



The Power of the People: Consumer-Driven Brand Repositioning of Abercrombie & Fitch

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Abstract

Title: The Power of the People: Consumer-Driven Brand Repositioning of Abercrombie & Fitch

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Key Words: Brand Repositioning, Consumer Activism, Strategic Transformation, Brand Identity, Crisis Management, Abercrombie & Fitch

This dissertation uses the example of Abercrombie & Fitch to investigate how changing social values and cultural norms are driving profound changes in corporate strategy. It examines how these cultural changes are forcing brands to re-evaluate their identity and strategic positioning in an increasingly dynamic market landscape.

Focusing on Abercrombie & Fitch's journey, this qualitative case study highlights key moments of crisis and pivotal decision-making. By drawing on concepts like ego-expressive brand positioning, crisis management strategies, and consumer-driven brand evolution, it presents the complex relationship between consumer expectations and the adaptability of companies.

The findings highlight the critical need for companies to strike a balance between authenticity and adaptability. Finally, the dissertation offers a teaching framework designed to help students and professionals apply these insights to real-world brand management challenges, emphasizing the transformative potential of a consumer-first approach.

Sumário

Título: O poder das pessoas: Reposicionamento da marca Abercrombie & Fitch orientado para o consumidor

Autora: Lena Bertelshofer

Palavras-chave: Reposicionamento de Marca, Ativismo do Consumidor, Transformação Estratégica, Identidade de Marca, Gestão de Crises, Abercrombie & Fitch

Esta dissertação recorre ao exemplo da Abercrombie & Fitch para investigar de que forma as mudanças nos valores sociais e nas normas culturais estão a impulsionar transformações profundas nas estratégias corporativas. Analisa como estas alterações culturais obrigam as marcas a reavaliar a sua identidade e o seu posicionamento estratégico num mercado cada vez mais dinâmico.

Com foco na trajetória da Abercrombie & Fitch, este estudo de caso qualitativo destaca momentos cruciais de crise e decisões estratégicas determinantes. Ao integrar conceitos como o posicionamento de marca autoexpressivo, estratégias de gestão de crises e a evolução das marcas impulsionada pelos consumidores, apresenta a complexa relação entre as expectativas dos consumidores e a capacidade de adaptação das empresas.

Os resultados evidenciam a necessidade crítica de as marcas encontrarem um equilíbrio entre autenticidade e adaptabilidade. Por fim, a dissertação propõe uma estrutura pedagógica concebida para apoiar estudantes e profissionais na aplicação destes insights a desafios reais de gestão de marcas, sublinhando o potencial transformador de uma abordagem centrada no consumidor.

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This thesis marks a significant milestone, not only as the final step in completing my Master's degree at Católica Lisbon School of Business and Economics but also as a testament to the unwavering support and encouragement of the people closest to me.

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Table of Contents

Abstract	2
Sumário	3
Acknowledgments	4
List of Exhibits	6
List of Tables	6
List of Figures	7
1. Introduction	8
2. Literature Review	9
2.1. <i>Ego-Expressive Positioning of Brands</i>	9
2.2. <i>Managing Brand Crises and Strategic Repositioning</i>	12
2.3 <i>Consumer Activism and Brand Evolution</i>	16
3. Methodology	20
3.1. <i>Research Design and Data Collection</i>	20
3.2. <i>Case Study Selection and Data Analysis</i>	20
4. Case Study	23
4.1 <i>Company History, Brand Identity and Positioning</i>	24
4.2 <i>Curating Cool: Abercrombie’s Provocative Marketing Approach</i>	27
4.3 <i>The Competitors: Positioning in the Marketplace</i>	29
4.4 <i>Brand Under Pressure: Facing Internal and External Challenges</i>	30
4.5 <i>Meyer’s Report: Shifts in Consumer Behavior</i>	33
4.6 <i>Challenging the Ego-Expressive Model: A Brand Under Scrutiny</i>	35
5. Teaching Note	37
5.1. <i>Case Synopsis</i>	37
5.2. <i>Learning Objectives and Assignment Questions</i>	37
5.3. <i>Pedagogical Overview, Teaching Strategy and Key Case Discussion Questions</i>	38
5.4. <i>Class Plan</i>	49
6. Conclusion and Limitations	50
Case Appendixes	51
<i>Case Citations</i>	51
<i>Case Exhibits</i>	53
References	61

List of Exhibits

Exhibit 1: A&F’s Marketing Imagery Representing Aspirational Image	53
Exhibit 2: Calvin Klein Campaign shot by Bruce Weber (1987)	53
Exhibit 3: Abercrombie & Fitch Campaign shot by Bruce Weber (1993)	53
Exhibit 4: Brand Portfolio Abercrombie & Fitch Co.....	54
Exhibit 5: Revenue Comparison Among Key Youth-Centric Fast-Fashion and Casual Clothing Competitors (2008)	54
Exhibit 6: Abercrombie and Fitch Out of Home Campaign New York City (2006).....	54
Exhibit 7: Abercrombie & Fitch's All-American Lifestyle Imagery (2006-2010)	55
Exhibit 8: Iconic Imagery from A&F Quarterly (1997–2003).....	55
Exhibit 9: “Stars on the Rise” Campaign.....	55
Exhibit 10: Perceptual Map - Brand Positioning of A&F and Key Competitors.....	56
Exhibit 11: Worldwide Store Growth Among Youth-Centric Fast-Fashion and Casual Clothing Competitors from 2008 to 2011*	56
Exhibit 12: Revenue Comparison (In Billions) Among Key Youth-Centric Fast-Fashion and Casual Clothing Competitors in 2011	57
Exhibit 13: Public Apology from Abercrombie & Fitch CEO Mike Jeffries (2013)*.....	57
Exhibit 14: Consumer Backlash and Public Perception.....	58
Exhibit 15: Protest Against Abercrombie & Fitch: #CancelAbercrombie Demonstration.....	58
Exhibit 16: Media Coverage of Abercrombie & Fitch’s Controversies	58
Exhibit 17: Abercrombie & Fitch Marketing and Sales Data (2006-2013)*	59
Exhibit 18: Year-on-Year Net Income Growth of Main Competitors in 2011-2013 in %* ...	59
Exhibit 19: Doves Real Beauty Campaign 2010.....	60
Exhibit 20: Growth of Abercrombie & Fitch’s Direct-to-Consumer Sales (2011–2013)*.....	60

List of Tables

Table 1: Findings by Topic, Number of Mentions and Details from the Interviews	21
Table 2: Interview Overview.....	22
Table 3: Strategic Priorities for Repositioning A&F in 2014	45
Table 4: Strategic Trade-Offs in A&F’s Brand Repositioning	47
Table 5: Class Plan and Example Structure	49

List of Figures

Figure 1: Keller's Brand Equity Pyramid – A&F in the Early 2000s.....	40
Figure 2: Keller's Brand Equity Pyramid – A&F in the Early 2010s.....	40
Figure 3: Brand Positioning Map of A&F and Key Competitors	44

1. Introduction

The ability of companies to adapt to rapidly evolving societal values and consumer expectations has become a critical determinant of success in today's highly dynamic marketplace. As globalization and digitalization accelerate changes in culture and communication, businesses must tackle complex challenges to remain relevant. Especially established brands face a challenge: how to evolve and meet modern consumer demands without losing the essence of their core identity. Central to this study is an exploration of how changes in consumer behavior - particularly regarding inclusivity, sustainability, and digital engagement - are reshaping marketing strategies. The goal is to understand how companies should respond to external pressures such as public criticism and changing cultural norms, all amplified by the influence of social media. This study examines the balance between authenticity and adaptability, offering insights into how brands can address cultural shifts and market challenges in their strategic management.

The theoretical foundation is built on three key streams. First, it explores *ego-expressive positioning of brands*, focusing on how companies align their identities with consumers' self-concepts to foster loyalty and emotional connection. Second, strategies for overcoming *brand crises and strategic repositioning* are analyzed, looking at how companies recover from reputational problems and adapt to market expectations. Finally, *consumer activism and brand evolution* are researched, focusing on the role of social demands and digital platforms in reshaping narratives and promoting corporate responsibility.

This qualitative case study is centered around the fashion company Abercrombie & Fitch. It integrates insights from theoretical models, industry best practices, and real-world examples to offer a practical framework for understanding modern brand positioning. It highlights the intersection of evolving consumer values and corporate strategy, providing actionable lessons on building trust and loyalty in an increasingly diverse and socially conscious marketplace. The teaching material is crafted to guide students and professionals in applying these principles effectively, fostering a deeper understanding of strategic brand management.

This thesis addresses three research questions:

1. How can ego-expressive brand positioning evolve to meet changing consumer expectations of inclusivity and authenticity?

2. What role does social media play in amplifying brand crises and shaping consumer perceptions during repositioning?
3. How can a teaching example about the repositioning of A&F effectively engage students in discussions about brand transformation and crisis management?

2. Literature Review

Theoretical concepts related to brand management are essential to understanding how companies navigate modern challenges and maintain relevance in dynamic markets. Ego-expressive positioning examines how brands align their identities with consumers' self-concepts and social affiliations, fostering emotional connections and loyalty. Managing brand crises and strategic repositioning focuses on the strategies companies employ to address reputational challenges and adapt to emerging consumer values. Additionally, the interplay between consumer activism and brand evolution highlights the growing influence of digital platforms in reshaping brand narratives and driving societal accountability. Together, these concepts provide a lens through which brands like Abercrombie & Fitch, known for their ego-expressive positioning, can be analyzed to uncover the dynamics of resilience, adaptability, and strategic evolution in response to shifting societal expectations.

2.1. Ego-Expressive Positioning of Brands

Ego-expressive positioning refers to how brands align their identity with the self-presentation and self-concept of their target audience. Through this alignment, brands become symbols that allow consumers to express their personalities, values, and social affiliations. According to Aaker (1997), brands can possess personalities similar to human characteristics. By choosing and purchasing products from brands that resonate with their self-image or the identity they wish to project, consumers form personal relationships that foster engagement.

Key Theories Explaining Brand Identity Alignment

Ego-expressive brand positioning provides a valuable perspective on how brands bridge personal identity and broader cultural trends. By resonating with consumers' self-perceptions, brands can build strong emotional bonds. This is an increasingly important strategy for staying relevant as societal values and consumer expectations evolve over time.

In analyzing the construct of ego-expressive positioning, several relevant theories have been used to explain how brands align their identity with consumers' self-concept and self-

presentation. Key research includes the self-congruence theory (Sirgy, 1982), the brand personality framework (Aaker, 1997), the social identity theory (Tajfel & Turner, 1986), the symbolic interactionism theory (Mead, 1934), and the symbolic self-completion theory (Wicklund & Gollwitzer, 1982). These different principles offer varying perspectives on how consumers engage with companies and utilize them as symbols to express their personal and social identities.

The *Self-Congruence Theory* (Sirgy, 1982) suggests that consumers are drawn to brands that reflect their self-image or the image they aspire to project. The alignment between the consumer's self-concept and the brand's identity strengthens emotional bonds. When individuals perceive a brand as a representation of themselves, they are more likely to form strong attachments and show long-term commitment. For instance, Patagonia demonstrate how self-congruence strengthens emotional bonds, aligning their sustainability messaging with consumers' values.

The *Social Identity Theory* (Tajfel & Turner, 1986) explores how individuals develop a sense of belonging and identity from the social groups they associate with. Companies that align themselves with specific groups or communities enable people to express their social belongings and differentiate themselves from others. When people use brands to emphasize this type of belonging, they build their social identity, which in return strengthens their bond to them. Brands like Supreme illustrate how social identity theory functions in practice, fostering a sense of community and reinforcing consumer loyalty through shared group affiliation.

The *Symbolic Interactionism Theory* (Mead, 1934) highlights how consumers use brands as symbols within their interactions. These symbols help them communicate and construct their persona, both for themselves and their environment. Brands function as tools for self-expression, allowing people to align their behavior and preferences with societal norms or group values, as seen in luxury choices like Rolex.

Finally, the *Symbolic Self-Completion Theory* (Wicklund & Gollwitzer, 1982) states that individuals may use brands to complete or enhance their self-image, particularly when they feel their self-concept is lacking in some aspect. By associating with brands that embody desired characteristics, consumers address gaps in their identity and enhance their personal growth. These theories provide a strong basis that brands should consider in their positioning to stay relevant in a changing cultural landscape while preserving their aspirational image.

Together, they highlight the complex nature of ego-expressive positioning. Self-congruence theory focuses on how brands align with personal identity, while social identity theory expands this to group affiliations, showing how brands create a sense of belonging. Symbolic

interactionism and symbolic self-completion add another layer, explaining how people use brands to build and express their identities in social contexts. These frameworks collectively reveal the interplay between individual goals, group connections, and societal expectations in shaping brand relationships.

Brand Personality, Emotional Connection and Authenticity

Brands that emphasize innovation and sophistication attract consumers who match or aim for such characteristics. Similarly, companies that highlight freedom and adventure appeal to people who value these qualities (Aaker, 1997). Some brands go even further by embodying the concept of “totemic brands.” They represent symbolic meanings that resonate deeply with consumers’ identities and aspirations, fostering a sense of belonging and shared values (Tajfel & Turner, 1986; American Marketing Association, 2021). As Escalas and Bettman (2003) state, attachment occurs when humans incorporate brands into their self-identity. This attachment strengthens sustained commitment, as individuals build emotional connections that mirror and affirm their values and sense of self. It has been long-established that brands that consistently uphold symbolic meanings can forge deep, enduring relationships with their audience, showcasing the impact of ego-expressive positioning (Sirgy, 1982; Wicklund & Gollwitzer, 1982; Mead, 1934).

The success of ego-expressive positioning depends on several key factors, including brand authenticity, alignment with consumer values and adaptability to cultural and societal changes (Morhart et al., 2015). Simultaneously, alignment with consumers’ self-concepts strengthens their attachment to the company and increases their engagement (Fournier, 1998). The risks of conspicuous brand usage, particularly in the context of shifting preferences toward inclusivity, are highlighted by Ferraro et al. (2013). When communicated values or messaging stops connecting with its audience, it can lose its unique appeal and become less relevant. To prevent this, consistency is vital. As Aaker (1996) argues, successful brands maintain a coherent message across all touchpoints, ensuring a stable and reliable perception for consumers. Authenticity fosters strong emotional bonds, making it crucial for ego-expressive positioning (Morhart et al., 2015; Beverland, 2009). It is the foundation for lasting success, keeping the brand relevant and emotionally impactful over time.

Balancing Adaptability and Credibility in a Changing Consumer Landscape

When a company's positioning fails to keep pace with changing values, it risks losing market relevance. A strong connection to a company influences how consumers react to failures, which emphasizes the importance of adaptability in maintaining emotional resonance (Cheng, White & Chaplin, 2012). Cultural branding is constantly evolving, and brands that fail to adapt to societal changes risk losing their connection with shoppers, leading to lower engagement and declining sales (Holt, 2004). To stay relevant, it's important to adapt and incorporate consumer feedback. Listening to audiences and using real-time input from social media helps to gauge public sentiment and adjust communicational efforts accordingly (Thompson et al., 2006). Flexibility in communication is vital, otherwise there is a risk to face backlash, when resistant to change. Exclusivity-focused brands often struggle to remain relevant when societal values shift. In contrast, brands that successfully adapt their narratives to embrace broader values, such as freedom or innovation, are more likely to sustain their relevance while staying aligned with their core identity (Holt, 2004; Beverland, 2005). Balancing authenticity with adaptability is essential to prevent brand dilution. While adapting to new consumer expectations is necessary, excessive change can alienate loyal customers, while insufficient adaptation makes a brand outdated (Beverland, 2005). People can easily spot when changes are just for show and come off as insincere. This can break trust in ways that are hard to repair. (Thompson et al., 2006; Beverland, 2005). Strategic flexibility, combined with an active audience involvement, helps to sustain meaningful relationships and thrive in a constantly shifting landscape. By staying authentic during transitions, firms ensure that adaptation does not compromise integrity.

