbleUpon caters to advertisers by allowing them to select the user interest groups they want to target, such as arts, music or fashion.
  - StumbleUpon also allows advertisers to narrow their advertising campaign by location, age, desired budget and viewers per day.

## Create new campaign

Which page do you want the visitors to see? ([Help me choose](#))

Select the user interest groups you want to target. Category name (thousands of users subscribed)

### Arts

### Commerce

### Computers

### Health

### Living

### Media

### Recreation

### Sci/Tech

### Society

- |   |  |   |
|---|--|---|
| <input type="radio"/> AIDS (13)               | <input type="radio"/> Aging (29)             | <input type="radio"/> Alternative Health (93) |
| <input type="radio"/> Anatomy (47)            | <input type="radio"/> Arthritis (13)         | <input type="radio"/> Asthma (14)             |
| <input type="radio"/> Beauty (70)             | <input type="radio"/> Bodybuilding (47)      | <input type="radio"/> Brain Disorders (37)    |
| <input type="radio"/> Cancer (20)             | <input type="radio"/> Dentistry (10)         | <input type="radio"/> Diabetes (17)           |
| <input type="radio"/> Disabilities (14)       | <input type="radio"/> Doctors/Surgeons (15)  | <input type="radio"/> Eating Disorders (21)   |
| <input type="radio"/> Ergonomics (18)         | <input type="radio"/> Fitness (99)           | <input type="radio"/> Forensics (32)          |
| <input type="radio"/> Glaucoma (5)            | <input type="radio"/> Health/Fitness (203)   | <input type="radio"/> Heart Conditions (16)   |
| <input type="radio"/> Learning Disorders (22) | <input type="radio"/> Medical Science (39)   | <input type="radio"/> Mental Health (78)      |
| <input type="radio"/> Nursing (10)            | <input type="radio"/> Nutrition (105)        | <input type="radio"/> Physical Therapy (18)   |
| <input type="radio"/> Psychiatry (50)         | <input type="radio"/> Self Improvement (353) | <input type="radio"/> Sexual Health (121)     |
| <input type="radio"/> Spas (23)               | <input type="radio"/> Substance Abuse (30)   | <input type="radio"/> Weight Loss (86)        |
| <input type="radio"/> Yoga (82)               |  |   |

Create campaign now >

Cost: \$0.05 per visitor

### Campaign options

Show to no more than

visitors per day

Only show to visitors from

Show to

between  to  years old

# StumbleUpon



- Key Benefits
  - Urban Outfitters will benefit from advertising on StumbleUpon because it facilitates a direct conversation with consumers without being intrusive.
  - When consumers opt-in to “Stumble,” they gain the feeling of control.
    - The Brand Loyalists can use StumbleUpon to both highly rate the Urban Outfitters website, as well as share their passion for the brand with friends.
    - StumbleUpon caters to Urban Outfitters’ Familiar Group by ensuring that the brand is top of mind, driving up brand loyalty.
    - This is key for building brand awareness for the Inspiration Group, as this group barely knows that Urban Outfitters fits their lifestyle. Utilizing StumbleUpon will help reach out to this group

# Improve Social Networking Presence

- Facebook

- Currently , The UK Facebook Fan Page for UO has 41,730 fans, compared to the US page which has 9,433 fans. [\[1\]](#)
  - The US page is more difficult to find and navigate, hence the lower fan base.
  - The fan page is the only Facebook touch point that connects Urban Outfitters to its consumers.
- Solution:
  - Invest in Facebook banner ads in order to compete with American Apparel and increase brand awareness
    - Banner ads can be tailored to specific geographic areas
    - Banners offer “Facebook Insights” or metrics- this give UO measurable results
  - Model the US Facebook page after UK page in order to achieve consistency and gain fans, while driving traffic to the website.
  - Sponsor a “Free Gift” on Facebook so that consumers can share the brand with each other and expose the brand to the unaware.

[\[1\]](#)www.facebook.com



# Social Networking Benefits

- These social networking improvements enable Urban Outfitters to geographically target consumers who are already loyal to the brand. It also creates a community that facilitates interaction with each other and the brand.
- Social Networking also engages “the familiar” group and gives them incentive to opt-in to higher involvement activities. These users are already open to interaction with the brand when they visit the Urban Outfitters’ social networking page.

