

Abercrombie and fitch case study

[Business](#), [Marketing](#)



An Upscale Sporting Goods Retailer Becomes A Leader In Trendy Apparel

Answer # 1:

A&F is a very old and renowned brand. It was started as a small scale business in the end of the 19th century by two business partners Abercrombie and Fitch. It indulged in producing several different products with time with the change in customer wants. It was established as a sporting goods retailer which later became a leader of the market in retailing trendy apparel with several stores in line (Rovenpor, 2007).

In the early 1900's A&F was in the starting stage. It faced several management issues and change in the business line with time. This business was found by Abercrombie in 1892. Ezra Fitch, the best customer of the business became a partner of the business in the 1900. The business was promoted as “ the finest sporting goods store in the world.” It was known for its exotic and expensive quality products (Rovenpor, 2007).

In the early days A&F did business very well. It did not face any major challenges but in the mid of the century during the World War II. To keep up with the market pace they engaged in producing other goods like travel kit, barbecue setups etc. this brought a change in the typical product line of A&F. The management defended this by saying that their customers can afford travel and sports as well.

Some of the problems which A&F faced were typical and some of them were different as compared to other retailers (Rovenpor, 2007).

- During the 1940 the store went very low on its inventory. This was because the imports were being disrupted and the manufacturers were busy making

the war equipment. To overcome this A&F asked its customers to re-sell the sporting goods which are in suitable condition if they are not using it, so that it can be refurbished and sold to the new customers.

- In the early century the government also imposed bans on individuals consuming rubber products which increased a rush of customers to purchase golf balls.

- It had to ask customers to shop a month before Christmas due to lack of man power. This was because of the collapse in the efficiency of the Postal service.

- The customers who were examining the guns set in the display shot themselves unaware that the guns were loaded. This happened twice due to which all the guns which were made later had locks installed in them. The ammunition was also not installed in the guns at the time of sale. It was separately delivered later.

- A&F faced several shoplifting and theft related issues. This resulted in serious losses and a record of pre tax losses of a retail business due to shoplifting.

- The stores nearly closed down due to its liquidation of assets. It only had a few customers who preferred it for its exotic nature. The costs charged by competitors were very low as compared to what A&F was charging.

These issues have changed with time. This is because of fully equipped and designed stores. Technological advancement has also benefited the employers. The markets of today have become a global village where you can find a producer or manufacturer of any product. The rise in small businesses has increased in the number of manufacturers too. So the

chances of shortage of products are no longer an issue these days. The products and technological advancements have improved theft and shoplifting issues. Now brands are executive products have a distinct and a more prominent market due to brand preferences. These days' people prefer purchasing brands (Kotler, 2003; Mulhem, 2009).

Answer # 2:

ISSUES REGARDING RACIAL DISCRIMINATION

A&F had to pay \$50 million to settle the three lawsuits relating to racial discrimination. The lawsuit imposed were not justified as about 13% of the total A&F workforce were from minorities which exceeded the national average of employability of minority. Another charge was made on the instruction to the managers to discard a job application if they did not possess the right look. This violated the civil rights law (Rovenpor, 2007).

A few of the lawsuits were justified. A&F to cater its exotic image promoted having whites on the front end positions. But it had also hired about 13% of its staff from the minorities. It focused more on growing through public image. After the lawsuit the business agreed on having a top management person from the minority and hiring all sorts of people from the desired classes of minority and offers them front desk positions too. They agreed to hire 9% African Americans, 9% Filipinos, and Asians and about a total female staff of 53%. It also hired diversity recruiters to hire reliable staff without any discrimination. It also stopped hiring people from various white fraternities and sororities (Rovenpor, 2007).

The marketing strategies of A&F were not that discriminating. The marketing team was only doing what was necessary to sell the product. A&F and other

retailers must have the right to market itself to any ethnic group it wants. The retailers should be free to hire employees with personal appearances that match the image they are trying to project even if it means not hiring African-Americans and Latinos. This makes it easier to sell the product. This does not mean that the employers get a right to freely discriminate. The need of the product sometime forces the management to market a product in a certain way. The minority class people should be given chances to serve the front end jobs but only if they are competent enough or have the desired looks to do so (Gosnay and Richardson, 2008).

