



Victoria's Secret: A case study of maintaining brand relevance

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Abstract

Victoria's Secret, which belongs to L Brands group, is the leading lingerie brand in its home market, US and globally, which has substantially shaped the industry of underwear in the last decades and successfully expanded into other product categories, such as swimwear, sportswear, apparel and beauty. It has been performing well financially in the recent years under the management of its CEO, Sharen Turney, who has left the brand in the beginning of 2016 and delegated to Leslie Wexner, the CEO of L Brands.

However, in the last two years some questionable aspects of Victoria's Secret marketing have been raised by media, competitors and consumers – the brand has gained a significant amount of negative publicity regarding its brand values, based on its reluctance to cater to plus-size segment and the accusations of promoting wrong body ideals and sexist stereotypes among women. From brand management perspective, these negatives could become reasons not to buy Victoria's Secret products among consumers, which may make further brand relevance problematic.

In order to facilitate brand relevance maintenance, the case protagonist, Victoria's Secret CEO, Leslie Wexner is faced with a dilemma – either to make Victoria's Secret enter a plus-size segment or introduce new corporate social initiatives to the brand. The students are supposed to analyze and discuss the case study, using company background and market conditions and, on the basis of pros and cons for each strategy, solve the particular dilemma.

Resumo

Victoria's Secret pertence ao grupo L Brands é a marca de *lingerie* que lidera tanto nos EUA como globalmente. Moldou substancialmente a indústria de roupa interior nas últimas décadas e também teve sucesso na expansão para outras categorias, como fatos-de-banho, roupas de desporto, vestuário e cosmética. Tem sido bem-sucedida financeiramente nos últimos anos sob a chefia de Sharen Turney, CEO, que deixou a marca no início do ano de 2016, passando as responsabilidades para Leslie Wexner, a *CEO* da L Brands.

No entanto, nestes últimos anos alguns aspectos questionáveis relativamente ao marketing da Victoria's Secret surgiram junto dos media, concorrentes e consumidores – a marca foi ganhando má fama relativamente aos valores que transmite, devido à sua relutância em comercializar tamanhos maiores e às acusações relativamente à promoção de ideais errados de beleza e estereótipos sexuais no sexo feminino. Na perspectiva da gestão da marca, estes pontos negativos poderão tornar-se razões suficientes para os consumidores não comprarem produtos da Victoria's Secret, o que pode tornar-se um grande problema no futuro.

De maneira a manter a relevância da marca, a protagonista do caso Leslie Wexner, CEO da marca, enfrenta um grande dilema: ou introduz o segmento de tamanhos maiores na marca Victoria's Secret; ou cria iniciativas de responsabilidade social na marca. Os estudantes têm de ser capazes de analisar e discutir o Caso de Estudo, tendo em conta o passado da marca e as condições de mercado, baseando-se nos prós e contras de cada estratégia, para resolver o dilema em questão.

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Introduction

Nowadays corporate world recognizes the increasing notion of brands as primary capital in many businesses (Kim et al, 2003) and, consequently, the importance of effective brand management as one of the drivers of the successful financial performance of companies and brands. There are several major challenges in branding, that marketers commonly face, one of which is maintaining brand relevance (Aaker, 2014). The loss of brand relevance, in turn, is argued to be caused by three major threats: first – less consumers buying the product of the company, second – so-called ‘loss of brand energy’, or third – developing negative reasons not to buy (Aaker, 2011).

The current case study allows the instructors to familiarize the students with the situation, when the third threat – reasons not to buy are threatening the brand relevance through the real-life business example of Victoria’s Secret, the iconic brand of L Brands group, US-based international company, specializing in women lingerie, clothing, beauty and personal care products.

The case study is composed by two major sections. The first one, which should be disseminated among students in the teaching purposes, includes the description of the relevant background information of Victoria’s Secret and the dilemma, that the case protagonist faces. The second part represents a teaching note, that is developed exclusively for the particular case study instructors in order to successfully coordinate the flow of in-class discussion.

Leslie Wexner: New Old CEO

It was the middle of February 2016 and Leslie Wexner (**Exhibit 1**), the new CEO of Victoria's Secret was in his office at the company headquarters located in Columbus, Ohio, when he received the message, that the shares of L Brands, the parent company of VS, dropped 5% in one day¹. With no doubt, the explanation to such a quick drop was the recent resignation of Sharen Turney, already former CEO of Victoria's Secret. Turney has been the head of iconic Victoria's for almost 10 years since 2006, during which the sales of the brand increased more than 70% to 7.7 billion US dollars and now she left her position only to help Victoria's as an advisor².

However, calling Wexner 'new' CEO would not be quite right. The talented graduate of the Ohio State University specializing in business administration, in 1963 he opened the women clothing store The Limited, which has evolved into the large business over the years, and in 1982 he invested in acquiring a promising chain of women lingerie, called Victoria's Secret. The rest is history. Until 2016 Wexner has been the permanent CEO of The Limited, which over the course of the years changed its name to L Brands and became the largest women apparel, lingerie, swimwear and beauty group in the United States.

Even though Turney left company in great shape in terms of market share and sales (**Exhibit 2**), it could not be said that everything was perfect in the management of the company. Wexner was worried about the emerging brand management issues in Victoria's Secret marketing, which have started to show in the last two years of her presence, and were left completely unresolved. Now the responsibility for handling them was on Wexner and he was preparing for meeting the Marketing Team of VS in order to discuss these challenges and how to overcome them.

¹ Wahba, P. (2016). *Investors Rattled After Victoria's Secret CEO Quits Suddenly*. [online] Fortune. Available at: <http://fortune.com/2016/02/12/victorias-secret-ceo/> [Accessed 28 Apr. 2016].

² Wahba, P. (2016). *Investors Rattled After Victoria's Secret CEO Quits Suddenly*. [online] Fortune. Available at: <http://fortune.com/2016/02/12/victorias-secret-ceo/> [Accessed 28 Apr. 2016].

Victoria's Secret Evolution

Foundation and Early Years

Victoria's Secret started in 1977, when it was founded by Roy Raymond, a Stanford MBA, who came up with a concept of a lingerie store, where men would feel comfortable buying items for their women, after his unsuccessful attempt to buy the underwear for his wife. He studied the market of women's underwear for 8 years and then borrowed \$ 80 000 to open such a store³. The name of the store was chosen by him to reflect the sophistication of the Victorian era together with 'secrets' hidden underneath.

At that time most women in US were normally buying underwear in packs from department stores, beautiful lingerie was quite niche and normally worn by women only for special occasions. In the first year he managed to make \$ 500 000 and in 5 consecutive years launched a product catalog and opened 3 more stores before 1982, when Leslie Wexner, the CEO of Limited Brands (now L Brands) bought the company for \$1 million USD⁴.

Strategy Change and Further Expansion

In 1985 Howard Gross, the former vice-president of Victoria's Secret was appointed as a CEO of the company. At that point the strategy of selling women's lingerie to male customers has been becoming unprofitable, therefore, it was changed, so that women would become the main target audience of the brand. The retailing outlets were refurbished to reflect the style of Victorian England and big focus was made on in-store experience and service – the garments in a variety of glamorous patterns and designs that were beautifully packaged to evoke the sense of luxury. In order to strengthen consumer experiences, the product catalog, implemented by Ramond was continued. With all these changes in the company strategy, within the 5 years of the acquisition of VS by Limited Brands, the first has expanded from 4 to 100 stores in the US. It started massively enticing the department stores' consumers and consequently taking away their market share and for period of time was the only American chain of intimate garments. VS catalogues were among the best-selling ones and the business of the company had become of the most rapidly evolving mail order ones.

³ New York Times. (1993). *Roy Raymond, 47; Began Victoria's Secret*. [online] Available at: <http://www.nytimes.com/1993/09/02/obituaries/roy-raymond-47-began-victoria-s-secret.html> [Accessed 14 Apr. 2016].

⁴ New York Times. (1993). *Roy Raymond, 47; Began Victoria's Secret*. [online] Available at: <http://www.nytimes.com/1993/09/02/obituaries/roy-raymond-47-began-victoria-s-secret.html> [Accessed 14 Apr. 2016].

The first Victoria's Secret shows featuring world's top supermodels were introduced in the 1990es (**Exhibit 3**) in order to promote the brand before Valentine's Day and stimulate the product purchases. In 1991 VS also launched its first fragrances product line and following the successful release, several years later in 1998 expanded into the beauty market, releasing its first cosmetics product line.

However, in the beginning of 1990es the brand faced quality problems in its cotton lingerie, which was not able to adequately survive washes. The sales and profits started declining, so Wexner removed Howard Gross from the CEO position and appointed Grace Nickols, who successfully fixed the situation by finding a way to improve the stitching and the fabric without substantial additional costs.

In 1998 VS launched its first e-commerce website and the shows of VS were broadcasted online in 1999-2000 until 2001, when they were strategically placed before Christmas season, and their popularity made it possible to start broadcasting them on the national television. They have stayed since then and, experts argue, as a marketing tool they have no equals.

Since 2000 Sharen Turney had been introduced to the brand and took over position of a VS Direct Chief Executive in order to increase the performance of catalogues segment, which she successfully did by changing the style of catalogues – the main direction was to make them more tasteful and appealing for women – instead of 'a substitute for Playboy', she moved into the direction of a Vogue-styled version. At the end of millennium, the market share of the brand in the US was 14%⁵.

Golden Age of Victoria's

In 2002 the PINK brand extension was announced as a part of the strategy of introducing the teen girls to VS, which was become a great success. Since 2006 Wexner promoted Turney to become the CEO of the whole Victoria's and in the 10 following years before her sudden leave in 2016 the company sales raised more than 70% to \$7.7 billion⁶.

The e-commerce of the company has been evolving, with the website becoming available in multiple languages and the shipping opportunities increasing. The high brand recognition and demand all over the world made it possible for VS to turn into the direction of the international

⁵ Goldman, A. (1999). *Amid Wear and Tear, Firm Seeks to Rework Image*. [online] Los Angeles Times. Available at: <http://articles.latimes.com/1999/apr/10/business/fi-25916> [Accessed 25 Apr. 2016].

⁶ Wahba, P. (2016). *Investors Rattled After Victoria's Secret CEO Quits Suddenly*. [online] Fortune. Available at: <http://fortune.com/2016/02/12/victorias-secret-ceo/> [Accessed 28 Apr. 2016].

expansion. Since 2010 the company successfully started entering overseas markets with launching the franchises with its partners all over the world, primarily through 1,000-square foot Beauty and Accessories stores, located in malls and airports. The full-assortment stores abroad started with the opening in London, UK, with a 22,000-square foot one in the shopping hub of the city and in the recent years the brand has been actively looking at the other opportunities.

As of 2016 Victoria's Secret is the leading player in the American market of lingerie with the market share of the company being over 30% and the domestic sales accounting for two-thirds of all L Brands sales⁷. Over the course of its history, the company has revolutionized by changing its focus from value-driven approach to the creation of the "luxury shopping experience and aura of fashion associated with the product" and is argued to be responsible for "transforming lingerie from a slightly embarrassing taboo into an accessible luxury"⁸.

Victoria's Secret Today

Nowadays the product portfolio of Vitoria's Secret, which aims to position itself as the sexiest brand in the world, except for its core lingerie line, includes clothing, footwear, sportswear, swimwear, fragrances, make-up and some of these categories are divided into collections, designed to suit different occasions and consumer needs (**Exhibit 4**). The Victoria's Secret products are sold under three brand names: Victoria's Secret, PINK Victoria's Secret and VSX Sport (**Exhibit 5**).

Competitive Advantage

The success and competitive advantage of Victoria's Secret is based on the strong brand image, which was created over the last decades through its appealing product offerings, enhanced by well-planned marketing activities such as direct marketing through catalogues, innovations in the e-commerce space of the brand, substantial advertising campaigns, the sponsorship of the brand's own annual fashion shows (**Exhibit 6**), featuring the most popular supermodels of the world and the readiness of the company to change towards volatile fashion trends. VS also stands out in terms of providing a consumer experience of luxury "shopping in a supermodel's boudoir" (**Exhibit 7**) accompanied with a great customer service.

⁷ Lutz, A. (2014). *How Victoria's Secret Will Continue To Crush The Competition*. [online] Business Insider. Available at: <http://www.businessinsider.com/victorias-secret-business-strategy-2014-9> [Accessed 29 Apr. 2016].

⁸ Barbaro, M. (2006). *What Women Want; Underwear That Fits So Well It Can Be Outerwear*. [online] New York Times. Available at: <http://query.nytimes.com/gst/fullpage.html?res=9D05E4DC1F30F936A25754C0A9609C8B63> [Accessed 28 Apr. 2016].

Target Consumers

The main target consumers of VS are women aged 18-30 (millennials), who are attracted to the brand style and prestige and desire to look and feel sexy, glamorous and fashionable. Moreover, they are attracted to sensual shopping experiences, belong to medium-high income groups and are ready to spend their money on the brand's offerings, are confident, independent, seek for prestige and pay attention to their looks. The secondary consumers group are men shopping for their girlfriends and wives.

PINK Victoria's Secret

Since 2002 the major spin-off of VS, PINK has been successfully performing in the market. PINK Victoria's Secret is targeted at late teen and college age women, who are looking for a brand, that will highlight their young, energetic and sophisticated personality and includes product categories same to that of the VS such as lingerie, swimwear, apparel, beauty and accessories. Victoria Secret is considered more glamorous, whereas PINK represents a young and fun version of lingerie (**Exhibit 8**). On the one hand PINK current consumers are likely to become VS consumers over the time, and on the other, PINK is able to reap the benefits of the strong brand image of VS.

Corporate Social Responsibility

The corporate social responsibility of Victoria's Secrets is defined by its parent company L Brands, which operates in the USA and globally and specializes on lingerie, clothes, accessories, personal care and beauty products and, except for VS, also consists of PINK, Bath & Body Works, La Senza and Henri Bendel brands. The common goal of brands within L Brands portfolio is "to help consumers to feel bold, sexy and powerful"⁹.

L Brands Foundation, which was found in 1993, supports organizations that "focus on health and empowerment of women, mentoring and nurturing children and improving education"¹⁰ within the United States. In 2015 L Brands Foundation invested more than 29 million US dollars in these organizations, while the total donations since 1993 are around \$189 million¹¹. It has partnerships with American Cancer Societies and intensively invests in breast cancer research.

⁹ L Brands Official Website. (2016). *About Us*. [online] Available at: <https://www.lb.com/our-company/about-us> [Accessed 4 May 2016].

