

JanSport Luggage

An established brand considers a line extension

Bill Fanning¹

The terms “JanSport” and “backpack” have, over the years, become synonymous. Like many other famous brands such as Coke, Kleenex, and Levi’s, the brand name was used interchangeably with the generic product name. It seems like a wonderful position, to be so dominant and preemptive in a category².

But the dominance could be limiting at times. The common association with JanSport was the backpack everyone had in junior high school, maybe high school, and in some cases, elementary school. However, as more people used laptop computers backpacks were becoming more common and acceptable in a variety of situations and for people who were long past their senior prom. The bad news was that their junior high backpack was not necessarily the association they wanted to take with them into college, the outdoors, and the workplace.



In 1999, JanSport was looking for growth. The sales increases seen in the early 90’s had leveled off for both JanSport and the category. Population trends were also not working in their favor, at least in the short term. The company had been acquired in 1997 by VF Corporation, the publicly traded apparel conglomerate, maker of Lee and Wrangler Jeans, Vanity Fair and Lily of France lingerie, and Nautica sportswear, among other well known and widely distributed apparel and accessory brands. The VF approach was to let each of these brands operate independently, within clear expectations for sales and profits.

The Brand

So just what did JanSport stand for? In the functional world of backpacks, the brand was seen as durable, reliable, and basic, all key attributes for consumers. Its quality ratings were high. And prices were seen as reasonable. None of its competitors were close on any of the attributes that seemed to matter most to its buyers.

The Opportunity

In its search for growth, JanSport looked for other categories in which these attributes would be relevant and transferable, and in which they felt they had the design and production expertise to compete. Luggage seemed to satisfy all the criteria.

The luggage category was growing modestly in terms of unit volume, but was experiencing strong growth in terms of dollar sales and presumably, profits. This in itself, given the design

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² A category is a class of goods such as “breakfast cereal” or “minivan”.

and production synergies, attracted JanSport. And there was a feeling in Appleton, Wisconsin, the company's home base, that their core strengths of quality and durability would serve them well. So they began developing prototypes and preparing them for testing with consumers.

Although there were established brands in the luggage category, there was no single dominant brand, and in fact the category was somewhat fragmented in terms of competition. Importantly, no existing brands appeared to have a lock on any of the important attributes in the minds of consumers. Samsonite had a strong link with durability, but had been around a long time and was seen as a bit stodgy and traditional. Tumi was the strongest luxury brand, with a reputation for both fashion and durability. Brands like Kenneth Cole and Timberland had come over from various fashion categories and had experienced some success in luggage.

But brand alone was not seen as an important decision criterion by most luggage consumers. There were several criteria that were generally seen as most important, though they differed by type of consumer and type of luggage piece. There were practical criteria such as durability and organization. And there were also more emotional criteria which alluded to the type of "statement" that a given piece of luggage might make about the person using it. This included everything from the type (piece) to the design to color and brand name. And of course, price was mentioned as a criterion, although frequent travelers were generally willing to pay a premium for products that delivered on the criteria most important to them.

The Target

Business travelers and leisure travelers had distinctly different needs and attitudes toward luggage. Four distinct segments³ had been identified, each with their own set of needs and product benefits sought. The business segment had been divided into formal and casual, and the leisure segment into social and recreational.

Key Segment Characteristics

| | Events | Venues |
|-----------------|--|--|
| <i>Business</i> | | |
| Formal | Interviewing, formal/client meetings, legal proceedings | Offices, courtroom, hotels |
| Casual | Commuting, conventions, informal meetings | Hotels, resorts |
| <i>Leisure</i> | | |
| Social | Visiting friends/family, vacations, events (wedding/funeral) | Private houses, tourist places, hotels |
| Recreational | Going to lake/mountains, camping, Golf/ski trips | Cabins/cottages, lodges, hotels, tents |

³ A "segment" is a group of customers, part of a defined "market".

Since business travelers represented the largest source of volume and frequency of purchase, they appeared to be the highest potential target. Within this target, there were still significant differences according to occupation, age, gender and even region of the country, and that affected their preferences and attitudes. The trend toward “business casual” had definitely taken hold, but had distinctly different applications depending on various demographics from age to occupation to geography.

The Plan

JanSport management planned to enter the market in spring of 2001 with a combination of pieces. All would be soft-sided, and a range of pieces was being considered that included briefcases, duffels, “business” backpacks, overnight shoulder bags, Pullmans, and others. The line also included some innovative new ideas such as a “roll-up” garment bag, a briefcase that had 3 compartments including one for a laptop, a vertical duffel, and a “global office” backpack. Some of the products also featured more ergonomic straps and better wheels.