# RSS Feeds



- Currently, Urban Outfitters only has the RSS feed tool on the UO blog.
- Solution:
  - Take advantage of the ease of the RSS tool by placing the RSS feed button on any content that is compatible, such as all sections of the website.
  - This will give Urban Outfitters online measurability because the number of RSS feed subscribers is available.
- RSS by the Numbers:
  - 33.7% of worldwide internet users subscribe to an RSS feed [\[1\]](#)
  - From 2007- 2008, the number of US internet users who subscribed to RSS feeds doubled from 9.1% to 18.6%
  - In 2007, 39% of US internet users said that RSS alerts were the most important feature of a website
  - Of 160 major company officials using social media technologies, over 36% said RSS feeds were successful
  - 24% of online retailers plan to increase spending on RSS feeds this year
  - 26.7% of online retailers said that RSS feeds were their top priority for 2008

[\[1\]](#) [www.eMarketer.com](http://www.eMarketer.com)

# RSS Feeds



- Urban Outfitters should improve visibility and accessibility of the RSS feed function on the UO blog. RSS feeds could be integrated into the website to send a continuous flow of information about current contests, product promotions, and events.
- By implementing these strategies, RSS feeds will be able to effectively reach the target market. This could be the beginning of a meaningful dialogue between the Urban Male and the brand.
- Those loyal to UO will subscribe to the RSS feed. The opt-in nature of RSS feeds will allow the Familiar Group to be informed and marketed to where and when they want.
- RSS feeds are convenient and will also improve the chances of reaching the Inspiration Group.

# Launch Widgets



- Create an Urban Outfitters widget that can be downloaded to computers and smart phones.
- Widgets are simplified applications that allow limited interaction with the brand.
  - One widget could be a simple game with an Urban Outfitters theme.
  - Another option could be to create an Urban Outfitters Calendar widget that consumers could refer to for event dates and product launches.
- Implications
  - Gives the Core Group the ability to be connected to the brand at all times
  - Widgets can be a constant companion, in the case of both the calendar and the game widget. This keeps the brand current in the minds of all three target consumer groups.

# Launch Consumer Generated Content

- Urban Outfitters Edgy eCards
  - Upload a picture of your face and transpose it on an Urban Outfitters showcased band, employee, model, funny picture, etc.
  - Themes can include holiday-related cards that consumers can personalize and send to their friends.
  - This kind of content will create a lot of buzz and will gain users as the word gets around.
  - Consumer generated content has been referred to as the “idea of the year” by Advertising Age.
- Implications
  - This strategy will really attract consumers of all involvement levels. The Inspiration Group will gain information about the brand when they send fun eCards to their friends. The Familiar Group will identify with the brand personality and will become more involved with Urban Outfitters. The Brand Loyalists already love Urban Outfitters and will be early adopters of this digital medium.

# Online Television

- Secondary research shows that the target consumer is spending more time than ever watching online television. This is a testament to the new found popularity of the medium.
- By advertising through online TV., Urban Outfitters can capitalize upon the popularity of existing programs. This way, they can associate their brand with programs that the target associates themselves with.
- Urban Outfitters can choose a particular program that resonates with their brand image.
- Many online TV networks only have one advertiser/sponsor per episode. This means that Urban Outfitter will have a captive audience with little to no competition.

# Online Television

- Use Adver-gaming to Captivate the Consumer
  - Create Urban Outfitters games to showcase during commercial breaks.
  - This strategy keeps with the three target groups' preferences for engagement and breaks away from traditional advertising.
- Benefits:
  - Online Television presents an opportunity for Urban Outfitters to reach the target demographic in a way that gains their attention and respect. This serves to reinforce the existing relationship with brand loyalists, while improving brand attitudes for those who are less engaged with Urban Outfitters.

# Launch Contextual Advertising

## What It Is:

- With in-text advertising, hyperlinks are placed directly into the text of a website, linking certain keywords to advertisements.

## How UO Can Use It:

- Urban Outfitters has the power to choose a website or context that resonates with the male target and corresponds with their brand image.
- Furthermore, Urban Outfitters can associate itself with keywords that adequately represent the image they are trying to convey e.g. smart, avant-garde, edgy.
- With recent technological advancements, Urban Outfitters can convey more complicated messages with its in-text advertising, such as video and interactive media.



# Contextual Advertising

- **Studies Show:**  
According to contextual advertiser Vibrant Media, in-text advertising can enable an advertiser to reach “one in three internet users” and deliver “over 300 million video ads per month across the internet.”
- **Benefits:**  
In-text advertising provides a multi-layered approach that allows Urban Outfitters to reach the target demographic through both context and keywords in websites that are popular with the target (like Collegehumor.com). This means that Urban Outfitters will be able to place its online advertising in a way that better aligns itself with the tastes of the male target.

# Contextual Media: A Case Study

**The text block:**

## Vibrant Freeform

Image Area: 300x200px

Fill the entire ad unit with a flash, animated GIF or static image advertisement that's designed specifically for the user-initiated in-text environment.

**The flash animation appears when the mouse scrolls over the double underlined word.**



## Vibrant Free

Image Area: 300x200px

Fill the entire ad unit with a flash, animated GIF or static image advertisement that's designed specifically for the user-initiated in-text environment.

