

True Religion Communications Audit

TRUE RELIGION
BRAND JEANS®



Completed By: Raj Sandhi #100269730

Dan Herman #100222562

Richard Chohan #100189706

Professor: Patricia Browne

Course: MRKT 3211 S50

Due Date: April 9th, 2013

Table of Contents

- 1.0 What is True Religion..... 4
- 2.0 Slogan 4
- 3.0 Business Strategy 4
- 4.0 Competition 4
- 5.0 Suppliers 5
 - 5.1 Manufacturing..... 5
 - 5.2 Design & Product Development 5
- 6.0 Target Market 6
 - 6.1 Employees..... 6
 - 6.2 Shareholders 7
- 7.0 Current Campaign Initiatives 7
 - 7.1 Paid Media 7
 - 7.2 Owned Media..... 8
 - 7.2.1 Corporate Website 8
 - 7.2.2 Facebook..... 8
 - 7.2.3 Twitter..... 9
 - 7.2.4 Instagram 9
 - 7.3 Earned 10
- 8.0 Integrated Marketing Communications Strategy 10
 - 8.1 Internal..... 11
 - 8.1.1 Mission Statement, Goals, & Strategies..... 11
 - 8.1.2 Blocking Charts 11
 - 8.2 Integrated Software & Communication 11
 - 8.2.1 External..... 122
- 9.0 Interaction, Feedback, Service Response..... 13
- 10.0 Contingency Plans 13
- 11.0 Critical Analysis & Recommendations 14
- 12.0 Appendices 15
 - Appendix A: True Religion Website 15

Appendix B: Facebook	16
Appendix C: True Religion Twitter	16
Appendix D: True Religion Instagram	17
Appendix E: Spy Fu Analytics	17
Appendix F: Interview with District Sales Manager Meena Dosanjh and Manager Alma	17
Appendix G: True Religion Richmond Retail Location.....	19
Appendix H: Newsletter.....	21
Appendix I: True Religion Blocking Chart.....	22
References	23

1.0 What is True Religion

True Religion Apparel, Inc. designs, markets, sells and distributes premium fashion apparel under the brand name "True Religion Brand Jeans" to fashion-conscious consumers on six continents, including North America, Europe, Asia, Australia, Africa and South America. Jeffrey Lubell is the founder and current CEO/Chairman of the company (True Religion Apparel, Inc., 2011). The company was founded in 2002, with the main focus of True Religion to be a trend setting leader in the design, marketing and distribution of fashion jeans and sports apparel. The company sells jeans, hoodies, t-shirts, sweatshirts and other apparel.

2.0 Slogan

“Fashion for the senses” (Refer to Appendix F)

3.0 Business Strategy

True Religions strategy is to build brand recognition by marketing their products to fashion-conscious, affluent consumers who shop in their retail stores or premium retail stores operated by third-parties. The organization offers their jeans at a prestigious price range to target trend setters. These prices for True Religion Brand Jeans range from \$168 to 398. (Refer to Appendix F).

4.0 Competition

The retail apparel industry is highly competitive with a wide arrange of designers and brands.

The main competitors that True Religion has are:

- G-Star
- Levi Strauss & Co
- Diesel

- AG Adriano Goldschmied

True Religion primarily competes on the basis of fashion, fit and quality. The organization adapts to consumer demands and current trends. They want to stay ahead of the competition by providing the best quality product and customer service. If you walk into the True Religion retail location, the store has a vintage feel to it with the wood backdrop. True Religion is focused on providing the best quality product to its target market. So, the organization strives on providing the top quality vintage apparel to its customers.

5.0 Suppliers

According to True Religions 2011 public annual report, the following three headings make up the whole supplier process.

5.1 Manufacturing

The report states, “We outsource all of our manufacturing to third parties on an order-by-order basis. Currently, we have contract manufacturers in the United States for our women's and men's denim, knits and some fleece products, Mexico for our kid's denim, adult denim jackets, knits, and some fleece products, and Asia (includes Sri Lanka, China and India) for knit shirts, outerwear, woven shirts and non-denim bottoms” (True Religion Apparel, Inc., 2011)

According to our interview with Almba and Meena, head office prides themselves on having some of their products produced in the United States. It is important to domestically manufacture some products to contribute to the economy, community, and build a brand image.