2.2. Managing Brand Crises and Strategic Repositioning

The concept of crisis management refers to how brands respond to unforeseen events that could damage their reputation. Crises in today's dynamic consumer landscape can emerge from various sources. Internal factors include leadership controversies or product failures, while external ones may involve social media backlash or cultural changes. Mitroff and Pearson (1993) emphasize that early detection and strategic preparation are critical for preventing crises from escalating, allowing companies to act swiftly and minimize reputational damage. Well thought out crisis management is crucial for maintaining and ensuring brand resilience. Companies that manage scandals successfully can not only recover but also use these moments as opportunities to reposition themselves. By doing so, they remain aligned with consumer expectations (Thompson et al., 2006).

Key Elements of Effective Crisis Response in Brand Management

Managing disruptions is crucial for companies facing unexpected challenges that could threaten their image. Quick and transparent responses are essential for maintaining trust. When brands receive bad press, their response can strongly influence their relationship with buyers. Loyal customers may continue buying and using the brand's products, while less committed ones might discontinue purchases or share negative opinions with others (Ahluwalia, Burnkrant & Unnava, 2000).

In the era of digital connectivity, consumer reactions are amplified by the public nature of social media. On social media platforms, both criticism and defense of a brand gain visibility quickly, making it the primary arena for reputational challenges (Wilson, Giebelhausen & Brady, 2017). Viral posts can escalate crises within minutes, bringing significant public scrutiny and pressuring brands to respond promptly. Social media also fosters direct interaction between consumers and brands, as well as the dialogue between people. These kinds of dialogues lead to a flood of user-generated content, which can shape public perception, both positively and negatively. Research shows that critical information spreads faster than positive content, making digital platforms a critical factor in crisis escalation (Hayran & Ceylan, 2023).

Responding to online reviews and feedback is an essential part of crisis management for a brand. Whether consumers feel a connection because they purchase its products frequently or because they identify with its style and ethos, a poorly handled crisis can disrupt this relationship. Transparency, speed, and alignment with target group values are vital for regaining trust and minimizing long-term reputational damage.

Understanding Brand Crisis Triggers and Effective Response Strategies

Brand crises can arise from a combination of internal and external factors, varying in severity and impact. Internal factors such as poor management decisions, unethical behavior, or product defects can harm a company, especially if they fail to communicate openly. For instance, Herm (2012) argues that delayed product launches, when paired with poor communication, can significantly damage brand trust. These issues highlight the need for communication that addresses immediate concerns while ensuring long-term recovery. Externally, social and cultural changes can trigger crises when companies fail to adapt their strategies or communication. Social media missteps, such as poorly timed posts, can severely damage trust and a brand's image (Hayran & Ceylan, 2022). The 2017 Pepsi's advertisement featuring Kendall Jenner faced significant backlash for trivializing social justice movements, particularly Black Lives Matter, leading to its swift withdrawal and public apologies from both Pepsi and

Jenner (Victor, 2017). While long-term loyal buyers may initially remain patient, their trust can erode if issues are repeated or unresolved.

Johnson, Matear, and Thomson (2011) explain that consumers who feel excluded or betrayed by a brand often react with negative word-of-mouth or boycotts. The 2018 H&M “Coolest Monkey in the Jungle” advertisement, featuring a Black child wearing a sweatshirt with the phrase, faced backlash for being racially insensitive, leading to widespread protests, and reputational damage (The Washington Post, 2018). Effective crisis management not only prevents further harm but also rebuilds consumer trust. For instance, when Starbucks faced a racial bias incident in 2018 involving the wrongful arrest of two Black men at a Philadelphia store, the feedback on social media was swift and intense. In response, Starbucks temporarily closed over 8,000 stores to conduct racial bias training and issued a public apology. This proactive approach demonstrated accountability and helped restore credibility (Zillman, 2018). In summary, brand crises are often driven by internal mismanagement or external societal pressures. To minimize lasting harm, brands must adopt well-planned strategies. To address these triggers, established frameworks that guide crisis responses can be applied.

Crisis Communication Strategies and Recovery Approaches

A widely recognized framework for handling crises is the *Situational Crisis Communication Theory* (SCCT), developed by Coombs (2007). Crisis management requires strategic communication tailored to the nature of the situation and the expectations of stakeholders. SCCT emphasizes that the choice of communication strategy should depend on the extent to which the organization is seen as responsible for the crisis. Defensive strategies, such as denial or redirecting blame, are suitable for situations where the company has minimal accountability. In contrast, accommodative strategies, including issuing full apologies, providing compensation, or taking corrective actions, are essential when stakeholders attribute significant responsibility to the organization (Coombs, 2007).

SCCT categorizes crises into three different types. Each of them is associated with different levels of organizational responsibility:

1. Victim Crises: Low responsibility (e.g. natural disasters)
2. Accidental Crises: Moderate responsibility (e.g. technical errors)
3. Intentional Crises: High responsibility (e.g. unethical practices)

Understanding these crisis types is essential for accurately assessing the level of threat caused by the crisis. Coombs and Holladay (2009) recommend aligning response strategies with the crisis type:

1. Deny: The organization states that it holds no responsibility for the crisis.
2. Diminish: The organization seeks to minimize its perceived responsibility for the crisis.
3. Rebuild: The organization aims to restore its image through compensation and/or an apology.
4. Reinforce (Supplemental): The organization emphasizes positive information by praising individuals or referencing past successes.

The organization should analysis the crisis in depth to be able to implement the appropriate crisis communication. There are several factors which can be considered when choosing the response strategy, e.g. crisis type, organizational history, reputational factors and levels of responsibility.

While SCCT provides valuable guidance, it also has several limitations that challenge its applicability in real-world scenarios. One critique is that SCCT oversimplifies stakeholder dynamics, assuming everyone reacts the same way and ignoring the emotional and cultural factors that influence individual responses, especially in complex situations (Kyhn, 2008; Bayarong, 2015). Moreover, it integrates factors like crisis history and relational reputation, which significantly influence stakeholder trust and expectations during crises (Kyhn, 2008). SCCT focuses on organization-driven crises limits its guidance for handling external incidents, such as third-party actions or natural disasters, where responsibility is less clear but reputational risks remain (Bayarong, 2015). The framework's static nature is another challenge, especially in the digital age where crises evolve rapidly, requiring more adaptable strategies. Additionally, SCCT does not fully address the role of media framing, which can heavily influence public perception and complicate crisis management efforts (Kyhn, 2008). These limitations highlight the need to adapt SCCT to modern crises.

Hayran and Ceylan (2022) argue that different levels of audience involvement require tailored communication strategies. High engagement consumers, who have a strong emotional connection with a brand, are more likely to interact with crisis responses and evaluate them critically. On the other hand, low engagement consumers, who show minimal attachment or interaction, may require simpler messaging to reestablish trust. Understanding these distinctions helps brands craft responses that resonate with different audiences.

Corporate Repositioning After Crisis and Key Success Factors

Repositioning after a crisis is often necessary to restore trust and rebuild a brand's image. This process may involve revising the messaging, redefining the target audience, or updating the corporate visual identity. Key factors for successful repositioning include authenticity,

alignment with social values, and clear communication (Muzellec & Lambkin, 2006). At the same time, brands must carefully navigate public perception, as even loyal customers may distance themselves if they view the brand as socially unacceptable. Negative mentions on social media can amplify this effect, further damaging reputation. Socially unacceptable content associated with a brand can alienate even its most loyal customers. This disengagement often arises from a sense of vicarious shame when consumers witness violations of social norms, such as offensive or inappropriate behavior linked to the brand. To address these risks, companies must adopt proactive strategies, including monitoring and moderating their social media channels to promptly address harmful content and fostering a culture of respectful and constructive engagement among their audience (American Marketing Association, 2023).

The literature emphasizes the importance of addressing social issues and maintaining ethical standards as key to successful repositioning. Strong consumer relationships also play a vital role in managing bad press. Ahluwalia et al. (2000) highlight that loyal customers are crucial during repositioning efforts. Building these connections can help shield brands from negative reviews, as shoppers with a personal attachment are more likely to defend them, especially against distant or less relevant critics. This shows the value of fostering loyalty and emotional ties to reduce reputational risks (American Marketing Association, 2022). However, failing to address consumer concerns authentically can lead to boycotts or damaging publicity (Johnson et al., 2011). While critical press may sometimes increase brand awareness, it must be carefully managed to prevent further damage (Berger et al., 2010). Together, effective crisis management and authentic repositioning ensure that brands can not only recover but also evolve in alignment with consumer expectations.

2.3 Consumer Activism and Brand Evolution

In today's online-driven world, social media empowers consumers to challenge corporate behavior and demand change, making it easier for people to hold brands accountable. Platforms like TikTok, Instagram, and Facebook enable society to organize movements and voice concerns collectively. Such digital networks create a "space of autonomy," where individuals and movements collaborate to reshape societal norms and challenge institutional power. This hybrid space connects online platforms with real-world actions, giving social movements a much greater reach. As a result, brands are often forced to adjust their strategies to stay relevant (Castells, 2012).

Kozinets and Jenkins (2021) highlight that consumers now co-create brand narratives, taking an active role in shaping stories rather than passively accepting them. This shift exemplifies the

growing demand for inclusivity, sustainability, and transparency. Brands that fail to meet these expectations risk losing key demographics and market share (Kampf, 2018; Hamelberg et al., 2024). Patagonia, for example, demonstrates how aligning sustainability with consumer expectations can build lasting trust. The company's integration of environmentally conscious practices into its messaging, such as donating 1% of sales to environmental causes, reflects an authentic commitment to its values (Patagonia, 2024). Social movements like #MeToo further exemplify how collective action, amplified by social media, holds corporations accountable. While these movements are powerful tools for consumer-driven change, they also highlight the broader societal expectations brands must navigate. The interaction between people and brands create opportunities for meaningful repositioning. Failure to respond authentically to these demands' risks dilution and erosion of trust (Ferraro et al., 2013).

The Role of Social Media in Consumer-Driven Change

Social media has become a critical tool for activism, providing a platform for collective action with ease. Users can share petitions, organize events, and amplify their voices. This accessibility allows activists to connect across borders and cultures, promoting collaboration on a global scale (Gerbaudo, 2012; Castillo-Esparcia et al., 2023).

Movements such as #MeToo and #BlackLivesMatter demonstrate how social media can transform localized issues into global campaigns, reaching millions through platforms like X (formerly Twitter), Facebook, Instagram, and TikTok (Cammaerts, 2015; Brown et al., 2017). By enabling collective action and fostering collaboration across borders, these platforms amplify individual voices and build a sense of global unity (Gerbaudo, 2012; Castillo-Esparcia et al., 2023). The concept of "choreographic leadership" further highlights how decentralized activism, driven by hashtags and shared values, allows movements to adapt and thrive without formal hierarchies (Gerbaudo, 2012). These dynamics showcase the transformative role of social media in reshaping activism globally.

Rapid mobilization is another key benefit. X, for example, provides real-time updates that are crucial during protests or campaigns, allowing activists to adapt quickly to changing circumstances. For instance, during the "Arab Spring" and "Occupy Wall Street", participants used such networks to coordinate their actions efficiently (Gerbaudo, 2012; Cammaerts, 2015).

While social media's transformative role in driving global activism is evident, its influence extends beyond societal movements to reshape how consumers interact with brands. A key function of digital platforms is their ability to establish direct and real-time feedback loops between people and brands. This allows users to voice concerns or complaints publicly, putting

pressure on companies to respond quickly and transparently. This interaction forces brands to address issues promptly to preserve public trust (Gambetti et al., 2023; Bulmer et al., 2024). The rapid spread of viral posts and hashtags further intensifies this pressure, accelerating the dissemination of content and demanding swift action from companies (Castillo-Esparcia et al., 2023; Bulmer et al., 2024). Especially visual content, such as photos or videos capturing brand missteps, often serves as evidence that triggers widespread public reactions (Brown et al., 2017; Chon & Park, 2019).

Overall, social media is as a powerful catalyst for activism. By enabling collective action, amplifying voices, and facilitating real-time responses, it has fundamentally reshaped the relationship between consumers, brands, and social movements.

Navigating Consumer Expectations and Accountability

Consumers increasingly expect brands to address critical issues. Practices such as greenwashing - where businesses exaggerate or misrepresent their sustainability efforts - often lead to public scandals when uncovered. For instance, fast-fashion companies have been criticized for marketing “eco-friendly” collections while continuing to rely on unsustainable supply chain practices (Yilmaz, 2017).

The demand for accountability has driven the rise of brand activism, where companies align communication with societal values. Manfredi-Sánchez (2019) defines it as the use of campaigns rooted in political or social issues to influence consumer identities. Younger generations, particularly Millennials and Gen Z, prioritize purpose-driven purchases and quickly disengage from brands that fail to meet their values. Performative activism, where companies claim to support social causes without taking meaningful action, can alienate these target groups. Transparency and genuine commitment are therefore a must (Accenture, 2018; Guha & Korschun, 2024).

Corporate activism gives brands a way to tackle societal challenges by using strategic influence. Unlike traditional corporate social responsibility (CSR), it takes a more active role in breaking down barriers to change. Normative strategies can be used. For example, embracing societal values, mimetic strategies by copying what successful competitors are doing, or coercive strategies by adapting to outside pressures like laws or public demand change (Eilert & Napier Cherup, 2020). Research highlights that humans' perceptions of authenticity in CSR efforts can mitigate skepticism and enhance trust, leading to stronger loyalty and advocacy (Safeer & Liu, 2023).

Navigating these challenges requires brands to adopt well-considered strategies that address activist demands while preserving credibility. Approaches such as “brand decoupling”, where activists’ messages are separated from the parent company, can reduce immediate backlash but often backfire when discrepancies are exposed. Alternatively, “moral disengagement” reflects how consumers scrutinize brands by comparing their actions with activists’ claims, exposing inconsistencies and eroding trust (Gambetti, Kozinets, & Biraghi, 2023; Castillo-Esparcia et al., 2023).

Despite the risks of inauthenticity, genuine activism offers considerable opportunities. Brands that sincerely show commitment can foster meaningful innovation, enhance customer loyalty, and achieve long-term market differentiation (Bulmer et al., 2024). In an era of heightened accountability, sincerity is no longer optional - it is essential to building trust, fostering loyalty and achieving sustainable success.

3. Methodology

3.1. Research Design and Data Collection

This thesis follows a qualitative research design to develop a teaching case study exploring the consumer-driven repositioning and business transformation of Abercrombie & Fitch. The repositioning was driven by significant shifts in consumer preferences and necessitated by evolving market dynamics.

The approach combines insights from expert interviews with a thorough review of secondary data sourced from high-quality academic journals, as well as industry publications. By integrating these elements, the study aims to offer both theoretical depth and practical relevance. Six semi-structured interviews were conducted with industry experts and company employees involved in fashion, marketing and strategic decision-making. These interviews provided contextual insights and practical perspectives to complement the theoretical analysis. The semi-structured format ensured consistency across interviews while allowing flexibility for participants to elaborate on their expertise and experiences. Moreover, a thorough literature review was undertaken, focusing on peer-reviewed articles and reports from top-tier academic journals. Additionally, publicly available information such as company reports, industry analyses, and consumer trend studies were examined to contextualize the findings within broader market dynamics.

