

Research Proposal

Project Pick Me Up

Background

Abercrombie and Fitch is a clothing and accessories retailer. Established in 1982, Abercrombie and Fitch got its name from founders David Abercrombie and Ezra Fitch who originally sold outdoor sporting goods. After new ownership and shifting its focus onto young adults Abercrombie and Fitch became known for their casual clothes, cologne, perfume and catalog. Abercrombie and Fitch also has a children's and teens' store known as "Abercrombie." With just over 250 stores, and over 90,000 employees Abercrombie and Fitch is known as a luxury brand for teens and young adults.

Abercrombie and Fitch has recently seen a steady decrease in sales growth--sales are still increasing, but the year-over-year growth rate is on a decline. Fourth quarter sales rose just 2% over last year, compared to 27% in the year prior. In fact, sales each and every quarter were significantly lower than last year's numbers. Analysts and investors seem skeptical of A&F's long-term success and stock prices have plunged as a result.

Facing the lower prices and competition of retailers like American Eagle, Forever 21, and H&M, Abercrombie and Fitch may need to reassess its marketing strategy.

Marketing Problem

Over the last year, Abercrombie and Fitch has been experiencing sales growth at a declining rate.

Research Objective

The objective of the research is to understand why Abercrombie and Fitch is experiencing sales growth at a declining rate and to determine the best approach to reverse the trend. More specifically, we can ask:

1. At what stores is our target market shopping?
2. What key criteria are considered by the target market when deciding where to purchase clothing? Which of these criteria do they consider most important? Least?
3. What are the current fashion trends? Are we currently catering to these trends?
4. What are consumers willing to pay for different articles of clothing (blouse, pants, shorts, etc.)? What are our competitors charging? Do we need to adjust our prices?

5. What methods of advertising are our competitors using (specifically those competitors that are gaining market share)?
6. Have our recent marketing efforts/catalog choices directly hindered our sales?
7. What does our target market like/dislike about the A&F brand? How is the brand perceived? (Exclusive, overpriced, trendy, etc.)

Methodology:

In order to meet the research objective, we will utilize qualitative, quantitative, and secondary research.

- a. Qualitative research will be applied to research objectives 1, 2, 3, 4, 5, 7
- b. Quantitative research will be applied to research objectives 1, 2, 4, 6
- c. Secondary research will be applied to research objectives 3, 4, 5, 6

Sample:

For the qualitative research we will conduct two focus groups, one of 15 males ages 13-25 and one of 15 females ages 13-25 taken from shoppers at a shopping mall where one of our stores are located as well as some of our competitors. We will choose participants that have shopped for clothing within the last 3 months. This will allow us to get more accurate results by asking shoppers who stay up to date on the current trends.

Since our target market is teens and young adults quantitative research will be done with a group of 300 males and females ages 13-25. Information will be collected from young shoppers around different malls in the U.S. With this sample we will be able to understand the wants and needs of our target market.