Proenza

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Marketing 3 Final Project

Schouler
**Background**

**Proenza Schouler:**
New York based womenswear and accessories brand.

Founded in 2002 by Jack McCoullough + Lazaro Hernandez.

The two designers met while studying at Parsons.

Their senior thesis collaboration became the first RTW collection of Proenza Schouler.

In 2008, Proenza Schouler launched its first handbag collection.

Proenza Schouler opened its first retail store in New York in last fall (Sept. 2012). The retail store is located at 822 Madison Avenue.

Aside from its retail store, Proenza Schouler’s designs can be found in prestige retail outlets worldwide, including Barneys New York, Bergdorf Goodman + Colette.

**Awards:**
- 2004 - CFDA Vogue Fashion Fund Award.
- 2007 - CFDA Womenswear Designer of the Year Award.
- 2009 - CFDA Accessory Designer of the Year Award
- 2011 - CFDA Womenswear Designer of the Year Award.
The Proenza Schouler target market are women aged 25-39 that have an above average disposable income and live in urban areas. They are fashion-forward consumers that tend to hold creative jobs and are tech-savvy.

“For the fashion conscious urbanista who wants an elegant product that displays her excellent taste and distinctive fashion sense.”

“Fashion is the armor, to survive the reality of everyday life.”

We are fearless, independent and original.
Proenza Schouler is a women's ready-to-wear and accessories label. Accessories consist of bags, small leather goods, jewelry and scarves.

There is a great price range for the ready-to-wear label items which start at $250 for cotton t-shirts and reach $9,000 for satin dresses. The small leather goods start at $500 for wallets and reach $7,000 for python handbags.

The label opened its first store on 822 Madison Avenue in New York in 2012 as well as an e-commerce store on its website. The brand has a range of stockists in 45 countries globally.

Proenza Schouler has engaged in various promotional initiatives. The brand has invested heavily in its technologically innovative website which consists of various promotional videos such as avatars, a short film directed by Harmony Korine, a photo exhibition, which can be seen on the Special Projects section of their website.

The label utilizes the latest digital media to produce highly inventive promotional material. The company produces ad campaigns and ad campaign videos each season. The videos created for the labels can be seen on its website as well as on the Proenza Schouler YouTube channel.

The company also creates posters each season by the likes of Harmony Korine and the company’s art director Peter Miles. These posters, placed in various locations around New York City, are shown above.
Positioning

Proenza Schouler is positioned as an imaginative, innovative and fashion-forward leading label.

An emphasis is placed on the brand’s exceptional tailoring as well as its unequivocal style. Proenza Schouler is defined by its fusion of craftsmanship and attention to detail with a sense of refined ease.

Marketing Mix

**Price**: Designer Price Point - $135 - $9,925

**Product**: Women’s RTW, Bags, Jewelry, Shoes, Scarves, Wallets, Sunglasses, Keychains, Makeup Bags, Tech Cases, and Clutches.

**Place**: Sold online through personal e-commerce store and physical retail store on Madison Ave. in New York City. Also sold at retail department stores such as Barneys, Bergdorf Goodman and Colette.

**Promotion**: Social Media (Instagram, Twitter, Facebook, Pinterest), Print Media and Advertisements, Red Carpet Appearances, Celebrity Dresses, Runway Show, Street Advertisements (as seen in previous slide).
Production

According to a Q&A with Chloe Sevigny, featured in *Interview Magazine*, Jack and Lazaro consider their pre-collections to be their “bread and butter.” During the interview, the designers stated that pre-collections “make up 60% of the business.” The pre-collections tend to sell more, not only because they are “more commercial and better priced,” but also because they “have a longer shelf life.” Pre-collections have a longer shelf life because they “ship a month or two before the [main] collection, but go on sale at the same time.”

Proenza needs to extend the shelf life of the main collection, so the brand can maximize their potential profits. In order to achieve this goal, Proenza needs to add additional manufacturing facilities in North America and Europe to help minimize the time spent producing the main collection. Currently the brand makes all of its clothing in the U.S. and the handbags are produced in Italy. If Proenza added additional manufacturing facilities, then the shipping disparity would be eliminated because more personnel would be working on the main collection. Therefore, the pre-collection and the main collection would be available at the same time.

In addition, Proenza needs to produce more pre-collection products. As stated above, the pre-collection makes up 60% of the business, in part because the items are more commercial and better priced. Therefore, providing more merchandise for consumers would maximize the success of the pre-collection products.
CHRISTOPHER KANE:

The british label was established in 2006 and is a women’s ready-to-wear label based in London. The brands appeal to a similar target audience and their core ready-to-wear collections are priced at a comparable price point. Following Kering’s investment in the label, it is set to introduce an accessories line, store in London and website, which will align the brands as even closer competitors. The label surprisingly does not have a website and this, coupled with the fact that it is yet to erect a stand-alone store has meant that the label has not been successful in clearly establishing its brand image in the mind of the consumer.
ALEXANDER WANG:

**Product:** Alexander Wang produces a RTW line and a diffusion line, entitled T by Alexander Wang. Wang has described his own design aesthetic as “model off-duty.”

