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What is Lorna Jane?

Lorna Jane (Pty Ltd) is an Australian owned retail business founded in 1989 by active living advocate and now titled business entrepreneur, fashion designer and author; Lorna Jane Clarkson. Lorna Jane is well renowned for their fashionable, trendy and comfortable active wear for women. Lorna Jane Clarkson realised the potential to make an active wear brand whilst working as a fitness instructor part time, which she was very passionate about. Lorna realised she couldn't find any active wear that she was happy wearing, so she took matters into her own hands and began creating her own. The people in her classes started asking where she was getting her outfits from and if they could have some like it. From here she started to create more outfits and her passion grew, as well as her business. The first store was opened in a small room in a fitness centre where she began selling her designs. From there Lorna Jane has now grown into an active wear brand for women all across the globe (in Countries such as the USA, South Africa, Sweden and the United Arab Emirates); with over 130 stores in Australia alone. Lorna Jane's philosophy is 'Move.Nourish.Believe' and the well-recognised brand is inspiring to many women.

What does Lorna Jane provide?

Description of what the business provides:

Lorna Jane is well known for their stores that sell high quality, stylish and trendy active wear for women. They also offer encouraging support and motivation for women of all ages to live by Lorna Jane's philosophy of 'Move.Nourish.Believe.' Their motivational active wear is very appealing to women because of its:

- on trend fashion styles
- high quality
- high recognition

Market Segmentation

Lorna Jane is able to develop their target market by using the method of market segmentation. By using the common variables for segmenting customer markets the target market can be determined and followed, and also it is of assistance to know what type of clothing they need to be producing. By knowing the target

market this helps the company to know their customers wants and needs. Here are some examples of the variables and the factors that contribute to them:

Demographic:

- Age – 14-65+
- Gender – Female
- Social Class – Middle Class

Geographic:

- Region – Lorna Jane stores are mostly located in suburban and city areas where there are many women interested in fitness and lifestyle nourishment
- Climate – based on the season Lorna Jane will release different items. However they always have their stock-standard products year round including their ‘flash-dance’ pants, ¾ leggings and motivational singlets



‘Flash dance pant’
Image From:
http://imgau2.surfstitch.com/product_images/LB0013NAV-LORNAJANE-1.JPG



‘Motivational Singlet’.
Image from:
<https://hipnhaute.files.wordpress.com/2012/08/big-love-and-run-for-fun-lorna-jane.jpg>

Psychographic:

- Lifestyle – Lorna Jane creates their products for women who aim to live a healthy and active lifestyle, and who enjoy the benefits of being comfortable and fashionable while doing so
- Personality – Lorna Jane customers can be seen as being motivated and inspired, so by selling the motivational singlets in the bright colours this works very well and they are a big seller
- Motives – when customers come to Lorna Jane they are looking for comfy, fashionable and a well trusted brand to provide them with active wear, but also motivation and inspiration. The store not only sells active wear clothing but they also have books available and a friendly, passionate and motivated staff team to help along the customers active journey

Behavioural:

- Purchase occasion – when looking to establish or further develop a healthy, active lifestyle
- Benefits sought – good quality clothing, comfortable, on trend, active lifestyle etc.
- Loyalty – majority of customers leave feeling satisfied and will tell friends and more than likely come back again.

These variables of market segmentation helps Lorna Jane to determine their target market and develop their marketing strategies in accordance with the specific requirements of each market segment.¹

¹ Adapted from the ‘Developing Marketing Strategies: Product, price, promotion and distribution’ worksheet by Michael Doherty. Page 1. Business Studies Review 2011 – Tim Riley Publications Pty Ltd.

