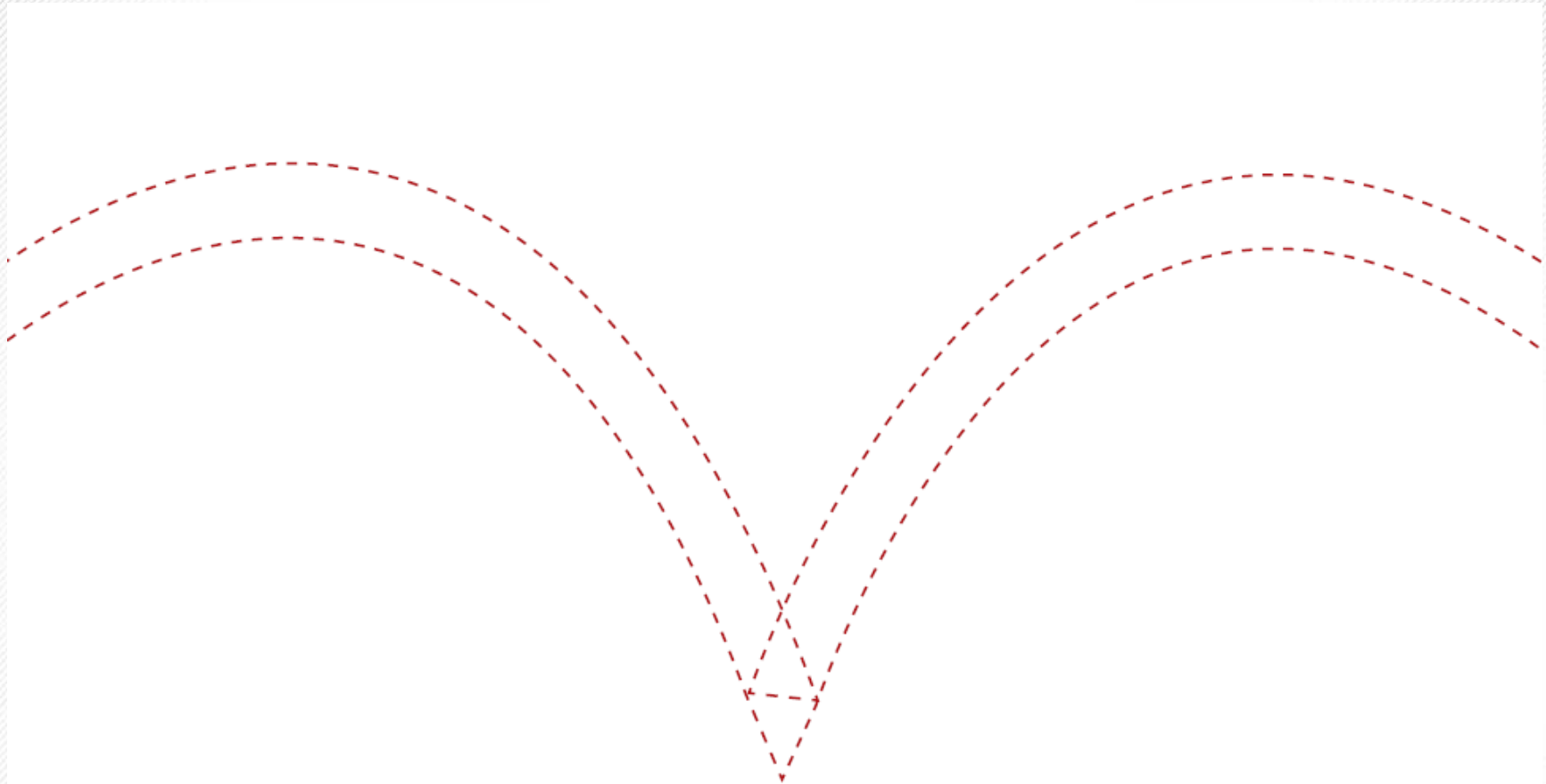




# Levi Strauss Europe, Middle East and North Africa



Dirk Van Kemseke

GfK Jaarcongres Fashion 2008 - 26 november 2008

TRUE STORY 12/07



# Agenda



- Levi Strauss EMEA
- GfK for the Levi's® & the Dockers® brand
- Cool Green is the New Black
- Online shopping: How to be at the Leading edge, not the Bleeding edge...