¹⁰ L Brands Official Website. (2016). *L Brands Foundation*. [online] Available at: <https://www.lb.com/responsibility/community/l-brands-foundation/l-brands-foundation> [Accessed 4 May 2016].

¹¹ L Brands Official Website. (2016). *L Brands Foundation*. [online] Available at: <https://www.lb.com/responsibility/community/l-brands-foundation/l-brands-foundation> [Accessed 4 May 2016].

Moreover, it supports cultural arts and tracks that ethical standards of the group in relation to the environment and labor force are met.

Industry Overview

The lingerie and swimwear industry in the US in the last 5 years has been growing at 4,2% on average annually, in 2015 generated revenues of \$ 17.1 billion and profits of \$ 1.4 billion and in the upcoming years it is expected to grow at 3,6%¹². The industry is mature, with medium level of competition. Big players in the sector with VS in the lead are predicted to be responsible for the majority of growth due to high purchasing power and budget. Moreover, the industry is recovering after the recession and the growth is mostly attributable to the growing popularity of lingerie stores, which are the most preferable point of purchase. While the on-line retailing popularity is also growing on the whole, lingerie segment is where consumers express preferences to buy in person both in US and globally (**Exhibit 16**). On-line retailers aim to overcome this by introducing comprehensive sizing guidelines and another helpful customer services.

Because consumers have become more price-sensitive during the recession years, specialty stores of lingerie and swimwear have started to experience growing competition from big department stores expanding into the market with cheaper product offerings. In the upcoming years this market trend is expected to stay with the number of industry operators growing at 1,6% per year¹³, as new entrants will be attracted by the increasing revenues and profit margins.

Experts highlight the emerging trend towards more comfortable underwear in terms of design, sizing and materials across all price segments. For instance, in 2014 the sales of thong underwear decreased by 7%, while the sales of bigger bottoms increased by 14%¹⁴. The consumers argue, that comfort is the second most important factor for them in choosing underwear after design (**Exhibit 15**). Interestingly, one of the recent industry researches concluded, that perceptions of their own body influences the willingness of female consumers to buy ‘sexy’ and revealing lingerie – the consumers, who are more confident with their body

¹² IBISWorld, (2015). *Lingerie, Swimmwear&Bridal Stores in US*. Looking Good: Continied Economic Recovery Will Aid Industry Performance. IBISWorld.

¹³ IBISWorld, (2015). *Lingerie, Swimmwear&Bridal Stores in US*. Looking Good: Continied Economic Recovery Will Aid Industry Performance. IBISWorld.

¹⁴ Trefis Team, (2015). *How Victoria's Secret's Stagnant Brand Image Might Dampen L Brands' Valuation*. [online] Forbes.com. Available at: <http://www.forbes.com/sites/greatspeculations/2015/12/09/how-victorias-secrets-stagnant-brand-image-might-dampen-l-brands-valuation/4/#50f082d2498c> [Accessed 29 Apr. 2016].

shapes, are more likely to go for such purchases, whereas less secure female customers are more likely to seek for functional attributes in their underwear¹⁵.

It is also predicted that plus-sized segment will represent a good growth opportunity for existing players in the market. For a long time, the large segment of plus sizes was ignored by fashion designers and retailers, but recently the consumers, critics and bloggers of plus segment have been significantly raising their influential and purchasing power, not satisfied with being left behind, not listened to and tired of unpleasant shopping experiences, and nowadays represent 67% of apparel purchasing population in US¹⁶. They have created a powerful community able both to reward the retailers, willing to cater them, and to punish those, which do not take them into consideration.

Competitive Landscape

The share of VS in the USA lingerie market is estimated to be more than 30%¹⁷, making it the top industry player with no close competitors around – the number two in the US, Hanesbrands held 14% of the women lingerie as of 2014 and third – Fruit of the Loom – around 6%¹⁸. There are many smaller lingerie market players in the USA, which are embracing the trends towards natural looks, diverse body shapes acceptance, promoting health and self-confidence and beauty as a state of mind. These smaller players in the US tend to experience quickly growing revenues and consumer popularity frequently through challenging different aspects of VS marketing strategy such as brand image, pricing and segmentation. The most illustrative examples of new competitors' strategies and value propositions have been decided to investigate in more detail.

Aerie: “Keeping it real”

Aerie is a lingerie spin-off of the American Eagle, which has been in the US market since 2006. It is currently becoming a strong player in the lingerie market and the main competitor of PINK. It has been present since 2006 and particularly targets 15-25 years old, which also partly covers the VS target female demographic. As Victoria's and PINK, it has very attractive and fashionable product offerings not only in lingerie, but also in swimwear and home clothes and

¹⁵ Hume, M. and Mills, M. (2013). Uncovering Victoria's Secret. *Journal of Fashion Marketing and Management: An International Journal*, 17(4), pp.460-485.

¹⁶ Bogenrief, M. (2013). *The Plus Size Revolution Is Upon Us — And It Can't Be Ignored*. [online] Business Insider. Available at: <http://www.businessinsider.com/fatshionistas-how-plus-size-is-revolutionizing-the-retail-world-2013-2> [Accessed 29 Apr. 2016].

¹⁷ Lutz, A. (2014). *How Victoria's Secret Will Continue To Crush The Competition*. [online] Business Insider. Available at: <http://www.businessinsider.com/victorias-secret-business-strategy-2014-9> [Accessed 29 Apr. 2016].

¹⁸ American Apparel, (2016). *Competitors and Market Share*. [online] Available at: <http://appcompanyresearchreport.weebly.com/competitors-and-market-share.html> [Accessed 28 Apr. 2016].

accessories, accompanied with good strategies in inventory and distribution. Some experts argue that with the right further steps including its reach expansion Aerie can become a serious competitor of both PINK and VS, especially taking into consideration the good value for money that it offers.

However, the major difference between VS and Aerie is that the second aims to keep its brand image as natural as possible. It claims not to use any retouching of its models' bodies since 2014, which, in turn, VS is notorious for, and positions itself as a brand for “real” women and stating in its campaigns – “The real you is sexy”. **(Exhibit 9)** Since recently it has a partnership with the National Eating Disorders Association (NEDA) and the models of Aerie serve as the Ambassadors of NEDA, teaching courses in schools, which is aimed at preventing the emergence of eating disorders among teenagers in US.

Since 2014, when Aerie got rid of retouching, the sales has been permanently skyrocketing – in the last quarter of 2015, for instance, they grew by 21%¹⁹ and continue growing with the rates surpassing those of VS. The President of Aerie commented on the use of Photoshop: "I think if you look outside of what we're doing, the lingerie industry's models are not realistic, and I don't think it sets a good example"²⁰.

Adore Me: Better Pricing & Sizing

An on-line start-up Adore Me was found in 2011 by the Harvard graduate, who saw the opportunity in the US lingerie market strongly dominated by L Brands and Victoria's Secret. While aiming to buy a present for his girlfriend, he was surprised by how expensive the lingerie was and how narrow range of sizes was present and that laid a foundation for the new business concept to “make high-quality lingerie affordable for everyone”. He states: “We really cover the full spectrum of sizes and we are also inclusive through our price”²¹.

As of 2016 Adore Me is one of the most intensively growing private companies in US, which sells its lingerie products online to Millennials in a wide range of sizes, normally priced twice less than those of VS and offers home clothing and swimwear garments as well. The items are

¹⁹ Schlossberg, M. (2015). *This lingerie brand for young women refuses to airbrush ads — and sales are soaring 21%*. [online] Business Insider. Available at: <http://www.businessinsider.com/american-eagles-aerie-sales-2015-8> [Accessed 28 Apr. 2016].

²⁰ Schlossberg, M. (2015). *This lingerie brand for young women refuses to airbrush ads — and sales are soaring 21%*. [online] Business Insider. Available at: <http://www.businessinsider.com/american-eagles-aerie-sales-2015-8> [Accessed 28 Apr. 2016].

²¹ Gustafson, K. (2015). *The lingerie brand challenging Victoria's Secret*. [online] CNBC. Available at: <http://www.cnbc.com/2015/09/30/the-lingerie-brand-challenging-victorias-secret.html> [Accessed 30 Apr. 2016].

created by the ex-Creative Executive of VS and every month 30-40 of new garments are introduced.

However, even though the strategy of selling online has its obvious advantages, such as significantly lower operating costs, clear disadvantages are present as well – consumers still prefer to shop lingerie in person to provide themselves with better fit. Adore Me aims to overcome this issue by customizing its wide range of offerings by offering all the female consumers to undergo a quick questionnaire. It also has a developed retention strategy, which includes special membership deals, such as, for instance, free set of lingerie for every 6 orders. The fact that Adore Me offers a really wide range of sizes, suitable for diverse body shapes has only the positive sides for the brand, which is currently considering opening first physical stores.

Other Competitors

However, there are many other intimate apparel players in the American market. The biggest ones, as mentioned before, even though significantly far behind in terms of market shares, include Hanesbrands, Fruit of the Loom and Gap and they all belong to lower price segment than that of VS. Several large European lingerie companies such as Calzedonia International, the pillar brand of which, Intimissimi, is very close to VS in terms of positioning, pricing and creating in-store experience and in 2015 announced its plans to enter the US market in the nearest future, La Perla, Triumph and others start looking in the direction of the expansion to US market, even though their presence in the US is still nowhere close to that of VS. And, as mentioned before, many other small players are aiming to fill the gaps in the current product offerings – for instance, Thirdlove, which was the first one to introduce half-cups for the bras as a response to well-conducted marketing research, or Negative Underwear, which offers extremely comfortable and fashionable underwear for reasonable prices and states “Confidence is the real sexy”²².

Current Brand Challenges

As of February 2016 Sharen Turney, the CEO of Victoria’s Secret left the company in order to concentrate on her family and to help the brand further just as an advisor. She has been with VS since 2000, when Wexner appointed her as the CEO of the catalogue and on-line commerce division of the brand and since 2006 has been the senior executive of the whole Victoria’s.

²² Dishman, L. (2016). *5 Lingerie Brands Challenging Victoria’s Secret’s Sex Game*. [online] Fortune. Available at: <http://fortune.com/2016/03/07/victorias-secret-competitors/> [Accessed 9 Apr. 2016].

Under her management in the last 10 years the sales have growth more than 70% and the brand developed into the lingerie market leader in the US with an enormous market share of the underwear market. The CEO of the parent company L Brands, Leslie Wexner took over her position as CEO, claiming: “We have strong confidence in the strength of the brand and our growth opportunities, and I look forward to taking on a more active role and working with the talented leadership team at Victoria’s Secret”²³.

However, despite Turney left the Victoria’s Secrets brand in a good shape in terms of the market share and profits as of 2016, she also left it with the emerging brand management issues unresolved. Business journals and experts in the US were already claiming that Victoria’s Secret “needs a new marketing strategy”²⁴ and “is in real danger in losing its relevance”²⁵, and that the brand image “is stagnant”²⁶, just to mention few. Wexner clearly realized that the proper investigation of the reasons, that laid the foundation to these claims, needed to be held, potentially followed by some reasonable actions.

“Irresponsible marketing”

Arguably, all started in 2014 when VS launched a new advertising campaign with ‘The Perfect Body’ tagline (**Exhibit 10**), which generated a massive backlash on the Internet and laid the foundation for #iamperfect hashtag on Twitter, which was suggested by a plus-size lingerie brand Lane Bryant and quickly gained popularity. Sarah Vine, The Daily Mail journalist wrote: “There is a line between aspiration and thinspiration, and this campaign clearly oversteps the mark. As for their use of the word ‘perfect’, it’s not only offensive to the 99.9% of the female population who don’t share the models’ ‘perfect’ proportions, it’s also deeply irresponsible, if not downright cruel”²⁷. Shortly after around 15 000 consumers have signed an online petition against the campaign, where they claimed that brand marketing is harmful, and later this year the tagline was changed to ‘A body for everybody’ (**Exhibit 11**).

²³ Tempesta, E. (2016). *Victoria's Secret CEO Sharen Jester Turney QUILTS after 10 years*. [online] Daily Mail Online. Available at: <http://www.dailymail.co.uk/femail/article-3449454/Victoria-s-Secret-CEO-Sharen-Jester-Turney-suddenly-QUITS-decade-head-lingerie-brand-order-prioritize-family.html> [Accessed 30 Apr. 2016].

²⁴ Lutz, A. (2016). *'Victoria's Secret is in real danger of losing its relevance'*. [online] Business Insider. Available at: <http://www.businessinsider.com/victorias-secret-needs-a-new-marketing-strategy-2015-4> [Accessed 28 Apr. 2016].

²⁵ Lutz, A. (2016). *'Victoria's Secret is in real danger of losing its relevance'*. [online] Business Insider. Available at: <http://www.businessinsider.com/victorias-secret-needs-a-new-marketing-strategy-2015-4> [Accessed 28 Apr. 2016].

²⁶ Forbes.com. (2015). *How Victoria's Secret's Stagnant Brand Image Might Dampen L Brands' Valuation*. [online] Available at: <http://www.forbes.com/sites/greatspeculations/2015/12/09/how-victorias-secrets-stagnant-brand-image-might-dampen-l-brands-valuation/#5125067beb39> [Accessed 28 Apr. 2016].

²⁷ Vine, S. (2014). *Offensive, cruel and irresponsible*. [online] Daily Mail Online. Available at: <http://www.dailymail.co.uk/femail/article-2815015/Offensive-cruel-irresponsible-don-t-want-daughter-advert-writes-SARAH-VINE.html?ito=social-facebook> [Accessed 29 Apr. 2016].

VS also had several cases of public dissatisfaction, connected with over-editing the photos of its already thin models. Consumers believe, that Victoria's Secret brand is rather 'artificial' (**Exhibit 23**). In contrast, the competitor Aerie, which has decided not to use Photoshop in its advertising campaigns since 2014, has been increasingly successful in the market. The models of Aerie do not have to obey to as strict body standards as VS's to participate in campaigns and the brand is currently encouraging the use of #aeriereal hashtag among consumers and demonstrating their 'real' bodies.

Lack of attention to consumer trends

Consumers' trends have evolved from the lingerie models ideals towards more natural looks and acceptance of imperfections in body shapes and VS still did not visibly pay much attention to these trends in its marketing activities. Complex modern women are deeply opposing outdated induced ideals of their gender and sexism and willing to relate to the brands, which accept who they are and how they look. At the same time, the female consumers argue not only that the brand has some sexism in it (**Exhibit 23**), but also that it promotes wrong body ideals (**Exhibit 24**). Branding expert and marketing professor at the University of Southern California Jeetendr Sehdev stated in relation to VS situation: "What consumers are looking for today more than anything else is meaning," he said. "And meaning is going to come from relatability — 'can I really relate to this brand? Can I derive enough meaning out of this that it's going to be good for me to engage and pay a premium?'"²⁸.