Good/service differentiation:

Lorna Jane provides customers with tangible (can be seen and touched) benefits such as:

- High quality and fashionable active wear
- Assistive fitness accessories e.g. hats, water bottles, towels, bags
- Motivational resources e.g. books, pamphlets

However they also provide intangible (cannot be seen and touched) benefits that include:

- The image of being a customer of a good, well trusted brand
- Inspiration and motivation
- Warranties
- Customer satisfaction

Overall these tangible and intangible benefits contribute to the customer satisfaction of wants and needs. Lorna Jane differentiates their brand from others as they are an entirely women based fitness shop that provides high quality and trendy clothing and accessories, there are fewer similar brands of the same high standard and trust, in the market today.

Positioning:

Lorna Jane, as previously mentioned, has set their brand up to be viewed as:

- High quality
- Fashionable and trend apparent
- Good value

By positioning themselves like this, it sets them up for a higher success rate and larger customer base, which results in Lorna Jane being a well trusted brand.



Image from the official Lorna Jane Website. lornajane.com.au. Accessed on 30/10/14

Marketing Strategies used by Lorna Jane

Lorna Jane's Marketing Strategies incorporate the '7 P's', including the Marketing Mix. This involves, product, price, promotion, place, people – processes and physical evidence, e marketing and global marketing. These marketing strategies help to grow and further the success of the Lorna Jane brand.

Product

The product of a brand is what can be offered in an exchange for fulfilling the wants and needs of a customer. Lorna Jane produces the product of women's active wear and fitness accessories. Branding is a marketing strategy that is employed by Lorna Jane. The brand name is the spoken part of the brand i.e. 'Lorna Jane'. However logos are also another important part of branding for Lorna Jane, a logo is the symbol that is associated with the brand; which helps make it recognisable. Every Lorna Jane item is labelled with their signature logo of the '3 icons' (as seen in figure 1). The recognisable 3 icons help Lorna Jane to further market their brand. Having a recognisable logo helps consumers to:

- Identify the products and to differentiate the items from other fitness brands
- Gain a psychological reward that comes from purchasing a brand that symbolises status and prestige²
- Recognise other people wearing the logo and to then discover the brand for themselves
- Know that the brand they are purchasing is trusted, as they know the logo is authentically Lorna Jane; which is a trusted brand
- Display to other people that they are wearing the Lorna Jane active wear
- "...Active Living runs through the veins of any girl who chooses to wear her 3 icons with pride."³



Figure 1: The Lorna Jane Logo. The '3 icons'
Image from:
<http://www.logoeeps.com/wp-content/uploads/2012/02/lorna-jane-logo-vector.jpg>

Even though Lorna Jane's products are displayed as they are in stores, they can still use packaging in order to further their marketing. When a customer buys a Lorna Jane product from the store they can choose to receive it in a bag. These shopping bags are different to your average plastic bag. Not only are they environmentally friendly and re-useable, but they also display inspirational messages on them. Which

² This point comes from the Business Studies in Action HSC textbook. Written by Stephen Chapman, Natalie Devenish, Mohan Dhall and Cassy Norris. From Chapter 8; Marketing Strategies. Page 214 – Benefits of Branding.

³ Quote from the 'Our Brand' Page of the Lorna Jane website. <http://www.lornajane.com.au/about/brand>



the Lorna Jane brand image. They also display Lorna Jane's rec displayed on their bags but throughout their stores and many other



Price:

Price refers to the amount of money that it will cost a customer to purchase the product that the company is selling, at Lorna Jane this comes into the context of how much the customers are prepared to pay in order for their items sold at their stores and online.

There are three possible Pricing Methods that a business could use. These are:

1. *Cost and Margin* - A pricing method derived from the cost of producing or purchasing a product and then adding a mark-up
2. *Market Based Pricing* – a method of setting prices according to the interaction between the levels of supply and demand; whatever the market is prepared to pay
3. *Competition based pricing* - where the price covers costs (costs of raw materials and the cost of operating the business) and is comparable to the competitors' price.⁴

Out of these three pricing methods, the one that is most applicable to Lorna Jane is competition based pricing. There are many other brands in the market that sell women's active wear such as Nike, Adidas and Lululemon. These brands, for example, have their prices set in a moderate to high price range. Lorna Jane could alternatively set their prices at a low-medium price and use the penetration price method (meaning that they could set low prices in order to gain more market share). However by setting their prices at around the same prices as the competitors, if not more, they are ensuring one thing that the Lorna Jane customers love; high quality. This comes under Price and Quality interaction.

