

research through state-of-the-art methods to better understand consumer buyer behavior. Wild Planet even created a Toy Opinion Panel to evaluate current products and develop new product ideas.

After viewing the video featuring Wild Planet, answer the following questions about consumer buyer behavior:

1. Explain how each of the four sets of factors affecting consumer behavior affects the consumer purchase process as it relates to toys from Wild Planet.

2. What demographic segment of consumers is Wild Planet targeting?
3. Visit the Wild Planet Web site at www.wildplanet.com to learn more about the company. How does the Web site help consumers through the buyer decision process?

COMPANY Case

Victoria's Secret Pink: Keeping the Brand Hip

When most people think of Victoria's Secret, they think of lingerie. Indeed, the Limited Brands division has done a very good job of developing this association by placing images of supermodels donning its signature bras, panties, and "sleepwear" in everything from standard broadcast and print advertising to the controversial prime-time television fashion shows that the company airs each year. Such promotional tactics have paid off for Victoria's Secret, a subsidiary of Limited Brands, which continues to achieve healthy sales and profit growth.

How does a successful company ensure that its hot sales don't cool off? One approach is to sell more to existing customers. Another is to find new customers. Victoria's Secret is doing plenty of both. One key component in its quest to find new customers is the launch and growth of its sub-brand, Pink.

EXPANDING THE TARGET MARKET

Victoria's Secret launched its line of Pink products in 50 test markets in 2003. Based on very positive initial results, the company expanded the sub-brand quickly to a national level. With the Pink introduction, Victoria's Secret hoped to add a new segment to its base: young, hip, and fashionable customers. "Young" in this case means 18 to 30 years of age. More specifically, Pink is geared toward college coeds. According to company spokesman Anthony Hebron, "It's what you see around the dorm. It's the fun, playful stuff she needs, but is still fashionable."

The company classifies the Pink line as "loungewear," a very broad term that includes sweatpants, T-shirts, pajamas, bras and panties, pillows and bedding, and even dog accessories. In keeping with the "young and fun" image, the product line includes bright colors (Pink is not a misnomer) and often incorporates stripes and polka-dots. The garments feature comfortable cuts and mostly soft cotton fabrics. To keep things fresh for the younger segment, stores introduce new Pink products every three or four weeks.

According to those at Victoria's Secret, in sharp contrast to the sexy nature of the core brand, Pink is positioned as cute and playful. "It's spirited and collegiate. It's not necessarily sexy—it's not sexy at all—but young, hip, and casual. It's fashion-forward and accessible," said Mary Beth Wood, a spokeswoman for Victoria's Secret. The Pink line does include underwear that some might consider to be on par with standard

Victoria's Secret items. But management is quick to point out that the designs, such as heart-covered thongs, are more cute than racy. Displays of Pink merchandise often incorporate stuffed animals, and many articles display Pink's trademark mascot, a pink dog.

Originally, Pink was considered to be a store-within-a-store concept. But Pink sales have surpassed expectations. To date, Victoria's Secret has opened six stand-alone Pink stores. In 2007, Pink revenues hit \$900 million, almost one-sixth of the company's \$5.6 billion take for the year. Because of this, the company is giving far more serious consideration to expanding the presence of Pink lifestyle shops in several markets.

A KEY DRIVER OF VICTORIA'S SECRET'S FUTURE GROWTH

Limited Brands has been experiencing good times, and executives have been quick to recognize that Victoria's Secret is a huge part of that success. In fact, the Victoria's Secret and Bath & Body Works divisions have accounted for roughly 70 percent of revenue (Victoria's Secret alone was good for more than 50 percent) and almost all the profit in recent years.

But Limited Brands CEO Les Wexner is not content to let the chain rest. "The Victoria brand is really the power of the business," he says. "We can double the Victoria's Secret business in the next five years." This would mean increasing the division's sales to more than \$10 billion. The umbrella strategy for achieving this growth is to continually broaden the customer base. This will include a focus on new and emerging lines, such as IPEX and Angels Secret Embrace (bras), Intimissimi (a line of Italian lingerie for women and men appealing to younger customers), and a new line of fitness apparel called VSX. Pink is a key component of this multibrand strategy.

The future of Victoria's Secret will also include a move toward bigger stores. Currently, the typical Victoria's Secret store is approximately 6,000 square feet. More than 80 percent of Victoria's Secret stores will be remodeled over the next five years, nearly doubling its average store size to 11,000 square feet. Larger stores will allow the company to give more space and attention to the store-within-a-store brands, such as Pink.

BROADENING THE CUSTOMER BASE . . . TOO FAR?

While Victoria's Secret's introduction and expansion of Pink seems well-founded, it has raised some eyebrows. As Pink's young and cute line has expanded rapidly, it has become

apparent that the brand's appeal goes far beyond that of its intended target market. Some women much older than 30 have shown an interest (41-year old Courtney Cox Arquette was photographed wearing Pink sweats). But stronger interest is being shown by girls younger than 18. Girls as young as 11 years old are visiting Victoria's Secret stores to buy Pink items, with and without their mothers.

Two such 11-year-olds, Lily Feingold and Brittany Garrison, were interviewed while shopping at a Victoria's Secret store with Lily's mother. As they browsed exclusively through the Pink merchandise, the two confessed that Victoria's Secret was one of their favorite stores. Passing up cotton lounge pants because each already had multiple pairs, both girls bought \$68 pairs of sweatpants with the "Pink" label emblazoned on the derriere. The girls denied buying the items because they wanted to seem more grown up, instead saying that they simply liked the clothes.