Much requested plus-sizes

The plus-size consumers are constantly petitioning executives of VS to launch bigger lingerie sizes. The largest size of panties that it offers is 16, while as a rule fashion industry defines plus-sizes as those from 14-24, and some fashion retailers even sell the sizes up to 28 in order to cover the existing demand. A group of consumers have a feeling of their limited ability to buy and wear VS. "My money and my credit are good enough for them, but the fact that I can only buy items like perfume, lotion, and body spray sends the message that my body is not. Every year I watch 'the Angels' fashion show and would love to purchase the items I see on my screen, but I can't, because Victoria's Secret doesn't sell plus sizes,"²⁹ stated Dana Drew, a

²⁸ Schlossberg, M. (2015). *An unlikely retailer is beating Victoria's Secret*. [online] Business Insider. Available at: <http://www.businessinsider.com/aerie-is-the-hottest-lingerie-company-2015-7> [Accessed 29 Apr. 2016].

²⁹ Schlossberg, M. (2015). *Why Victoria's Secret chooses to miss out on a multibillion-dollar opportunity*. [online] Business Insider. Available at: http://www.businessinsider.com/the-real-reason-victorias-secret-doesnt-sell-plus-sizes-2016-3?pundits_only=0&get_all_comments=1&no_reply_filter=1#comment-56fad8a28ceb950677d89919 [Accessed 29 Apr. 2016].

customer from California, who started one of the petitions to include bigger sizes in the product line.

Some industry experts even draw dangerous parallels between VS current situation and the failure of the Abercrombie& Fitch brand, which was notorious for excluding some consumer groups. The brand was the absolute leader in teenagers' retail and the target consumer audience of A&F were 'cool kids' and they did not consider overweight females and males to be a part of this group. Whereas A&F was sticking to the modern beauty standards and widely criticized for it, their competitors such as H&M and American Eagle, in contrast, were open to catering to various consumer groups – H&M introduced a plus-size product line and American Eagle offered sizes up to XXL for both genders. The failure to pay attention to the marketplace and listen to consumers ended very badly for Abercrombie – the company has been experiencing massive sales and market share drop during last years and is currently implementing a whole set of marketing activities to revive the brand.

What to do now?

Several questionable aspects of Victoria's Secret marketing strategy were highlighted by the consumers, media and competitors. Importantly, it looked like Victoria's Secret brand started to develop some negative reasons not to buy its products in the last years and was not meeting expectations of customers in several areas. Being the CEO of L Brands for several decades, Leslie Wexner understood that at the core of any successful business is the ability to embrace changes. The lingerie market was evolving and simply relying on the strong market dominance without responding to challenges by undertaking some actions was risky for the brand in the long-term prospective and he brought the subject at the first meeting with the Marketing Team of Victoria's.

Senior brand managers, using their thorough knowledge in the area, proposed that the brand issues of Victoria's could be addressed in two major ways. The first one was redressing emerging negative perceptions of VS through introducing a plus-size line extension. Another was to change the conversation by introducing a positive that will compete with the negative in the customer's mind through employing social initiatives program, focused on positive body image. They also presented him with some of the market research data, evaluating consumer reactions to these two strategies (**Exhibit 27; Exhibit 28**).

The final decision was still to be made by Wexner. What he should do?

Teaching Note

Introduction

The case study of Victoria's Secret was developed by Master of Science in Management student of Católica-Lisbon School of Business and Economics Polina Ponomarenko within the framework of the Marketing Case Studies seminar, held by Professor Paulo Marcos.

The particular case study was created in teaching purposes and aims to help the instructors fulfill the set of learning objectives, by putting their students in a position of a CEO of a large international company, faced with an interesting marketing dilemma.

The majority of the case study events are real, however, some minor fictional events were also included by the case developer in order to maximize the interactivity and teaching capabilities of the particular case study by enhancing the story flow of it. The case should not be used for any primary data extraction or as a reference.

Synopsis

Victoria's Secrets is a lingerie, swimwear, apparel and beauty leader in the United States and the pillar brand of L Brands. It has been in the market for many years and provided itself with a strong competitive advantage through attractive product offerings and innovative marketing activities. It is currently facing the increasing competition in the market and the emerging reasons not to buy company's products, caused by the evolving image of the brand as promoting sexist stereotypes and wrong body ideals and excluding plus-sized consumers. At this point the CEO of VS, Leslie Wexner has to decide whether the brand should opt for plus-size line extension or implement social initiatives, focused on positive body image.

Proposed Assignment Questions

The proposed assignment questions serve the goal of directing the students through their case analysis and in-class discussion, aiding them to solve the dilemma, illustrated in the case study. The questions provided by the case writer are the following:

- 1) Describe the behavior of female consumers in relation to lingerie products and highlight major market trends in the industry.
- 2) Which brand management challenge does the particular case study illustrate? What are the underlying reasons for the emergence of the issue and what are the strategies to overcome it?

3) Assess Victoria's Secrets using Brand Asset Valuator Model and locate it on the Brand Asset Valuator Grid. What is the current position of the brand and what are the potential risks?

4) Discuss the brand architecture of VS, using Brand Relationship Spectrum and suggest potential extension strategies for a proposed plus-size line. Suggest the ways that social initiatives could be implemented in order to improve current brand situation.

5) Which factors should be taken into consideration when choosing between two alternative solutions of the current dilemma? Which strategy, do you think, Wexner should follow?

Teaching Objectives

The Proposed Assignment Questions above aim to fulfill the following teaching objectives:

1. To familiarize the students with patterns of consumer behavior in relation to intimate apparel and the dynamics of the underwear market.
2. To present the notion of brand relevance together with the major threats to it and the strategies to overcome these threats.
3. To introduce a new brand management tool – Brand Asset Valuator, which will facilitate the understanding the brand relevance significance for the ultimate brand value and equity.
4. To encourage the understanding of brand architecture and brand Relationship Spectrum tool.
5. To present students with different types of corporate social initiatives.
6. To familiarize students with success factors of line extensions and corporate social initiatives in relation to brand management.

Use of the Case Study

The case study of Victoria's Secret was developed in order to provide the students of Bachelor and Master programs in business, management and marketing with a real business situation, which will stimulate their analytical and decision-making capabilities and give them a chance to demonstrate their theoretical knowledge in practice. The case study is intended to primarily suit courses in Brand Management and Strategy, but it also contains some aspects of Consumer Behavior and Corporate Social Responsibility disciplines. The instructors may find this case study useful for illustrating marketing topics connected to brand equity and image, brand relevance and brand extensions.

The case study discussion is supposed to fit in one academic hour lecture with length of 90 minutes. In order to be able to effectively participate in the discussion, students should not only read the case study before the lecture, but also make an attempt in answering *Proposed Assignment Questions*.

Relevant Theory

The case writer recommends that the students turn to the following literature in order to be well-prepared for the case study discussion:

- Aaker, D. (2011). *Brand relevance*. San Francisco, CA: Jossey-Bass, pp.100-120
- Aaker, D. and Joachimsthaler, E. (2000). The Brand Relationship Spectrum: The Key to the Brand Architecture Challenge. *California Management Review*, 42(4), pp.8-23.
- Völckner, F. and Sattler, H. (2006). Drivers of Brand Extension Success. *Journal of Marketing*, 70(2), pp.18-34.
- Kotler, P. and Lee, N. (2005). *Corporate social responsibility: Doing the most good for your company and your cause*, Hoboken, N.J.: Wiley.,pp. 22-49
- Nejati, M. (2014). Successful cause-related marketing. *Strategic Direction*, 30(8), pp.35-37.

Literature Review

The majority of large companies operating in Business-to-Consumer (B2C) environment pay a lot of attention within their marketing activities to developing and maintaining strong brands (Keller&Lehmann, 2006). However, building a brand that permanently influences and inspires the customers, is not an easy task for managers. Sometimes even the strongest brands, as the case study of VS illustrates, start experiencing stagnation and emerging negative consumer perceptions followed by so called ‘reasons not to buy’, which are classified as one of the major threats to brand relevance (Aaker, 2011). Brand relevance, in turn, is an important determinant of the brand effectiveness (Sevier, 2001) and of the ultimate value of the brand or brand equity (Saviollo&Marazza, 2013), so within the framework of the particular case study it should be investigated in more detail, together with the strategies to maintain it.

Furthermore, because two proposed alternative solutions to the marketing dilemma described in the case study include investment into social initiatives program and launching a line extension, the relevant literature on these topics also deserves a special focus.

Brand Relevance

Brand relevance is becoming more and more frequently used marketing term, but it is not always clear what it actually means. Aaker (2004) suggested a simple model of customer-brand interaction for explaining it (**Figure 1**). According to it, the brand is relevant when it lies within the category of an interest of a consumer and if the consumer is ready to consider the particular brand as one of the selection options. Therefore, the brands with negative perceptions, even if belonging to consumers’ evoked set, are less likely to be considered as one of their purchase choices and consequently less relevant. This is consistent with the definition of brand relevance given by Saviollo&Marazza (2013), who suggested to view it as a degree, to which consumers believe the brand is able to meet their both emotional and functional needs.

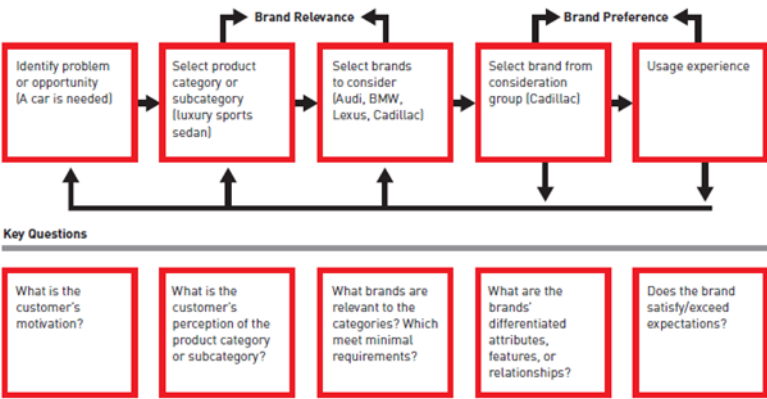


Figure 1: Customer-Brand Interaction

Source: Aaker, D. (2004). The relevance of brand relevance. Strategy&Business, (35), p.4.

The Brand Asset Valuator Model (**Figure 2**), developed by communications and brand consulting company Young&Rubicam empirically confirmed the importance of brand relevance dimension for the ultimate brand value. Other dimensions include differentiation, esteem and knowledge. Importantly, when the new brands are developed, the dimensions are shaped in sequence, one after another (**Exhibit 12**). Using four given dimensions the grid to assess the brands can also be observed (**Exhibit 13**), with the brands normally moving circle wise on the grid during their life cycle. The most desirable position for brands is the top right corner of the grid, where they occupy the leadership position.

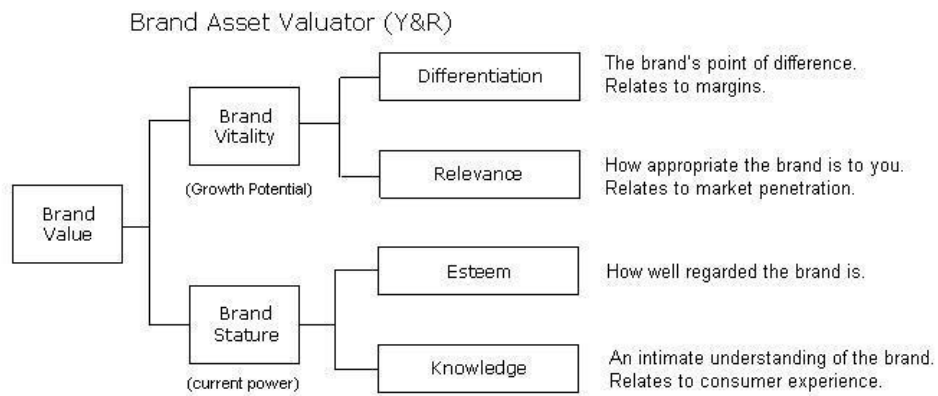


Figure 2: Dimensions of Brand Asset Valuator

Source: Saviolo, S. and Marazza, A. (2013). *Lifestyle brands*. Houndmills, Basingstoke: Palgrave Macmillan, pp.21-23.

Davis (2015) highlights that to guarantee, that the brand remains relevant to consumers over time, the managers have to be proactive in collecting valuable consumer insights and finding the ways to implement them. This is supported by Sevier (2001), who stated that brands should be constantly examining and filling the gaps in consumer perceptions and building awareness of the increased relevance among the consumers in order to be effective. Davis (2015) also emphasized that for firm positioning brands needs constant reassurance of customers and that there are four major brand values that facilitate constant relevance: strong focus on customers, racy inspiration, innovations and understanding the influence of brand itself for the whole business.

Aaker (2011) devoted a lot of academic research to brand relevance and classified three major threats to it within the changing market dynamics as follows: the reluctance of consumers to buy from a brand which policies are viewed as unacceptable, the loss of brand energy and visibility and the loss of category relevance. He also identified the strategies for managers to address these issues (**Table 1**). Whereas understanding which threat the company or brand is being exposed to might not be that tricky, choosing the right strategy to address the threat should be based on the thorough managerial analysis on brand strengths and weaknesses as well as on the predicted risks and benefits (Aaker, 2013).

Threats to Brand Relevance	Negative reasons not to buy	Losing category or subcategory relevance	Loss of energy
Strategies to address the threats	1) Redressing negatives directly 2) Introducing positive that will compete with negative in consumer's mind	1) Investing in quality and deliver on promise 2) Repositioning or rebranding the offering 3) Creating change with respect to competitor innovations 4) Investing in product superiority 5) Leaving the market	1) Energizing the business through innovation: <ul style="list-style-type: none"> • Involve the customer • Enhance retail experience • Hold public events • Use promotions 2) Finding brand energizers (CEO, Sponsorships etc.)

Table 1: Strategies to overcome brand relevance threats

Source: Case writer based on Aaker, D. (2011). *Brand relevance*. San Francisco, CA: Jossey-Bass., pp.100-120

Line Extensions

Utilizing the existing brand names for launching new products have been popular brand development strategy in the recent decades and is one of the key mechanisms to ensure the strategic success of the business (Aaker, 1996). Researchers normally divide extensions in two major groups – line extensions and brand extensions (Aaker&Keller, 1990; Hariharan, Bezawada& Talukdar, 2015). In the first case the parent brand is used to tap into a new segment within the same product category, whereas in the second the existing brand is used to penetrate completely different category. Some authors, however, broadly call both types ‘brand extensions’, irrespective of whether the same or different product class is being penetrated with the existing brand name (Volckner& Sattler, 2006). From here onwards, the literature review will be rather focused on line extensions than on brand extensions because launching a plus-size line extension was chosen as one of the solutions to the case study dilemma, but the researches that are relevant for both types will be also reviewed.