5.2 Design & Product Development

Mr. Lubell is head of the design department with 31 employees under him. True Religion doesn't currently have a formal research and development team, leaving the designers to rely on instinct for all product development.

6.0 Target Market

True Religion sells high end premium clothing to consumers. The target audience for True Religion are males and females aged 18-35 that tend to have a high disposable income. These individuals want to be trend setters and want to associate themselves with a prestigious line of clothing apparel. Even during a recession, these customers are loyal and will continue to purchase from True Religion. They will spend less during a recession but still purchase the products but just less of it. True Religion Brand Jeans often have suggested retail prices in the range of \$168 to \$398 per pair at retail; occasionally, they offer specialty items at higher prices. (True Religion Apparel, Inc., 2011)

6.1 Employees

Employees of True Religion are expected to comply with local environmental and employment laws. Currently, True Religion employs “2,623 employees, consisting of 2,252 in our retail stores, 158 in design and production, and 213 in general administration” (True Religion Apparel, Inc., 2011). First, employees must be trained to handle material in the appropriate way; they must be informed on what material can cause environmental damage. Secondly, new hires must be trained to ensure that they are not discriminated against and included in the group. Also, employees must be provided adequate working hours not in excess of 60 hours and are aware of employee benefits and rights. Associates should be trained to manage employees in a respectful manner, while providing them with a safe and friendly working environment. Finally, True Religion implements a monitoring system to ensure that employees and associates operate successfully under the code of conduct. True Religion employs independent third party auditing firms to review and assess retail and manufacturing operations. Employees or associates that do not adhere to the code of conduct will be reviewed within 30 days of the incident, and a corrective action will be implemented (True Religion Inc., 2013).

6.2 Shareholders

True Religion shareholders have a website that informs them of investor information. The website expresses information on stock prices, corporate policies, press releases, board of directors and access to investor questions and answers. It also allows the shareholder audience to sign up for E-mail alerts whenever True Religion posts new information to the investor website. Shareholders add much pressure to True Religion management as this audience is only concerned about profitable facts and figures and have little concern about community initiatives and events.

7.0 Current Campaign Initiatives

This organization prominently advertises in both traditional and digital media. All marketing decisions are determined from True Religion's headquarters. Individual outlets do not have permission to post on any of the social media platforms. Through paid, earned, and owned media, True Religion keeps a consistent image and tone to reinforce their message of "Fashion For The Senses."

7.1 Paid Media

Paid media is usually referred to the traditional media platforms that an organization invests in. True Religion distributes fashion catalogues, customer feedback cards, and businesses cards in call of their retail locations. The biggest paid marketing expense for this organization is pay-per click (PPC) advertising on Google. Through Spy Fu, a search analytics web page, we can determine True Religions daily keyword expenditures and organic search ranking. True Religion currently spends \$942 - \$1,083 per day on keyword advertising. They currently purchase 481 keywords and use 2,195 organic keywords in their website. True Religion's top 3 paid ads resulting in customer clicks are "true religion sales," "American designer jeans," and "true

religion clothing.” It’s not uncommon for companies to purchase keywords that are spelled incorrectly so their website still shows up on the Google search engine. For example, one of the paid words is “true religion” because that is commonly misspelled word from consumers searching their brand. With a budget of over \$300,000 per year on PPC and keyword advertising, this is True Religions greatest paid search expenditure (Spy Fu, 2013). (Refer to Appendix E)

7.2 Owned Media

True Religions owned media is based upon their corporate website, Facebook, Twitter and Instagram account. These social media platforms keep the same consistency of messages and updates that relate to their brand recognition.

7.2.1 Corporate Website

True Religions corporate website is laid out in an easy to read format. The first thing you notice when going to the webpage are the pictures and same consistent recurring theme. This theme is the beautiful women wearing the brand apparel at the beach. The subtle background colors allow the website visitors to maintain their focus on the product itself.