3.2. Case Study Selection and Data Analysis

The case study synthesizes insights from interviews and literature to provide a comprehensive examination of A&F's challenges. These include maintaining exclusivity while addressing inclusivity demands, implementing strategies to reposition the brand, and exploring possibilities for sustainable, long-term business transitions. By integrating internal perspectives from employees and external expertise from industry professionals, the study presents a nuanced understanding of the brand's repositioning journey.

A thematic approach was used to analyze the interview data, focusing on recurring patterns and themes. The methodology captured diverse viewpoints from company insiders (e.g., store employees and marketing managers) and industry experts, offering deeper insights into brand strategies, customer experiences, and repositioning efforts. These interviews were grouped into two main fields for analysis.

- **Company Insiders:** These dialogues offered practical insights into how strategies were implemented within the organization, the challenges faced by employees in-store, and the dynamics of team collaboration in adapting to the brand’s identity.
- **Industry Experts:** These conversations provided a broader view of market trends, a critical evaluation of Abercrombie & Fitch’s repositioning efforts, and examples of successful practices from other companies navigating similar transitions.

The interviews provided crucial insights into how A&F employees perceived the brand’s transition from exclusivity to inclusivity, while industry experts contextualized these changes within broader market trends. This dual perspective highlighted key areas of strength (e.g., multisensory marketing) and challenges (e.g., aligning global and local strategies). The table below organizes the findings by topic and key information from the interviews, presenting them by theme and perspective for clarity and relevance.

Topic	Number of Mentions	Details
Customer Experience	18	<ul style="list-style-type: none"> • Focus on improving daily staff briefings to enhance customer interaction (Camilla). • Challenges in adapting store atmosphere to customer needs (Camilla, Julia). • Employee dissatisfaction with repetitive playlists affecting store ambiance (Julia). • Multisensory elements (lighting, scent) alienating some customer groups while appealing to others (Camilla, Theo). • Emphasis on maintaining high employee satisfaction to ensure positive customer experiences (Fabian).
Inclusivity	12	<ul style="list-style-type: none"> • Early adoption of inclusivity in marketing campaigns (Daniel). • Efforts to balance inclusivity with brand exclusivity in repositioning (Peter). • Customer feedback highlighting the need for diversity in products and marketing (Camilla, Daniel). • Diverse recruitment practices that reflect the international appeal of the brand (Fabian).
Marketing Strategies	11	<ul style="list-style-type: none"> • Influencer marketing used strategically to attract younger demographics (Daniel). • Challenges in global versus local marketing adaptations (Daniel). • Importance of maintaining consistency across all marketing platforms (Theo). • Analysis of successful and failed repositioning campaigns in fashion and luxury industries (Theo). • Disconnect between American headquarters’ strategy and local European market needs, leading to missed opportunities for regional partnerships (Fabian).
Heritage vs. Modern	9	<ul style="list-style-type: none"> • Balancing traditional branding elements with modern consumer expectations (Peter). • Risks of alienating older customer segments with aggressive modernization (Peter). • Leveraging heritage branding to attract multi-generational audiences (Peter, Theo). • Loss of brand identity due to overhauling traditional strategies instead of incremental modernization (Fabian).

Table 1: Findings by Topic, Number of Mentions and Details from the Interviews

Interviewee	Role/Type	Main Findings	Themes/Topics	New Information
Camilla	Former Employee A&F Sales Manager & Brand Representative	<p>Emphasis on customer interaction through pre-shift meetings and training.</p> <p>Shift from exclusive ambiance to a more inclusive store setup.</p> <p>Challenges in customer response to changing brand image.</p>	Customer Experience, Brand Ambiance.	<p>Importance of customer service training with a focus on daily staff briefings before each shift, which included updates on new products and customer feedback.</p> <p>Emphasis on proactively addressing different customer types, especially in regions like Germany, where customers were more reserved.</p> <p>Detailed description of how brand exclusivity (dark lighting, loud music, signature scent) sometimes alienated German customers.</p>
Julia	Former Employee A&F Sales Manager & Brand Representative	<p>Training employees on sales etiquette (e.g., role-playing, KPIs, customer greetings).</p> <p>Customer complaints about inconsistent product quality.</p>	Employee Training, Product Quality.	<p>Mention of repetitive playlists during shifts as a cause of employee dissatisfaction, indicating the operational impact of brand atmosphere decisions.</p> <p>Notable feedback from customers about inconsistent product quality during the brand's transitional phase.</p> <p>Strong influence of CEO changes on the store-level policies and employee experiences.</p>
Daniel	Former Employee A&F Senior Country Marketing Manager	<p>Strategic focus on influencer marketing and social media presence.</p> <p>Inclusion and diversity as key communication themes.</p> <p>Challenges in synchronizing global vs. local marketing efforts.</p>	Brand Repositioning, Marketing Adaptation.	<p>Strong impact of CEO change on store-level atmosphere and policies.</p> <p>Early adoption of influencer marketing in Europe, positioning Abercrombie & Fitch as one of the first brands to leverage this strategy.</p> <p>Notable disparity in strategic focus between European and U.S. markets, with Europe being an experimental ground for diversity-focused campaigns.</p>
Fabian	Former Employee A&F General Manager with an area of Responsibility of over 200 Employees	<p>Early adoption of a strong operational role during A&F's European expansion.</p> <p>Emphasis on hands-on recruitment and team building, recruiting over 2000 employees, and managing up to 200 staff.</p> <p>Highlighted internal challenges such as top-down strategy implementation from the U.S. headquarters, resistance to local adjustments, and eventual loss of identity during brand repositioning efforts.</p> <p>Provided insights into employee satisfaction tied to inclusivity and workplace culture.</p>	Brand Exclusivity, Local Adaptation, Employee Management, Strategic Challenges.	<p>Detailed description of challenges faced during the shift from A&F's high exclusivity to a broader market appeal.</p> <p>The disconnect between American headquarters and local European market needs, especially cultural mismatches.</p> <p>Notable reflections on how initial brand exclusivity contributed to its strong appeal, but later rigid strategies alienated loyal employees and customers.</p> <p>Recommendations to balance global strategies with regional market sensitivities, including leveraging local partnerships and adapting marketing to cultural preferences (e.g., events or partnerships with local institutions).</p>
Peter	Industry Expert Head of Sales Aigner Homemarket DACH & BENELUX	<p>Success of balancing traditional values with innovation.</p> <p>Importance of appealing to multi-generational audiences.</p> <p>Social media as a tool for redefining brand identity.</p>	Brand Sustainability, Generational Marketing.	<p>Heritage branding attracts younger customers who see it as a classic.</p> <p>Insight into the multi-generational appeal of heritage branding, balancing innovation with tradition to attract a broader base.</p> <p>Risks associated with aggressive changes that could alienate older customer segments, emphasizing the importance of maintaining a balance.</p> <p>Strategies for rebuilding a brand's presence in domestic markets after a focus on international growth.</p>
Theo	Industry Expert Executive Board Fashion Council Germany Dean of Studies Fashion Design B.A. & Program Director Fashion Management M.A. at AMD University Munich	<p>Multisensory marketing as a strength for A&F.</p> <p>Importance of consistent brand image across platforms.</p> <p>Examples of repositioning failures (e.g., Tiffany, Jaguar).</p>	Innovative Strategies, Competitive Analysis.	<p>Critical analysis of brand repositioning failures in the fashion and luxury industries (e.g., Jaguar and Tiffany campaigns).</p> <p>Highlighted the importance of experiential branding in fostering customer loyalty, particularly through multisensory marketing.</p> <p>The role of authenticity in avoiding alienation of core customer groups during repositioning efforts.</p>

Table 2: Interview Overview

4. Case Study

April 2013. As Hannah Meyer stepped into a glass-walled meeting room at Abercrombie & Fitch's (A&F) headquarters in New Albany, Ohio, a printed screenshot lay on the table: "*We go after the cool kids,*" the headline read. "*A lot of people don't belong in our clothes.*"

The quote, originally made by CEO Mike Jeffries years earlier, had resurfaced and exploded across the internet. What began as a Reddit post had turned into a full-blown media storm. Within hours, hashtags like #DitchTheFitch and #CancelAbercrombie were trending worldwide. Teenagers posted videos burning their A&F clothes. Influencers swore off the brand. Even mainstream news outlets joined the conversation.

For Hannah, a 33-year-old brand consultant recently hired by the company, it was supposed to be a strategic repositioning project. Instead, it had become a brand crisis. She had spent the weekend collecting data, reviewing customer sentiment, and analyzing sales figures. Numbers that were already down double digits in key markets. But the bigger problem wasn't just financial. It was cultural. The identity of the brand, which was once aspirational, sexy and exclusive (*see Exhibit 1*), was now declared as toxic.

A&F was one of the leading global players in the premium apparel and lifestyle sector, known for offering casual wear, personal care products, and accessories to a core demographic of fashion-conscious youth. By 2012, A&F operated over 1,000 stores across North America, Europe, and Asia, generating \$4.5 billion in annual revenue. The brand had cultivated an image around exclusivity, aspirational aesthetics, and bold, provocative marketing. Often walking the line between edgy and elitist. However, the fashion industry was changing rapidly. While fast-fashion brands like Zara and H&M thrived with affordable, inclusive styles, younger consumers began to expect authenticity and diversity. Values A&F had long overlooked.

As the team gathered around the conference table, eyes turned to Hannah. CEO Mike Jeffries remained mostly silent, visibly tense. The public reactions were not just an image problem but went to the heart of the brand DNA that he had built up over decades. Could A&F transform without losing the brand character that had once made it iconic? Or would holding onto the past cost it its future? This case follows Hannah Meyer as she navigates A&F's identity crisis at a pivotal moment, balancing internal resistance, shifting consumer values, and the pressure to reposition a global brand in real time.

4.1 Company History, Brand Identity and Positioning

Founded in 1892 by David Abercrombie, the company began as a premium outdoor and sporting goods store catering to elite adventurers. When Ezra Fitch joined in 1904, the brand broadened its focus to include stylish, casual clothing that appealed to a wider audience. By the mid-20th century, however, A&F faced difficulties adapting to shifting preferences and growing competition, ultimately filing for bankruptcy in 1977. It was revitalized after being acquired by The Limited, which transformed the brand into a youth-centric fashion label under CEO Mike Jeffries in 1992.¹

Jeffries introduced a bold vision that would radically shift A&F's identity. Recognizing the need to differentiate A&F from other brands targeting teenagers, he developed a concept that blended the stylish elegance of Ralph Lauren apparel with the provocative sexuality of Calvin Klein's advertising in the 90s. This unique combination aimed to capture the attention of young, affluent consumers by offering an aspirational image. Photographer Bruce Weber, who had previously worked with Calvin Klein, played a crucial role in bringing this vision to life (*see Exhibit 2*). His highly stylized, black-and-white imagery emphasized athletic youth in sensual and often provocative poses. This aesthetic not only reinforced A&F's exclusivity and desirability but also made its marketing instantly recognizable (*see Exhibit 3*). Supported by The Limited's corporate offices, the strategic shift in A&F's brand positioning laid the foundation for its success over the following two decades.

Jeffries' strategy was that of differentiation: A&F had to stand out and offer something they had never seen. His approach targeted a demographic of "cool" young people, establishing A&F as a lifestyle brand that resonated with a prosper youth. In 1992, when Jeffries took over, A&F operated just 36 stores in the United States and generated \$50 million in annual revenue. Under his leadership, the brand expanded rapidly, opening flagship stores in major markets across Canada, Europe, and parts of Asia.² The distribution network spanned company-owned stores, digital channels, and a range of third-party arrangements, including wholesale partnerships, e-commerce platforms, franchise operations, and licensing agreements. To capture various segments of the youth market, A&F expanded its brand portfolio: in 1998, Abercrombie Kids launched with upscale, pre-teen designs; in 2000, Hollister Co. introduced a surf-inspired line aimed at a younger, casual demographic; and in 2008, Gilly Hicks entered the lingerie and lifestyle sector, broadening A&F's reach among young women (*see Exhibit 4*).³ Though each of the company's brands embodied its own heritage and handwriting, they shared common

elements and characteristics. They described themselves as classic, casual, confident, intelligent, and privileged, with a playful and lighthearted edge.

In 2008, A&F operated 1,125 stores globally, generating \$3.48 billion in revenue. The growing importance of e-commerce was reflected in the brand's direct-to-consumer sales, which accounted for \$315 million of total revenue. Compared to its competitors, A&F was smaller in scale. Gap Inc. operated over 3,100 stores and reported \$14.5 billion in revenue, while H&M, with 1,738 stores, achieved \$12.5 billion (*see Exhibit 5*). These competitors, including American Eagle and Zara, similarly aimed for a youthful, fashion-conscious target group, competing in the mid-tier casual and fast-fashion segments. Despite its comparatively lower revenue, A&F maintained higher profit margins due to its premium pricing strategy, which distinguished it from competitors offering lower-cost products. But this stability didn't last. The global financial crisis of 2008 significantly disrupted spending patterns, with A&F particularly vulnerable due to its reliance on wealthy consumers. As shoppers tightened their budgets, demand shifted toward more affordable options, allowing brands like H&M and Zara, which offered trendy styles at lower price points, to gain a competitive advantage. In contrast, A&F's high prices and image made it increasingly difficult for the company to compete effectively in this new economic landscape. By 2009, A&F's revenue had fallen to \$2.92 billion, a drop of 17.5% compared to 2008, as the difficult economic environment began to have an impact.⁴ The management quickly realized that small adjustments - such as offering more discounts or optimizing marketing campaigns - would not be enough. Instead, the company needed to rethink its entire approach to remain profitable and relevant in a changing market. They faced a key decision: should they scale back operations in the U.S. to address underperforming stores, or should they try to sustain their large store network despite mounting financial pressures and declining revenues?

Instead of letting underperforming stores in the U.S. remain open, A&F actively closed several locations, reducing its store count to 1,069 by 2010 - a 5% decrease from 2008. This was a deliberate choice to shift resources and adapt to the changing market. While the closure of stores in the US was a difficult decision, A&F has continued to expand its business internationally. They focused on opening flagship stores in major fashion cities like London, Milan, and Tokyo. These high-profile locations were key to their positioning strategy, presenting the brand as a symbol of American coolness and aspiration to global audiences. In Europe especially, the brand's preppy style and East Coast heritage attracted large crowds, helping it build a reputation

as a premium label. These moves boosted revenue to \$3.46 billion by 2010 (18.5% increase from 2009), driven largely by the success of international expansion, despite the decreased U.S. retail footprint. However, these decisions revealed a significant challenge. Reducing the number of U.S. stores threatened to weaken the brand's presence and risked alienating loyal customers used to widespread store availability. At the same time, the rapid international expansion put a burden on the company's operational capacities, raising concerns as to whether this dual approach was sustainable in the long term.

By 2011, international growth continued to push revenue even higher, reaching \$4.16 billion. Nevertheless, high operating costs and increasing competition have had a significant impact on profitability, with net income dropping to \$143 million.⁵

A year later, the disconnect between A&F's premium positioning and emerging consumer expectations was becoming increasingly evident. Internally, the executive team began debating whether the brand's legacy positioning could still sustain growth, or whether it had become a liability.

