

EVERLANE

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History Behind Everlane

Everlane started as a startup company and was founded in 2010 by Michael Preysman and Jesse Farmer as online menswear e-commerce (Britt, 2011). Now, Everlane is no longer known as menswear retail, Everlane sells a wide range of apparel items including leather goods and accessories for both men and women. It is designed to provide consumers with high-quality product basics at an affordably reasonable price point. Everlane is known to be minimalist, contemporary, modern and straightforward. However, Everlane does not focus on any fashion trend, they focus more on growing the business, and attracting new customers and as well as satisfying their loyal customers.

Everlane's Mission Statement

Everlane has a unique mission statement, "We believe we can all make a difference." Everlane product's prices are radically transparent to their customers, and they believe customers have the right to know how much their clothes cost to make from materials to labor to transportation then later on to the shop floor (Everlane, 2018). Everlane compares its product prices versus the traditional retail price. According to the founder of Everlane, they stated "know your factories. Know your costs. Always ask why". They want their customers to understand their brand and their message (Spera, 2018). According to the founder Michael Preysman, he realized that people want transparency in two ways; first, people want to support a brand that uses ethical labor. Secondly, they want to know if they are being ripped off or not (Spera, 2018). For example, in figure one, it demonstrates how much Everlane's indigo texture pocket t-shirt cost to make and then it compares their price and traditional (others) retailer.

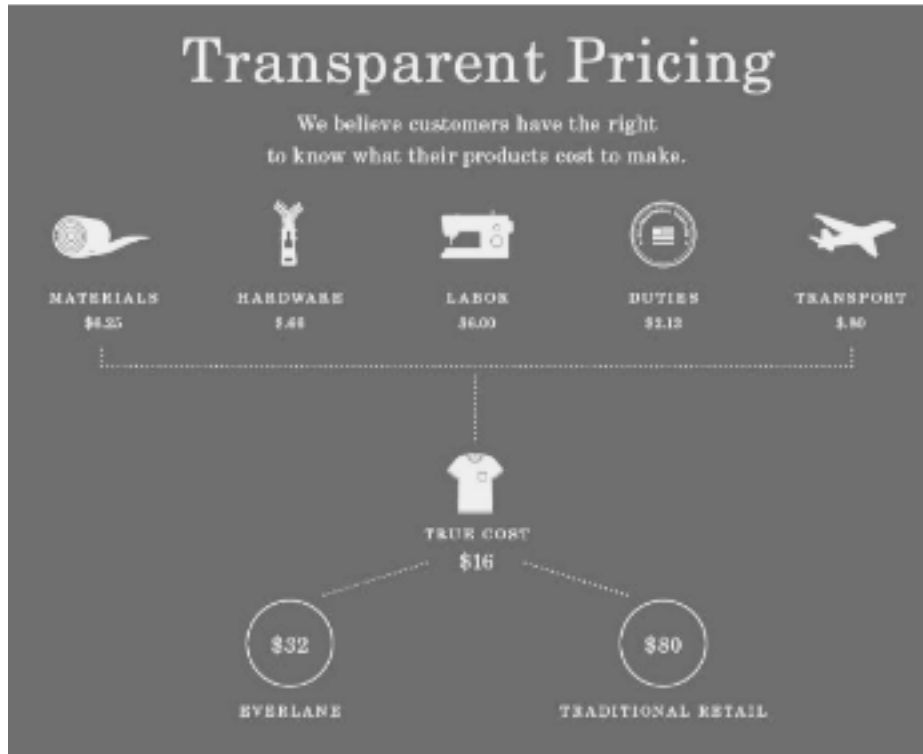


Figure 1. Everlane’s indigo texture pocket t-shirt price (Ryan, 2016).

Practical Concerns of E-Commerce Site

It’s important for e-commerce to adapt rapidly as technology does. Most people shop more online than in-store. It prevents long lines, frustration finding an item, dealing with other people or employees. Therefore, online is an easy choice for people to shop and find items they are looking for. They can also see all the products online and have a variety of option on how to pay. However, there are various concerns of e-commerce sites, and some are the lack of visitors to the site, it is either that the consumers do not know about the company or unable to find it. Another concern is people browse the site but does not make any purchase, why customers are leaving the site. Also, if the site is too difficult to browse, don't have a clear, simple site and

looks chaotic. Social media becomes essential and is a tool that can help the business learn about their customers and connect with them.

Target Market / Demographics of Consumers

Everlane's cost structure is evident to its consumers and has transparency about where the products are made and where it came from. Therefore, most of their products are expensive, and few are reasonable, affordable price. In 2017, Preysman swore he would rather shut down his online company Everlane than open physical retail (Spera, 2018). However, Preysman launched the brand's first permanent brick and mortar location in New York. Currently, Everlane only has three physical stores. It is located in two California city; Los Angeles, and San Francisco and one in New York, on Prince Street located in downtown, Manhattan. It is a small retail store, simple and it has limited products available, most of their products are available online. The brand will continue to arise new locations in a few years and each equipped with a proprietary new point of sale system that will make the transition from shopping online to in-store more seamless for the customer (Fast Company & Inc, 2018).