# Mobile

## Type of Mobile Phone Owned by US College Students, by Gender, May 2008 (% of respondents)

### Female



### Male



■ Standard mobile phone

■ Smartphone

Note: n=1,239 full-time four-year college students ages 18-24

Source: Youth Trends, "The Lifestyle Report: Spring 2008," provided to eMarketer, June 2008

# Mobile

- Secondary research reveals that the target demographic spends a considerable amount of time on their cell phones.
- Given recent advances in the cell phone industry, Urban Outfitters must use a tiered approach that considers cell phones on both sides of the technological spectrum.
  - Top Tier- This tier is designed to accommodate smart phones with more advanced functions. Marketing to this tier will include:
    - A variety of WAP applications such as video games, widgets, etc.
    - Customized SMS messages that include a link to the Urban Outfitters website
  - Lower Tier- This tier includes older phones that are slightly less advanced with regards to WAP functions. It will be limited to Basic SMS marketing.



# Mobile Benefits

Urban Outfitters can reach the target demographic using sophisticated WAP applications and customizable SMS, without excluding customers with older phones. This inclusive marketing approach will reach a larger number of people and capitalize upon the emergence of new Mobile media. Through engaging the target market with its SMS and interactive WAP applications, Urban Outfitters can increase brand awareness and facilitate the upward movement between target groups.

# Launch Podcast



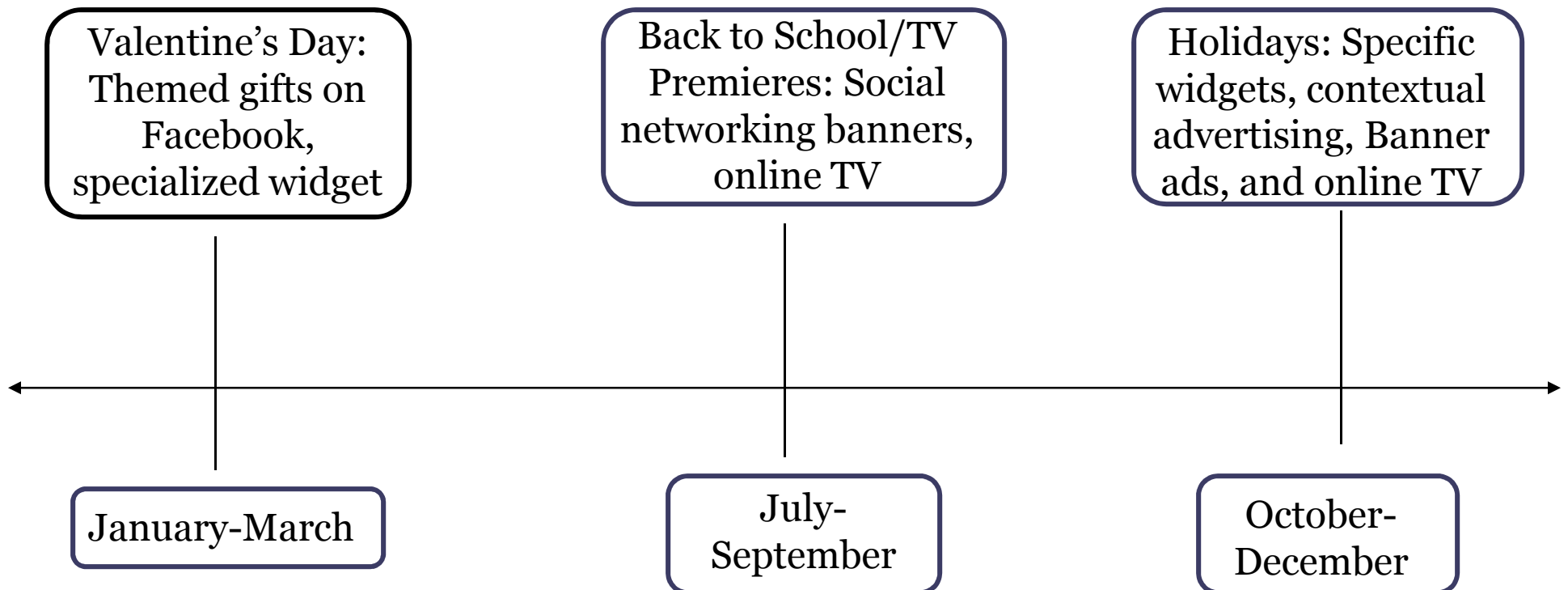
- Allows users to tune in when they are on the go, creating an offline digital touchpoint.
  - Consumers can hear about the latest UO music, fashion, culture when it is convenient for them.
  - Can be constantly updated for unification with the blog, social networking sites, and playlist.
- Benefits:
  - Urban Males are music savvy and like to choose what they listen to.
  - By letting them opt-in to connect to UO when they are on the go, they will be more inclined to build brand loyalty by keeping the brand top of mind.
  - This is another endeavor that will appeal to the Inspiration Group simply because they like the music. This is an easy opportunity to convert them into the Familiar Group of consumers.