# About Levi Strauss & Co



- Privately owned company founded in 1853
- Designs, manufactures and markets jeans and casual wear under three brands –Levi's®, Dockers®, and Levi Strauss Signature®
- 4.5 billion pairs of Levi's® jeans have been sold in over 110 countries
- 11,550 Employees Worldwide
- 3 Divisions:
  - Americas (LSA)
  - Europe (LSEMA)
  - Asia Pacific and Southern Africa (APD)
- Sales in over 110 countries and 55,000 retail outlets
- Global net revenues fiscal year 2007: \$ 4.4 billion



# Levi Strauss Europe, Middle East and North Africa



- **4,640** employees
- Divisional headquarters in Brussels
- Sales in **41** countries
- **8** sales offices
- **5** distribution centres
- Net revenues for fiscal year 2007:  
\$ 1.137 billion
- **3** production facilities
- **4** flagship stores
- **450** Levi's® stores (Belgie: 10)
- **15,000** stores retailing Levi's® and Dockers® products

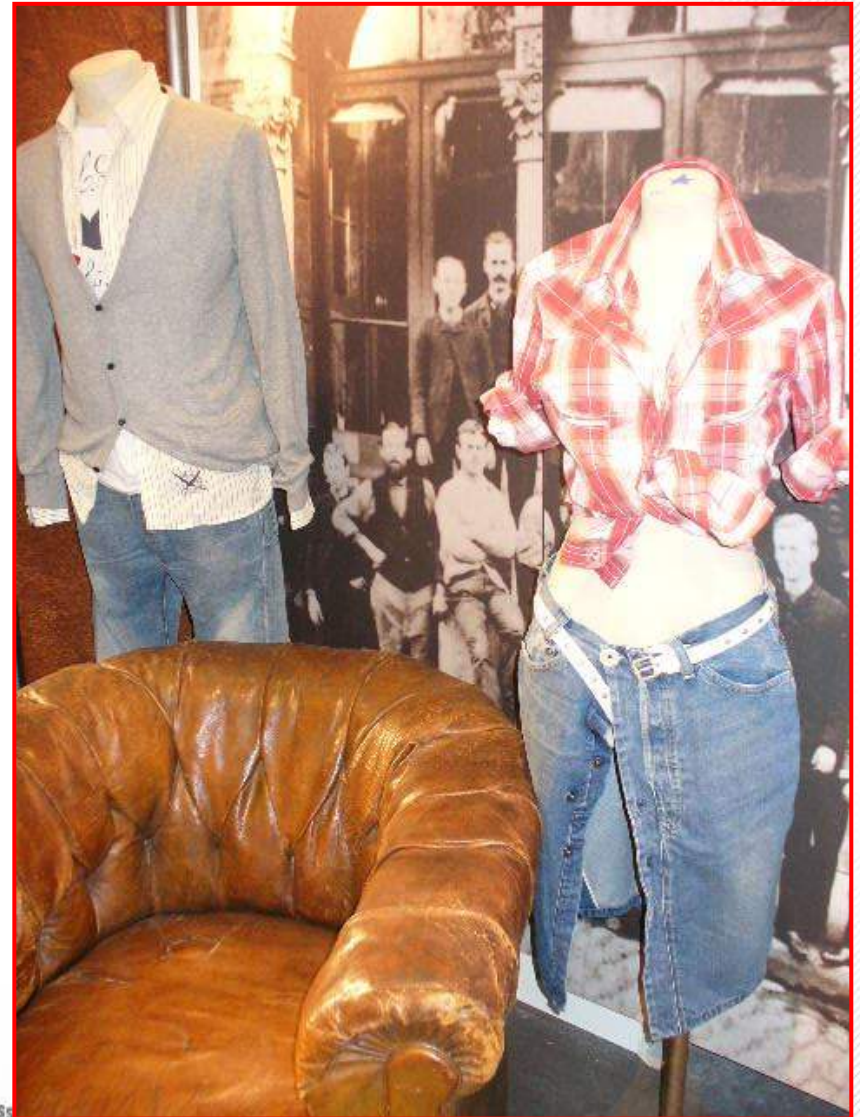




# The Levi's® Look & Feel



# Retail is our Future



# Wall covered with rustered iron Retail is our Future



# Retail is our Future – Damien Hirst exhibition





# Cool Green is the New Black

Dirk Van Kemseke

Levi Strauss Europe, Middle East & North Africa

# The Münster eco-store

**A thirty-five percent (35%) lower energy consumption was achieved compared with a regular Levi's® store, achieved by working with lower wattage fixtures and dimming light in certain areas and good insulation and ventilation systems.**