- Customers are able to decide to buy the product which will most meet their expectations
- If they buy a cheaper product it may not be as good quality as
- If they were to buy a more expensive product.
- By Lorna Jane setting their prices higher, this adds prestige and higher quality to their status and the way they're viewed to buyers and other businesses.

The Pricing Strategy that is used by Lorna Jane is used by most retail stores; Price Points. The price point's strategy is having the prices of the products sold at a predetermined price, so their products of the same kind will all be in a similar price range, and as the quality of the same product increases so does the price. This is exemplified in the table 1.1.

	Lowest Price	Highest Price	Possible reasons for price increase of specific product
Tights	\$62.99	\$114.99	Length, detail, colour, fabric

⁴ These 3 definitions come from the Business Studies in Action HSC textbook. Written by Stephen Chapman, Natalie Devenish, Mohan Dhall and Cassy Norris. From Chapter 8; Marketing Strategies. Page 220 - Pricing Methods.

Sports Crops	\$59.99	\$89.99	Extra details, added layers, different prints
Tanks	\$29.99	\$85.99	Words printed on, patterns, layers, colours, fabrics, extra detailing

Table 1.1 – Some examples of the Price Points for Lorna Jane products

As shown in these examples there are price ranges for multiple variations on products. Having different styles of the same products helps buyers to decide and know where to look, it can also makes it easier for the sellers at Lorna Jane to encourage a customer into a ‘trade up’ for a more expensive style of the product.

Promotion

Lorna Jane uses the four elements of the ‘promotional mix’ in order to inform, persuade and remind consumers about their store and products. The four elements are:

- ❖ Advertising
- ❖ Personal Selling and relationship marketing
- ❖ Sales promotion
- ❖ Publicity and public relations

Advertising:

The advertising that Lorna Jane makes use of has the flexibility to reach either large audiences or smaller, distinct target markets. Types of advertising that Lorna Jane chooses to use include:

- ❖ Magazines:
 - Lorna Jane has their own Magazines that are sold and displayed in shopping centres, as well as advertisements in other fitness magazines and women’s health magazines; this helps reach a wider target market.
- ❖ Letter box flyers:
 - Lorna Jane has a special ‘Sisterhood’ program which is offered when you purchase products in store or online. The ‘Sisterhood’ program sends monthly flyers and catalogues in the mail for customers to see which new products are available. (For more info on the ‘Sisterhood’ program see Relationship Marketing – Page 8)
- ❖ Social Media:
 - Having an Instagram account with over 378K followers and a Facebook page with over 1 million likes, Pinterest and Twitter accounts, gives Lorna Jane no shortage of social media attention. By regularly posting special giveaways and discounts, and updates on new products, this can ensure that Lorna Jane followers are always reminded of the brand and their products, this is a very useful promotion tool.
 - There is also a Lorna Jane application available for iPhone users. The app encourages active living and provides tips on how to have a more active and healthier lifestyle. It also is a good opportunity for the business to promote their products by advertising their own products in stages during the app.
- ❖ E-marketing
 - When people discover Lorna Jane’s online website ‘<http://www.lornajane.com.au>’ they find:
 - ~ A place to purchase Lorna Jane Products
 - ~ Exclusive specials, competitions and discount codes
 - ~ Worldwide shipping

~ Shopping categorized to type of product or type of activity wished to use the product for

~ Information about the Brand and Business History

~ A special 'Move.Nourish.Believe' blog that shares inspiration, motivation and advice to a healthy, active lifestyle

Having such a well organised website works as a useful and beneficial advertising tool as it encourages consumers to purchase the products, as the website is easy to operate and visually inviting.