The tabs on the left hand side of the website enable users to easily locate products under “women's, means, kids, press, and stitched”. Information is laid out and not hard to locate on the website. True Religion has links to all of the social media platforms that it engages interaction with the public. These platforms include Twitter, Facebook, Pinterest, YouTube, Tumblr and Instagram. (Refer to Appendix A)

7.2.2 Facebook

True Religion Brand Jeans currently has 1,041,193 likes and 9,636 talking about the organization. Their Facebook page is mainly to help promote events and products that they are involved with. True Religion keeps a consistent theme with their soft and subtle color patterns. This enables the organization to maintain the same message and brand awareness. The messages

that are posted on the Facebook account are kept in a professional manner and tone. This account is also directly linked to the corporate website which enables users to get more information as required. New users are attracted to the Facebook account through the events and promotions that are offered by True Religions. In order to remain effective, True Religions will need to figure out how to create a bigger buzz and get more users to discuss the company. By linking the account with their Twitter and Instagram will be beneficial. More traffic will flow from social platforms which will ultimately drive users/consumers to the corporate website. (Refer to Appendix B)

7.2.3 Twitter

The company's Twitter account keeps with the consistency of their Facebook page. The current account has 2,004 tweets with 461 following and 20,024 following them. The account is mainly used to update the Twittersverse with any festivals or recent events that they organization has been involved with. The Twitter account is however not linked directly to their website. However, the consistency of themes and colors remain the same. True Religion is doing an excellent job at keep consistency but will need to focus more on interacting with the followers. By providing users with relative information about promotions and discounts will bring more followers to follow them on Twitter. Also, by linking the existing account with their other social media platforms will benefit True Religion. Traffic can flow easily from one platform to another enabling more opportunities for sales. (Refer to Appendix C)

7.2.4 Instagram

The Instagram account is primarily used to post pictures with the followers of the brands products. Such images as models wearing the product and events that True Religion has both hosted and went to are on Instagram. However, the Instagram account also includes images of bloggers who talk about their product. These bloggers are wearing the True Religion products

and reposting these images on their personal Instagram accounts as well. Currently, the Instagram account has 111 pictures with 815 followers and they are following 211 accounts. Users that interact and follow True Religion are able to go directly to the company's website from the Instagram account. This is beneficial as the social platform will enable more traffic to flow to the website. Also, the Instagram account is kept professional and clear from posting images that will bring a bad name to the organization. (Refer to Appendix D)

7.3 Earned

True Religion displays examples of all their earned media in-store, all news articles mentioning the organization or jeans in general are cut out and placed in a scrapbook for the customer and employees to browse.

Most recently, True Religion has partnered with the Sick Kids Foundation in Toronto as strategic move as they expand into Canada (NewsWire, 2013). It was written about in weekly articles by major news publishers such as News Week and Yahoo Finance, also the social media channels of both organizations had published stories about this expansion to the north on their fan pages.

Also, True Religion participates in yearly community events such as the Calgary Stampede and Coachella music festival. These yearly events create huge buzz for any organization, last year's stampede had an attendance of over 1.29 million individuals and attendance was never lower than 100,000 on any given day (Wood, 2012). This campaign was a successful step in creating a buzz in the Canadian market that True Religion hopes to attract.

8.0 Integrated Marketing Communications Strategy

True Religions integrated communications strategy is based on the foundation of being a prestigious brand. Part of having a successful communicated strategy is to make sure all platforms, digital and traditional, reinforce the brand's message. The colours, style, logo, and

tone should be consistent throughout all platforms internally and externally in order to keep all audiences informed about the company.

True Religion prides themselves on offering customers fashion forward, premium clothing to all their customers. Along with adding value in exceptional customer service, True Religion goal is to offer consumers a higher quality product than their competitors.

8.1 Internal

8.1.1 Mission Statement, Goals, & Strategies

“The True Religion Brand Jeans marketing and communications strategy is designed to further reinforce our position as the global leader in American made premium denim.” (True Religion Apparel, Inc., 2011)

8.1.2 Blocking Charts

True religion Store managers are also provided the tool of daily rehearsals, this daily activity allows them to record traffic and set employee expectations. Expectations are set realistically on previous sales and traffic; also it allows managers to express which products need to be focused on. There are also opening and closing checklists for employees to follow to ensure that the store is properly managed for the next shift crew (Refer to Appendix I).

8.2 Integrated Software & Communication

Tracking customer’s behavior and their purchasing habits is important for product placement throughout the store. True Religion uses two paid websites to determine conversion rates, customer traffic, and other statistical information to determine these customer tendencies.

Shoppertrack.com and kilgerwiss.net help managers determine the high traffic areas within in the store and which products are more popular (Refer to Appendix F). Managers can then strategically place impulse and higher priced products. True religion also has weekly internal newsletters that are sent to management to distribute to their employees, the newsletter entitled

‘True News’ covers topics such as visual merchandising, store reminder and pricing strategies (Refer to appendix H).