The benefits and risks of running extensions have been discussed in multiple academic papers and are widely agreed upon among the researchers. The strategy is known to decrease the risks of launching new products through the familiarity consumers already have with the existing brand and minimize advertising expenditures (Aaker&Keller, 1990), leverage brand equity (Barwise, 1993, Aaker&Keller, 1992) and strengthen the parent brand (Aaker, 1990). The rationale here is that consumer is likely to transfer the associations from the parent brand to a new one and if these associations are positive, both the extension and the core brand will benefit.

However, if managed inappropriately, the extensions can have a negative effect on the core brand reputation and performance, weaken its brand equity “or the future value of a brand as a tool to introduce extensions” (Boush&Locken, 1991) and cause some damaging “undesirable associations” (Aaker, 1990). It is clear that whether a particular extension will be successful or not is dependent directly on consumers’ perceptions and evaluations. Therefore, the criteria consumers use in their evaluations of extensions will be discussed later in a literature review.

Understanding of the major strategic choices to make when launching line extensions can be obtained through the work of Hariharan, Bezawada and Talukdar (2015), who classified line extensions into vertical, where changes in product quality and pricing apply and horizontal, where mostly changes in product characteristics take place. **(Figure 3)**. The authors also suggested that the naming strategies for new brands are the same for brand and line extensions and identified three: sub-branding, cobranding and direct extension (Hariharan, Bezawada& Talukdar, 2015).

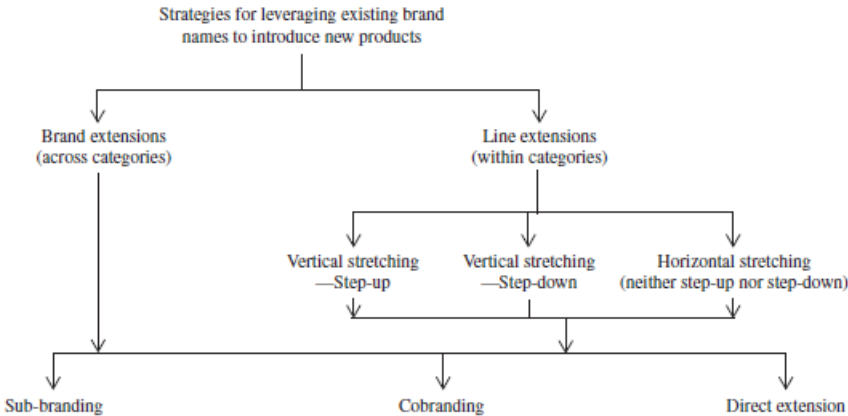


Figure 3: Classifying product extensions into different brand development strategies

Source: Hariharan, V., Bezawada, R. and Talukdar, D. (2015). *Aggregate Impact of Different Brand Development Strategies. Management Science, 61(5), pp.1164-1182.*

However, their research is limited in terms of identifying the naming strategies for extensions. Aaker and Joachimsthaler (2000) suggested more comprehensive model, Brand Relationship Spectrum, which can serve as a useful brand architecture tool for managers. **(Figure 4)**. The model illustrates four major naming strategies, which are divided into nine substrategies with the brands that are absolutely not connected to their parent brand at one end of spectrum and the brands that share completely the same identity and name with the parent brand at another.

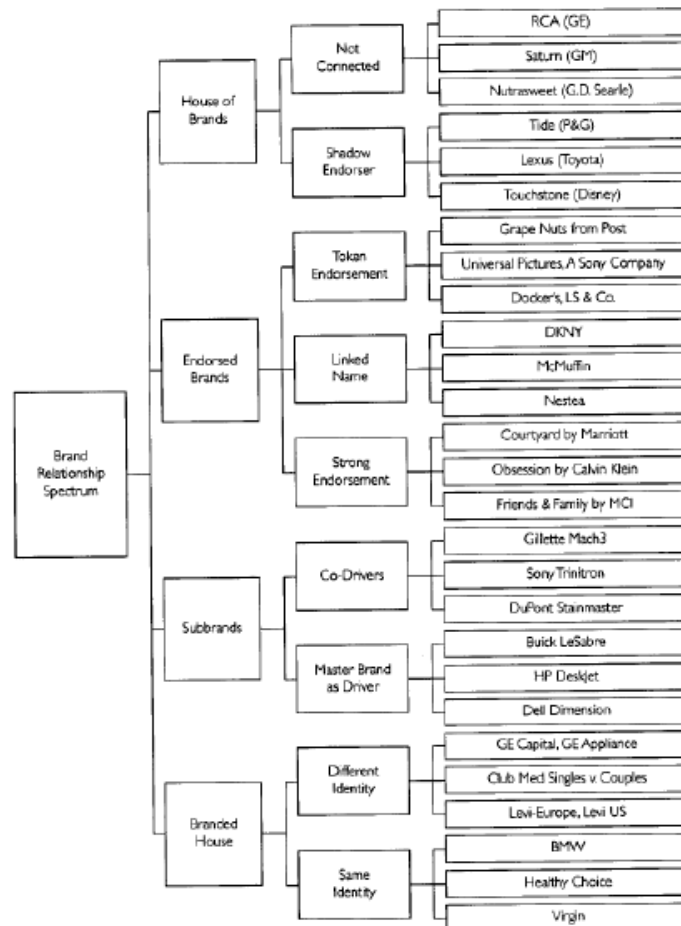


Figure 4: Brand Relationship Spectrum

Source: Aaker, D. and Joachimsthaler, E. (2000). *The Brand Relationship Spectrum: The Key to the Brand Architecture Challenge*. *California Management Review*, 42(4), pp.8-23.

Success factors of extensions were perhaps the best summarized by Volckner&Sattler (2006), who equated all types of extensions under ‘brand extensions’ definition (**Figure 5**). They not only identified ten direct success factors (assuming positive consumer evaluations as a success measure) and grouped them according to their nature and context, but also suggested the relations between these factors and eventually classified them into essential and less important – the essential ones include “fit, marketing support, retailer acceptance, parent-brand conviction and parent-brand experience”, and among those fit is argued to be the most important (Volckner&Sattler, 2006).

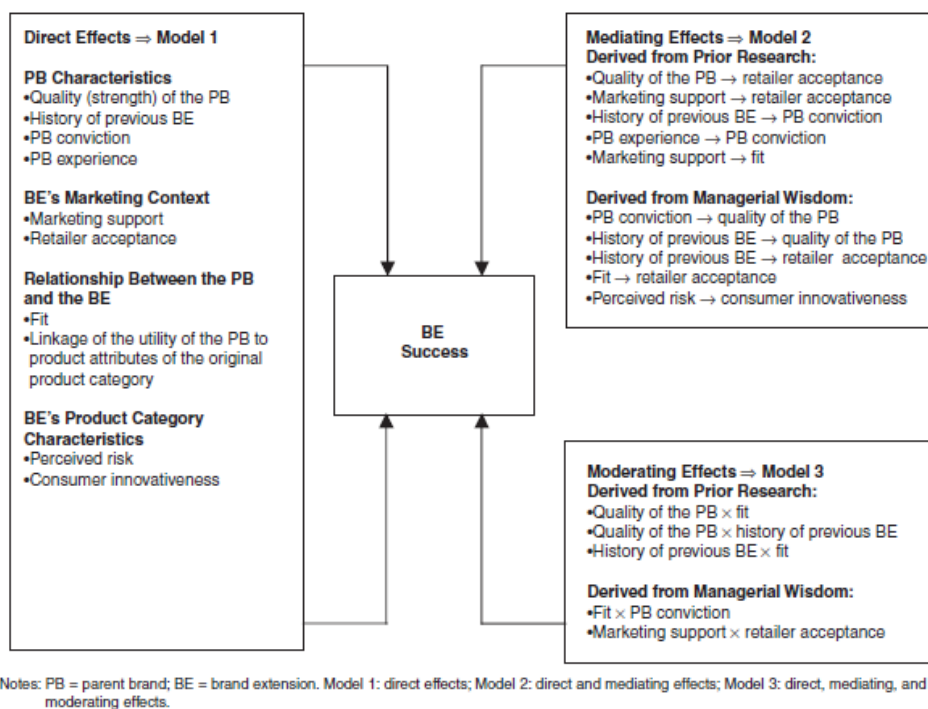


Figure 5: The conceptual framework of brand extension success determinants

Source: Völckner, F. and Sattler, H. (2006). Drivers of Brand Extension Success. *Journal of Marketing*, 70(2), pp.18-34.

Corporate Social Initiatives

Corporate social responsibility (CSR) is nowadays an important part in many companies' business activities and has already become an “inescapable priority” (Porter and Kramer, 2006) for managers. Researchers highlight multiple reasons for companies to take on socially responsible actions such as increased financial profits through costs reduction, higher employees' satisfaction rates, positive impact on the business reputation and helping the environment and society (Creel, 2012).

Kotler and Lee (2005) argued, that corporate social initiatives are the “major efforts under the corporate social responsibility umbrella, undertaken to support social causes”. Bhattachatya and Sen (2003) suggested that corporate social initiatives serve as an important communicator of the corporate identity for consumers (**Figure 6**). They also claimed that as consumers tend to seek for self-expression and self-image consistency, they will have more positive evaluations of companies and brands, whose perceived identity is congruent with their own (Bhattachatya and Sen, 2003). This is consistent with the findings of Porter and Kramer (2002), who stated that ethical behaviors make it easier and more desirable for consumers to connect and relate to brands.

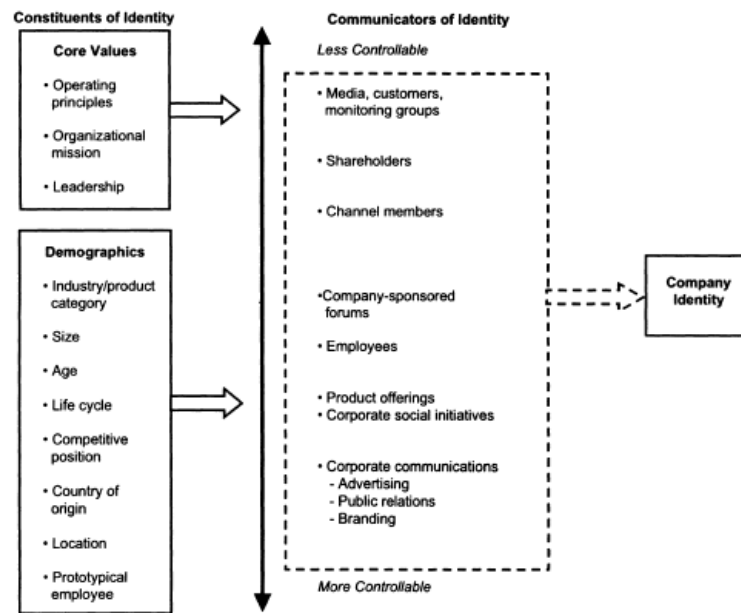


Figure 6: The Constituents and Communicators of Company Identity

Source: Bhattacharya, C. and Sen, S. (2003). Consumer-Company Identification: A Framework for Understanding Consumers' Relationships with Companies. *Journal of Marketing*, 67(2), pp.76-88.

Kotler and Lee (2005) also classified corporate social initiatives into six major types, which are present in the table below (**Table 2**). The marketing benefits for them and normally common and include enhancing of brand positioning and image, building customer loyalty, increasing sales and creating brand preference. Choosing the right one for the particular cause is not an easy task for managers, as they have to take into account various factors, including the awareness that the initiative can bring to the brand, the potential of this initiative to work well in the market, productivity costs and others.

Initiatives	Description
Cause Promotions	Expressing support to social causes through promotions, that will facilitate awareness
Cause-Related Marketing	Making donations to the particular cause from revenues, based on sales
Social Marketing	Launching social campaigns aimed at changing behaviors
Corporate Philanthropy	Donating the money directly to the cause or an organization
Community Volunteering	Organizing volunteering activities among employees and partners, targeted at making some contribution to the cause
Socially Responsible Business Practices	Implementing business practices that will support social causes

Table 2 Types of corporate social initiatives

Source: Case writer based on Kotler, P. and Lee, N. (2005). *Corporate social responsibility: Doing the most good for your company and your cause*, Hoboken, N.J.: Wiley.

Hoeffler and Keller (2002) focused on the ways, in which social initiatives can have a positive impact on brand equity and identified six, such as “building brand awareness, enhancing brand image, establishing brand credibility, evoking brand feelings, creating a sense of brand community and eliciting brand engagement”. Other academic authors also emphasized that in consumer’s mind corporate social responsibility highly reflects the brand’s “value system” and “soul” (Turban and Greening, 1997). From this can be concluded that through CSR brands may improve their value system perception in consumers’ mind, which, in turn will have a positive impact on brand relevance.

However, some risks associated with incorporating CSR are also present. Researchers highlight that nowadays consumers have become skeptical and suspicious about the reasons of brands to implement CSR practices (Vlachos et al., 2009) and frequently perceive these practices as marketing hints, targeted on increasing profits rather than true concerns of the brands about making a positive impact (Luo and Bhattacharya, 2006). As a consequence, brands may not obtain any equity gains if the consumers do not perceive the new initiatives a trustworthy enough. It is critical that brands should communicate to consumers about their serious intentions in relation to CSR in order to ensure that their initiatives will eventually positively influence their brand image and brand equity.

Sen and Bhattacharya (2001) identified several important success factors for corporate social initiatives and classified them into two groups: company-specific, which include perceived quality of the products and particular social causes, that company chooses to address in their program, and individual-specific, which consisted of consumer perceptions about CSR on the whole and their support to the specific cause. The relationship towards the cause that the brand aims to address has been further supported as an important determinant of the consumers’ reaction to the CSR program by other researchers. Nejati (2014) also highlights three major attributes of the social initiatives success, which are the perceived importance of a cause according to consumers of the brand, the proximity of the issue that they are asked to donate to their lives and the level of compatibility that consumers believe exists between the brand and the cause they are expected to contribute to, which was also confirmed by Porter and Lee (2005). Ghosh and Das (2013) also found out that CSR works the best in terms of significantly leveraging brand image when integrated with other marketing promotional tools, however, when the degree of fit between the initiative and the particular promotion is perceived high by the consumers and when the initiative is considered rather proactive than reactive in terms of

timing. All these findings represent valuable insights for managers, aiming to leverage brand equity and improve brand relevance through a set of corporate social initiatives.