In early 2013, amid growing internal debate about the future of the brand, A&F brought in Hannah Meyer, a brand consultant with extensive experience in repositioning companies. While performance metrics were still stable, early warning signs had begun to surface: declining foot traffic in U.S. stores, inconsistent international results, and growing consumer demand for inclusivity. Meyer's task was to evaluate whether A&F's core character could evolve without losing what had made it successful. Although she joined the company in 2013, Meyer began her work by reviewing the brand's historical positioning, marketing strategies, and internal culture. The aim was to understand how decisions that once led to success now affect relevance. She approached the assignment with cautious curiosity. "They were proud of what they'd built," she recalled. "But it wasn't clear if they were ready to change it." While some senior executives hoped for incremental fixes, Meyer quickly recognized the scale of the challenge. Her outsider perspective enabled her to ask uncomfortable questions. Ones that would shape the difficult conversations to come.

4.2 Curating Cool: Abercrombie's Provocative Marketing Approach

A&F's marketing strategy in the late 1990s and early 2000s was bold and often controversial, heavily leveraging sex appeal to captivate its target audience (*see Exhibit 6*). Drawing inspiration from the provocative advertising campaigns of Calvin Klein, A&F's ads featured sensual imagery and confident, youthful models, which became instrumental in establishing the brand's edgy image.

The core target group consisted of young adults aged 18 to 24, a demographic reflecting a youthful yet aspirational lifestyle. This fashion-conscious audience valued A&F's high-quality, casual luxury that combined classic style with a provocative edge. The All-American image resonated strongly with this group, positioning the brand as more than just clothing but as a lifestyle reflecting confidence, youth, and social prestige (*see Exhibit 7*).

One of the most successful early vehicles for positioning the brand was the A&F Quarterly, a combination of magazine and catalogue that pushed the boundaries of conventional advertising. The publication contained black-and-white photographs of models dressed in minimalist clothing, taken by the well-known photographer Bruce Weber. The Quarterly redefined the look for teenagers, reaching a peak circulation of 1.2 million during its American run from 1997 to 2003 (*see Exhibit 8*).⁶ However, it also faced criticism from moral and religious groups, including the National Coalition for the Protection of Children and Families, the American Decency Association, and Focus on the Family, who perceived it as overly sexual.⁷ Although A&F discontinued the Quarterly in 2003, it later made a limited-edition comeback in 2008 for the European market.⁸ This move furthered A&F's strategy to establish them abroad, leveraging the Quarterly's popularity as the brand expanded into major European cities.

With expansion marketing strategies evolved to include influential celebrities who embodied A&F's appeal. For instance, Justin Timberlake was frequently seen in signature styles, further connecting the brand to youth culture. The "Stars on the Rise" campaign featured emerging figures such as Heidi Klum, Taylor Swift and Channing Tatum, helping to position A&F at the forefront of pop culture trends (*see Exhibit 9*). Appearances at major events like the MTV Music Awards bolstered status and solidified the brand as a top choice for young adults.⁹

Beyond publications, A&F's store experience was a cornerstone of its marketing, serving as the primary vehicle for communicating the spirit of each brand. Each store was designed to

immerse customers in the brand's world, emphasizing sight, sound, smell, touch, and energy. Sensory elements like signature fragrances, controlled lighting, curated music, and rich fabrics contributed to a unique atmosphere often described as a "club you wanted to be part of." Sales associates and managers played a central role, reflecting the casual, energetic, and upscale attitude of the brands. Employees were selected based on grooming standards, dress codes, and hairstyle guidelines to align with A&F's polished, "good-looking" image, reinforcing the specific lifestyles represented by Abercrombie & Fitch, Abercrombie kids, Hollister, and Gilly Hicks.¹⁰

The brand relied heavily on in-store marketing, lifestyle publications, and distinct brand experiences to heighten its mystique and exclusivity. This unconventional approach contributed to the brand's "cool factor," attracting young buyers. In 2007, A&F's marketing and branding strategy drove record sales of \$3.7 billion, largely due to its distinct market positioning and compelling retail environment. The company prioritized immersive brand experiences over direct advertising, allocating \$31.3 million to direct-to-consumer and advertising costs, which represented 8.3% of the total marketing spend.¹¹ The focus was on in-store marketing and the comeback of the A&F Quarterly.

However, the impact of the 2008 global financial crisis prompted a strategic shift. Despite a 5.8% decline in revenue to \$3.48 billion in 2008, the brand increased its total marketing expenditures to \$405.248 million—a rise of about 7.6% over the previous year. While direct advertising costs dropped slightly to \$28.7 million, this overall increase in marketing spend was mainly driven by the company's focus on international expansion. This decision, though counterintuitive during a downturn, aimed to position A&F for future growth in new, global markets. By 2009, the financial downturn continued to affect the company, leading A&F to further reduce its direct advertising spend to \$17.7 million, a 38% reduction from the previous year. Total marketing spend also decreased to \$353.296 million, reflecting the brand's need to cut costs amid a challenging economic environment.¹²

Yet even with these cost-saving measures in place, A&F's bottom line was still negatively impacted, highlighting the complexity of adapting to a rapidly changing environment. At the same time, the brand's aggressive marketing efforts and its strategic shift toward international growth began to show cracks: a growing misalignment with evolving consumer expectations was becoming harder to ignore. Looking back on A&F's approach, brand consultant Meyer saw

more than just bold execution. She recognized a system built on exclusion. “There was a consistent vision,” she later commented, “but it thrived on idealized perfection and carefully curated groups. That made it powerful. But it also made it fragile.”

4.3 The Competitors: Positioning in the Marketplace

The youth-centric specialty casualwear segment, catering to mid-tier, lifestyle-oriented apparel, became increasingly saturated in the early 2010s. A&F positioned itself as a premium and aspirational brand. Yet as Meyer analyzed the competitive field, she noticed that most successful players were leaning into the opposite: inclusivity, accessibility, and speed. “A&F had built a brand people aspired to,” she observed, “but their competitors were building brands most people felt a part of.”

H&M, for instance, gained ground by combining affordability with accessibility. Its collaborations with designers like Karl Lagerfeld brought high fashion to a younger demographic at a fraction of the cost.¹³ Its “Conscious Collection,” launched in 2011, resonated with socially aware Gen Z and Millennial shoppers, reinforcing the brand’s alignment with values like sustainability and ethical production.¹⁴ Meyer took note of H&M’s strategy, describing it as “culturally fluent; always in line with what mattered to its customers, not just what they wore.” Zara, meanwhile, revolutionized the space through its fast-fashion model, responding to shifting trends at remarkable speed. Its vertically integrated operations allowed new styles to hit stores in weeks, a process that left brands like A&F struggling to keep up. To Meyer, Zara’s model wasn’t just about speed. It was about relevance through immediacy, something A&F’s seasonal cycles could no longer compete with. Gap focused on timeless affordability and consistency. While not as aggressively trend-driven, its wide footprint and stable image appealed to families and value-conscious youth alike.¹⁵ To Meyer, Gap represented the “safe middle,” a strategy that wasn’t exciting, but reliable in uncertain times. In contrast, American Eagle Outfitters (AEO) leaned fully into emotional connection. With Photoshop-free Aerie campaigns promoting body positivity and authentic branding, it won loyalty from a digitally savvy generation. “They weren’t just marketing clothes,” Meyer noted, “they were reflecting a worldview.” AEO’s investment in e-commerce and personalized marketing further enhanced its connection with a digitally savvy audience, aligning with the preferences of 18-24-year-olds.¹⁶ A strategy that reflected a brand that truly listened.

Competition clustered toward the inclusive and accessible quadrant, while A&F remained rooted in premium exclusivity (*see Exhibit 10*). This divergence in strategy became both the brand's strength and its vulnerability. The disparity was clear in growth: H&M expanded from 1,738 to 3,341 stores between 2008 and 2011, while Zara grew from 1,520 to 2,085. Gap also increased its presence from 3,100 to 3,700 stores, and AEO saw modest growth from 1,000 to 1,100. In contrast, A&F's store count declined from 1,125 to 1,056 (*see Exhibit 11*).

In 2011, A&F reported a 20% increase in global revenue compared to the prior year, reaching \$4.16 billion, with a net profit margin of 4.47%.¹⁷ However, competitors like H&M and Zara achieved far higher profit margins of 18.5% and 19.2%. H&M's sales grew at an average annual rate of over 10%, with revenues reaching \$16.5 billion, while Zara generated \$13.5 billion (*see Exhibit 12*).¹⁸

For Meyer, the data pointed to a deeper problem: A&F wasn't just missing trends, it was missing an identity-related shift. The success of its competitors highlighted that relevance now came from resonance, not aspiration. And unless A&F could close that gap, its image risked becoming its greatest liability.

4.4 Brand Under Pressure: Facing Internal and External Challenges

In 2012, A&F was faced with growing challenges that threatened its long-standing dominance in the youth fashion market. A combination of external backlash, declining sales, and internal resistance highlighted a widening disconnect between the brand's aspirational identity and shifting market expectations. That disconnect came into sharp focus in the spring of 2013, when a controversial quote by CEO Mike Jeffries from a 2006 interview resurfaced online. "We go after the cool kids. We go after the attractive, all-American kid with a great attitude and a lot of friends. A lot of people don't belong [in our clothes], and they can't belong. Are we exclusionary? Absolutely."¹⁹ The statement went viral. What had once embodied A&F's brand philosophy now ignited a global backlash. The quote set off an emergency meeting at A&F's headquarters. Meyer, just days into her engagement, found herself at the center of a brand in crisis. What had been framed as a long-term repositioning effort now demanded immediate damage control.

As discussions about diversity and body positivity gained momentum, shoppers were alienated by such practices and felt excluded by the brand's communication and image. One major factor was the brand's sizing policy. Women's sizes were limited to a maximum of a size 10 and men's sizes to a 34. A&F issued a statement on social media acknowledging the changing expectations of consumers (*see Exhibit 13*). Jeffries emphasized the company's commitment to diversity and inclusion, stating openly, "We are completely in support of diversity and inclusion. We look forward to continuing this dialogue and taking specific steps to demonstrate our commitment." However, this response was met with skepticism, as the brand's image and policies remained largely unchanged. Meyer noted the gap between messaging and action, commenting internally that "consumers don't want to be told a brand is inclusive, they want to see it."

Social channels played a pivotal role in intensifying the digital crisis, allowing dissatisfied consumers to mobilize against the brand's perceived elitism. A Change.org petition titled "Make Abercrombie & Fitch more inclusive" quickly gained traction, collecting over 80,000 signatures. The petition stated: "Abercrombie & Fitch needs to take responsibility for promoting exclusion, discrimination and harmful beauty standards." In parallel, campaigns like #CancelAbercrombie turned Twitter and Instagram into hotspots for criticism (*see Exhibit 14*). Filmmaker Greg Karber's viral #FitchTheHomeless campaign exemplified this movement: by distributing A&F clothing to homeless individuals, Karber aimed to subvert the brand's "cool" image, sparking widespread participation and media coverage (*see Exhibit 15*). To Meyer, the campaign was more than protest. It was an act of rebranding from the outside. "Now individuals were in control of the brand narrative,' she reflected, 'and they did it more effectively than the company itself". She saw this as a critical turning point: the very identity A&F had cultivated for years was being rewritten in real time. By the people it had excluded. The campaign resonated strongly, amplifying the narrative that A&F's was outdated and reinforcing the disconnect between its identity and the values of a modern consumer base.²⁰ Mainstream media further amplified this criticism. The Guardian reported: "The resurgence of the quote has sparked outrage from across the web. Former customers have vowed to boycott the brand... calling it toxic, shallow, and out of touch." Publications like the Daily Mail also questioned the sincerity of A&F's corporate responses (*see Exhibit 16*). This widespread coverage increased public pressure on the company to take meaningful action.

The public backlash had tangible financial consequences. In 2013, net sales fell to \$4.1 billion, a 9% decline from the previous year, marking the first major downturn since the post-recession recovery. Despite this, marketing expenditures remained high at \$480 million, following \$474 million in 2012 and \$437 million in 2011 (*see Exhibit 17*). However, increased spending alone was no longer enough to sustain growth, highlighting deeper issues in brand positioning and consumer perception. Comparable sales declined by 11%, with U.S. sales dropping 14%. In contrast, competitors continued to perform strong (*see Exhibit 18*). The brand resorted to aggressive discounting, launching a 50% off storewide promotion, which was a sharp departure from its traditional premium pricing model. While this tactic temporarily boosted foot traffic, it conditioned people to always expect markdowns, further weakening long-term brand equity. What troubled Meyer most wasn't the discounts. It was what they represented: a brand drifting away from its identity to chase survival.

Internally, operational inflexibility compounded these financial problems. A&F's rigid, centralized approach from US headquarters ignored regional market differences, particularly in Europe, where local teams struggled to adapt pricing and product strategies to cultural nuances. A&F was known for multisensory marketing elements in their stores like dark lighting, loud music, and signature scents. However, these often didn't appeal to more reserved consumer groups, especially in countries like Germany. Moreover, challenges in shifting store ambiance to a more welcoming setting became apparent, as repetitive playlists and inflexible in-store branding alienated both staff and customers. Another major issue was the lack of inclusive recruitment practices. The brand scouted possible candidates based on several factors like height, weight and look. The goal of recruiters was to hire employees who looked like the models within A&F's marketing campaigns. This practice made it difficult for A&F to build diverse and representative teams. As soon as this reoccurring pattern was noticed, it contributed to overall dissatisfaction from outside and within. These combined missteps reflected a broader failure to balance global brand consistency with regional needs.

For CEO Jeffries, exclusivity wasn't merely a marketing tactic, it was the essence of A&F's identity. This loyalty to the founding values created internal barriers to change. By late 2013, it became clear that A&F's traditional strategies were no longer sustainable.

As her work progressed, Meyer's evaluation of the brand's identity, positioning, and consumer alignment reinforced one central conclusion: A&F could no longer afford to treat repositioning

as optional. The pressure to evolve was now existential, in cultural, financial, and strategic terms. Her insights set the stage for the company's most difficult decisions yet.

4.5 Meyer's Report: Shifts in Consumer Behavior

Meyer's arrival at A&F marked a critical inflection point. Her task was not just to pinpoint short-term performance issues, but to uncover the deeper reasons behind the brand's fading relevance and question whether its current positioning was still viable. As she analyzed data and trends from the past five years, Meyer began to see more than operational shortcomings. She observed fundamental shifts shaping the fashion landscape, especially rising expectations around inclusivity, sustainability, digital convenience, and social accountability. Her challenge was to help the leadership team recognize that A&F wasn't just experiencing a temporary setback but facing a broader misalignment with the values of a new generation.

She needed to weigh how to communicate these findings to A&F leadership while balancing the urgency for change with the risks of alienating the brand's core identity:

- **Inclusivity and Diversity:** Meyer identified inclusivity as a growing expectation among younger consumers, especially Millennials and Gen Z, whose influence on the fashion industry was accelerating. Surveys showed that 68% valued diverse representation in advertising, while 70% preferred brands that reflected different body types and identities.²¹ Campaigns like Dove's 2010 "Real Beauty" initiative (*see Exhibit 19*) not only tapped into this shift, but also proved commercially successful, boosting revenue by 10% and generating media exposure worth 30 times the initial investment.²² In contrast, A&F's brand identity remained centered on a narrow ideal: affluent, athletic, and conventionally attractive. This positioning was reinforced through hiring practices and restrictive sizing policies, particularly for women's clothing. Meyer argued that this disconnect between consumer expectations and brand image wasn't just a PR issue. It posed a strategic threat to A&F's positioning. If the brand failed to evolve its visual identity and messaging to reflect more inclusive ideals, it risked becoming irrelevant.
- **Sustainability and Ethical Practices:** Meyer also identified sustainability and ethical practices as an increasingly important dimension of brand perception. By 2009, 35% of younger consumers prioritized environmentally responsible brands, a figure that continued to rise in the following years.²³ She noted that this shift wasn't just about products, as it reflected a broader value system that was becoming central to how consumers evaluated

brand credibility. Competitors like H&M responded early. With the launch of their “Conscious Collection” in 2011, they embedded sustainability into their brand messaging and product design, reinforcing the perception of being both affordable and socially responsible.²⁴ This move not only generated goodwill but positioned H&M as a leader in conscious fashion, building loyalty among values-driven consumers.