8.2.1 External

Retail Locations & Marketing Platforms

All retail locations bring a vintage, clean atmosphere, and is consistent throughout all locations around the world. Wherever you are you can always spot a True Religion outlet because of the recognizable logo and wood backdrop at every location. Their social media platforms contain the same logo and style as their retail locations creating an integrated brand focus throughout the company. (Refer to Appendix G)

Strategic Alignment and Positioning

As far as strategic alignment, True Religion products are sold at stores like Nordstrom, Bloomingdales, and Saks 5th Ave just to name a few. The organization is aligning itself with these organizations in order to maintain its prestigious brand image. Nordstrom for example, is an upscale department store chain in the United States. This particular department store sells products for such brands as Burberry, Armani Exchange, Calvin Klein, DKNY and other such industry leading brands. Interesting enough, Nordstrom is also owned by Jeffrey Lubell. This works well for True Religions as exposure for the brand won’t be expensive at all.

True Religion is positioned as a high end clothing apparel store. They sell top of the line clothing to those individuals who want to be trend setters. True Religion provides their consumer with specialty fitted clothing, and provide a unique in-store retail experience. Their stores have an outdoorsy feeling to it as they walls and floors a made from hardwood, as soon as the customer walks in they are greeted by employees that assist in finding clothes for their unique body type.

True Religion also prides itself on being produced in the United States, if a consumer cannot find the right style of jeans or the best fitting employees are not hesitant to put in an order for the ones they desire. (Refer to Appendix F)

9.0 Interaction, Feedback, Service Response

True Religion implements the use of 'clienteling', social media and call-backs. Employees are required to build and maintain a list of clients that regularly shop at True Religion, and are rewarded by the level of engagement between the two. True religion managers also use in-store survey cards to further measure consumer experience, consumers who choose to accept are provided the opportunity via email or telephone to provide to give information on their in-store experience. Corporate managers operate social media channels such as Facebook, Twitter and Instagram. They troubleshoot user questions and react to related median on a routine basis as they have tweeted over 2,000 times.

10.0 Contingency Plans

True Religion Brand Jeans is a victim of counterfeiting, like most major product brands and organizations. There are many individuals online and locally selling counterfeit True Religion Jeans. True Religion has set up an enforcement email account and a 1-800 number that combats the sale of non-authentic True Religion products. There are many individuals selling counterfeit jeans through eBay or 'Jean Parties', advertising jeans 'with tags' but the tags are usually counterfeit and low quality.

In July of 2012, True Religion also shifted their focus to boost their bottom line. Their plan is to focus on international sales, and increase it enough to account for 30 percent of total revenue (Forbes, 2012). As of February 6, 2013 True Religion recorded a profit loss of 6.8 percent, but

are close to success in boosting international sales to account for 28 percent of total revenue. Profit loss can be accounted to the increased overhead costs due to the costs of new store openings internationally (Wall Street Journal, 2013). True religion is primarily focused on competing with high end retailers such as Michael Kors and Ralph Lauren and must adapt their

