

The Future of Fashion: Abercrombie & Fitch



Based on market and consumer research, retailer Abercrombie & Fitch will benefit from creating a new fragrance that will be sold through social commerce.

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Executive Summary

Abercrombie & Fitch has rebranded themselves as a diverse and inclusive company through their brand promise and key product offerings. This rebrand was necessary and aligns their values with their target consumer. The retailers currently fragrance line, Fierce, is marketed towards their male consumers who used to wear their old fragrance. Abercrombie will introduce another fragrance line that will be marketed and sold through social commerce. This new fragrance line will consist of one new fragrance but a wide variety of product assortment. The Fierce line is currently under-promoted by Abercrombie & Fitch so a new product line would raise awareness of all of fragrances as well as speak to an underserved customer. Social media marketing will enhance awareness of the updated brand promise and their new product assortments. Influencers will be strategically utilized to promote the new fragrance line on social media which will enhance brand awareness. With the expansion in the product category and marketing through new social commerce strategies, Abercrombie will increase revenue and successfully expand their brand.



Consumer Behavior Research

48% of consumers ages 18-30 say they are almost constantly online. (Miller & Washington, 2021)

In 2021 there were 52.3 million mobile internet users in the USA. (Miller & Washington, 2021)

Women make up **46.8%** of the U.S. labor force in 2021 (Miller & Washington, 2021).

The U.S. Census Bureau counted **31.4 million** women ages 25 and older with a bachelor's degree or more education, higher than the corresponding number for men (30.0 million) (Miller & Washington, 2021).

This data means that **women will have more discretionary income.**



Retail Behavior Research



Social commerce is defined as **sales made through social media** platforms such as Instagram. A June 2020 survey by Bizrate Insights found that **29.6%** of adult Internet users have made a **social commerce** purchase (Miller & Washington, 2022).

Mobile commerce made up **39%** of **e-commerce** sales in 2018 and 45% of e-commerce sales in 2020 (Miller & Washington, 2022). This increase in mobile commerce sales shows that consumers are making purchases on their mobile devices rather than their laptop or computer.

Comparing Retailers

Louis Vuitton is an example of a retailer that has a **strong omnichannel presence** that is constantly growing. They use popular influencer, Emma Chamberlain, as a brand ambassador to target a younger audience. They differentiate themselves from other luxury retailers by utilizing Emma through various brand touchpoints like Youtube videos, social media, and red carpet events.

This is Abercrombie **Today**



Emma Chamberlain Gets Ready for the Louis Vuitton Show | Vogue

4.6M views · Oct 2, 2019
YouTube · Vogue

Abercrombie & Fitch has adjusted their brand promise is about inclusivity. This speaks to the values of their consumers and today's zeitgeist. The new brand values are emphasized throughout their omnichannel presence but this could be stronger.

Product Line

Abercrombie & Fitch's target market includes men and women ages 18-34 (Lauchlan, 2017). The current cologne, Fierce, is marketing towards Abercrombie's male consumer so it only makes sense to expand on this product assortment to include a women's fragrance. Women make up a large portion of Abercrombie's consumer and based on previous data, working women will continue to have more discretionary income. Due to this, it is necessary for Abercrombie to create a new fragrance line for women.



Lotion
Unit cost: \$10
Unit retail: \$24



8.5 oz Candle
Unit cost: \$10
Unit retail: \$24



Deodorant
Unit cost: \$5.50
Unit retail: \$15



Room Spray
Unit cost: \$9
Unit retail: \$25



10 oz Spray
Unit cost: \$99
Unit retail: \$220



1.7 oz Spray
Unit cost: \$25
Unit retail: \$58



1 oz Spray
Unit cost: \$19.50
Unit retail: \$44



Perfume rollerball
Unit cost: \$4.50
Unit retail: \$12

Financials

Gross Margin Goal = 42-45%

$GM\% = MU\% - MD\% * (100\% - MU\%)$

44% = 60% - 40% * (100% - 60%)

Income Statement

	\$	%
Sales	37812.0	100
COGS	21174.7	56
GM	16637.3	44
OE	13612.3	36
Profit	3025.0	8

Allocation Plan

→ 74%

sold in store

→ 26%

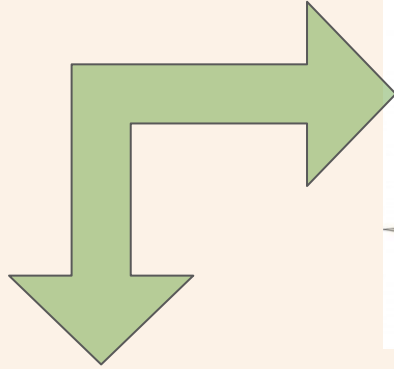
sold on e commerce

Brick-and-mortar retail was projected to grow 4.8% in 2021 compared to ecommerce projected growth of 9.7% and mobile commerce at 12.2% growth (Coppola, 2021).

2023 e-commerce is projected to make up 19.3% of all retail sales and in 2025 projected to make up 23.6% of all retail sales (eMarketer, 2021). These numbers helped determine that 26% will be sold through e-commerce and social commerce. To divide this up, 12% could be sold on social commerce leaving 14% to be sold on e-commerce.

Social Commerce Launch Plan

If Abercrombie & Fitch brought their fragrance line into Ulta Beauty, the fragrances could even be seen within Target stores too. This would expand Abercrombie & Fitch's target market through increased brand awareness and recognition while also meeting their target market who also shops at Target and Ulta Beauty.



ULTA
B E A U T Y

In 2020 Ulta Beauty introduced a **long term partnership** with Target which has brought an Ulta Beauty section into Target stores around the United States (Target, 2020). This “**shop-in-shop**” concept creates an exciting customer experience that allows for increased recognition of various beauty brands. This collaboration aligns with both of the stores' target market as seen in a report in 2019 where 74% of Ulta Beauty shoppers also shop at Target (Statista, 2019).

Social Commerce Launch Plan Continued

This fragrance will be **seasonless**

Although some perfumes are considered seasonal, many are considered signature scents that are sure to be sold all year.

The nature of this product and its lack of seasonality aligns with the fast-paced fashion cycle that has influenced buy-now-wear-now apparel sold via social commerce. The plan is for this product to be sold all year round. This will allow the new product line to be easily integrated into the retail channels of brick and mortar and social commerce.

Appendix

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- Emma for Vogue: [Emma Chamberlain Gets Ready for the Louis Vuitton Show | Vogue - YouTube](#)
- Abercrombie Today: [Abercrombie & Fitch | Authentic American clothing since 1892](#)
- Abercrombie fragrance products: [Fierce Collection | Abercrombie & Fitch](#)
- Ulta in Target Store Display: [Ulta Beauty specialty shops launch in over 50 Target stores - ABC News \(go.com\)](#)
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