The executives at Victoria's Secret are quick to say that they are not targeting girls younger than 18. Perhaps that is due to the backlash that retailer Abercrombie & Fitch experienced not long ago for targeting teens and preteens with sexually charged promotional materials and merchandise. But regardless of Victoria's Secret's intentions, Pink is fast becoming popular among teens and "tweens." Most experts agree that by the time children reach 10, they are rejecting childlike images and aspiring to more mature things associated with being a teenager. Called "age compression," it explains the trend toward preteens leaving their childhoods earlier and giving up traditional toys for more mature interests, such as cell phones, consumer electronics, and fashion products.

Tweens are growing in size and purchasing power. While the 33 million teens (ages 12 to 19) in the United States spend more than \$179 billion annually (more than 60 percent have jobs), the 25 million tweens spend \$51 billion annually, a number that continues to increase. But perhaps even more telling than the money being spent directly by teens is the \$170 billion per year spent by parents and other family members directly for the younger consumers who may not have as much income as their older siblings. "Parents are giving them money or credit cards and children make most of the decisions about whatever purchases are made for them, whether it's toiletries, a bedspread or undergarments," said James McNeal, a former professor of marketing at Texas A&M University and author of *Kids as Customers: A Handbook of Marketing to Children*.

With this kind of purchasing power, as they find revenue for their older target markets leveling off, marketers everywhere are focusing on the teen and tween segments. "Right now, every retailer is looking for growth opportunities," said Marshall Cohen, an industry analyst. And more young women are wearing loungewear, not just at home, but to school and the mall. "Pajamas are streetwear. Slippers are shoes," Cohen continued. "It's amazing how casual we've gotten. This retail segment could get very competitive."

Although executives at Victoria's Secret deny targeting the youth of America, experts disagree. David Morrison, president of marketing research agency Twentysomething, says he is not surprised that Victoria's Secret denies marketing to teens and preteens: "If Victoria's Secret is blatantly catering to seventh and

eighth graders, that might be considered exploitative." Morrison also acknowledges that the age group is drawn to the relative maturity and sophistication of the Pink label.

Natalie Weathers, assistant professor of fashion-industry management at Philadelphia University, says that Victoria's Secret is capitalizing on a trend known as co-shopping—mothers and tweens shopping together. "They are advising their daughters about their purchases, and their daughters are advising them," she said. This type of activity may have been strange 20 years ago, but according to Weathers, the preteens of today are more savvy and, therefore, more likely to be shopping partners for moms. "They are not little girls, and they aren't teenagers, but they have a lot of access to sophisticated information about what the media says is beautiful, what is pretty, what is hot and stylish and cool. They are very visually literate."

In general, introducing a brand to younger consumers is considered a sound strategy for growth and for creating long-term relationships. Marketers of everything from packaged foods to shampoo use this strategy. In most cases, it's not considered controversial to engender aspirational motives in young consumers through an entry-level product line. But many critics have questioned the aspirations that Pink engenders in tweens. Specifically, to what does it make them aspire? Based on years of experience working as a creative director for ad agencies in New York, Timothy Matz calls Pink "beginner-level lingerie." Matz does not question the practice of gateway marketing (getting customers to use the brand at an earlier age). But he admits that a "gateway" to a sexy lingerie shop may make parents nervous: "Being a 45-year-old dad, do I want my 10-year-old going to Victoria's Secret?"

Thus far, Victoria's Secret has avoided the negative reactions of the masses who opposed Abercrombie & Fitch's blatant marketing of thong underwear to preteens. Perhaps that's because it adamantly professes its exclusive focus on young adults. But it may also be because Victoria's Secret is not alone in its efforts to capitalize on the second-fastest growing apparel category (loosely defined as "lingerie") by focusing on the younger target market. An almost exhaustive list of retailers are expanding their lingerie lines. Companies that specifically target the same Pink segment include the Gap, Kohl's, Macy's, and J.C. Penney. But the biggest competition comes from fellow mall store American Eagle Outfitters, which has rolled out its own new Aerie line of "fun lingerie." And like Victoria's Secret Pink, the brand has opened stand-alone Aerie stores. In fact, results have been so good for American Eagle that it has opened a whopping 56 new Aerie stores in just a couple of years.

But Victoria's Secret was the first to market with lingerie for young adults and still has the greatest presence. And whether Pink's appeal to the preadult crowd is intentional or unintentional, many critics question the effort. Big tobacco companies have been under fire for years for using childlike imagery to draw the interest of youth to an adult product. Is Pink the Joe Camel of early adolescent sexuality? Are Pink's extreme low-rise string bikini panties the gateway drug to pushup teddies and Pleasure State Geisha thongs? These are questions that Victoria's Secret may have to address more directly at some point in the near future.

Questions for Discussion

1. Analyze the buyer decision process of a typical Pink customer.
2. Apply the concept of aspirational groups to Victoria Secret's Pink line. Should marketers have boundaries with regard to this concept?
3. Explain how both positive and negative consumer attitudes toward a brand like Pink develop? How might someone's attitude toward Pink change?
4. What role does Pink appear to be playing in the self-concept of tweens, teens, and young adults?

Sources: Suzanne Ryan, "Would Hannah Montana Wear It?" *Boston Globe*, January 10, 2008, p. D1; Heather Burke, "Victoria's Secret to Expand Its Stores," *International Herald Tribune*, August 13, 2007, p. F15; Ann Zimmerman, "Retailers' Panty Raid on Victoria's Secret New Lines Target Hot Fashion Lingerie," *Wall Street Journal*, June 20, 2007, p. B1; Fae Goodman, "Lingerie Is Luscious and Lovely—For Grown-Ups," *Chicago Sun Times*, February 19, 2006, p. B02; Vivian McInerny, "Pink Casual Loungewear Brand Nicely Colors Teen Girls' World," *Oregonian*, May 7, 2006, p. O13; Jane M. Von Bergen, "Victoria's Secret? Kids," *Philadelphia Inquirer*, December 22, 2005.