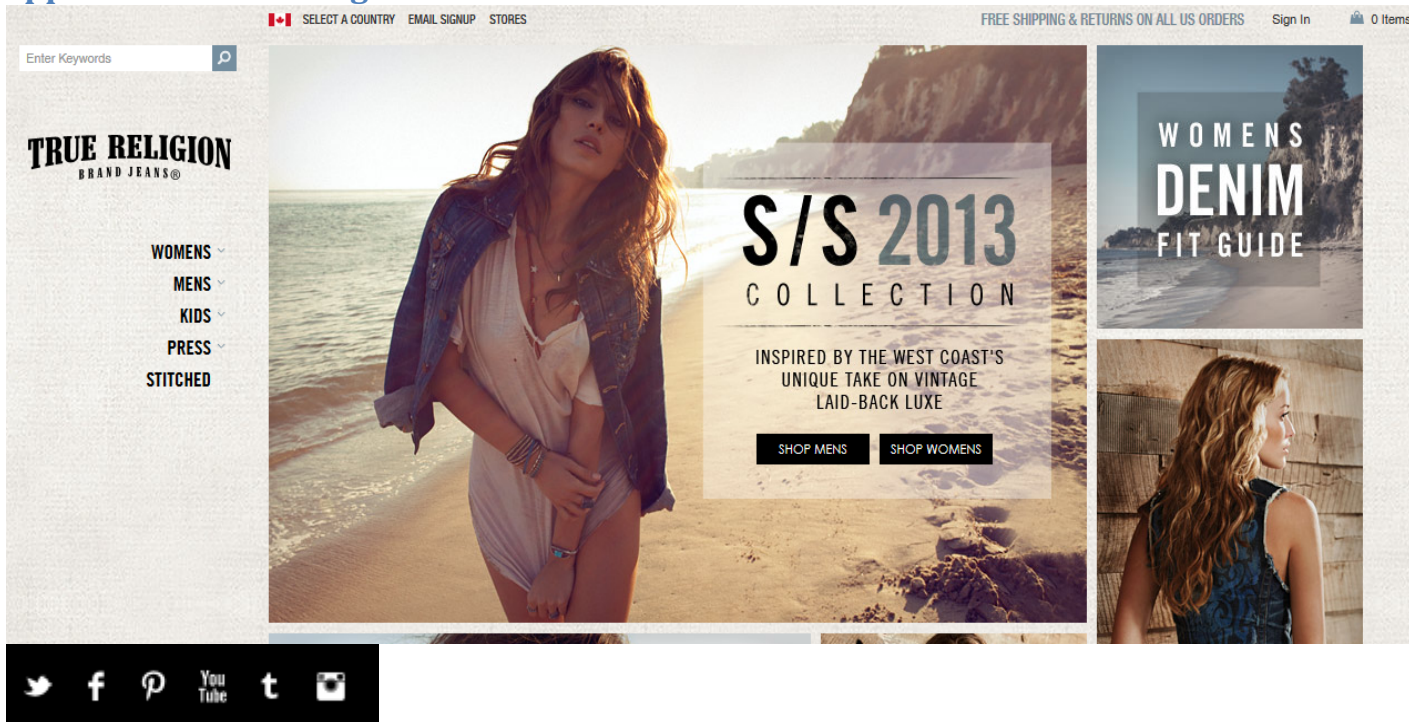
11.0 Critical Analysis & Recommendations

True Religion currently struggles when it comes to social media. A lot of their platforms currently have very little followers as outlined earlier in the report. A business concept, True Religion needs to consider is the 80/20 rule. Social media should be used to build brand awareness, not pressure customers to buying their products. With better quality posts on these digital platforms, customers will be more attracted to the company as whole and purchase more products. They also don't participate in a lot of charity or sponsorship events. The only sponsored event True Religion has participated in is giving money to sick kid's hospital in Toronto.

True Religion does a great job advertising through PPC ads. Search engine advertising is one of the newest forms of digital marketing and many companies still do advertise through this platform. This organization spends hundreds of thousands of dollars marketing with keywords attracting many viewers to their website. By implementing these recommendations, True Religion Brand Jeans will be able to capture a larger potential audience.

12.0 Appendices

Appendix A: True Religion Website



Appendix B: Facebook



True Religion Brand Jeans
1,041,193 likes · 9,636 talking about this

Like Message

Company
Welcome to the official True Religion fan page. American-made authentic denim with timeless appeal and a vintage aesthetic. Visit us at