Analysis and Discussion

The current part of a Teaching Note represents a detailed discussion guide for the case study instructors, proposed by a case writer. Importantly, the case writer strongly suggests that in order to maximize the discussion effectiveness and encourage rational dilemma solution, the instructors should uphold to the same order of questions, in which they are presented in the *Proposed Assignment Questions* section.

Before starting the discussion, students should be able to summarize the case study providing the succinct overview of the situation, containing all of the information, relevant to the main problem. More specifically, their summary should start with the industry and company overview and then narrow to the brand management issue that the protagonist is facing. After the instructor confirms that the case study has been properly understood by the students, the following discussion should start:

1) Describe the behavior of female consumers in relation to lingerie products and highlight major market trends in the industry.

The first question is supposed to encourage the discussion about patterns of consumer behavior in relation to intimate garments. Moreover, students are expected to illustrate the understanding of the case study market conditions, which will facilitate them in further discussion. Suggested answer to this question:

The buying process in consumer behavior is traditionally represented through the Five-Stage Model, which consists of the need recognition (1), where needs are divided on functional, social and a need for change; information search (2), which can be external and internal; the evaluation of alternatives (3); purchase decision (4); and post-purchase behavior (5). The length of these stages varies depending on the involvement that consumers have with the product – stages are the shortest with the impulse purchases, which normally represent a low cost for the consumer and the longest for high involvement products. Some additional factors, including customer loyalty have their effect on this model application. Lingerie products can be placed at the different ends of spectrum of low and high involvement. The low involvement occurs, when a consumer purchases the underwear in packs for barely functional purposes – for instance, in order to have enough of it through the week. VS underwear is purchased by consumers for both casual and special occasions (**Exhibit 22**), and collections of the brand are divided into those, which lie closer to the functional end of spectrum, such as Everyday Perfect and Body by

Victoria, due to their casual and comfortable design and those, which are more of an indulgence, such as Very Sexy or Fabulous and are more likely to be purchased for special occasions. As brand offerings belong to an affordable luxury category, consumers with high involvement in lingerie are likely to buy the products of VS. Impulse buying is not common, but can also occur in some cases, for instance, as a result of the sensory and luxury in-store experience **(p. 11, Case Study)**.

The information available about the lingerie consumers:

- Consumers prefer to buy underwear in person and lingerie stores are the major point of purchase. The second most popular location to buy lingerie are fashion retailers **(p. 13, Case Study; Exhibit 16)**
- The most important attribute while choosing the lingerie is the design, followed by comfort **(Exhibit 15)**
- In the last years there have been a consumer trend towards more comfortable lingerie in terms of design, sizing and materials **(p. 13, Case Study)**
- The perceptions of their own body influences their willingness to buy “sexy” and revealing lingerie – more confident consumers are more likely to go for such purchases **(p. 11, Case Study)**. At the same time 72% of the lingerie consumers admitted of regularly experiencing body image issues **(Exhibit 25)**
- The consumers are not very price sensitive, as the price is one of the least important attributes when choosing underwear **(Exhibit 15)**

The market trends include the increasing competition, including that from the side of fast-fashion retailers, smaller brands, willing to fill the gaps in the existing offerings, and overseas brands, planning to expand to the USA market, such as Intimissimi. Moreover, there is a tendency of underwear brands to expand into other product categories such as swimwear and apparel and the increasing demand for plus-sizes. Finally, the market is receptive to more natural looks and acceptance of different body shapes, as the example of Aerie illustrates **(pp. 13-16, Case Study)**.

2) Which brand management challenge does the particular case study illustrate? What are the underlying reasons for the emergence of the issue and what are the strategies to overcome it?

To answer this question, students have to be familiar with the major brand management challenges and, therefore, able to identify that core branding challenge of the case is maintaining brand relevance. Moreover, they should be able to summarize causes for the emergence of reasons not to buy the products of VS and demonstrate an understanding of current brand threats and opportunities, as they lay the foundation for proposed strategies for the dilemma solution.

There are ten most common **brand management challenges** according to Aaker (2014). Maintaining **brand relevance**, which is the case study main problem, is being able to stay in the consumers' "consideration set" (Aaker, 2013), when they turn to some category of products to make a purchase. The brand starts losing relevance, when the increasing number of consumers stop seeing the brand as one of the appropriate choices. Normally the emerging loss of relevance is reflected through sales and profits decreases (Aaker, 2013). If we turn to the financial data for VS (**Exhibit 2**), we can observe that revenues and profits starting from 2014 began to occasionally diminish and have lower growth rates, which the brand have not experienced in the last decade. Moreover, the brand is not matching consumers' expectations in several areas and is already being called "stagnant" (**p. 17, Case Study**).

Underlying reasons for the emergence of the issue are extracted from the case and are the following. First of all, consumers' trends have evolved from the lingerie models ideals towards more natural looks and acceptance of imperfections in body shapes and VS does not seem to be paying much attention to these trends (**p. 18, Case Study**). Second, nowadays consumers expect brands to address social issues linked to what they sell and normally hold better attitudes towards these brands compared to others (**Exhibit 24**). VS participates in corporate social responsibility initiatives connected with women empowerment and health, which are integrated into its parent company L Brands policy, but consumers are concerned about the negative body image that VS, as they believe, promotes (**p. 17, Case Study; Exhibit 22**). Third, the brand is simply not covering all the demand, including that of plus-size segment, causing consumers' dissatisfaction that can be tracked through digital space (**p. 18, Case Study**). Finally, some of the advertising efforts have been unsuccessful, due to the lack of attention to details and overretouching and again were received by consumers as reflecting the irresponsible position of the brand.

There are three major brand relevance threats and various strategies to address them (p. 25, Literature review). The threat, that Victoria’s Secret is currently facing, belongs to the ‘Negative reasons not to buy’ type, where the consumers develop some bad perceptions of the company policy, which they find unacceptable. Consecutively, the suggested strategies will be either to address the negative directly or introducing some positive that will compete with negative in consumer’s mind. As the particular strategy choice is dependent on strength and weaknesses of the brand (p. 24, Literature Review), students may find useful to draw a brief SWOT-analysis matrix:

Table 3 – SWOT-analysis matrix for Victoria’s Secret brand

<p><u>Strengths</u></p> <p>Strong brand image and awareness</p> <p>Attractive and quality product offerings</p> <p>Unique marketing tools (eg., in-store experience, own branded fashion shows)</p>	<p><u>Weaknesses</u></p> <p>Emerging negative consumer perceptions regarding values, that VS promotes</p> <p>Stagnant brand image</p> <p>Bad media publicity</p>
<p><u>Opportunities</u></p> <p>Entering plus-size segment</p> <p>Continuing overseas expansion</p> <p>Launching positive body image initiatives</p>	<p><u>Threats</u></p> <p>Increasing competition and consumer switching</p> <p>Sales and profits decline</p> <p>Loss in brand equity</p>

As can be observed from the matrix, the strategies to address the dilemma are extracted from the current brand opportunities in relation to brand management.

3)Analyze Victoria’s Secret brand equity using Brand Asset Valuator Model and locate it on the Brand Asset Valuator Grid. What is the current position of the brand and what are the potential risks?

The question is designed familiarize students with a brand management tool called Brand Asset Valuator, which will practically illustrate them the significance of brand relevance as a dimension of brand equity. They will be expected to critically assess the brand across the dimensions of differentiation, relevance, esteem and knowledge and using the grid, composed of axes of brand strength and brand stature, locate the brand and discuss how the brand may move within the grid in future. The proposed answer to the question:

Differentiation deals with the degree to which the brand is able to stand out from the competitors and the uniqueness of the promise, that the brand offers. Basically, it is the brand's point of difference.

Differentiation analysis: Victoria's Secret has a reputation of a pioneer and a game changer brand, which defined the whole industry of lingerie in the end of the 20th century, changing the consumer attitudes towards underwear from the hidden necessity to the talked-about category (p. 11, Case Study). The brand strongly stands out from the competitors in terms of its product offerings and the luxury shopping experience, accompanied by great customer service and unique marketing activities, including its trademark fashion shows and the concept of 'Angels' supermodels and aims to position itself as "the sexiest brand in the world" (p.11, Case Study). Therefore, it would be reasonable to give the brand the highest score on the differentiation dimension.

Relevance means the ability of the brand to "meet the real or latent needs of its consumers" (Saviolo&Marazza, 2013), its appeal and appropriateness to the consumers, based on its perceived functional and emotional attributes.

Relevance analysis: Victoria's Secrets brand aims to cater needs of consumers in various ways. It sells products primarily in person through lingerie stores, which are the most popular points of purchase (p. 13, Case Study; Exhibit 14) and includes the offerings that consumers are looking for, such as comfortable and fitting lingerie, which recently has been on trend (p. 13, Case Study). It has been regularly extending its product lines to meet the demand of different segments, as with PINK extension, which was introduced as a brand for younger demographic (p. 12, Case Study). Therefore, the functional relevance of the brand is high. Regarding the emotional aspect of brand appropriateness, many consumers argue that they are inspired by the brand and want to relate to Victoria's Secret models (Exhibit 21; Exhibit 22), which is another signal of brand relevance. However, the brand has areas, where it is not matching consumer needs and expectations. It not only has been under pressure to include plus-sizes, but also has been criticized by consumers for promoting wrong body ideals (p. 17-18, Case Study; Exhibit 22). Some consumers think, that to wear the VS lingerie and swimwear, they have to be in a perfect shape (Exhibit 12) and at the same time 93% of them experience some sort of body image insecurities (Exhibit 23), which potentially diminishes their ability to consider the brand as one of their purchase choices.

Esteem refers to how well the brand is regarded and strongly depends on whether the it is able to keep its brand promises. Popularity and the perceived quality of the brand are directly connected to this pillar of the Brand Asset Valuator.

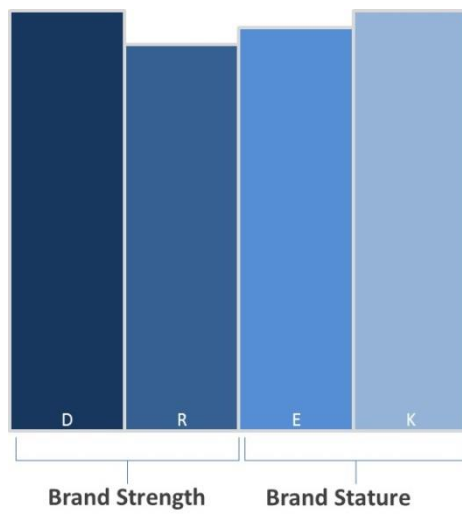
Esteem analysis:

VS scores very highly on the perceived sexiness and the moderately highly on aspiration among consumers (**Exhibit 21**), which is consistent with the brand promises and consequently means that the brand is able to deliver on them. Moreover, consumers perceive the brand's products to be of a high quality (**Exhibit 22**), which is another important factor in defining the performance on the esteem dimension. As a measure of brand popularity can serve brand attractiveness, which they argued to be the most important reason for them in purchasing VS products (**Exhibit 18**). Consumers, however, indicated that brand as rather artificial than natural and closer to the sexist end of spectrum, which, potentially can have some negative influence on the brand esteem, together with some negative perceptions about the brand, mentioned in the relevance dimension analysis.

Knowledge reflects the brand awareness and the extent, to which the brand is a part of the everyday life for consumers. It also deals with the deep understanding of brand identity among consumers and the intimacy they share with it.

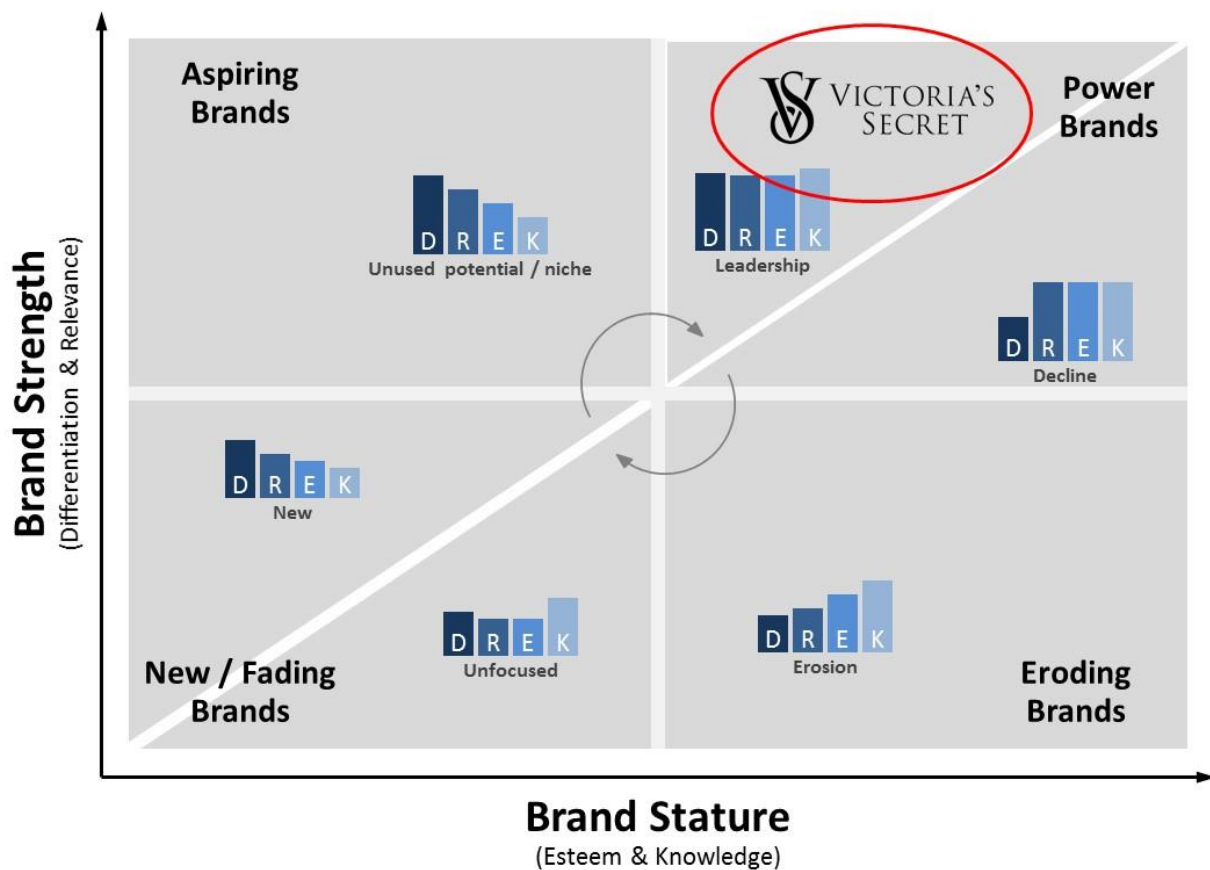
Knowledge analysis: Victoria's Secret brand is definitely top of the mind one – it is highly visible and the brand awareness for VS is absolute – 100 % of surveyed female consumers are familiar with the brand (**Exhibit 16**) and when asked to indicate the lingerie brands that come to mind first, VS was the second brand among the brands to come to their mind first with 33% slightly beaten by Intimissimi with 35% and the first brand to be mentioned second (**Exhibit 15**). This is likely to be caused by the fact that the majority of the respondents were belonging to European region (**Exhibit 27**), where the reach of Intimissimi is much higher. The consumer's understanding of the brand is consistent with how it aims to position itself and VS (**Exhibit 21**) and, importantly, they actively let the brand's marketing to participate in their lives by, for instance, watching its branded annual fashion shows – the majority claim that they really enjoy them (**Exhibit 22**).

