



# Always Oakley

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# The History of Oakley

## HUMBLE BEGINNINGS

Oakley was founded in 1975 by Jim Jannard. Jannard started out creating motorcycle handgrips in his garage lab with only \$300. His goal was to make products that worked and looked better than anything else available. This was the beginning of the Oakley brand. Oakley first introduced eyewear with the “O-frame” in 1980. They then Introduced “Eyeshade,” worn by cyclist Greg LeMond.

## EYEWEAR

Today, Oakley, Inc. is based out of Foothills Ranch, California. The brand is known most notably for its sunglasses.

- Currently an “undisputed leader in the performance category” of eyewear

-Oakley.com

In 2007, Oakley, Inc., with its strong market share in both prescription eyewear and sunglasses, was acquired by Luxottica group. Luxottica also owns eyewear brands such as Ray Ban, Arnette, K&L, Mosley Tribes, Oliver People’s, Persol, Revo, Sferoflex, and Vogue-Eyewear.





## TECHNOLOGY

In addition to its strong branding of eyewear, Oakley also creates apparel, accessories, footwear, and electronics. These products are designed made for performance sports use.

These products, like Oakley eyewear, are known for the innovation and technology that goes into their creation and production.

Oakley, Inc. believes in a “mad science” kind of culture in terms of their designs as well as their technological advancements. In addition to leading to over 600 patents worldwide, this culture leads to the distinctive style and function of products in the Oakley line.

As displayed on Oakley.com:

- “We create solutions to problems. We invent from scratch.”
- “We don’t design ideas to fit machines. We design machines to fit ideas.”
- “We make products measurably better than the competition. We make products that challenge expectations and trends.”
- “We let function define form. We let authenticity speak for itself.”





## SOCIAL RESPONSIBILITY

Oakley understands that it has a responsibility not only to make superior products, but also to contribute to the world community in which it exists. Oakley, Inc. has displayed its dedication to improving its surroundings through its recent sponsorships and partnerships.

- Sponsored performers in the Real Medicine for Haiti benefit hosted by Andy Richter
  - Performers included Kate Voegele, Colbie Caillat, Brett Dennen, Ryan Bingham, John Ondrasik of Five for Fighting, Nikka Costa and Meiko
- Involved in partnership with Talking About Curing Autism



Kate Voegele performs at the Real Medicine for Haiti benefit last February.





## Current Consumer

- The consumer is extremely brand loyal.
- Read sport, extreme sport and fitness/lifestyle magazines
- Buy clothing for comfort and style
- Lives active outdoor lifestyle
- Participates in extreme sports
- Attending or graduated college
- Financially independent