About

Photos Likes Behind The Scenes Win a Festival Getaway

Appendix C: True Religion Twitter



True Religion Jeans
@TrueReligion

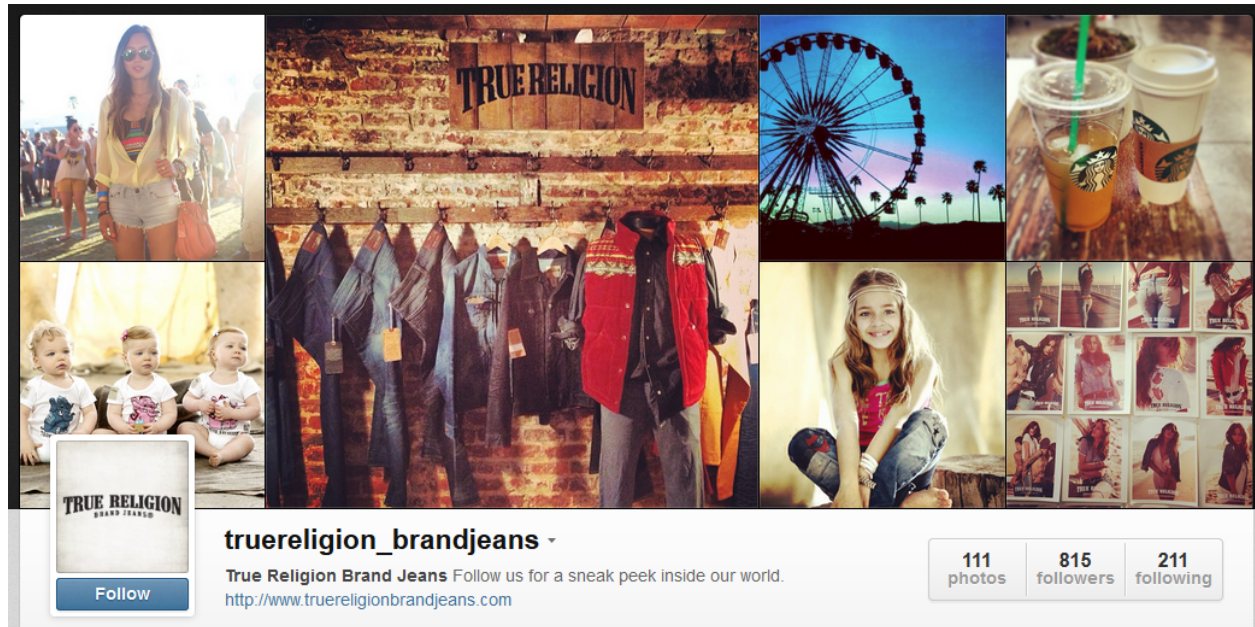
Tweeting live from True Religion, bringing you exclusive updates and insider photos.

Los Angeles · <http://www.facebook.com/truereligionbrandjeans>

2,004 TWEETS 461 FOLLOWING 20,024 FOLLOWERS

Follow

Appendix D: True Religion Instagram



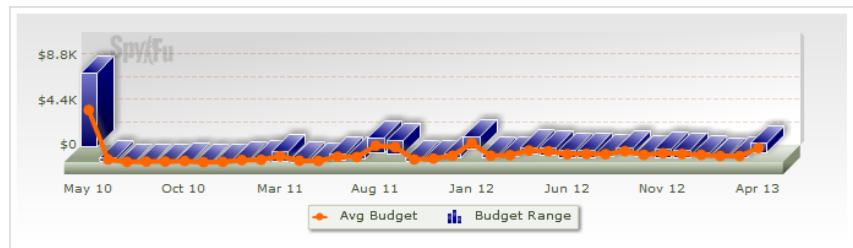
Appendix E: Spy Fu Analytics

truereigionbrandjeans.com

[view site »](#) [SEO Recon Report »](#)

PPC Rank: 5,661 SEO Rank: 24,842

Daily Adwords (PPC) Ad Budget:	
\$942.01 - \$1.83k	
Avg. Ad Position / # Advertisers:	
2.5 / 14.3	
Daily Organic (SEO) Traffic Value:	
\$156.24 - \$190.63	
Paid vs. Organic Clicks Per Day	
827 / 183	



Appendix F: Interview with District Sales Manager Meena Dosanjh and Manager Alma

Question 1: Who are your suppliers?

A: We make our own products at our California based warehouse. This is used to keep the product image prestigious.

Question 2: Who are your shareholders?

A: The company is publicly traded and all the information is available on the internet

Question 3: How many employees do you have at your location?

A: We have 11 employees at this location

Question 4: Do you have any print advertising in store? Internal?

A: We have a catalogue that we have available for customers to view. Also, in terms of internal we have a newsletter that gets issued every time a new product will be launched. This internal newsletter is called “TrueNews”.

Question 5: Do you have an integrated social communications?

A: We do and it is controlled by the head office in California. We have such platforms as Facebook, Twitter, YouTube and Instagram

Question 6: Who is your main competition? How are you different?

A: Our main competitors are Diesel and Levis. We differentiate ourselves as a USA made product, and Diesel for example isn't a luxury brand as they target average consumers. Our slogan is “Fashion for the senses” so we market our products according to this slogan. Our products sell from \$168 to \$398 so we are quite competitive.

Question 7: How do you get customer feedback?

A: We have customer feedback forms that we have them fill out. We send our customers thank you emails and phones calls on how their experiences were in store. The feedback we gather can better assist with future changes.

Question 8: How do you communicate internally?