# Budget

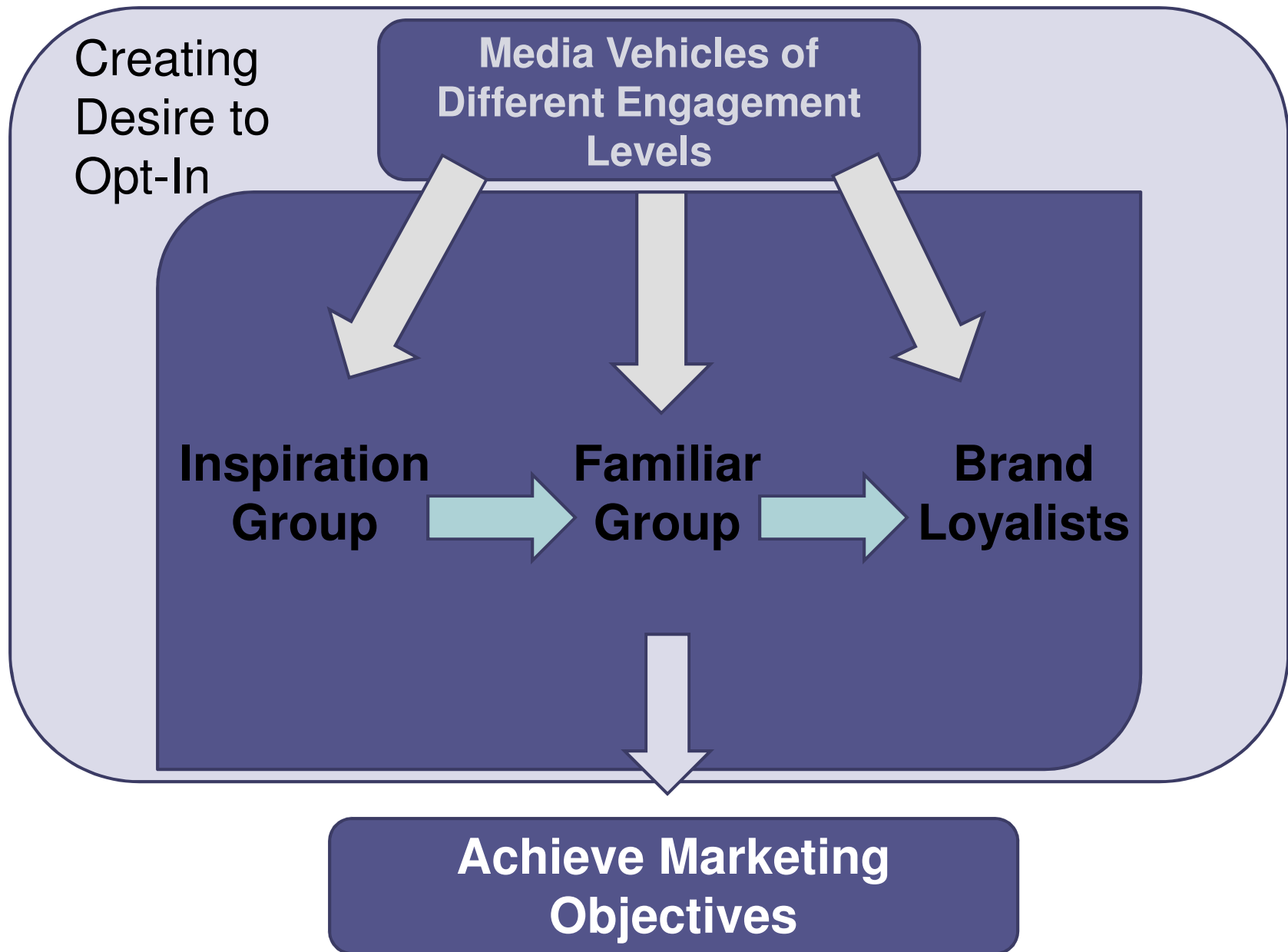
- The majority of our recommendations are either low-cost or free
  - Social Bookmarking, Podcasts, Widgets
- Facebook banner ads, Vibrant Media, and Online TV Adver-gaming will cost only as much as you want them to based on their flexible payment plans- either by click (CPC) or by impression (CPM)
- These recommendations will fit within UO's monthly budget of \$20,000-\$100,000

# Timeline

All digital media will be implemented year round, with pulses during major holiday and shopping time periods.







# Group Grand

Blake Hochberger ▪ Hannah Magid ▪ Marissa Telford ▪ Tristan Parker ▪ Rebecca Weiser