Figure 7 Dimensions of VS brand across Brand Asset Valuator



If drawn, dimensions of Victoria’s Secret brand value will look as in the **Figure 7**. After the analysis of mentioned dimensions is held, the students will be provided with a chance to locate the brand on the Brand Asset Valuator grid.

Figure 8 Victoria’s Secret on the Brand Asset Valuator Grid



VS will occupy the upper triangle of the right upper square, as all the estimated dimensions' scores are very high. It means that VS belongs to the 'power brands' and occupies the leadership position. It is in the most desirable area of the grid to be in, with the power to expand geographically and category wise, dictate premium pricing and generate large volumes (Saviollo&Marazza, 2013). The biggest risk is that the brand will continue moving circle wise, through losing its ability to meet emotional consumer needs, which will result in relevance drop. If it happens, VS will move to the lower triangle of 'power brands' square, where it will become more known than preferred among consumers.

4) Discuss the brand architecture of VS, using Brand Relationship Spectrum and suggest potential extension strategies for a proposed plus-size line. Suggest the ways that social initiatives could be implemented in order to improve current brand situation.

In this question students have the opportunity to find the ways for implementing both dilemma solutions. They have to demonstrate an understanding the Brand Relationship Spectrum tool and discuss advantages and disadvantages of extensions strategies in relation to VS brand. Afterwards, they should be able to come up with the ideas regarding social initiatives, that could be the most effective in the Victoria's Secrets case.

Brand Architecture. Victoria's Secret belongs to L Brands group, which has several apparel, underwear and personal care brands in its portfolio including PINK Victoria's Secret, Bath & Body Works, La Senza and Henri Bendel (**p.12, Case Study**). The architecture of L Brands is a House of Brands type, where brands are stand-alone, with no connection to the parent one. This type of brand architecture facilitates clear positioning of each brand on their functional benefits and has other advantages, including avoiding undesirable brand associations and minimization of the conflict between distribution channels. The products of Victoria's Secret, the pillar brand of L Brands are sold under three major brand names: Victoria's Secret, PINK Victoria's Secret and VSX Sport (**Exhibit 5**). According to Brand Relationship Spectrum, each of these brands has different relation to the its Victoria's Secret parent. VS serves as a branded house or umbrella brand for all of its product categories except for sportswear, sharing exactly the same identity across them. PINK represents a whole new brand, targeted at different demographics than that of Victoria's Secret (**p. 12, Case Study**) and has its own product portfolio. It is classified as a subbrand of Victoria's Secret, where master brand is used as a primary driver for its spin-off success. This strategy helps VS, which already has many different collections for different occasions and consumer needs (**Exhibit 4**), to overcome overstretching, which could have occurred, if the lines for younger demographics were sold under the same

brand name. VSX Sport was launched as the collection of the sportswear of Victoria's Secret using a different brand name, which is explicitly linked to the parent one in advertising. This strategy helps the brand to reap the benefits of both establishing a new name, which will be more suitable for a sports apparel line, and at the same time use associations with a strong parent.

Line Extension Suggestions. In a situation, where Victoria's management opts for a plus-size extension as the strategy for the dilemma solution, the brand managers will consequently have to make a decision of how to implement this extension. The students will be given a chance to show their creative thinking skills, which have to be backed up with the theoretical knowledge of the advantages and disadvantages of different naming strategies of the Brand Relationship Spectrum and critical thinking. Case writer draws the following suggestions:

- **Launching plus-size line as a new collection.** The first option is to integrate the new offerings into the existing product categories, where they are likely to be relevant for the plus-size consumers such as lingerie, swimwear, lounge, sleep and sport under the same collection. The major advantage is that Victoria's Secret will be able to meet plus size demographics' needs, but will not need to develop a whole new line extension, and, therefore, will minimize risks associated with it, such as undesirable associations with the parent brand, loss in brand equity and others (**p. 26, Literature Review**). However, VS has never before launched collections specifically for other segments – rather for special consumer needs, such as with VSX Sport, which can be a concern for managers.
- **Launch plus-size line as a new subbrand.** Another way is following the example of PINK and creating a whole new brand for the plus-size consumer segment. In theory this brand extension strategy has a higher potential to leverage brand equity and strengthen the parent brand (**p. 25, Literature Review**), but at the same time has much higher risks, mentioned in the previous paragraph. Furthermore, the consumers evaluated the congruence of such an extension with the parent brand rather low (**Exhibit 27**), which, taking into the account the importance of perceived fit (**p. 27, Literature Review**) for the extension success, yields a significant disadvantage.

Corporate Social Initiatives Suggestions. There are six ways for the brands to participate in social initiatives (**p. 29, Literature Review**). The students will be encouraged to reason, which of those may work the best for VS brand in relation to supporting the body image issue. Taking into the account the nature of the cause and the brand management issue to be solved, the combination of cause promotion, where the 'Angels', who have a lot of influential power

(Exhibit 24) can serve as spokespersons, and cause-related marketing, which will be facilitated by the brand well-established distribution and large market appeal, is suggested. These initiatives will not only increase the visibility of the issue, but also increase consumer awareness about brand support for it. Social marketing and volunteering may not be easily applicable, because the particular cause is more connected to changing attitudes than behaviors, whereas corporate philanthropy will be less visible for the consumers than the suggested combination of types.

5) Which factors should be taken into consideration when choosing between two alternative solutions of the current dilemma? Which strategy, do you think, Wexner should follow?

The last case study question is designed to provide students with the framework for making an ultimate decision about which strategy to adopt. This should be based on the comparison of consumer evaluations towards the VS brand and their purchase intentions for both cases. Furthermore, it is critical to take into consideration other factors, that may influence the outcome.

In order to choose between the proposed alternative solutions for the dilemma, students should first turn to the **market research** data, collected with the purpose of comparing consumers' reactions to these strategies across several dimensions using hypothetical plus-size line extension and hypothetical corporate social initiative, devoted to positive body image promotion. Consumers indicated, that in both cases they will not be likely to increase their purchase frequency (**Exhibit 27**), but they will be ready to pay more for VS products (**Exhibit 28**). Moreover, respondents demonstrated better evaluations of Victoria's Secret brand when faced with positive body image campaign compared to the plus-size line introduction across all dimensions, including *perceived friendliness, attractiveness of VS as a brand and fit with the parent brand*. The willingness to pay more for the bottom lingerie was higher for plus-size line, and the difference between the price, that consumers were ready to pay for a bra was minimal, however, with the positive body image in the lead (**Exhibit 28**).

Corporate social initiatives success factors. It is critical to take into consideration other factors, that influence the consumer acceptance, but could not be compared through the marketing research. The positive body image initiative scored quite low on the *perceived trustworthiness* among the surveyed consumers, which can prevent the brand from obtaining significant brand equity and relevance gains (**p. 30, Literature Review**). Other important

factors in relation to CSR include *perceived quality of the products*, where the brand had rather high consumer evaluations (**Exhibit 24**), the *closeness of consumers to the cause* – 92% indicated that they have ever experienced body image insecurities and 72% of them experience them regularly (**Exhibit 25**) and the *attitude of consumers towards CSR in general* – 55% claimed that they hold more positive attitudes to socially responsible brands compared to those, which do not participate in any initiatives (**Exhibit 26**).

Line extensions success factors. Important success factors for brand and line extensions include *quality of the parent brand*, which was perceived as quite high (**Exhibit 24**), *marketing support*, which cannot be measured among consumers and depends on how much managers will be willing to invest, *parent brand conviction* is supposedly high, as consumers stated that the major reason for VS purchase was brand attractiveness (**Exhibit 20**). *The history of the previous brand extensions*, which can also be a factor, is favorable, taking into the account the successful PINK spin-off (**p. 12, Case Study**). However, the *perceived fit* is argued to be the crucial determinant of the extension success (**p. 27, Literature Review**) assuming consumer evaluations as a measure of success, and as the market research demonstrated, consumers are not convinced about the congruence of the brand image with plus-size offering. That is why, this strategy is not recommended together with the fact that it was outperformed by positive body image across other dimensions, even though the willingness to pay more for bottom underwear is higher for plus-size.

Taking into the account the previous discussion, it is recommended that VS sticks to current product offerings and rather invests in a combination of cause promotion and cause-related marketing social initiatives, devoted to promoting positive body image among its consumers in order to reduce the ‘emerging negative reasons not to buy’ threat to its brand relevance. However, it is critical that the brand communicates about its serious intentions in relation to the issue before implementing it to increase the perceived trustworthiness among skeptical consumers.

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Appendix

Exhibit 1 – Founder and long-serving CEO of L Brands, Leslie Wexner



Exhibit 2 – Victoria's Secret Financial Performance 2010-2015

Year**	Revenue (\$ million)	(% change)	Operating Income (\$ million)	(% change)
2010-11	4,018.0	14.9	647.1	69.7
2011-12	4,564.0	13.6	806.0	24.6
2012-13	4,981.0	9.1	900.1	11.7
2013-14	5,165.0	3.7	875.1	-2.8
2014-15	5,494.8	6.4	1,005.2	14.9
2015-16	5,757.7	4.8	1,045.0	4.0

*Estimates; **Year-end January

SOURCE: ANNUAL REPORT AND IBISWORLD

Exhibit 3 – Victoria’s Secret “Angels” in 1990es

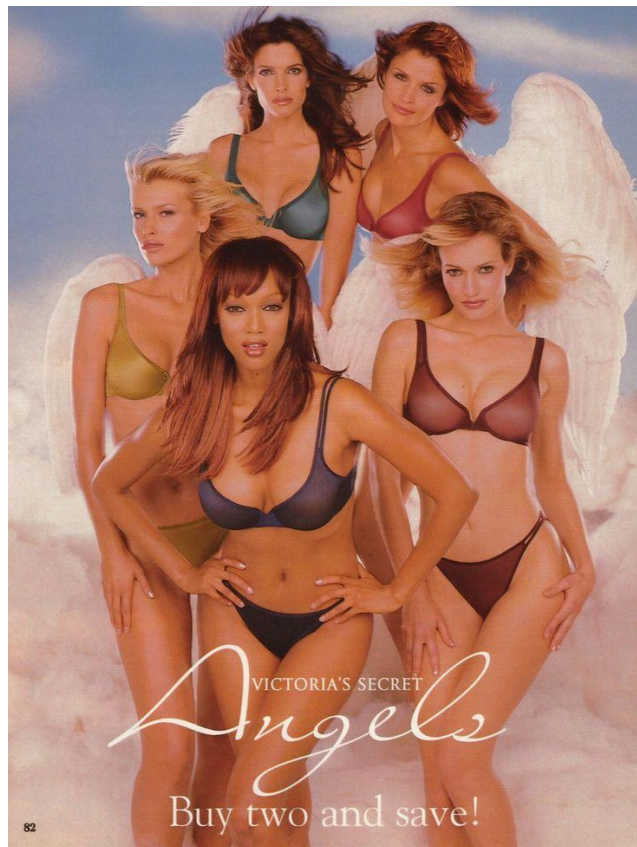


Exhibit 4 – The product lines and collections of Victoria’s Secret



Exhibit 5 – The brands of Victoria’s Secret



Exhibit 6 – Victoria’s Secret fashion show featuring its ‘Angels’ supermodels



Exhibit 7 – Victoria's Secret stores from the inside



Exhibit 8 –PINK Victoria's Secret advertising



Exhibit 9 – The advertising campaign of Aerie, 2014



Exhibit 10 – The initial advertising campaign of Victoria’s Secret new product line, 2014



Exhibit 11 – The changed version of Victoria’s Secret advertising campaign of 2014



Exhibit 12 – Four Pillars of the Brand Asset™ Valuator (Young&Rubicam)

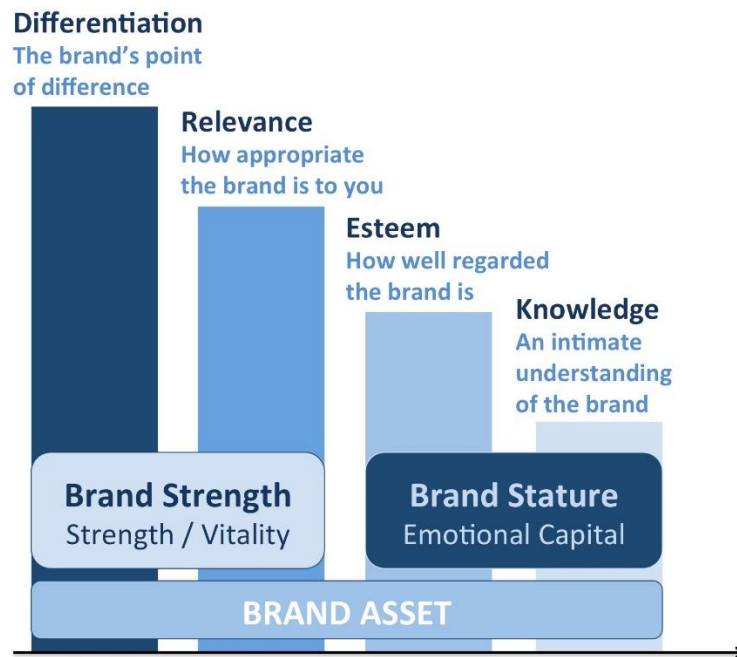


Exhibit 13 – Brand Asset™ Valuator Grid (Young&Rubicam)