A: We have various ways to connect with one another internally. We use Facebook quite extensively to convey messages between employees. We also use “Shoppertrack” which records traffic, conversion rates, sales etc. Another program we use is “kligerweiss.net” which users must sign in to use.

Appendix G: True Religion Richmond Retail Location





Appendix H: Newsletter



PRODUCTIVITY



TRANSFERS: Full-Price to Outlet

Available on All Access are the March Bottoms Transfer from full-price to outlet. These must be executed after close of business on Sunday, March 3rd or prior to start of business on Monday, March 4th.

- > <R:\Presentation\Transfers and Consolidations\Transfers\Retail\March\Transfer List - March2013 Bottoms Transfers 022713.xlsx>

CONSOLIDATIONS: Week Ending 3/2

Available on All Access are the consolidations for week ending 3/2. These must be executed after close of business on Sunday, March 3rd or prior to start of business on Monday, March 4th.

- > <R:\Presentation\Transfers and Consolidations\Consolidations\Retail\March\Consolidation - Week Ending 03.02.13.xlsx>

RA: Women's One Pocket Tee

Due to color transfer/bleed please destroy (in view of the camera) the following styles. Pull these items off the floor immediately. Discard must be completed by start of business on Monday, March 4th.



TRSPW11RCV	WOMEN'S ONE POCKET TEE	1001	BLACK
TRSPW11RCV	WOMEN'S ONE POCKET TEE	4000	BLUE
TRSPW11RCV	WOMEN'S ONE POCKET TEE	6000	RED

REMINDER: Regional Roadshow

Store Managers, the time has arrived for the Regional Roadshows. Below are some tips for your trip:

- You will need a credit card to check-in at the hotel for incidentals.
- Try and carry-on your luggage, always faster.
- Registration is the lobby of the hotel from 4pm-8pm
- Details available on All Access
 - > <R:\People\Travel and Expense\Meeting\Regional Roadshow Letter.pdf>

PRESENTATION



UPDATE: Visual Merchandising

Ensure the following style categories are promptly processed, represented on the sales floor, and regularly replenished as daily sell-through occurs:

- "Carry Over" styles*
- "Name Out of Stock" styles*

Opening Checklist					
Task		Initial	Task		Initial
1	Opening the Registers		8	Create and Print Daily Rehearsal Sheet	
2	Windex Windows, Front Entrance, Mirrors, etc.		9	Reconcile all Prior Day's Clock-ins & outs	
3	Ensure all Light Bulbs are working		10	Shoppertrak/Daily Reports	
4	Walk Floor Presentation with Current VMG		11	Change Order (as needed)	
5	Walk Window Presentation with Current VMG		12	Morning Rehearsal with Team	
6	Re-Stock the Sales Floor		13	Check Mailbox	
7	Complete Safe/Float Log		14	Check Censormatic at Front of Store	

Closing Checklist					
Task		Initial	Task		Initial
1	Lock the doors once all customers have left		8	Re-stock the Cashwrap	
2	Evening Rehearsal with Team		9	Check and Take Out Garbage	
3	Prepare Bank Deposit & Place in Safe		10	Send Closing E-mail	

References

- Forbes. (2012, July 3). *True Religion is in the Middle of a Makeover*. Retrieved from <http://www.forbes.com/sites/abrambrown/2012/03/07/analysts-true-religion-is-in-the-middle-of-makeover/>
- NewsWire. (2013, March 16). *True religion partners with SickKids Foundation*. Retrieved from News Wire: <http://www.newswire.ca/fr/story/1124877/true-religion-partners-with-sickkids-foundation-in-toronto>
- True Religion Apparel, Inc. (2011). *Annual Reports*. Retrieved from Annual Reports: <http://www.annualreports.com/Company/4998>
- True Religion Inc. (2013, January). *Associate Code of Conduct*. Retrieved from True Religion Brand Jeans: http://www.truereligionbrandjeans.com/associate_code_of_conduct.html
- Wall Street Journal. (2013, February 6). *True Religion Apparel 4th-Quarter Profit Falls 6.8% On Store-Opening Costs*. Retrieved from The Wall Street Journal: <http://online.wsj.com/article/BT-CO-20130206-717305.html>
- Wood, D. (2012, 07 16). *Stamede even bigger than expected*. Retrieved from Calgary Sun: <http://www.calgarysun.com/2012/07/16/stampede-even-bigger-than-expected>