- **Lighting:** The biggest retail innovation for us comes from the lighting design .
  - Motion sensors in the changing rooms dim the lights when no one is present thereby saving energy.
  - Motion sensors in the store dim the ambient lighting in areas where no one is present
- **Entrance door:** Two (2) pairs of automatic sliding double doors were installed as a solution to leaving the doors open to attract consumers. It replaces an energy intensive and inefficient air curtain generally used to keep the temperature of the interior of the store separate from the exterior.
- **Flooring in Changing Rooms Area:** Cork flooring is used, which is a natural material that does not require the destruction of trees. The cork is lacquered with water-based lacquer.
- **Windows in non-reflective double glass:** Non-reflective glass allows a higher percentage of natural light to enter the store, thereby allowing the use of spots of a lower wattage in the windows. Double-glazing is effective for saving energy.
- **Painting:** All walls were painted with water-based and non-chemical coatings.
- **Façade:** No aluminum was used in the store. The façade is in wood, painted in black.
- **Hangers:** Hangers are made out of 100% FSC certified wood.
- **Consumer carrier Bag:** The carrier bad is made out of 99% recycled paper.



## When & How to increase the impact ? “Cool Green is the New Black”

- Responsibility & sustainability has reached mass consciousness, but there is still a disconnect between corporate efforts a widespread shift in consumer behaviour
  - Historically because the **trade-offs** for consuming “green” products (price, style, taste, convenience etc.) are generally too big
  - Deeper Luxury: the Opportunity to be Aspirational
  
- This will change as consumers **start to feel the impact** of ignorance, ambivalence and denial. Eg. water scarcity in Spain & France, tornadoes, bug infestations, extreme weather variances caused by global warming
  - A 2008 MLC study states that 84% have changed their consumption behaviour at least “a little bit”, 92% claim green issues influences their day to day purchase decisions, but only 16% actively seek out environmentally friendly goods
  
- As more & more businesses strive to exploit green opportunities in their categories, consumer **cynicism** is high
  - Over 70% believe companies leverage green positioning either to improve public opinions (36%) or simply to sell more (35%)
  - High degrees of scepticism and low levels of trust imply that retailers' strategies lack sincerity and credibility, which needs to be overcome by **greater consistency, thoroughness** and rigour in devising and applying strategies for change



# The luxury brand power to influence consumers

## The Opportunity to be aspirational

Luxury brands have the power to influence consumer aspiration and behaviour by editing consumer choices through product design, distribution and marketing.. They have both the opportunity and the responsibility **to promote sustainable consumption.**

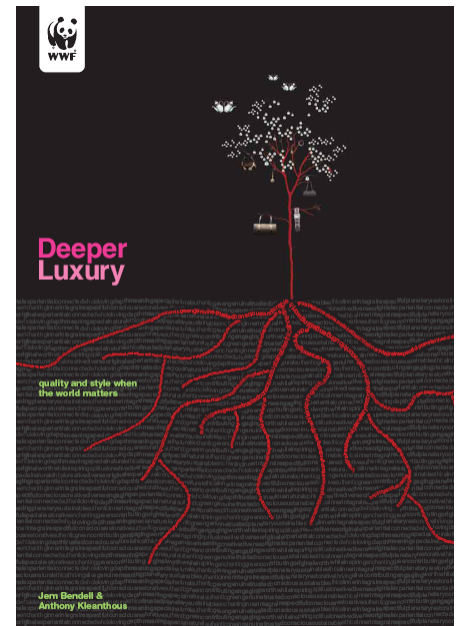
## The New Luxury Consumer

Many luxury consumers are part of an affluent, global élite that is increasingly well educated and concerned about social and environmental issues. These consumers use luxury products as a symbol of success. **The definition of success – and the way it is perceived by others – is changing.**

## The democratisation of luxury

Luxury brands have become **more accessible**, making it harder to appeal to consumers on the grounds of exclusivity. Instead, their **added value** for consumers could be derived from superior environmental and social performance, expressed through **“deeper” brand values** and more sustainable business practices.

Source: WWF – Deeper Luxury



*“We will build sustainability into everything we do, so that our profitable growth helps restore the environment.”*

*“Our sustainability vision is big, broad and aspirational and it is tightly linked to our business objectives (best ROI, innovation) and brand positioning, being the Authentic brand”*

*“”*

**Leverage brand “honesty” – an emerging platform for brand engagement.**

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***“People increasingly see the world in terms of  
real & fake  
and want to buy something real from someone  
genuine, not a fake from some phony”***

**Source: James H. Gilmore/B. Joseph Pine II**