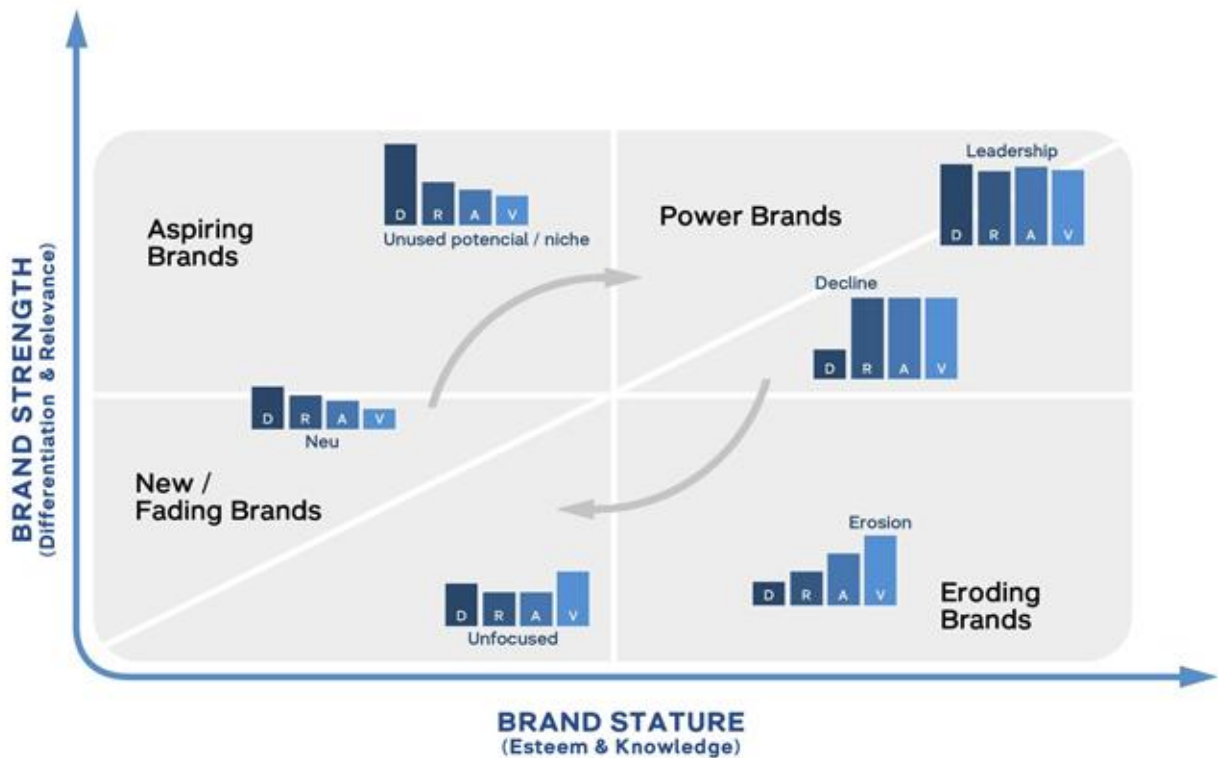


Exhibit 14 – Questionnaire

Number of respondents: 107 completed and usable surveys

Gender: 100% Females

Data Collection: The link to the questionnaire was distributed through social networks such as Facebook and Instagram. Only Female respondents were considered, as they are the major target audience of the brand, so if the “Male” response was chosen in the first question, the survey automatically finished. These surveys were not counted in the total number of respondents.

Data Analysis: The survey data, collected through Qualtrics software was then exported to SPSS, where the case writer used Frequencies, Descriptives and Compare Means analysis to extract the answers to the questions below from the data.

Q1 Please, indicate your gender



Male

Female

Q2 When choosing underwear, what are the most important criteria for you? Move the answers to rate them from the most to least important

Design	1
Quality	2
Brand	3
Comfort	4
Price	5

Q3

Where do you most frequently buy underwear?You can choose several options

- On-line
- Lingerie stores
- Underwear sections at fashion retailers (eg., H&M, Top Shop etc.)
- Department stores
- Other (Specify)

Q4

When you think about underwear brands, indicate which ones come to your mind

1st

2nd

3rd

Q5

Are you familiar with Victoria's Secret brand?

- Yes
- No



Q6


 

Have you ever purchased Victoria's Secret products?

- Yes
- No

Q7


 **Display This Question:** ✕
If Have you ever purchased Victoria's Secret products? **Yes** is **Selected** [Edit](#)

What made you buy these products?You can choose several options

- Quality
- Design
- Luxury shopping experience
- Brand attractiveness
- Other(Specify)

Q8

Display This Question:  If Have you ever purchased Victoria's Secret products? **No** Is **Selected** [Edit](#)

Why you have never purchased any of Victoria's Secret products? You can choose several options

- Don't like the brand
 - Never had a chance
 - Too expensive
 - Don't like the design
 - Not comfortable
 - Other(Specify)
-



Q10

For which occasions would you consider buying Victoria's Secret underwear?

- Special occasions mostly
 - Both special occasions and casual wear
 - I would not buy VS for any occasion
 - Other(Specify)
-

Q11

Using this scale, identify your attitudes towards Victoria's Secret brand

Sexy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Unattractive
Glamorous	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Tasteless
Outdated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Modern
Sexist	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Feminist
Inspiring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Demotivating
Trustworthy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Deceptive
Natural	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Artificial

Q12



Please, read the following statements and evaluate how much you agree with them

	Totally Disagree	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat Agree	Agree	Totally Agree
I consider VS underwear to be of a really high quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When I see VS "Angels" on catwalk or in advertising, I want to be like them	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think that VS advertising negatively influences my perceptions of my own body	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think VS is a brand for men rather than for women	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Victoria's Secret brand and advertising inspires me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think in order to wear VS lingerie and swimwear you have to be in a perfect shape	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I really enjoy watching VS fashion shows	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe that VS promotes wrong body ideals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like what VS brand stands for	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q13



Have you ever had body image problems? Were you worried that you are not slim or fit enough?

- No, never. I am completely satisfied with my body
- Yes, but really seldom
- Yes, sometimes
- Yes, often

Q14



What is your attitude towards brands, supporting social issues?

- It generally makes no difference for me
- I have better attitudes towards these brands compared to others

Q18



Now imagine this situation: Victoria's Secret launched a new underwear line for plus-size women – say, Victoria's Secret + , which includes bigger-sized models in its advertising.

Q15



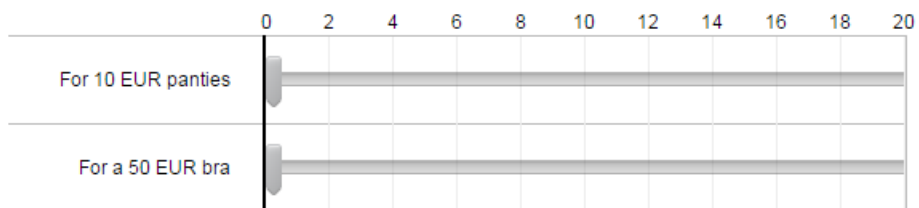
Please, evaluate how much you agree with the following statements

	Totally Disagree	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat agree	Agree	Totally Agree
It will not change my attitudes to VS brand at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It will make VS brand look friendlier in my mind	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
VS will become more attractive for me as a brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will be likely to purchase VS products more often	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think plus-sizes are not compatible with VS image	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe that women of any size can be sexy and attractive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q16



Evaluate how much more (in EUR currency) in this situation you would be willing to pay for the following Victoria's Secret products? Move the bar to answer



Q17



Now imagine that Victoria's Secrets launches a social campaign dedicated to promoting positive body image. For example, now you know that 2 EUR from any purchase go to the Eating Disorders Association. Also, you see Victoria's Secret models on social media, supporting this cause.

Q19



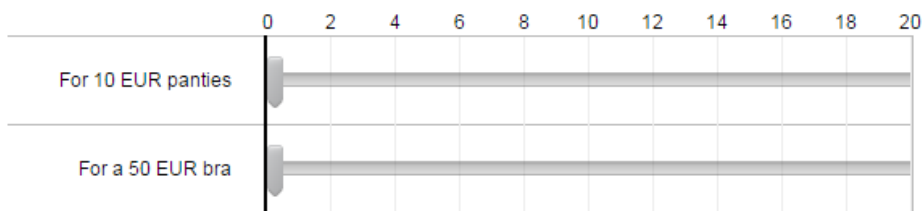
Please, evaluate how much you agree with the following statements

	Totally Disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat Agree	Agree	Totally agree
It will not change my attitudes to VS brand at all	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It will make VS brand look friendlier in my mind	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
VS will become more attractive for me as a brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will be likely to purchase VS products more often	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think positive body image promotion is not compatible with VS image	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will not consider this as a trustworthy gesture	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q20



Evaluate how much more (in EUR currency) in this situation you would be willing to pay for the following Victoria's Secret products? Move the bar to answer