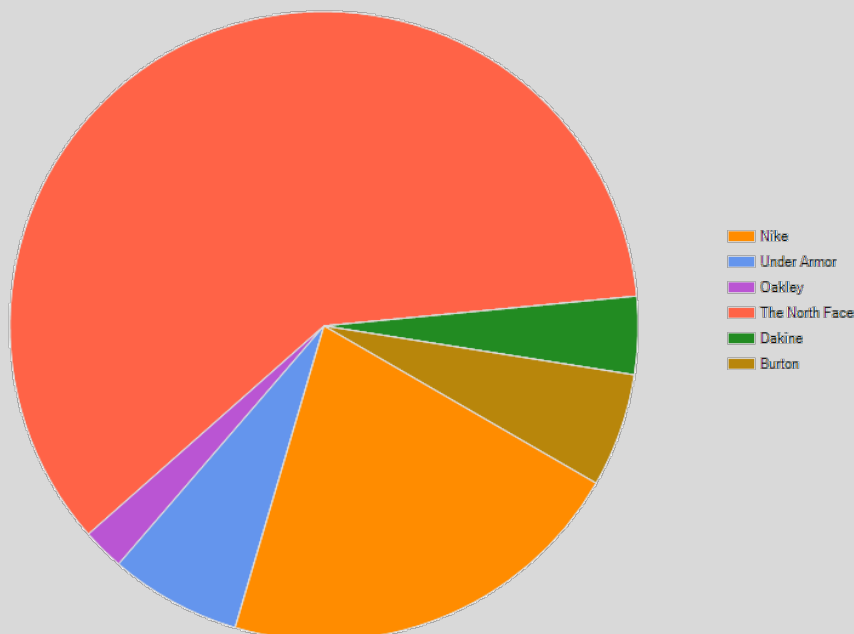


## Market

- Brand marketed in extreme sport print materials and corresponding websites, in-store displays, event promotions, iPhone applications
- Favored by athletes, military and law enforcement
- Looking to expand apparel and accessories sales
- Not a significant market share in apparel and accessories
  - Primary research shows Oakley is not top of mind to consumer.
  - Placed last for backpacks behind (in order) The North Face, Nike, Under Armour, Dakine, and Burton (See Figure 1)
  - Niche consumer market (extreme sport participants)

Figure 1—Backpacks Top of Mind

If buying a backpack, which of these brands would you look at first?





## Product

- Products include eyewear, apparel, prescription eyewear, goggles, electronics, footwear, gloves, accessories and watches
- All product designs are the pinnacle of technology and innovation within product category
  - o Waterproof fleece, X metal, carbon fiber technology, impact-resistant eyewear, polarized lenses, photochromatic lenses, UV protection, hydrophobic lenses, fire-resistant apparel, Bluetooth, MP3
- Based off of data from O-review.com, the consensus was overall satisfaction.
  - o One consumer said “Holy crap. My first experience with Tungsten Iridium Polarized was on my Pit Boss. This comes extremely close to my all-time favorite, Black Iridium Polarized. It has all the contrast and low-light vision of Bronze, but still manages to block light and glare like Black Iridium. Truly an amazing lens”





## Competition

- Direct competitors include:
  - o Eyewear: Spy, Ray Ban, Nike, Under Armor, Arnette, Bolle, Electric, Von Zipper
  - o Accessories/apparel: The North Face, Nike, Dakine, Burton, Under Armour







## **Problems**

- Consumer doesn't recognize Oakley brand beyond sunglasses
- Oakley accessories and apparel are not top of mind to mainstream consumers
- Females unaware of Oakley brand apparel and accessories
- Reach of advertising limited to website and niche magazines (Transworld Surf)
- Limited growth to niche consumers, primarily extreme athletes

## **Opportunities**

- Advertise in mainstream magazines (ESPN, Sports Illustrated, Men's Health, Women's Health)
- Challenge established brands such as Nike and The North Face
- Feature technology and innovation of products
- Build Oakley brand as an everyday brand, not just a niche, sport-specific brand





## Campaign Objectives

- Build brand awareness in mainstream market
  - o Target Audience
    - Females 24-34
    - Males 18-34
    - Non-extreme sport participants, everyday people who do not live the typical “Oakley” lifestyle.
    - Annual household income \$60,000+
    - Financially independent
    - Attending or graduated college



- Increase market share to consumer top of mind for apparel and accessories
- Retain current sunglass customers and introduce them to other products



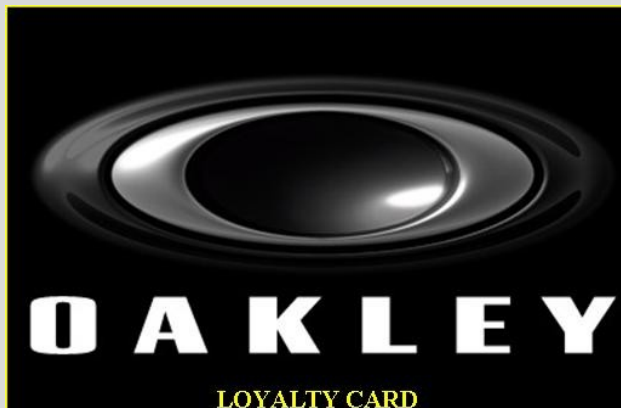


## Integrated Marketing Communication

### PROMOTIONS

- Loyalty Program— “Always Oakley” Member Club
  - Membership gives individual preferred customer status
    - 5% discount on all purchases after reaching a \$500 plateau on lifetime purchases at Oakley stores and online at Oakley.com.
    - Monthly “Product of the Month” discounts and new product testing opportunities to members also available via email.
    - New product testing requires feedback on product and various other customer service aspects.