A&F, by contrast, had no visible sustainability initiatives at the time. Meyer’s report described this absence as more than just a missed opportunity, as it was a structural blind spot. As environmental concerns became mainstream, brands that ignored them risked appearing outdated or indifferent. In Meyer’s view, A&F’s lack of a sustainability strategy undermined its ability to connect with the next generation of buyers. It also clashed with the rising consumer expectation that aspirational brands should lead, not lag, on social and environmental responsibility.

- **Social Media and Activism:** Meyer’s analysis also addressed the disruptive role of social media in reshaping brand perception. By 2013, platforms like Twitter, Facebook, and Instagram had evolved into real-time feedback loops. Becoming tools not just for communication, but for cultural accountability. Hashtags like #CancelAbercrombie, #DitchTheFitch, and #FitchTheHomeless became focal points for criticism, reframing A&F’s exclusivity as a liability. These campaigns weren’t isolated PR challenges. Meyer viewed them as evidence of a structural misalignment between A&F’s brand positioning and emerging consumer values. They exposed a fundamental tension between the company’s curated image and a digital environment where authenticity, inclusion, and responsiveness were becoming non-negotiable. She also emphasized that social media is not only increasing dissatisfaction but also redefining the power dynamic between brands and consumers. Brands could no longer control the narrative through one-way messaging. Instead, they were being redefined in real time by a connected, outspoken generation. For A&F, Meyer warned, failing to respond credibly in this new landscape risked not just reputational damage, but long-term erosion of brand equity.

Meyer also examined the rise of digital retail, recognizing it as a structural shift in how consumers engaged with fashion brands. As online shopping grew in popularity, A&F responded by upgrading its digital infrastructure. In 2012, it partnered with IBM to expand its Direct-to-Consumer (DTC) capabilities, aiming for a frictionless online experience and targeting \$1 billion in e-commerce sales.²⁵ These investments paid off in part: DTC revenue rose from \$552.6 million in 2011 (13% of total sales) to \$776.9 million in 2013 (19%),

indicating A&F's capacity to build digital channels effectively (*see Exhibit 20*). However, Meyer was quick to point out that although this growth was impressive, it could not cover up deeper strategic problems and the problem was not the execution, but the alignment. A&F's DTC growth clashed with its traditional identity. The brand had long relied on controlled, immersive in-store experiences to project exclusivity. In contrast, the digital marketplace rewarded accessibility, speed, and transparency, values that had traditionally stood at odds with A&F's identity. For her, this tension revealed a growing disconnect: the company was adapting operationally, but not strategically. Unless A&F aligned its brand positioning with the expectations of a digital-first generation, even a strong e-commerce performance would be a short-lived victory.

Meyer was now faced with the challenge of communicating her findings to A&F's management. Its early investments in e-commerce showed adaptability, but she believed a broader strategic response was needed.

4.6 Challenging the Ego-Expressive Model: A Brand Under Scrutiny

By late 2013, A&F faced a defining moment. U.S. sales had dropped by 14%, and repeated discounting had weakened its once-premium image. At the same time, generational expectations around inclusion, diversity and sustainability have grown in importance, fueled by growing consumer activism and the influence of social media. The brand's sizing policies, curated advertising, and rigid in-store atmosphere were increasingly at odds with the values of a younger, more socially conscious generation.

For brand consultant Meyer, these weren't just isolated symptoms. The company had modernized parts of its infrastructure and grown internationally, but it had yet to rethink what aspiration meant in a world where self-expression was more about belonging than status. Despite these challenges, A&F still held considerable strengths: a globally recognized name, strong visual branding, and an established retail network. Its ego-expressive positioning, which was built around confidence, style, and exclusivity, had long set it apart from mass-market rivals like Zara, H&M, and American Eagle. But Meyer questioned whether this approach still resonated in an era where inclusion had become a key marker of identity.

When management reviewed her report, the questions they were confronted with went to the very heart of the brand:

- Could ego-expressive positioning still succeed, or had the cultural foundations that once supported it shifted too far?
- Was a change in communication enough, or did the company need to rethink products, pricing, and the in-store experience?
- Could A&F integrate values like inclusivity and sustainability into its brand strategy without losing the aspirational edge that once defined it?
- And most urgently: What would it take to evolve while preserving the distinctiveness that had made the brand iconic?

Inside the leadership team, opinions diverged. Some believed the backlash was overblown and short-lived. Others saw it as a sign that A&F's identity had become a problem. The report didn't offer simple answers. It surfaced a deeper truth: the next strategic decision wouldn't just shape business results; it would determine what kind of brand A&F wanted to be.

5. Teaching Note

5.1. Case Synopsis

In the early 2000s, Abercrombie & Fitch built a powerful reputation through exclusivity and preppy lifestyle branding, targeting affluent 18- to 24-year-olds with an image-driven, ego-expressive identity. Under CEO Mike Jeffries' leadership, the brand achieved peak success through provocative marketing and a distinct image. However, by the late 2000s, shifting societal values around inclusivity, sustainability, and cultural sensitivity began to challenge A&F's traditional positioning. Faced with public backlash over perceived elitism and lack of diversity, A&F found itself at a strategic crossroads. The company had to decide how to evolve its brand identity to align with expectations while maintaining its aspirational allure. This case examines the strategic dilemmas and opportunities A&F faced during this critical period, exploring the balance between tradition and transformation. Students are invited to analyze the potential risks and benefits of various strategic approaches to repositioning and assess how the company could rebuild trust and authenticity in a competitive and dynamic market. Highlighting key frameworks in brand equity, repositioning strategies, and crisis management, the case provides a platform for discussions on how to navigate market challenges while preserving brand integrity.

5.2. Learning Objectives and Assignment Questions

This teaching case is designed for undergraduate, graduate, and MBA students specializing in strategic management, marketing, and brand positioning. It offers valuable insights into how consumer-driven pressures influence strategic decision-making within highly dynamic and competitive environments, particularly in the fashion industry. The main objective of this case is to provide a comprehensive and practical analysis of repositioning, emphasizing brand challenges and opportunities with the following pedagogic goals:

Learning Objectives:

- **Understand the Dynamics of Ego-Expressive Brand Positioning:** analyze how brands build identity and loyalty through exclusivity and explore the potential vulnerabilities of ego-expressive positioning in the face of generational change.
- **Evaluate the Role of Social Media as a Feedback Mechanism:** assess how social media can both amplify brand crises and act as an early warning system indicating misalignment between brand identity and consumer values.

- **Explore Strategic Options for Repositioning Brands:** examine how companies can adapt or transform their brand positioning to remain relevant; including the trade-offs between preserving brand heritage and aligning with new consumer expectations.
- **Develop Brand Strategies That Balance Authenticity, Adaptability, and Differentiation:** propose strategic responses that reflect long-term brand-building principles; whether through inclusivity, product innovation, or alternative positioning models (e.g., quality, performance, or value).

Assignment Questions:

Q1: What were the strengths and weaknesses of A&F's ego-expressive brand positioning, and how did it contribute to both brand success and public backlash?

Q2: What role did social media play in amplifying the backlash against A&F, and how can it be used to detect deeper issues in brand positioning?

Q3: How can a brand like A&F translate cultural shifts into credible changes in brand positioning and internal strategy while maintaining its appeal?

Q4: At the end of 2013, A&F found itself in a major brand crisis. Which strategic path should the company take in 2014? Stay the course, evolve cautiously or pursue a bold repositioning? What are the risks and long-term implications of each option?

5.3. Pedagogical Overview, Teaching Strategy and Key Case Discussion Questions

To effectively analyze A&F's repositioning, it is essential to first understand the dynamics of ego-expressive brands and their dependency on cultural relevance. Brands that cultivate loyalty through identity-based positioning must remain responsive to evolving normative frameworks, particularly those concerning inclusion, authenticity, and self-expression. This case provides an opportunity to examine how ego-expressive strategies can drive early brand success yet become vulnerable when shifts in self-image and societal expectations occur.

Through the lens of A&F's transformation till the year 2013, students are encouraged to explore the tensions between brand heritage and modern expectations. The case fosters discussion around: the strategic risks and rewards of ego-expressive positioning, the role of social media as a sensing and accountability mechanism, and the decision-making processes behind repositioning.

To support this analysis, four open-ended assignment questions have been developed. These questions prompt students to apply conceptual frameworks, such as Keller's Brand Equity Pyramid and Situational Crisis Communication Theory (SCCT). The goal is to help students bridge theory and practice, uncovering how brand identity, consumer perception, and cultural alignment interact in shaping long-term brand equity.

Suggested Assignment Questions

Analyzing the Impact of Ego-Expressive Brand Positioning.

Q1: What were the strengths and weaknesses of A&F's ego-expressive brand positioning, and how did it contribute to both brand success and public backlash?

Teaching Note: Use Keller's Brand Equity Pyramid to show how A&F built strong brand identity through exclusivity and carefully curated imagery. Encourage students to explore how this strategy initially drove loyalty, but later triggered backlash as identity-related values shifted. Focus on the role of self-image, identity signaling, and the brand's heavy reliance on aspirational imagery over functional value.

Example Solution for Q1:

A&F built a culturally resonant brand through ego-expressive positioning by targeting a specific type of aspirational consumer through carefully curated imagery, exclusivity, and provocative campaigns. This strategy created strong emotional bonds and brand loyalty during the 2000s. However, as societal values evolved in the 2010s, the brand's heavy reliance on a narrowly defined consumer identity became a vulnerability. Using Keller's Brand Equity Pyramid, students can analyze how A&F's brand meaning was shaped predominantly by imagery and emotional associations, and how these same elements later triggered backlash. A comparison of brand equity components across time helps evaluate both the strengths and limitations of ego-expressive branding.

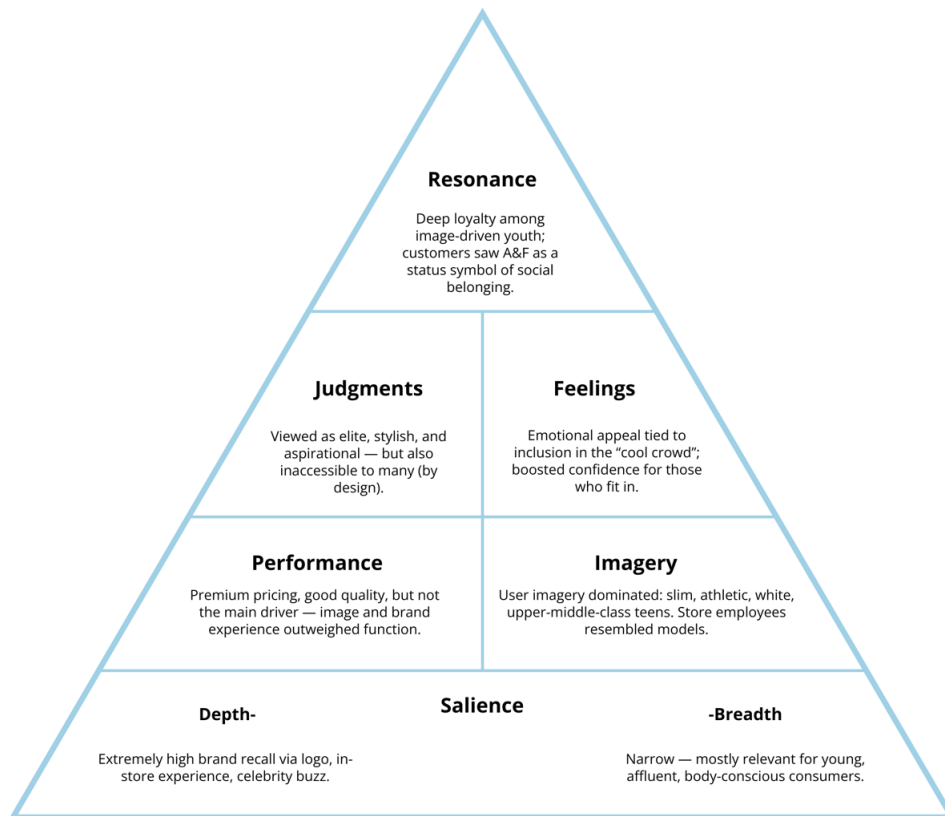


Figure 1: Keller's Brand Equity Pyramid – A&F in the Early 2000s

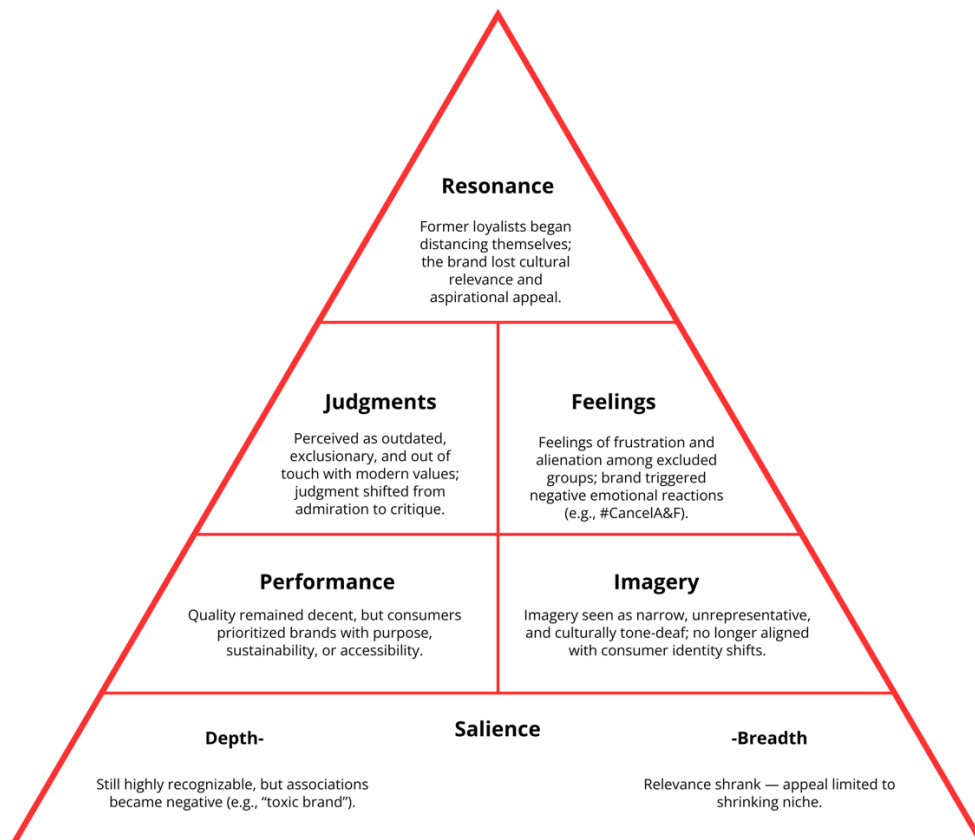


Figure 2: Keller's Brand Equity Pyramid – A&F in the Early 2010s

Keller's Brand Equity Pyramid helps explain both A&F's initial success and its later decline. In the 2000s, the brand was highly salient, emotionally aspirational, and built deep loyalty through narrow user imagery. But this right-heavy pyramid left A&F vulnerable. As generations evolved, the visual language became exclusionary, judgements became critical and the brand lost its emotional connection to the consumer. By comparing both pyramids, students can see how ego-expressive positioning, while powerful, requires constant alignment with social context. In contrast, brands like Zara built more balanced equity across value and performance, making them less exposed to identity-based shifts.