Based on Everlane location, the target market would be middle to high-class customers who can afford their product and cares about the environment and about where their products come from. According to Everlane's data, over 30 percent of Everlane customers are between the age of 18 to 35 years old, and 95 percent have some college education (Hershman, 2017). It attracts to millennial shoppers who believe or like the idea of Everlane's message of radical transparency. Everlane target audience is primarily women between the age of 21-34, and the secondary is men between the same age as women. These customers are an upper middle class, urban, educated and conscious consumer, who enjoy comfortable basics with high quality.

Everlane Utilizing Technology

Everlane uses Sailthru, an innovative platform for email, web, and mobile and it is an integrated marketing solution. It can help Everlane to have more a personalized approach, and the ability to capture customer data and gain actionable insight into browsing behavior and buying patterns (Lowery, 2018). They need to make sure their data infrastructure supported their marketing strategy seamlessly (Lowery, 2018). According to Nan Yu, the Lead Engineer at Everlane, with the help of Sailthru's support, they can remove the bottleneck between marketing functions and developers engineer functions which it helps them to build the business (Lowery, 2018). Bottlenecks mean facility or resource that works at its full capacity which cannot handle any additional demand placed on (Web Finance Inc, 2018). Therefore, removing the bottlenecks, Everlane can focus on making returns easier, getting the products quick and effortless.

Everlane Utilizing Social Media

Having a social media presence can give a brand a significant advantage, the ability to interact with consumers directly on platforms. It can offer an opportunity for improvements in demographics, and behavioral data collection, as well as direct feedback. Therefore, Everlane utilizes social media; Instagram, Facebook, and Twitter, to connect with their consumer. Companies that use mobile technology are how online business does and using social network website can earn revenue. Everlane does not advertise their brand on television or billboards, they advertise their brand through word of mouth and social media. Everlane surprised customers with their new sustain collection for winter on social media, known "ReNew collection." It is a part of virgin the plastic-free line of outerwear, an environmental conscious. Everlane announced

by 2021, and it will eliminate all virgin plastic from its supply chain. They use a recycled plastic bottle as renewed materials for their “ReNew” collection products, which is a huge big deal for the brand and for their customers. Black Friday is known to be a chaotic day where most retail has promotions and drastic sales, however, on Black Friday, Everlane did something different this year. This year, Everlane partnered with the Surfrider Foundation to get plastic off from the beaches before it gets into the oceans, which is an annual black Friday fund (Everlane, 2018). They promoted this campaign on social media; facebook, twitter and especially on Instagram and Instagram stories to inform their customers and what it means to the company and the environment they tried to help and accomplish. Everlane also offers a referral program when the customer creates an account, “Refer a friend, earn \$25 credit when they purchase”.

Everlane’s Strengths and Weaknesses

One of Everlane’s strengths is on the webpage, Everlane does not only provide information about their products but also features their ethical factories, show their customer inside their factories and demonstrate pictures and videos. According to Everlane’s ethical approach, they spend months finding the best factories for their company and visit them often and build a strong personal relationship with the owners. The benefits of Everlane, there is an option called “Choose What You Pay,” when the product is selling out, Everlane let the customer choose, and it gives a 20% off to 5% off the original price.

Everlane’s weakness is some people would have trouble believing their “radical transparency cost” and be skeptical about it. Everlane sells casual wear which brings the most prominent competition with Japanese retail company Uniqlo, which rely on selling the basics but with a lower price. The founder Preysman and the company has a team of designer and create out

of their inspiration. Then they publish a limited run of a product, Everlane announces new products and set a waiting list (Nailor, 2018). The team listen to customer feedback and make the necessary changes to satisfy customers; therefore each version of the product is better than the last one (Nailor, 2018). Everlane has competitors that sell similar basic apparel, for example; Aritzia, La Ligne, and Grana. If one of their competitors uses the same business model as Everlane, this can hurt the brand and have major competition.

Recommendation for Everlane

Almost half of people use social media, especially Instagram. Most retail companies sell their products on Instagram, known as Instagram's shoppable post feature. With this new feature, this can help consumers from discovering the brand and product to check out, without leaving the Instagram app. However, I have noticed that Everlane does not provide that option on Instagram. Therefore, Everlane could improve their Instagram post to shoppable posts, which it would offer an opportunity for Everlane to turn their followers into customers. Another recommendation, most of the apparel for women sell out quickly and has limited sizes and it takes a while to restock for that specific item or sizes. One of the ways Everlane could improve or find a solution to restock the items quicker or let the customer know when would it be restocked again. Lastly, Everlane is known to be ethical with their customers; however, Everlane launched "ReNew" collection for women and men which starts a new commitment to clear out plastic and help or improve the environment. According to founder and CEO Preysman, he wants to help and create one solution which is "ReNew" and start as a sustainable collection. However, does this mean Everlane is going to a sustainable brand direction and change their brand known as radical transparent retail? Everlane is trying to adapt as quickly as technology constantly

changes. It is crucial to the brand to have a clear vision if they continue to change their brand for their loyal and new customers. Therefore, if the brand wants to make a difference, help the environment and wants to stand out, I recommend Everlane should have a campaign, for consumers have an option to join and help as well.

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