Loyalty Card—Front



Loyalty Card—Back





## IMC

### PROMOTIONS (continued)

- Average Os—Show Your “O” Face
  - Oakley users take a picture of themselves using their Oakley gear
  - Winner receives an Oakley prize pack

Average  s



show us your  face

Calling all Oakley fans! Send in pictures of your most wild and extreme stunts for a chance to win an Oakley Prize Pack.

How do you  ?

For rules and regulations and Terms of Agreement visit [Oakley.com](http://Oakley.com)





## IMC

### SPONSORSHIPS

- “Walk Always Oakley” Benefit Music Festival— Weekend rock/alternative festival with proceeds to benefit paraplegic and quadriplegic youths and young adults with injury suffered while participating in sport activities.
- To be held at Red Rocks Amphitheatre in Morrison, Colorado, July 2-4, 2011.

### PUBLIC RELATIONS

- Press releases produced and distributed prior to and following benefit music festival.
- Sent to lifestyle and music magazines (*Spin*, *Rolling Stone*, *Men’s Health*, *Women’s Health*, *Playboy*) for publication
- See Figure 2 for details





## IMC

### Figure 2—Benefit Concert Press Release

For Immediate Release



Oakley, Inc.  
1 Icon, Foothill Ranch, CA  
(949) 829-6100

#### Oakley Hosts Charitable Concert for Spinal Injury Organization

FOOTHILL RANCH, CA (June 27, 2011) – Oakley, Inc. Eyewear and Apparel teams up with Red Rocks Amphitheatre in Morrison, Colorado for a charity rock and alternative concert to benefit the American Paraplegia Society for the paralyzed on July 2-4, 2011.

The APS is a part of The Academy of Spinal Injury Professionals in Washington, DC. It is the premier research organization dedicated to the care and cure for spinal injury in the United States. They are sponsored solely by the Paralyzed Veterans of America and are consistently moving towards a vision that makes it possible for people with spinal cord injuries to become independent and empowered.

Oakley chose to work in conjunction with APS because of their dedication to surpassing life's challenges. Both organizations are devoted to innovative ideas and pushing past the possibilities, which is apparent in Oakley's newest "Always Oakley" ad campaign.

Oakley, Inc. is a sport and lifestyle brand, driven to ignite the imagination through the fusion of art and science. Building on its legacy of innovative, market-leading optical technology, the company manufactures and distributes high performance sunglasses, prescription lenses and frames, goggles, apparel, footwear, and accessories. The essence of the brand is communicated through hundreds of professional and amateur athletes who depend on Oakley products to provide them with the very best while they redefine what is physically possible.

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# IMC

## DIRECT MARKETING

- Direct Mailing with a coupon
  - Using coupon, 50% off Oakley backpack with any purchase of a pair of sunglasses
  - Redeemable in Oakley store or online at Oakley.com
  - Sent to a selection of *ESPN The Magazine*, *Men's Health*, and *Women's Health* subscribers.





## Advertising

- Print advertisements

### CREATIVE

- Express superior innovation and technology within our apparel and accessories products through individual use of the products.

The tagline, "...Always Oakley" takes the technology, innovation, and functionality needed for the extreme sports world and applies it to the everyday lifestyle. Everyone can, and should use Oakley products. The ellipsis in the tagline represents the potential for change and customization in the use of Oakley brand accessories.

Our tagline will change between:

- "Dream Always Oakley" (Figure 3)
- "Innovate Always Oakley" (Figure 4)
- "Breathe Always Oakley" (Figure 5)
- "Live Always Oakley" (Figure 6)
- "Create Always Oakley" (Figure 7)

This begs the question, "How do you 'O'?" This recurring headline brings the consumer into the spotlight, asking them how they use, or could use, Oakley clothing and backpacks in addition to the sunglasses they already use.







Figure 3— “Dream Always Oakley” Ad





Figure 4— “Innovate Always Oakley” Ad

How Do You  ?