Marketing strategies which were enticing the ethnic groups were causing too much of negative publicity for the customers who cared more about issues relating to racial discrimination. This was why the business focused more on a management which consisted of minority members too. At a point in time the top management also appointed members of minority to ensure that there was no racial discrimination at any point. This helped the business in improving its market reputation for the previous allegations and law suits which it faced for racial discrimination (Peter and Donnelly, 2007).

Answer #3:

The customer base of A&F consists of those people who shop for fun. They do so to get an experience from the brand which they can remember and cherish for a long time. In order to do so the A&F has to focus a lot on customer service. By providing the best level of customer service A&F succeeds in giving a wow experience (Rovenpor, 2007).

All the stores of A&F are well equipped to cater the needs and offer high level of customer satisfaction to its users. The business follows the core

values of “ nature, friendship and having fun.” These values were portrayed to the customers in everything from décor of the retailer stores and the attire which the employee’s wear (Rovenpor, 2007).

As highlighted by Pam Danziger, the stores should focus on creating high levels of involvement on the part of the customers along with the high customer interaction, a contagious electric quality, capability to initiate curiosity among the shoppers for exploring and experiencing he store space, and the overall atmosphere, store design, other merchandise which in turn is supported by a overall vision of different intangible and tangible elements. All these factors results in the creation of emotional appealing and hence comes under the domain of emotional branding; implemented by several stores and retail outlets (Fill, 2009; Kotler and Keller, 2009).

A&F has all the above mentioned qualities in a different way. The stores designed were not loud but are more sophisticated and exotic precisely to fulfill all the customer requirements.

HIGH LEVELS OF CUSTOMER INVOLVEMENT AND INTERACTION

This is because the employees of the store are specially instructed to attain maximum interaction with its customers. In order to attain maximum customer satisfaction involvement and interaction of the customers play a vital role. The store is beautifully designed to attract new customers. Well designed stores also help attract random customers who are not aware of the brand itself.

A CONTAGIOUS, ELECTRIC QUALITY

The lighting and the internal environment was quiet pleasing. It successfully attracted the customers. An original A&F store located at a local mall was completely equipped with all the modern facilities to cater the customer requirements with a few traditional aspects. The store's lights were dimmed and on the wall were hung posters of models wearing fashionable attires of A&F all displaying the trademark and logos. The apparels were neatly placed on the wooden racks of the store on which the displayed cloth line were placed. The stores were made on specific architectural model designed to cater specific needs to serve the customers who visited that particular outlet to ensure maximum customer satisfaction.

AN ABILITY TO EVOKE A SHOPPER'S CURIOSITY TO EXPLORE AND EXPERIENCE THE SPACE

The model of each store was designed by architectures to ensure and fulfill the customers of that segmented area. All the models were carefully studied at the head office to cater the specific marketing needs. When the model was passed by the management then only the stores were developed. All this was done only to ensure maximum satisfaction of the customers. The stores were well equipped with all the modern facilities and it also had the ability to drive a customer into the store. The design was such that the customers were evoked with curiosity to visit the store and exploring and experiencing the space of the store.

ATMOSPHERE, STORE DESIGN AND MERCHANDISE THAT CONTRIBUTE TO A COMPREHENSIVE VISION WITH TANGIBLE AND INTANGIBLE ELEMENTS

The atmosphere of the store was scented by fragrance of the cologne set on display. This also gave a feel to its customers of the exoticness of A&F's products. The models of the stores were specially designed as per the location of the stores and to see that the needs of the customers could be properly catered. The merchandise was placed neatly on the wooden racks on the side and center creating an aisle for the customers to walk around with properly displayed products on their left and right. The customers got special attention from the attractive sales person dressed in casual attire of the store to assist the customer with their shopping and ensure maximum interaction with the customers.

Interaction with the customers ensured that the customer was being continuously assisted by the sales person and was highly involved in the decision which the customer would make.

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