The Role of Social Media in Brand Crises and Positioning Feedback.

Q2: What role did social media play in amplifying the backlash against A&F, and how can it be used to detect deeper issues in brand positioning?

Teaching Note: Apply Situational Crisis Communication Theory (SCCT) to classify A&F's backlash as a preventable crisis rooted in long-standing brand positioning. Discuss how social media amplified consumer frustration and turned it into a broader cultural movement. Encourage students to debate whether this was a temporary PR challenge or a deeper sign of brand misalignment. Use the case to explore how digital platforms act as early warning signals for outdated ego-expressive positioning. Highlight the importance of transparency, cultural alignment, and internal change in restoring trust.

Example Solution for Q2:

Social media played a key role in transforming A&F's backlash from isolated criticism into a consumer movement. Platforms like Twitter and Facebook amplified consumer frustration by giving excluded groups a stronger voice. Hashtags such as #CancelAbercrombie unified criticism around the brand's exclusivity-driven identity, turning a reputational challenge into a full-blown public crisis.

According to Situational Crisis Communication Theory (SCCT), this was a preventable crisis, rooted in long-standing brand decisions rather than a one-time accident. A&F's history of elitist messaging, discriminatory hiring, and exclusionary sizing made the company fully accountable in the eyes of the public. As a result, standard PR tactics such as apologies (the way A&F handled the crisis) were not enough. The brand needed a Rebuild strategy, involving real action, transparency, and value-based change to restore trust.

But this backlash wasn't just about poor crisis handling, it signaled a deeper issue: A&F's ego-expressive positioning no longer aligned with consumer identities. Social media didn't just amplify the crisis; it acted as a real-time barometer of brand relevance. What once generated loyalty now triggered disaffection.

This case shows that brands must treat social media not only as a crisis channel, but as a strategic sensing tool. Consumer reactions online can reveal when imagery or identity signals no longer resonate. Long-term trust depends on brands aligning their internal culture, messaging, and values with societal expectations, especially when their positioning relies on emotional connection and self-expression.

a) Crisis Type & Attribution of Responsibility

- **SCCT Categorization:** A&F's backlash is best classified as a preventable crisis under the Situational Crisis Communication Theory (SCCT), because it stemmed from long-standing brand choices and not external events or accidents. Its exclusivity-driven positioning and past public statements made it vulnerable to criticism.
- **Public Perception:** Consumers perceived A&F as fully responsible. The brand's legacy of discriminatory hiring, narrow sizing, and elitist messaging reinforced the idea that the controversy wasn't a one-off mistake, but a reflection of the brand's deeper identity. This perception intensified anger and reduced public sympathy.
- **SCCT Implication:** Preventable crises demand more than image repair; they require concrete actions to demonstrate change. That includes transparent communication, changes in leadership or messaging, and authentic public engagement. A generic apology is not enough when the brand itself is seen as the problem.

b) Crisis Communication Strategies & A&F's Response

- **Initial Response & Failure of the Diminish Strategy:**

When CEO Jeffries' 2006 comments resurfaced in 2013, A&F initially attempted to justify its long-standing brand identity rather than directly addressing the controversy. A&F issued a formal apology via Facebook. They expressed regret that his "choice of words was interpreted in a manner that has caused offense" and emphasized that A&F is "strongly committed to diversity and inclusion." While maintaining that the quote had been taken out of context, the post sought to reframe A&F's aspirational positioning by underlining the

company's opposition to "any discrimination, bullying, derogatory characterizations or other anti-social behavior based on race, gender, body type or other individual characteristics."

- **Why this failed & Shift Toward Rebuild Strategy:**

SCCT suggests that preventable crises require a Rebuild strategy, meaning a company must acknowledge responsibility and implement meaningful changes rather than attempting to justify past actions. A&F's initial reluctance to address systemic issues within the brand only intensified frustration. The company had no choice but to change its approach and attempt damage control as the backlash escalated, fueled by viral hashtags such as #CancelAbercrombie and growing public protests (*see Exhibit 15*). Jeffries downplayed the controversy and later issued a Facebook apology (*see Exhibit 13*), which many found insincere (*see Exhibit 14*). Social media users made fun of the apology, highlighting contradictions in his statement and criticizing the lack of concrete action from A&F. Rather than acknowledging how the brand's messaging had actively excluded people, Jeffries framed it as a misinterpretation of his words. As a result, his response was widely seen as performative, especially since the marketing, hiring, and sizing remained unchanged.

c) Missed Opportunities & Perceived Insincerity

Rather than proactively evolving with shifting consumer expectations, A&F responded slowly and defensively. This lack of urgency made its efforts appear insincere. The brand could have:

- Expanded its sizing range to demonstrate a real commitment to inclusivity.
- Engaged directly with critics behind the #CancelAbercrombie movement to show accountability.
- Repositioned its marketing by showcasing a more diverse set of models and reducing hyper-exclusive messaging.

Social media amplified the backlash by uniting individual frustrations into a collective movement. Without a clear and authentic response, A&F lost control of the narrative. What could have been a reputational stumble escalated into a full-blown identity crisis, driven not just by past decisions, but by the brand's failure to listen, act, and evolve in real time.

Navigating Repositioning: Preserving Brand Identity While Embracing Cultural Change

Q3: How can a brand like A&F translate cultural shifts into credible changes in brand positioning and internal strategy while maintaining its appeal?

Teaching Note: Encourage students to explore how A&F could reposition in response to cultural shifts around identity, inclusivity, sustainability and authenticity. Ask them to reflect on what parts of the brand's identity should be preserved and which elements needed to evolve. The goal is to find a strategic direction that balances A&F's aspirational appeal with growing expectations around representation and belonging. Students should assess both external branding (e.g. product, messaging, store design) and internal alignment (e.g. hiring, values).

Example Solution for Q3:

In 2014, A&F faced growing pressure to evolve its brand identity. A&F's exclusive and image-orientated positioning fell increasingly out of step. To remain competitive, A&F needed to modernize without losing its aspirational appeal. The brand's repositioning required analyzing both emerging consumer trends and the broader competitive landscape. While rivals like American Eagle and Zara embraced inclusivity or value-based strategies, A&F remained anchored in exclusivity. The following map illustrates how A&F could shift its brand position toward a more modern identity:

BRAND POSITIONING OF A&F AND KEY COMPETITORS

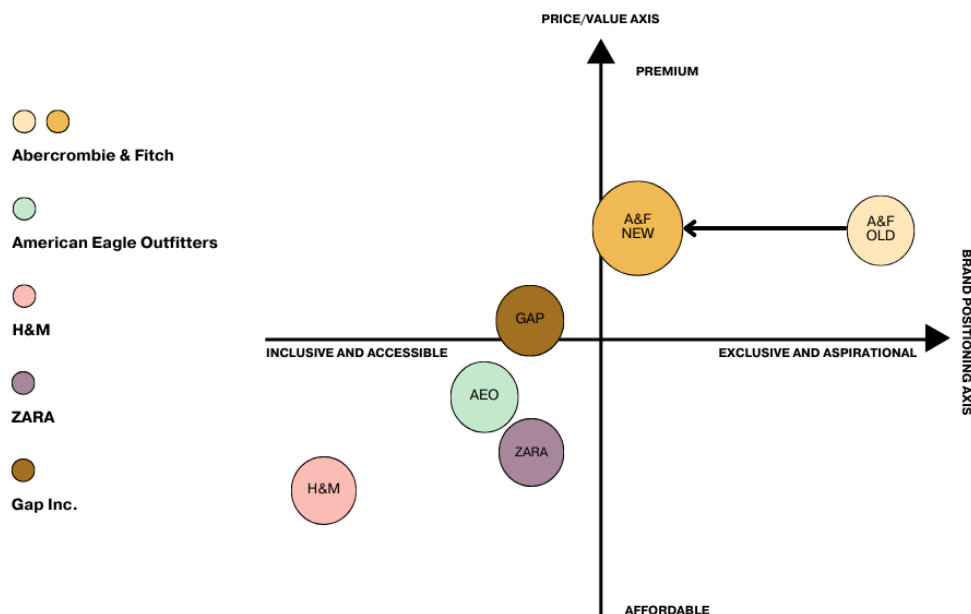


Figure 3: Brand Positioning Map of A&F and Key Competitors

The repositioning strategy outlined above would move A&F towards a more inclusive yet premium position, closer to competitor brands, while still differentiating from them. To modernize its brand while preserving its aspirational edge, A&F needed to rethink both external and internal brand elements. The goal: retain aspiration, but become more inclusive, credible, and culturally aligned.

Focus Area	What Should Change	Why It Matters
Brand Messaging	Move from “cool kids only” to messages of confidence & individuality	Reflects broader ideals of self-expression and avoids exclusionary signaling
Imagery & Representation	Feature diverse body types, ethnicities, and personalities	Aligns brand image with evolving definitions of beauty and belonging
Product Strategy	Expand sizing, introduce gender-neutral pieces, reduce oversized logos	Signals inclusivity through offerings, not just ads
Store Experience	Brighten lighting, soften music, and tone down nightclub aesthetic	Makes stores more welcoming without losing the premium feel
Internal Culture	Diversify hiring, update values, and reflect inclusivity internally	Ensures credibility and authenticity – prevents backlash from superficial change

Table 3: Strategic Priorities for Repositioning A&F in 2014

This simplified framework helps students assess how A&F could reposition by evolving both brand expression and internal alignment. The case shows that repositioning isn’t just about changing ads or slogans, it requires coordinated changes across product design, messaging, hiring practices, and brand values. This question encourages to weigh which elements of a brand are worth preserving, which must evolve, and how credibility can be sustained during transitions.

Strategic Trade-offs in Brand Repositioning: Navigating Cultural Change Without Losing Brand Identity

Q4: At the end of 2013, A&F found itself in a major brand crisis. Which strategic path should the company take in 2014? Stay the course, evolve cautiously or pursue a bold repositioning? What are the risks and long-term implications of each option?

Teaching Note: Students should assess the strategic options A&F faced in 2014, ranging from preserving the status quo to cautious evolution or bold repositioning. Weigh the trade-offs between continuity and change, with attention to five criteria: brand equity, consumer trust, financial risk, long-term growth, and overall strategic coherence. Insights from earlier parts of the case, such as Keller's brand pyramid, the social media backlash, and A&F's repositioning logic, should inform the analysis.

Example Solution for Q4:

In 2014, A&F stood at a crossroads. The brand faced mounting reputational pressure as consumers increasingly questioned its approach to identity, belonging, and self-expression. Its aspirational positioning, once admired, now appeared out of touch. The brand needed to assess whether to stay the course, adjust its positioning, or pursue a bold transformation.

To decide, A&F's leadership had to weigh different strategic paths: preserving the status quo, initiating moderate changes, or radically repositioning. Evaluating also based on the impact on brand equity, consumer trust, financial risk, and long-term growth.

Criteria	Preserve (Status Quo)	Cautious Evolution (Moderate Repositioning)	Bold Repositioning (Full Transformation)
Brand Equity	Maintains aspirational identity for loyal customers but reinforces exclusivity.	Keeps premium image while signaling inclusivity through product and messaging.	Risks alienating legacy customers but may rebuild relevance with new audiences.
Consumer Trust	Seen as resistant to change; risks further alienation of critical voices.	Builds sustainable credibility gradually through small but visible changes.	Strong message of change can build trust with excluded groups.
Financial Risk	Short-term cost savings, but risk of long-term sales decline.	Moderate investments (e.g. sizing, campaigns), manageable risk.	High costs (product, operations, brand rebuild); risky transition.
Long-Term Growth	Low – cultural misalignment limits future relevance.	Medium-High: Maintains brand equity while slowly broadening appeal.	High if successful – aligns brand with emerging identity norms.
Strategic Assessment	Too static. There is a risk that it will become an outdated brand with diminishing relevance. Preserves identity, but not competitiveness.	Balanced and feasible. Minimizes disruption while addressing core tensions. Best option for gradual realignment.	Ambitious but risky. Requires internal overhaul. Could unlock growth but needs careful execution to avoid backlash 2.0.
Case Evidence	<ul style="list-style-type: none"> A&F built loyalty through an exclusive brand image targeting “cool, good-looking people” (4.1; Exhibit 1,3,6,7,8,9). Jeffries’ quote “Are we exclusionary? Absolutely” (4.4) highlights deliberate exclusivity but sparked backlash. Maintaining status quo risked deeper trust loss as consumers demanded change, not apologies (Exhibit 13,14,15,16). Meyer: “The public had taken control of the brand narrative” – preserving exclusivity ignored cultural shifts (4.4). Despite \$480M in marketing, sales fell 11% in 2013 – erosion of relevance and financial performance (Exhibit 17). Competitors like Zara and H&M advanced through inclusivity and adaptability (4.3; Exhibit 18). As a preventable crisis, superficial fixes (like preserving status quo) lack credibility and worsen perception (TN Q2). 	<ul style="list-style-type: none"> A&F’s brand equity was built on aspiration and emotional identity, but consumer values shifted – Keller’s pyramid became unstable (4.5; TN Q1; Exhibit 18, 19). Social media revealed a deep brand misalignment; repositioning required more than PR fixes (4.4; TN Q2; Exhibit 14, 15, 16). Meyer: “They were in control of the brand narrative, and they did it more effectively than the company itself.” – moderate change could regain trust without abrupt disruption (4.4). Meyer noted early digital investments (e.g., DTC growth) showed adaptability and potential – what lacked was strategic repositioning (4.5; Exhibit 20). Competitors like AEO and Zara succeeded through emotional connection, responsiveness, and inclusive imagery – without abandoning strong brand identity (4.3; Exhibit 10, 11, 12). A phased shift updated messaging, imagery, and product while retaining exclusivity through quality and design. Moderate investments in sizing, hiring, and store design reduced financial risk and enabled gradual brand evolution (TN Q3). 	<ul style="list-style-type: none"> Jeffries’ legacy of “cool kids” exclusivity sparked outrage and exposed a deeper identity crisis (4.4; Exhibit 13, 14, 15, 16, 17). From 2009 onward, consumer expectations shifted toward inclusivity, sustainability, and accountability – but A&F failed to adapt. Meyer called the crisis “existential,” urging strategic shifts to align with Gen Z and Millennial values (4.5). By 2010/11, major brands like H&M and Dove had begun responding to cultural shifts with visible initiatives – A&F, by contrast, lacked any such actions (4.5; Exhibit 19). Social media movements revealed that the public had taken control of the brand narrative – superficial changes wouldn’t suffice. As a “preventable” crisis rooted in deep positioning flaws, SCCT called for bold, trust-rebuilding action (4.4; TN Q2). Exhibit 18 contrasts A&F’s financial decline with competitors like Zara and H&M, who thrived by aligning with modern values (4.3; Exhibit 18). Meyer’s report concluded that repositioning could not be optional – it was a strategic imperative driven by both internal data and external cultural transformation (4.5).