**Whether you are  
patrolling the  
surf or walking to  
work, water will  
never be your  
enemy again.  
Make friends with  
Mother Nature.**

**Innovate Always**

**OAKLEY**





Figure 5— “Breathe Always Oakley” Ad

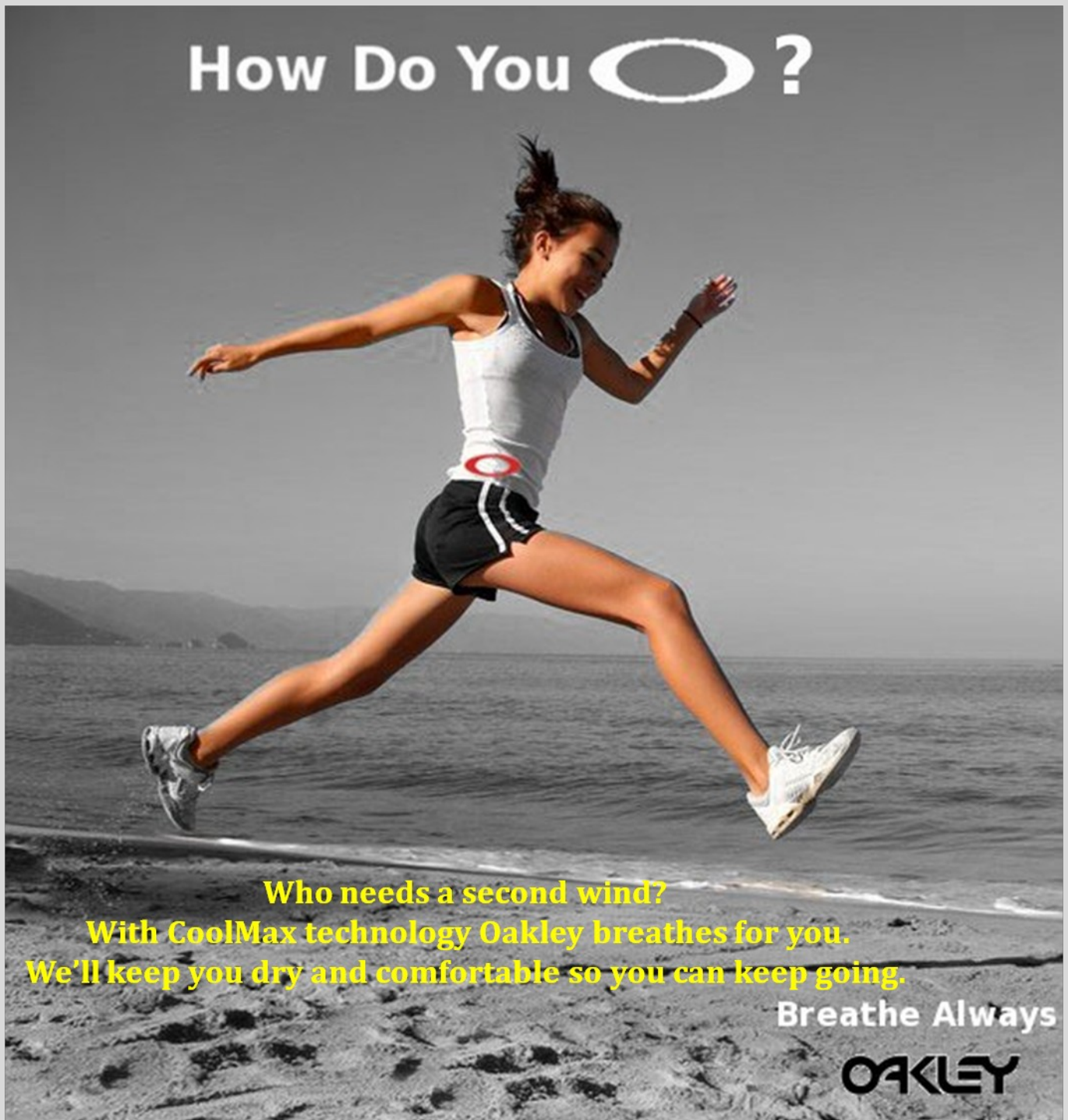






Figure 6— “Live Always Oakley” Ad

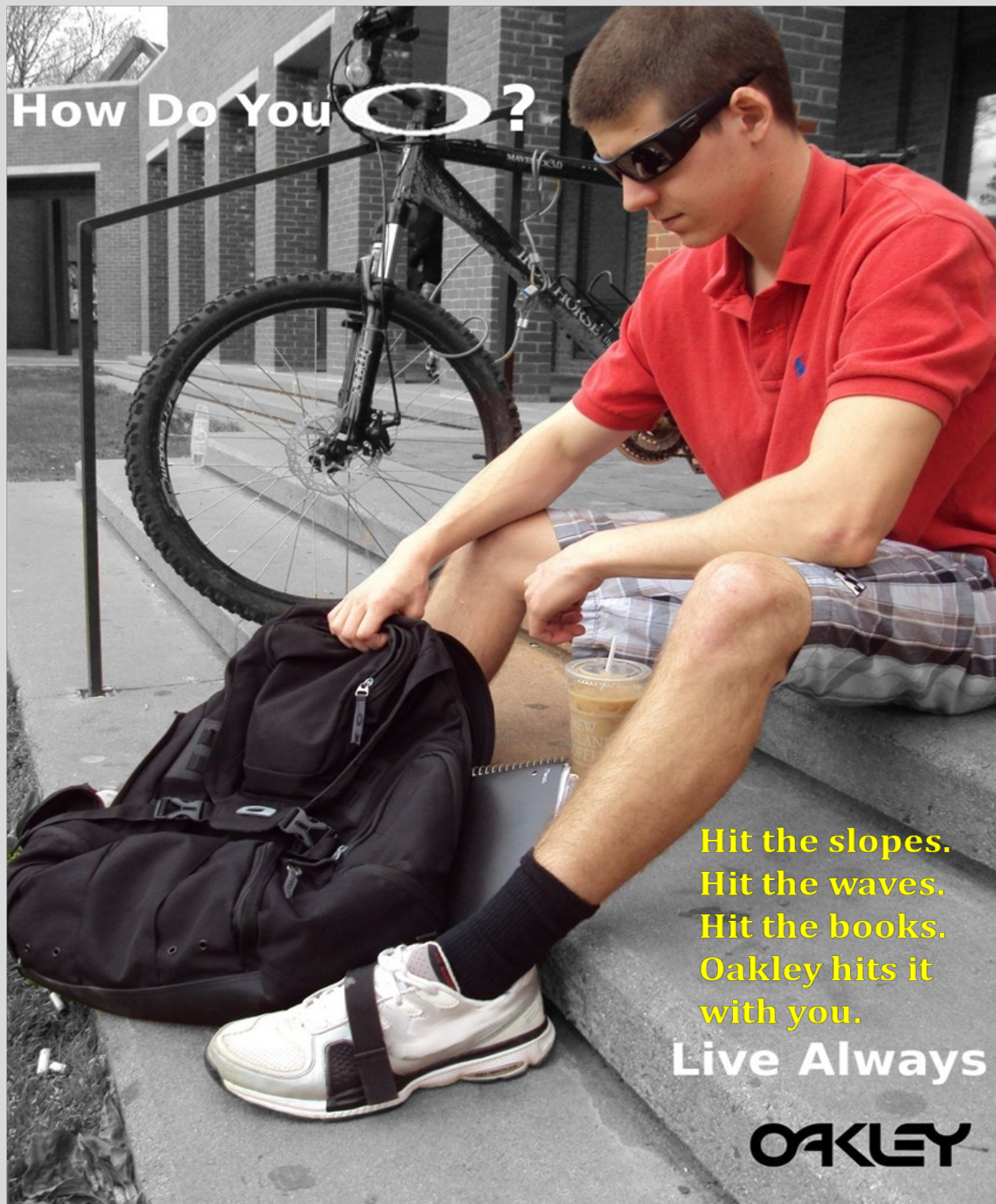




Figure 7— “Create Always Oakley” Ad





# Media Plan

## PRINT EDITIONS

- Publications determined through results of primary research
  - See Figure 8
- Sports Magazines
  - Sports Illustrated
    - Consumers of competition (North Face, Nike, Under Armour) often read Sports Illustrated
  - ESPN the Magazine
    - Young male readership
    - Active, athletic
  - Transworld Surf
    - Current niche market
    - Active lifestyle
- Men's Magazines (print and online editions)
  - Men's Health
    - Male readership
    - Health conscious
    - Style conscious
    - Image conscious





## Media Plan

- Women's Magazines
  - Women's Health
    - Female readership
    - Health conscious
    - Active lifestyle
    - Image conscious