The line would be sold in the traditional channels for luggage, which were luggage specialty shops and department stores. The price point was planned as mid-range, lower than Tumi, but higher than the lesser known brands.



Black

As part of the planning process, market research was conducted among members of the target audience, which was defined as professionals aged 25-40 who traveled at least 10 times per year, had purchased new luggage within the past year for at least \$100. The intent was to better understand their current purchase patterns and attitudes, and also to expose ideas from the new line in both concept and actual product prototype form.

It was felt that one of the critical issues for the new line was whether or not it should carry the JanSport name and, if so, in what capacity. Included in the exploration on attitudes toward brands was feedback on the possibility of a “sub-brand” for this line, i.e., a name for the line other than JanSport, but which could include the JanSport name in a lesser capacity (for example, “XYZ from JanSport”).

From this research, there were a number of key findings:

- Consumers felt the JanSport name in general was a good fit for the luggage category. However, this applied to some target segments more than others, as business casual and leisure social were comfortable fits, while the business formal segment was a more difficult fit.
- No brand currently held a strong position in the category, nor did any brand “own” any particular set of relevant benefits. In fact, there was only a minimal amount of shopping in which brand was considered an important factor in the

purchase decision.

- A number of key benefits were identified as important by these consumers, including:
 - Professional appearance
 - Personal identity
 - Organization
 - Capacity
 - Comfort
 - Durability
 - Protection (contents)
 - Value

- Response was positive toward the idea of a sub-brand, as this would allow the line to benefit from the JanSport reputation for quality. This would also distance the line conceptually from backpacks, as that association was too young and too casual for the luggage line and these price points.

- The JanSport name conjured up strong and specific images in a number of areas:
 - Youthful, “cool”
 - Rugged, durable, outdoor
 - Functional more than fashionable
 - Authentic, consistent
 - Good value, though not “cheap”
 - Quality

- There was an acceptance among consumers that the logistics of a move into luggage made sense for JanSport (e.g., design, manufacturing, sales, etc.).

So the product line moved forward into the marketplace, with the sales force commencing sell-in to the distribution channel in fall of 2000, with product set to hit store shelves in spring, 2001. The line carried the JanSport name (without a sub-brand). However, the familiar JanSport logo was replaced with a much smaller, simpler logo.

The line included a variety of familiar items and some new and different products as well, including some of the items tested in the research:

- “Sidekick”, a briefcase with three separate compartments for documents plus one with dimensions and padding designed for a laptop. The laptop compartment is detachable, allowing the user to use the pieces either together or separately.
- “Roll-up Travel Bag” a garment bag that rolls up into an easily carried bag.
- “Vertical Duffel”, a duffel bag that stands vertically, has compartments for organization, and has wheels.

- “Global Office Backpack”, designed to offer the capacity and organization of a business oriented backpack, as well as a zip-open laptop compartment with a fold down work surface.

The line was positioned as a casual collection designed specifically for young adults, and banking on the premise that existing, conventional luggage brands did not fit the functional or emotional needs of this target. The launch was backed with sales and promotional support within the distribution channel, but with virtually no consumer advertising.

Results

Sell-in of the line went reasonably well, and the products hit the shelves in spring of 2001. Sales the first year were acceptable, but not much more, and the line failed to generate much excitement either with the trade or with consumers. The company struggled with the decision of what to do next. Was it a problem with the line itself? Was a change in the marketing mix in order? Or was this an indication that there was just not a great need among consumers for yet another brand name in a category where brands were not that important? Was this just a low involvement, infrequently purchased category with products that were already seen as similar?

Efforts continued to sell the line throughout 2001 and into 2002. But no changes were made to the marketing mix or the product line, and not surprisingly, sales results did not improve. Late in 2002, the decision was made at JanSport to abandon efforts behind the line. The remaining inventory was sold at reduced price points, first through existing channels and then through outlets.

However, JanSport was not about to give up on the idea of luggage or the attempt to target young adults with a product that would allow the company to keep them as customers once they moved beyond the backpack stage. Work continued and in 2003, the company announced plans to launch another luggage line aimed at an “early career” target.

By 2005, they were back in the marketplace with two “collections” of products aimed at this target. The “Modus” collection was slightly more business oriented, as most of the products were briefcases or similar products. The “Livewire” line was still aiming for the early career professional, but with less emphasis on the office / briefcase occasion, though all products in the line included space for laptop computers.

The category has continued its pattern of slow growth in dollar sales with essentially flat volume. The competitive landscape has no new players and no significant shifts among existing brands.