Table 4: Strategic Trade-Offs in A&F’s Brand Repositioning

Strategic Recommendation and Interpretation

The comparative analysis highlights that each strategic path (preserving the status quo, initiating cautious evolution, or pursuing bold repositioning) offered distinct trade-offs for A&F’s future. While preserving A&F’s exclusive brand image might have ensured short-term consistency, it risked deepening the brands disconnect with an evolving generation of consumers. On the opposite end, bold transformation promised renewed relevance, but entailed significant financial, operational, and reputational risks. In contrast, cautious evolution provided a balanced approach, allowing the brand to modernize without abandoning its aspirational identity.

Given the reputational pressure and internal readiness reflected in early signs of change (e.g., DTC investments, digital presence), a phased repositioning strategy appears most viable. It would enable A&F to respond to consumer wants, while minimizing disruption to loyal customer relationships and brand equity. The brand could gradually expand product offerings, update its imagery and store experience, and align internal culture with external messaging, while avoiding the perception of performative change. It is from high importance, that A&F is signaling real commitment, not only through adapted marketing, but through real structural changes in attitudes, values and representation. As the SCCT framework suggests (TN Q2), superficial fixes in preventable crises are insufficient. Rebuilding trust demands authenticity and transparency, especially when identity is central to brand value.

Ultimately, the case shows that strategic repositioning is not only about where a brand wants to go, but also how it gets there. Cautious evolution enables A&F to retain its aspirational positioning while realigning with cultural norms, offering the best chance for long-term growth, brand credibility, and relevance in a shifting consumer landscape.

5.4. Class Plan

This teaching plan provides a structured interactive case study session. It is designed to promote critical thinking, collaboration, and the practical application of branding and crisis management concepts. Total Duration: approximately 95 minutes.

Activity & Time (mins)	Teaching Note Question Addressed	Example Structure/Task
Introduction & Case Overview (10 min)	General Case Overview	<ul style="list-style-type: none"> Instructor introduces A&F's brand history and turning point. Set up the core dilemma: aspiration vs. inclusivity. Highlight themes: identity, consumer shifts, backlash.
Brand Positioning Analysis (20 min)	Q1: What were the strengths and weaknesses of A&F's ego-expressive brand positioning, and how did it contribute to both brand success and public backlash?	<ul style="list-style-type: none"> Class discusses how exclusivity created emotional connection but later alienated consumers. Apply Keller's Brand Equity Pyramid (TN Q1 for early 2000's and early 2010's). Explore why this right-heavy pyramid made A&F vulnerable.
3. Digital Amplification & Early Signals (20 min)	Q2: What role did social media play in amplifying the backlash against A&F, and how can it be used to detect deeper issues in brand positioning?	<ul style="list-style-type: none"> Groups analyze the social media backlash as described in Case Section 4.4, including key moments, stakeholder reactions, and the role of viral hashtags. Apply SCCT: classify A&F's crisis as preventable (TN Q2). Discuss social media as real-time barometer of brand misalignment.
4. Repositioning Challenge (20 min)	Q3: How can a brand like A&F translate cultural shifts into credible changes in brand positioning and internal strategy while maintaining its appeal?	<ul style="list-style-type: none"> Groups should create a Brand Positioning Map (e.g. use Case Section 4.3) Identify what to evolve vs. preserve (e.g., imagery, sizing, values). Groups create a simplified repositioning framework by identifying key changes in brand messaging, product, store design, and internal culture.
5. Strategic Trade-Offs Debate (20 min)	Q4: At the end of 2013, A&F found itself in a major brand crisis. Which strategic path should the company take in 2014? Stay the course, evolve cautiously or pursue a bold repositioning? What are the risks and long-term implications of each option?	<ul style="list-style-type: none"> Split into 3 groups: Status Quo, Cautious Evolution, Bold Repositioning. Each group defends their strategy across 5 criteria: brand equity, consumer trust, financial risk, long-term growth, strategic assessment. (Optional: use evidence from the case (e.g., Exhibits, quotes from Hannah Meyer, data from 4.5) to support arguments.) Instructor moderates and surfaces tensions/trade-offs. Did any group change their view during the debate?
6. Wrap-Up & Reflection (5 min)	What key takeaways apply to modern brand strategy?	<ul style="list-style-type: none"> Instructor summarizes key insights. What does A&F teach us about brand transformation under cultural pressure? (Optional: Students vote on the most viable strategy and explain their rationale (e.g. risk vs. reward, long-term vs. short-term focus).

Table 5: Class Plan and Example Structure

6. Conclusion and Limitations

This thesis examined the challenges and strategic choices of brand repositioning in response to generational change, using Abercrombie & Fitch as a case study. A&F's journey illustrates how aspirational branding, once a driver of success, can become a liability when social expectations evolve. The brand's fall from cultural relevance exposed the risks of clinging to exclusionary ideals, and the reputational cost of resisting brand transformation. The repositioning of A&F highlighted the importance of aligning brand identity with emerging values such as inclusivity, authenticity and emotional connection, not only through messaging but also through leadership, internal culture and structural change. In a broader sense, the case shows how ego-expressive brands need to consider the cultural significance of their brand identity signals. As consumer expectations change, brands that rely on self-expression must evolve with them or risk losing momentum. The exact direction of change may vary. Inclusivity and sustainability were critical in A&F's case, but other brands may face different pressures. What matters is not the specific solution, but the brand's ability to sense consumer feedback, interpret it meaningfully, and adapt without losing its core essence.

Furthermore, the case emphasizes the strategic function of social media as an amplifier and diagnostic tool. Digital platforms accelerated A&F's crisis but also revealed early signals of brand misalignment. Social listening and online engagement have thus become essential for trust-building, positioning, and long-term brand equity.

Limitations of the study include a narrow brand focus, limited access to internal data, and a small number of expert interviews. While the results offer valuable insights into repositioning under reputational pressure, their generalizability is limited by A&F's history. The study also only reflects a short-term perspective (early 2000s to 2013), and future changes in market dynamics may require different strategic responses.

Future research could examine how other ego-expressive brands navigate similar ideological turning points. Exploring how AI and real-time analytics support dynamic positioning can deepen understanding of identity management in today's digital landscape.

This thesis was supported by OpenAI's ChatGPT to refine structure and clarity. All content was authored, reviewed, and edited by the student.

Case Appendixes

Case Citations

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Case Exhibits

Exhibit 1: A&F's Marketing Imagery Representing Aspirational Image



Source: Case Writer, Collage Created Using Pictures Of <https://www.gettyimages.de/fotos/abercrombie-fitch?>

Exhibit 2: Calvin Klein Campaign shot by Bruce Weber (1987)



Source: <https://bruceweber.com>

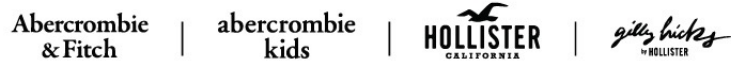
Exhibit 3: Abercrombie & Fitch Campaign shot by Bruce Weber (1993)



Source: <https://bruceweber.com>

Exhibit 4: Brand Portfolio Abercrombie & Fitch Co.

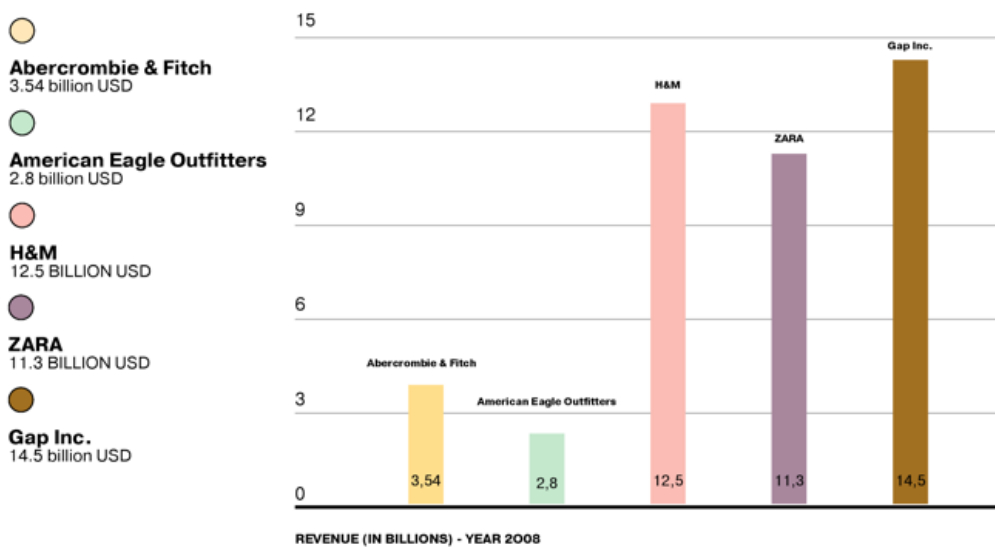
Abercrombie & Fitch Co.



Source: Abercrombie & Fitch

Exhibit 5: Revenue Comparison Among Key Youth-Centric Fast-Fashion and Casual Clothing Competitors (2008)

This chart highlights the relative revenue distribution among leading competitors within the youth-centric specialty casual wear segment, not the entire market.



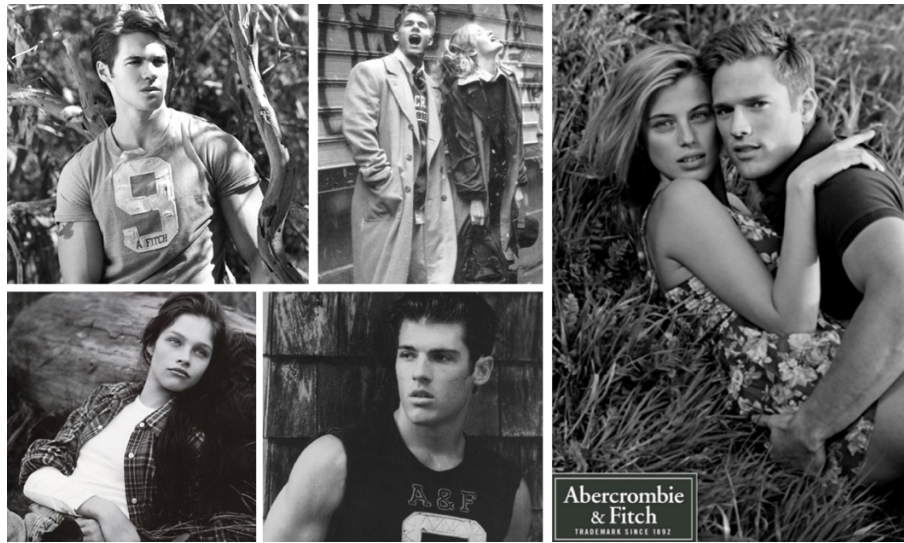
Source: Case Writer, adapted from "MarketLine High Street Fashion Retailers: Survival of the Fittest" report, published in June 2014

Exhibit 6: Abercrombie and Fitch Out of Home Campaign New York City (2006)



Source: <https://www.gettyimages.de/fotos/abercrombie-fitch?>

Exhibit 7: Abercrombie & Fitch's All-American Lifestyle Imagery (2006-2010)



Source: Case Writer, Collage Created Using Pictures Of <https://pt.pinterest.com/search/pins/?rs=ac&len=2&q=abercrombie%20and%20fitch>

Exhibit 8: Iconic Imagery from A&F Quarterly (1997–2003)



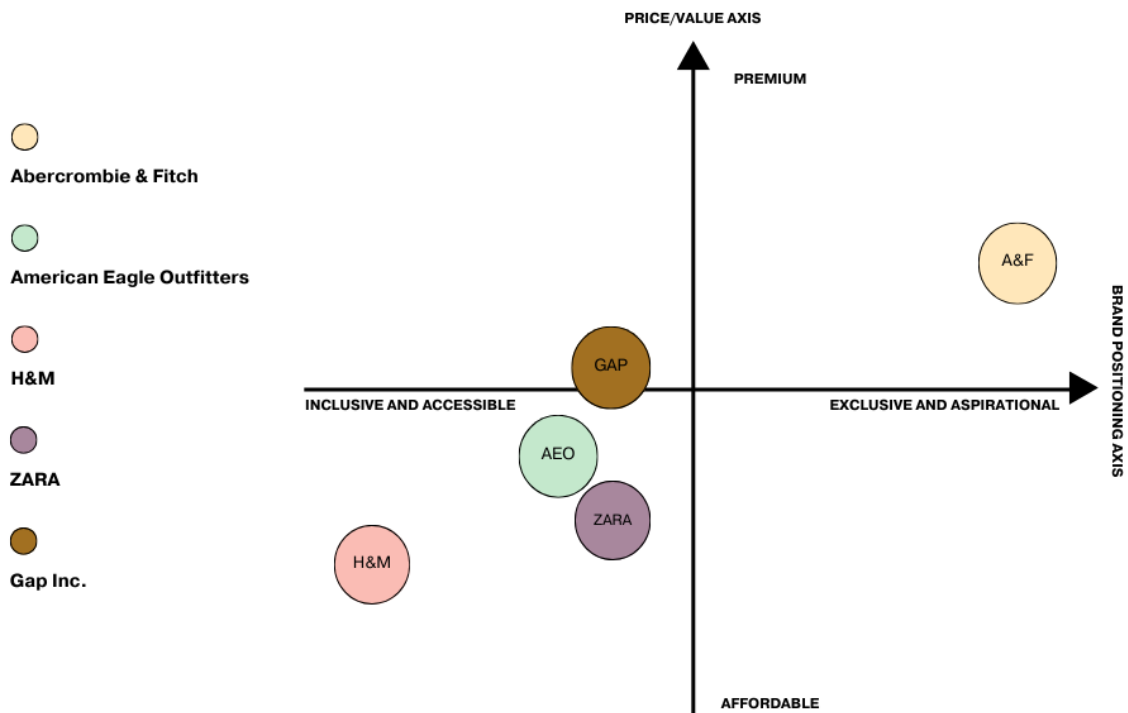
Source: Case Writer, Collage Created Using Pictures Of <https://pt.pinterest.com/search/pins/?q=abercrombie%20and%20fitch%20the%20quarterly&rs=typed>

Exhibit 9: “Stars on the Rise” Campaign



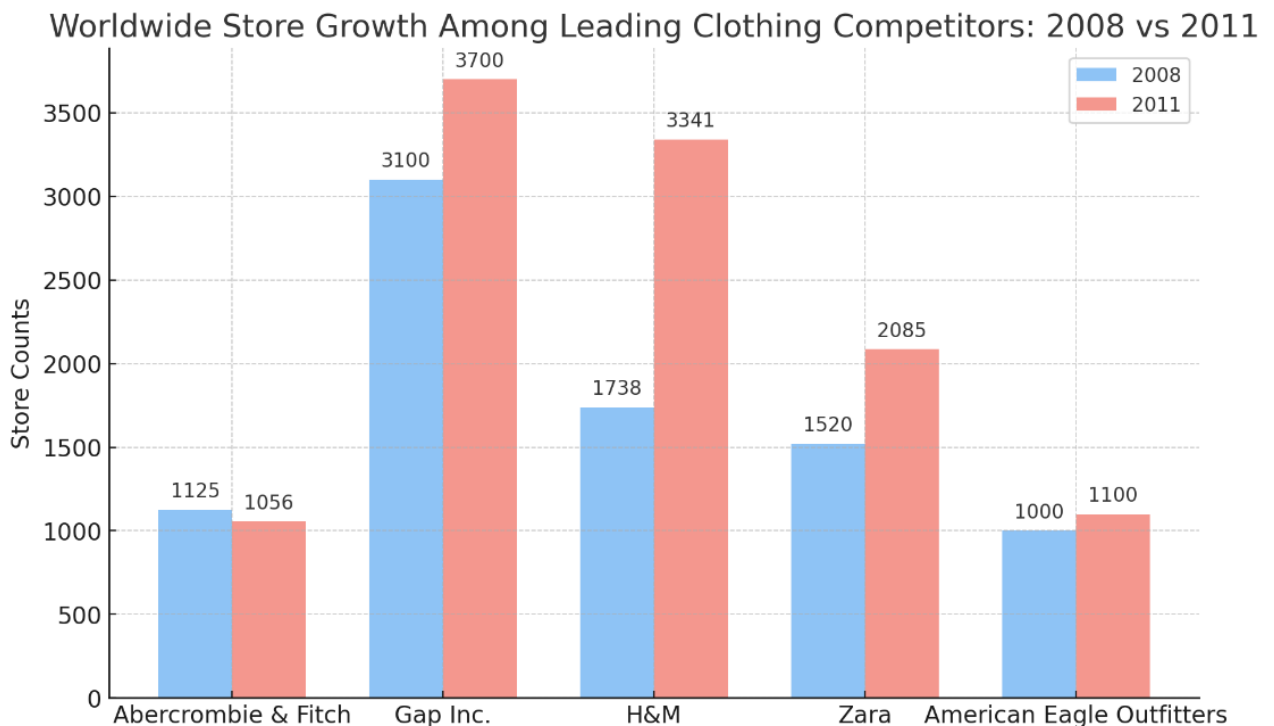
Source: Case Writer, Collage Created Using Pictures Of <https://www.buzzfeednews.com/article/sapna/abercrombie-revives-stars-on-the-rise-ad-campaign>