Personal Selling and Relationship Marketing:

Personal selling for Lorna Jane happens in store. When a customer enters the store, the friendly, motivated and willing Lorna Jane staff, otherwise known as the 'LJ Angles', instantly greets them. Their goal is to provide an enjoyable shopping atmosphere for the customers, they are also very devoted to helping the buyers find what they need and are very good at encouraging purchases. For example, if a buyer was to purchase tights for running, the sales assistant would then offer a water bottle, headbands, pedometer, socks and other accessories in order to generate more sales.

Relationship marketing is vital to any business that wishes to have loyal customers who keep coming back to purchase their product. Businesses can create a 'loyalty program' to help further their relationships with customers. Lorna Jane has done this by creating a loyalty program named 'The LJ Sisterhood'. This program offers promotions, discounts and loyalty points and brochures and updates delivered. By creating this loyalty program it builds a bond with customers that assists in them coming back and being 'loyal' customers.

Sales Promotions

To attract more potential buyers and to improve sales, Lorna Jane can make use of the Sales Promotions element. Lorna Jane will regularly have a 'sales rack' at the store, where clothes that are at a discounted price will be featured. They are usually located at the front of the store so that passers-by can easily notice the SALE sign. This entices buyers to come and look and potentially buy as they wish to be saving money.

The stores also will have a premium available at times of each purchases. Previous examples of Premiums include:

- Spend \$200 and receive a FREE LJ Yoga Mat valued at over \$60
- Buy one pair of *Flashdance Pants* and get the other for 50% off!
- Spend over \$150 and receive a FREE Lorna Jane Beach Towel and Water Bottle valued at over \$60
- When shopping online and spend over \$200 enter the code GYMBAG at cart to receive a "Never Give Up Gym Bag" valued at \$69.99 for FREE

These special discounts will encourage customers to spend more money in order to receive more products.

Publicity and Public Relations

Publicity:

Lorna Jane does not specifically endorse celebrities to promote their product. However, as the term goes "any publicity is good publicity", so when celebrities are snapped wearing Lorna Jane active wear, they will not complain.

Stars such as Kim Kardashian, Miranda Kerr, Candice Swanepol, Mel B and Lauren Conrad have been seen sporting the products. When consumers see that such fashion icons wear the brand they are likely to give it a try in order to be wearing what celebrities are wearing. This is extremely beneficial to Lorna Jane in terms of promotion and sales as they are gaining plenty of publicity.

Public Relations:

Public Relations are activities that the general public can participate in that are aimed to create a positive relationship with customers. Lorna Jane does this through 'Active Nation Day'. A day where events that are hosted all around the world offer the opportunity to participate in a specially choreographed fitness routine. The day promotes active living and creates a positive connection between the company and customers.

Opinion Leaders and Word of Mouth

The Lorna Jane company doesn't make use of many celebrity endorsers, they more rely on their own celebrity; Lorna Jane Clarkson. Lorna Jane Clarkson can be seen in many advertisements for Lorna Jane as she is the face and name behind it.

- She is a trusted woman in the fashion and fitness industry because of her experience
- provides exceptional fitness, health and active living advice
- Great motivator and inspiration to women

When Lorna Jane Clarkson recommends something, customers know that the product must be good if the owner of the company is specifically advertising it. Lorna Jane Clarkson is a very good opinion leader for Lorna Jane as she is the trusted name of the company and people will listen to what she has to say.

Word of mouth is essential to any retail store. When a woman is seen wearing Lorna Jane clothing, she can share where she purchased it from. This will encourage more buyers to go and purchase the clothes if they like what they see. Word of mouth is a very powerful promotional tool as people trust their family and friends opinions and so when they recommend something they are likely to follow through with the recommendations. Trusted fitness bloggers who recommend Lorna Jane also work as great promoters for Lorna Jane.