Figure 8—Magazine Readership vs. Backpack Brand Recognition

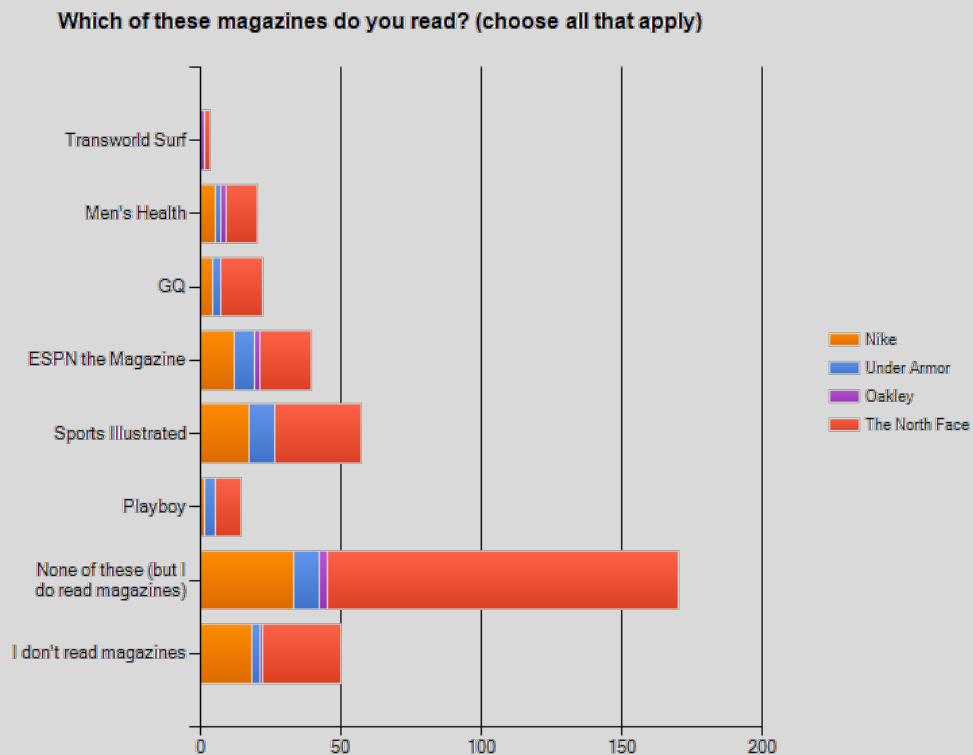


Figure 9—Ad Placement and Schedule

January - December 2011	January	February	March	April	May	June	July	August	September	October	November	December
<b>Media:</b>												
<b>Magazines</b>												
Sports Illustrated												
ESPN the Magazine												
Transworld Surf												
Men's Health												
Women's Health												

Dream Always Oakley
Live Always Oakley
Innovate Always Oakley
Breathe Always Oakley
Create Always Oakley
Show Your "O" Face Promotion





## Media Plan

Figure 10—Expenses

	Frequency (#)	Cost Per Ad (\$)	Total Cost (\$)
<b>Media:</b>			
<b>Magazines</b>			
Sports Illustrated	24	\$216,320	\$5,191,680
ESPN the Magazine	18	\$190,362	\$3,426,516
Transworld Surf	16	\$8,096	\$129,536
Men's Health	12	\$177,575	\$2,130,900
Women's Health	16	\$161,090	\$2,577,440
<b>Total:</b>	<b>62</b>	<b>N/A</b>	<b>\$13,456,072</b>
<b>Direct Mailing:</b>			
Back Pack Discount	1,000,000	\$0.50	\$500,000
<b>Total:</b>	<b>1,000,000</b>	<b>\$0.50</b>	<b>\$500,000</b>
<b>Sponsorship Concert</b>	1	N/A	\$5,000,000
<b>Total:</b>	<b>1</b>	<b>N/A</b>	<b>\$5,000,000</b>
<b>Grand Total:</b>	<b>N/A</b>	<b>N/A</b>	<b>\$18,956,072</b>





## Evaluation

### MEASUREMENT

- Direct mailing ad with a call to action: redeem a coupon attached to the mailing at Oakley stores or at Oakley.com to receive discount on backpack
  - Number of coupons returned determines effectiveness of mailing
- Compare market shares from before and after ad campaign

### MONITORING

- Survey subscribers of magazines in which our ads appear to see if ads have impact.