Exhibit 10: Perceptual Map - Brand Positioning of A&F and Key Competitors



Source: Case Writer

Exhibit 11: Worldwide Store Growth Among Youth-Centric Fast-Fashion and Casual Clothing Competitors from 2008 to 2011*

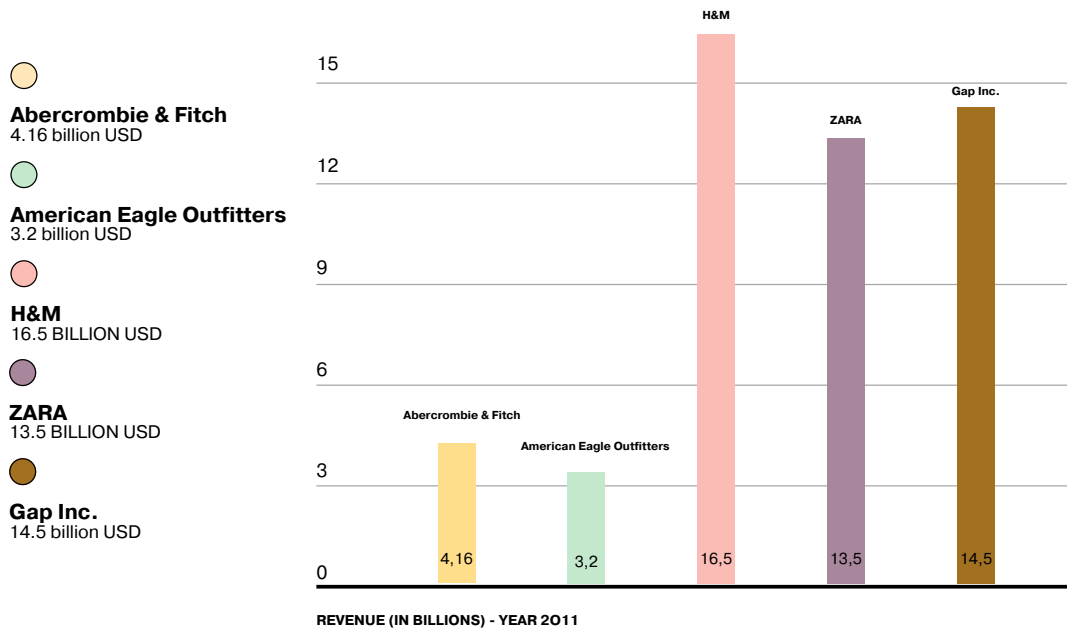


*The chosen years highlight turning points. The 2008 financial crisis triggered A&F’s first revenue decline, and by 2011, shifting consumer preferences fueled competitors’ growth while A&F stagnated.

Source: Case Writer, adapted from “MarketLine High Street Fashion Retailers: Survival of the Fittest” report, published in June 2014 and Abercrombie & Fitch annual reports from 2008 and 2011

Exhibit 12: Revenue Comparison (In Billions) Among Key Youth-Centric Fast-Fashion and Casual Clothing Competitors in 2011

This chart highlights the relative revenue distribution among leading competitors within the youth-centric specialty casual wear segment, not the entire market.



Source: Case Writer, adapted from "MarketLine High Street Fashion Retailers: Survival of the Fittest" report, published in June 2014

Exhibit 13: Public Apology from Abercrombie & Fitch CEO Mike Jeffries (2013)*

Abercrombie & Fitch ✓
May 15, 2013 · 🌐

A note from Mike, our CEO:

I want to address some of my comments that have been circulating from a 2006 interview. While I believe this 7 year old, resurrected quote has been taken out of context, I sincerely regret that my choice of words was interpreted in a manner that has caused offense. A&F is an aspirational brand that, like most specialty apparel brands, targets its marketing at a particular segment of customers. However, we care about the broader communities in which we operate and are strongly committed to diversity and inclusion. We hire good people who share these values. We are completely opposed to any discrimination, bullying, derogatory characterizations or other anti-social behavior based on race, gender, body type or other individual characteristics.

Like Comment Share

3.8K Top Comments

1,197 shares 3.7K comments

Write a comment...

Sorcha Róisín Ní Cúinn How can "we don't like fat people working in our stores or wearing our clothes" be taken out of context? Seems pretty clear to me.
Like · Reply · 3,470 · May 15, 2013 at 6:34pm

*Features a Facebook post from Mike Jeffries, CEO of Abercrombie & Fitch, dated May 15, 2013. In the post, Jeffries addresses the backlash stemming from comments made in a 2006 interview, which had resurfaced and caused public offense.
Source: https://www.huffpost.com/entry/abercrombie-fitch-ceo-controversy_n_3286502

Exhibit 14: Consumer Backlash and Public Perception



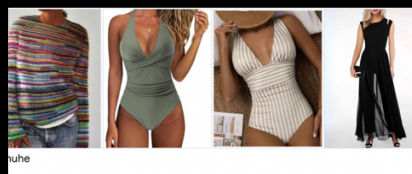
Source: Facebook

Exhibit 15: Protest Against Abercrombie & Fitch: #CancelAbercrombie Demonstration



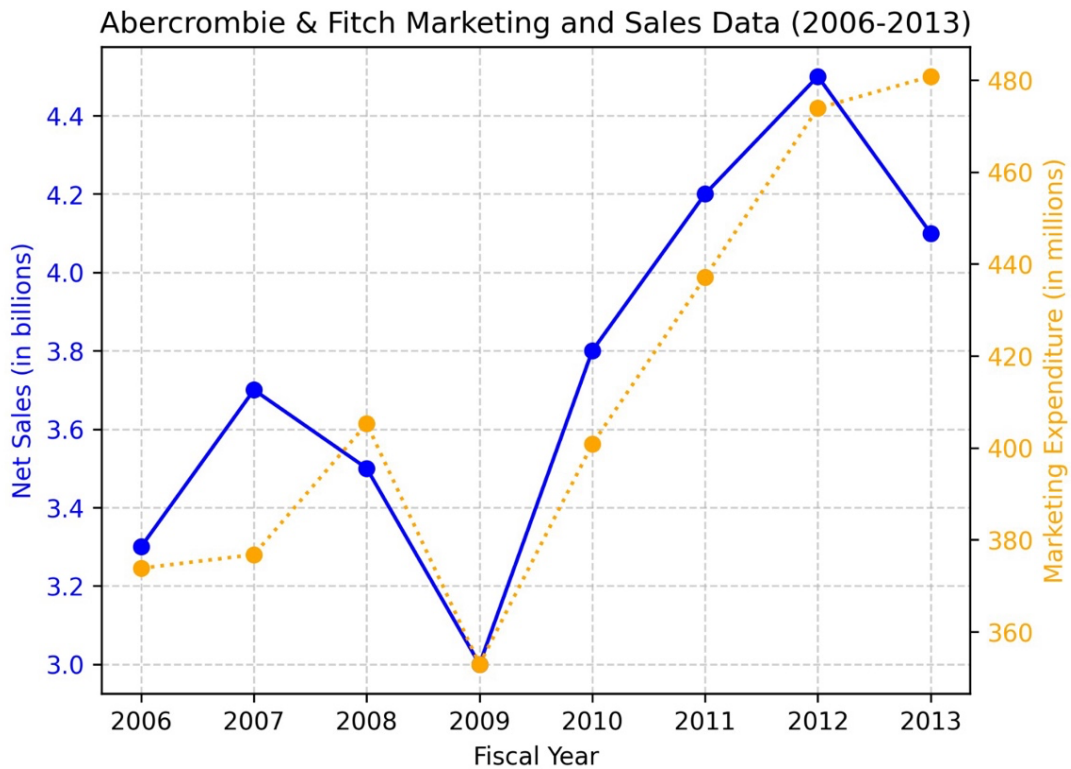
Source: <https://www.youtube.com/watch?v=WPLd7MCOJxA>

Exhibit 16: Media Coverage of Abercrombie & Fitch's Controversies



Source: The C

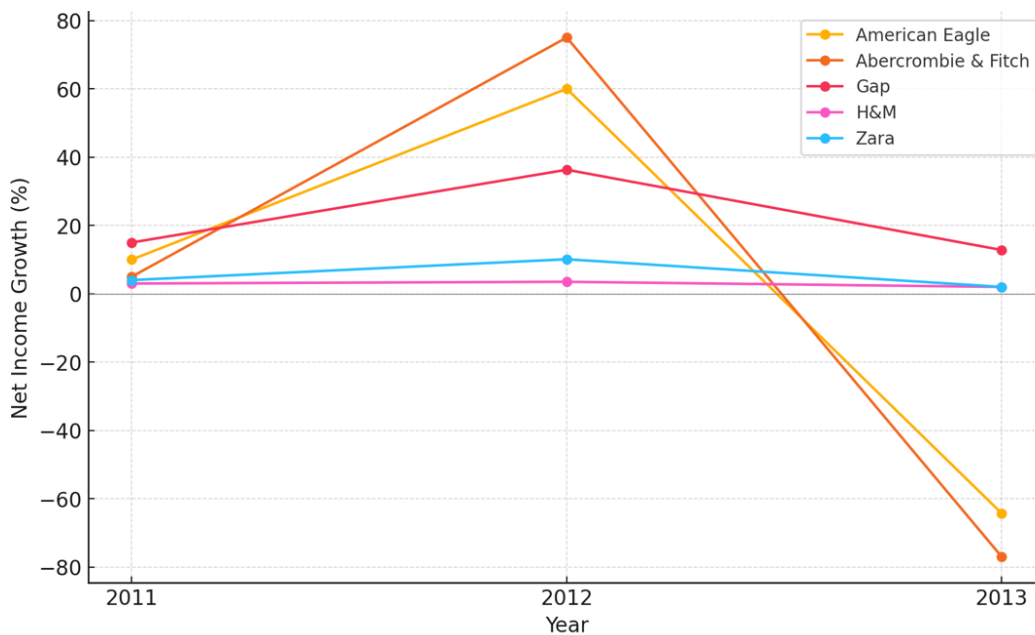
Exhibit 17: Abercrombie & Fitch Marketing and Sales Data (2006-2013)*



*The dual-axis line chart illustrates the trends in net sales and marketing expenses for Abercrombie & Fitch over the fiscal years from 2006 to 2013. The blue line represents net sales in billions, while the orange line shows marketing expenses in millions. Marketing expenses encompass various costs including photography and media advertisements, store marketing, home office payroll (excluding departments included in stores and distribution expenses), information technology, outside services such as legal and consulting, as well as costs related to relocation, recruitment, samples, and travel expenses.

Source: Case Writer, adapted from Abercrombie & Fitch annual reports from 2006 to 2013

Exhibit 18: Year-on-Year Net Income Growth of Main Competitors in 2011-2013 in %*



*Fluctuations in net income growth for these retailers reflect varying strategies and market responses in 2013, including differing approaches to pricing, discounting, and consumer demand.

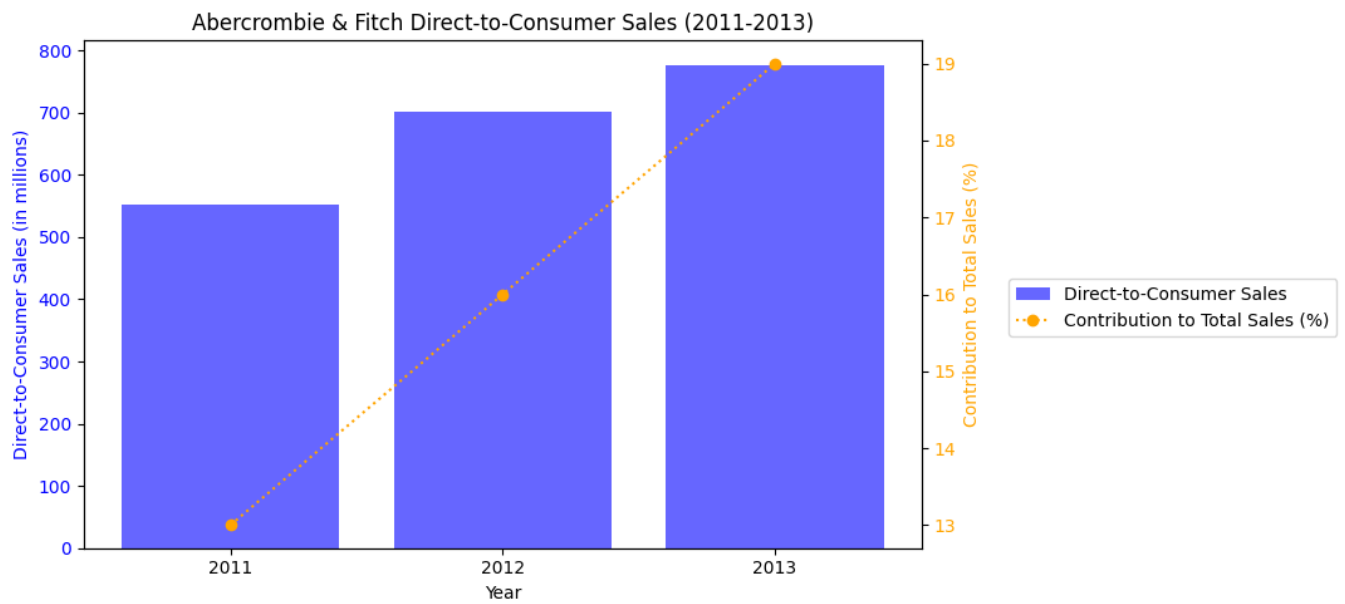
Source: Case Writer, adapted from "MarketLine High Street Fashion Retailers: Survival of the Fittest" report, published in June 2014

Exhibit 19: Doves Real Beauty Campaign 2010



Source: Dove

Exhibit 20: Growth of Abercrombie & Fitch’s Direct-to-Consumer Sales (2011–2013)*



*DTC sales growth from 2011 to 2013, showing total sales (in millions) and their contribution to overall revenue (in percentage).

Source: Case Writer, adapted from Abercrombie & Fitch annual reports from 2011 to 2013

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