Place/Distribution

This Marketing Strategy is all about getting the finished product to the consumers. This is done through aspects as distribution channels channel choice.

The distribution channel that Lorna Jane works with is the method of:

- Producer -> Retailer -> Customer

The Lorna Jane products are produced by a warehouse in China that only manufactures Lorna Jane Products, owned by an Australian private equity firm; CHAMP ventures. Once manufactured there they are then distributed to warehouses in different countries that store the stock. From the warehouses they are then transported to the individual stores who stock the items to sell to the customer.

The Channel Choice of Lorna Jane is exclusive, as customers have to travel to a specific Lorna Jane store in order to purchase the products. The products are not sold in any other stores except for official Lorna Jane retailers. The other place to purchase them, apart from in official stores is online.

People, Processes and Physical Evidence:

People, Processes and Physical evidence are useful to the intangible products of a business. For Lorna Jane, this involves the service that is provided when a customer enters the store; ensuring they have a pleasant shopping experience.

As mentioned before, the staff at Lorna Jane are there to be helpful to buyers and to encourage them on their healthy and active lifestyle journeys. Customers will make a judgement on a store based on their employees, so Lorna Jane ensures that their employees are always happy to help, positive, enthusiastic and inspirational to customers. The employees are the ones who help to build the relationship between the brand and the buyers; so it is essential that they provide a positive image of the brand.

Processes at the Lorna Jane store involve making sure that your purchases are what you wanted and that you are assisted greatly in the shopping process. The employees will help the customer to find what they are looking for and even more. If what the customer is looking for is not in store, the sales assistants can look online, or find a nearby store that will have the product in stock. A notification text or email can also be sent out if the store re-stocks the item. However the employees will also make recommendations to similar products which may also satisfy. It is important at Lorna Jane that the customers are getting what they desire in the most efficient ways possible, as the customer is what makes the sales.

Physical evidence refers to the environment in which the service will be delivered. When you walk into a Lorna Jane store, the colour pink is featured among the neatly hung, colour co-ordinated items on racks. The products are organised by type and by colour. There are TV's that display the Lorna Jane active wear in use, and motivational and inspirational quotes all over the store. The feel of a Lorna Jane store gives the intangible benefit of satisfaction to a customer, as they know that the store is representing what the brand claims to be about.

E-Marketing:

E-marketing (electronic marketing) is when a business will use the internet in order to perform marketing activities. As mentioned in the E-marketing section of 'Promotion' (page 7) Lorna Jane is a user of E-marketing in order to further the businesses success. They use social media platforms to further promote the business such as:

- Facebook
- Twitter
- Instagram
- Pinterest
- Youtube

The internet is a great way to access a mass market in a number of seconds. By making use of these social media platforms, Lorna Jane can promote their products, any special promotions and increase sales; as they are easily accessing many people through one, easy platform.

The official Lorna Jane website, as mentioned previously, is also an essential tool to the businesses success. As customers can purchase goods from all over the globe. It is also beneficial to customers who may not have access to a store. The easy to navigate and use website is highly sought after by buyers and it is an essential tool to the businesses success.

Blogs such as the 'Move.Nourish.Believe' blog also further promote products and create a place for consumers to find motivation and inspiration.

Global Marketing:

Lorna Jane currently has 192 stores across the globe. Majority of those are in Australia; however there is a growing number of stores in the USA and South Africa, as well as stores in Sweden and the Middle East. At the current time, Lorna Jane is relatively the same in most countries. The 3 icons are recognisable in all stores, and the philosophy stays the same.

Lorna Jane takes the approach of standardisation. The products are the same in all countries, however they may vary depending on seasons. You can buy the same products in any store across the globe. As got global pricing, there is a standard worldwide price. With global prices only varying a dollar or so between Australian stores and the US. As the desire for a healthy lifestyle increases worldwide, Lorna Jane stores will begin planting in more countries, as it is proven that the products are well accepted across the globe.