**RTW:** Although predominantly clean in aesthetic, the line has elements of street fashion and has been characterized as “cool, slouchy and androgynous.” The women’s line consists of jackets, outerwear, tops, bottoms and dresses. The men’s line has jackets, outerwear, tops and bottoms. The accessories (men and women), consist of bags, shoes, small leather goods and sunglasses.

**T by Alexander Wang:** This diffusion line has been referred to as “haute casual attire” and offers an “edgy interpretation of the plain t-shirt.” The women’s line consists of jackets, outerwear, tops, bottoms, dresses and swimwear. The men’s line consists of jackets, outerwear, tops, bottoms and classics.

**Price:** The RTW ranges from $350 to $2400 (most products between $500-$1000). T by AW ranges between $100-$1000 (most products between $100-$400).

**Promotion:** print ads, YouTube channel, facebook, twitter

**Place:** Alexander Wang brick and mortar store in NYC, online shop at alexanderwang.com (ships all over the world), Bergdorf Goodman, Barney’s, net-a-porter.com, shopbop.com, small boutiques across the U.S. and around the world.
Strategy for Growth

Retail Expansion
Currently Proenza Schouler has only one retail store, located in New York City on Madison Avenue. With the increasing success of his designs and company, Proenza Schouler should expand its retail location to the west coast in Los Angeles, and then consider continuing expansion to overseas locations, in emerging countries like Brazil or Japan.

Product Expansion
Proenza Schouler only offers a RTW collection for women and could expand to create a men’s RTW collection. Proenza Schouler has a small accessories line which includes handbags, wallets and tablet cases, but could further expand the tech-accessories and offer smart phone and laptop cases.
Target Market Expansion

With the expansion of a men’s RTW collection, Proenza Schouler would need to begin targeting males, a new market that has not been very thoroughly targeted.

Gender: Male
Age: 25 to 39
Relationship Status: In a relationship
Disposable Income/Yr: $30,000 - $45,000
Location: Urban Areas
Career: business, fashion, marketing, advertising, digital
Fashion Mentality: Appreciation for tailoring, fashion driven and likes clothes to do the talking
Extra Curricular: Attend museums, exhibits, concerts, travel, visit new restaurants, coffee shops, watch sports.

Opening a store on the west coast will not require an new target market; Proenza Schouler will still target the same fashion-forward female as the brand currently does.
**Product Change**

Women’s products will all stay the same, since we are keeping the same products just moving into a different location.

The addition of a Men’s RTW collection will add a new clothing line consisting of tops, bottoms and outerwear.

The collections will consist of a mixture between casual wear and evening wear. This will allow the line to be applicable for dressier events, such as work, or an evening dinner party, but also optional to dress down for a casual day, like a walk in the park, or hanging out at a coffee shop with friends.

For the new retail store location, the product assortment within that store may need to adapt to the warmer west-coast climate. Aside from that, the product sold will not really change and will coincide with the current retail store’s merchandise assortment plan.
Positioning + Marketing Mix Elements

For the retail store, the positioning would be remain the same.

For the new menswear collection, the positioning would be similar to how Proenza positions his current products for his women’s RTW: High price, good quality.

Marketing Mix - Men’s

Price: Designer Price Point - $135 - $9,925

Product: Men’s RTW (tops, bottoms, outerwear), Bags, Shoes, Wallets and Sunglasses. These products will be a mix between business wear and casual wear.

Place: Will be sold online through personal e-commerce store and then sold in physical retail store in New York City. Also would be sold at retail department stores such as Barneys, Bergdorf Goodman and Colette.

Promotion: Similar to women’s RTW collection: Social Media (Instagram, Twitter, Facebook, Pinterest), Print Media and Advertisements, Red Carpet Appearances, Runway Show, Celebrity Dresses, Street Advertisements (as seen in previous slide).

Marketing Mix - Los Angeles Retail Store

Product: Proenza Schouler will keep the product mix the same with their expansion to Los Angeles. The merchandising plan for the retail store will factor in the LA lifestyle and trends that surround that area.

Promotion: Invest in a pop-up store before the opening of the actual store in LA to see what products would sell at white price points, and really see what kind of consumers were shopping there. Promotion will continue to stay the same, through magazines and social media. At actual store opening, throw a launch party to create publicity about the store.

Price: Pricing will stay the same.

Place - Product is already available to any customer through Proenza Schouler’s e-commerce site and sold in various locations through specialty stores and department stores, but Proenza should have its own retail store for the product to be physically available in Los Angeles. So, with this strategy, Proenza Schouler’s retail store location would expand to Los Angeles. Depending on the success of the Los Angeles store expansion, the company would then continue retail-store expansion to oversea locations, such as Brazil or Japan.
Production + Logistics

With our proposed strategies to open up new Proenza stores in L.A., and eventually Brazil and Japan, new distribution centers are needed. The brand would need to partner with local warehouses so their merchandise could be readily available when in-store stock needs to be replenished.

Additionally, production of a men’s line would require new manufacturing facilities that are familiar with men’s apparel. Also, the addition of tech accessories would require a new manufacturing facility familiar with these types of products.
Thank You!

We look forward to your questions and comments!

- Team Cool Cukes