Q21

Please, indicate your age

18-22

23-28

29-35

36 and above

Q22

Please, indicate your nationality

Exhibit 15 – Survey responses to Question 2

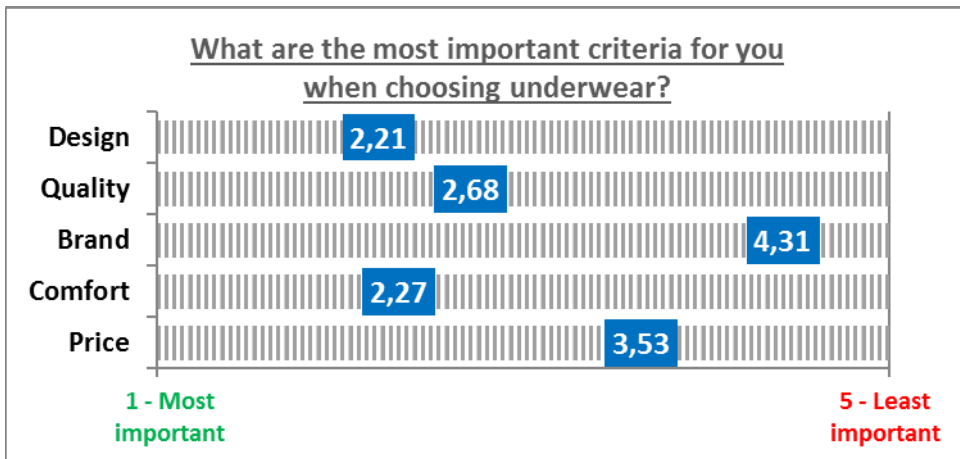


Exhibit 16 – Survey responses to Question 3

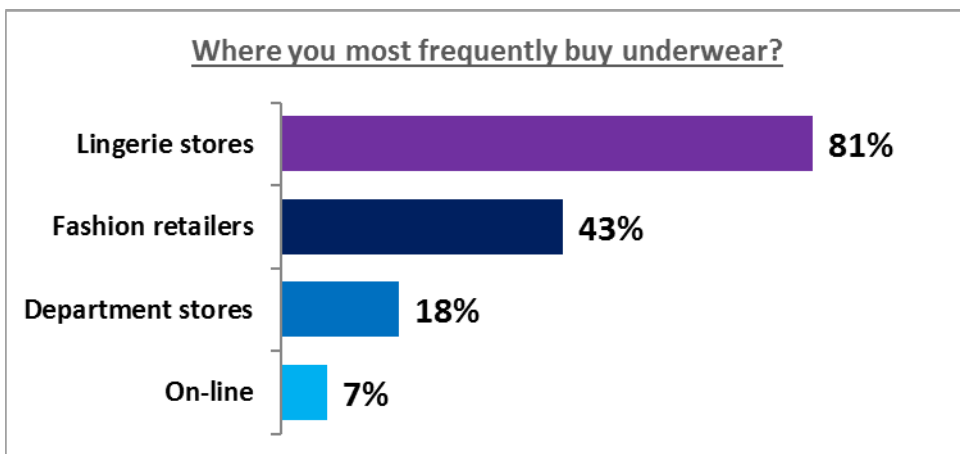


Exhibit 17 – Survey responses to Question 4

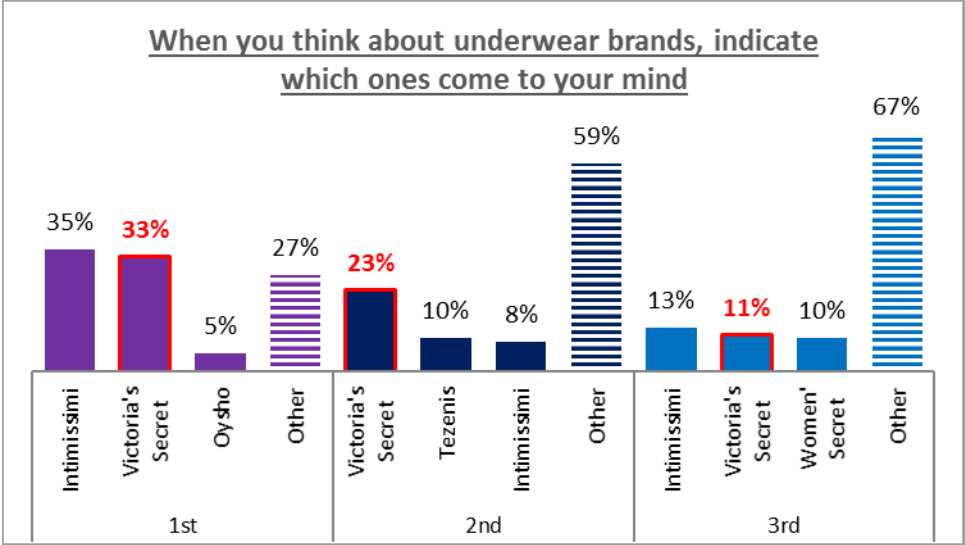


Exhibit 18 – Survey responses to Question 5

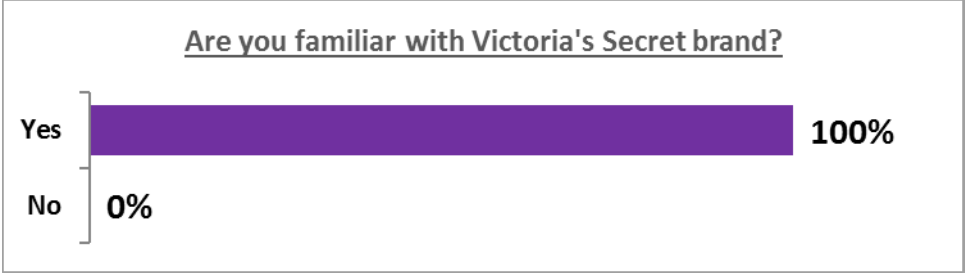


Exhibit 19 – Survey responses to Question 6



Exhibit 20 – Survey responses to Question 7

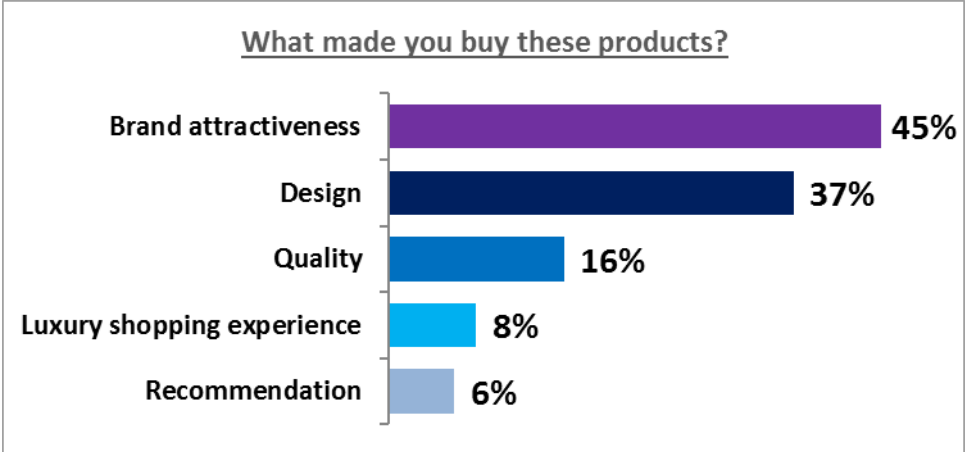


Exhibit 21 – Survey responses to Question 8



Exhibit 22 – Survey responses to Question 10

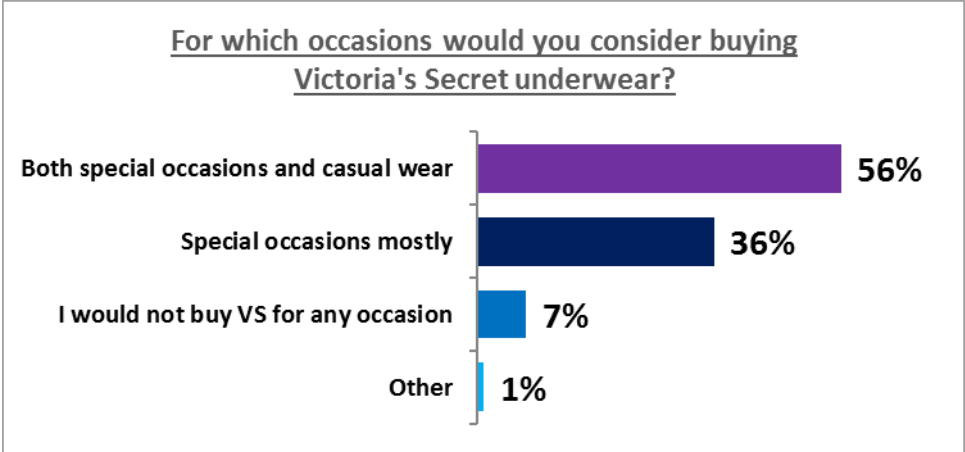


Exhibit 23 – Survey responses to Question 11

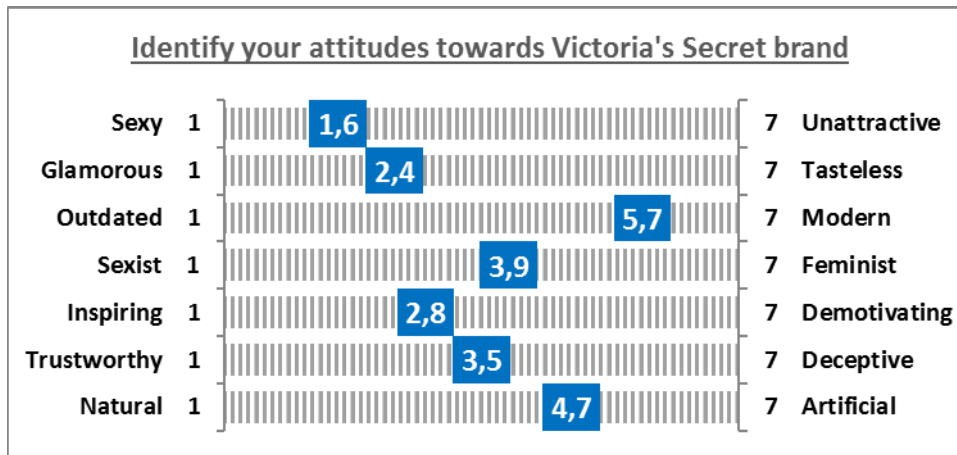
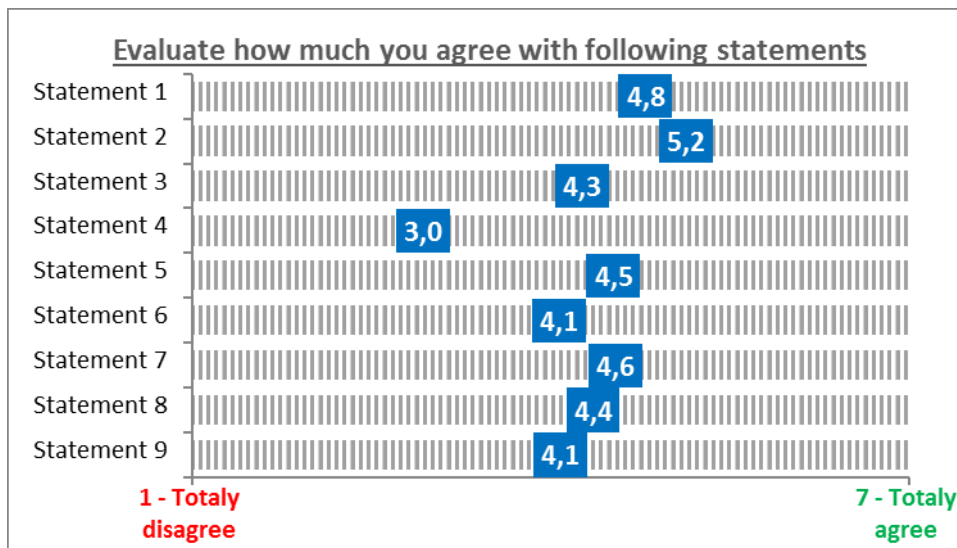


Exhibit 24 – Survey responses to Question 12



* Statement 1- I consider VS underwear to be of a really high quality

Statement 2- When I see VS 'Angels' on a catwalk or in advertising, I want to be like them

Statement 3- I think VS advertising negatively influences my perceptions of my own body

Statement 4- I think VS is a brand for men rather than for women

Statement 5- Victoria's Secret brand and advertising inspires me

Statement 6- I think, in order to wear VS lingerie and swimwear, you have to be in a perfect shape

Statement 7- I really enjoy watching VS fashion shows

Statement 8- I believe VS promotes wrong body ideals

Statement 9- I like what VS brand stands for

Exhibit 25 – Survey responses to Question 13

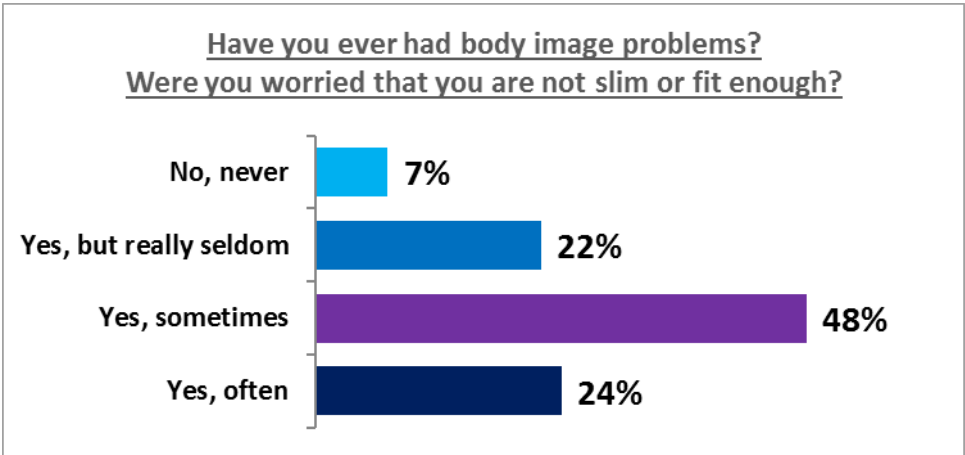


Exhibit 26 – Survey responses to Question 14

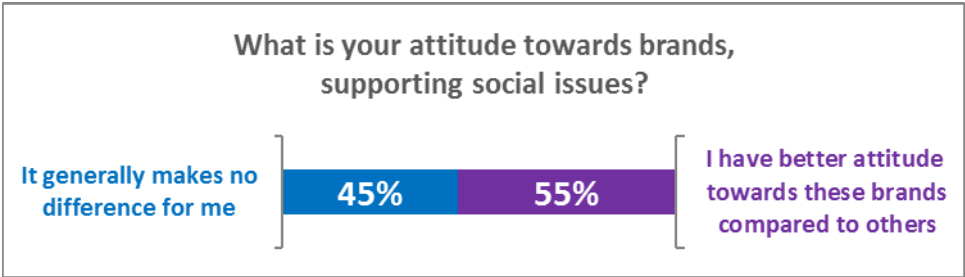
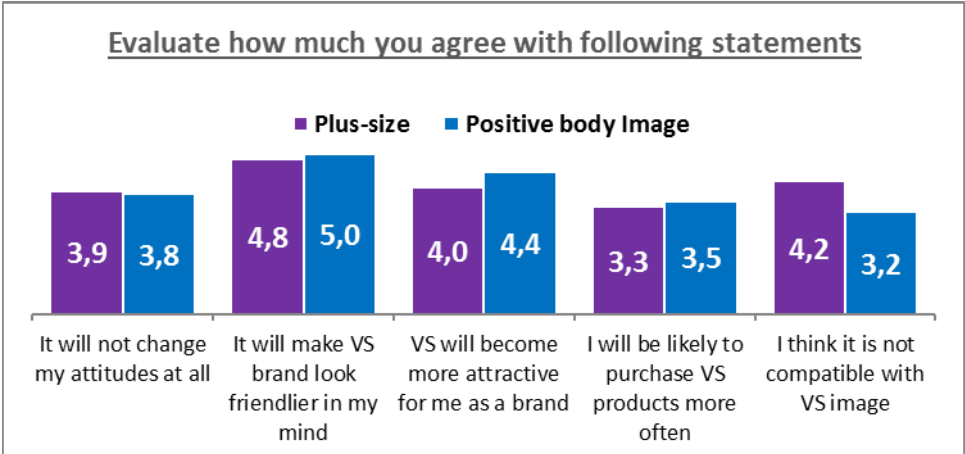


Exhibit 27– Survey responses to Questions 15&19



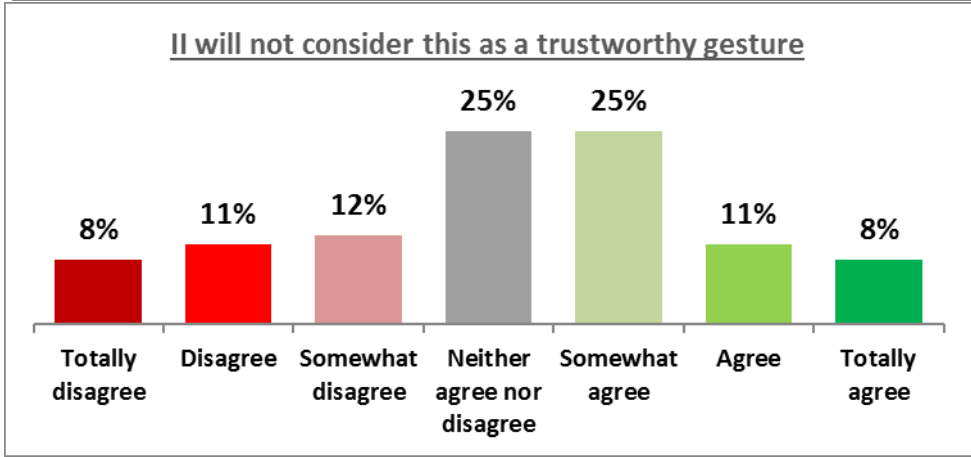
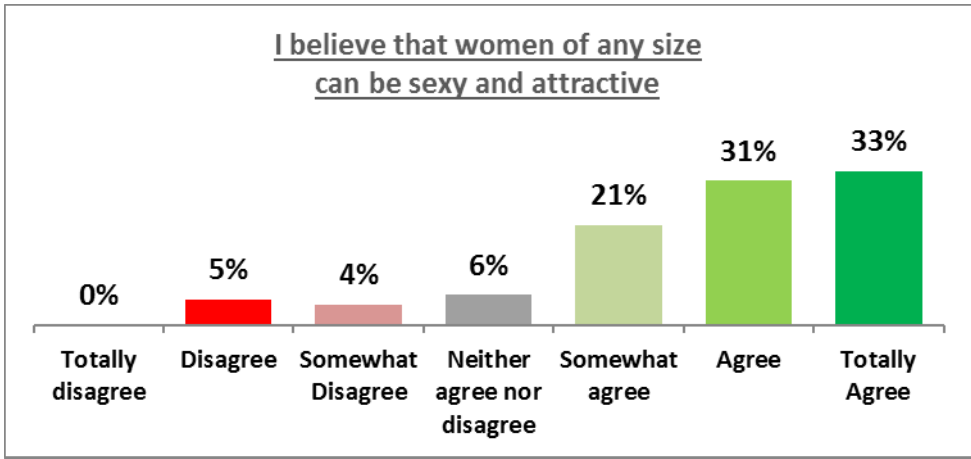


Exhibit 28 – Survey responses to Questions 16&20



Exhibit 29 – Survey responses to Question 21

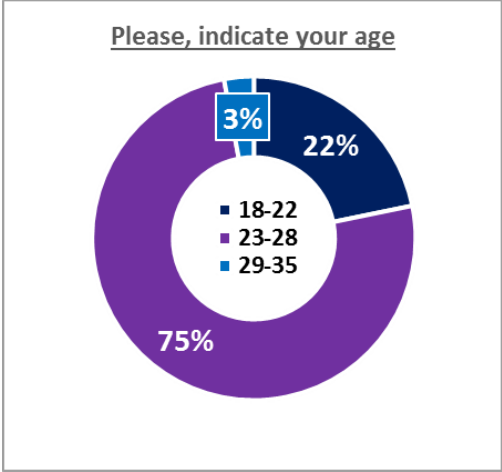


Exhibit 30 – Survey responses to Question 22

