# Abercrombie & Fitch’s 400% surge reveals power of inclusive rebranding and '90s revival



Just three years ago, Abercrombie & Fitch seemed to be a fading echo of early-2000s mall culture, floundering amidst whispers of irrelevance. Customers had largely abandoned the brand, stocks were plummeting, and it faced intense scrutiny following a damning Netflix documentary that unveiled its exclusionary hiring practices. The documentary highlighted the company’s historical leanings towards a hyper-sexualised image, favouring predominantly white and slender models as part of its branding strategy.

In a dramatic reversal, Abercrombie is now enjoying one of retail's most notable comebacks, with its shares surging over 400% in five years—outpacing even some of the largest tech firms. A recent spike of 32% in share value followed the announcement of impressive quarterly earnings and a bullish forecast for 2025. Attribution for this turnaround lies in the deft hands of CEO Fran Horowitz, who has revitalised the brand through trend-conscious updates featuring vintage denim, printed dresses, and gender-neutral basics that appeal to today’s consumers.

Under Horowitz's leadership, which began in 2017, Abercrombie has pivoted sharply from the controversial strategies of former CEO Mike Jeffries, who embraced exclusivity to such an extent that it culminated in a $40 million discrimination settlement in 2004. The brand, which faced derision for its offensive marketing materials and "look policy," has embraced a more inclusive ethos. Statistics reveal that Abercrombie's favourability among millennials reached an unprecedented high in 2024, while Gen Z now perceives the brand as both 'cool' and 'stylish.' This represents a marked shift from a time when the company faced a barrage of criticism for its racially insensitive product lines and hiring practices.

Rebranding has been crucial to Abercrombie's resurgence. The company now showcases models of various races and sizes on its website, allowing it to resonate with a broader audience. This inclusive strategy not only appeals to Gen Z but has also proven attractive to millennials seeking quality, well-fitting apparel for a multitude of occasions. The success is evidenced by recent figures detailing over $1 billion in sales for Abercrombie, with the strategy extending to its Hollister sub-brand, which has posted a remarkable 23% increase in same-store sales year-over-year.

Despite recent successes, Abercrombie does face financial challenges, including potential tariff threats that could impact profit margins. Analysts, however, remain optimistic about the brand's current valuation, which is considered attractive against the backdrop of its competitive landscape. Moreover, Abercrombie's growth trajectory indicates a promising future; the company is looking to expand its global footprint and plans to localise its offerings for diverse markets in Europe and Asia.

As fashion continues to witness a revival of '90s trends, brands like Abercrombie & Fitch are tapping into this nostalgia while successfully redefining their identities. The robust financial performance illustrates how far the retailer has come from its controversial past, emerging not only as a significant player within the retail space but also as a case study in how brands can adapt in an ever-evolving market landscape.

The future looks bright for Abercrombie as it works to solidify its position and expand its appeal, demonstrating that a well-executed rebranding can indeed turn the tide for even the most beleaguered of fashion empires. In an industry marked by shifting consumer preferences, Abercrombie has shown remarkable adaptability, underscoring the importance of inclusivity and resonance with modern values.

## Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/yourmoney/article-14758409/Symbol-2000s-cool-roars-sexism-scandal-nearly-sank-fashion-brands-stock-prices-soars.html), [[4]](https://www.netflix.com/title/81323741)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/yourmoney/article-14758409/Symbol-2000s-cool-roars-sexism-scandal-nearly-sank-fashion-brands-stock-prices-soars.html), [[2]](https://www.ft.com/content/86e2be28-ccd7-4ef3-a715-ad5b5f5fb06d), [[5]](https://www.vox.com/consumerism/368168/abercrombie-fitch-retailers-fashion-revival)
* Paragraph 3 – [[3]](https://www.ft.com/content/7625b35b-55f6-4d00-9542-c7586ceae7f1), [[6]](https://www.cnn.com/2023/01/10/business/abercrombie-and-fitch-shopping-millennials-gen-z)
* Paragraph 4 – [[2]](https://www.ft.com/content/86e2be28-ccd7-4ef3-a715-ad5b5f5fb06d), [[5]](https://www.vox.com/consumerism/368168/abercrombie-fitch-retailers-fashion-revival)
* Paragraph 5 – [[3]](https://www.ft.com/content/7625b35b-55f6-4d00-9542-c7586ceae7f1), [[7]](https://www.businessinsider.com/abercrombie-and-fitch-rise-and-fall-lawsuits-controversy-comeback-2022-8)

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## Bibliography

1. <https://www.dailymail.co.uk/yourmoney/article-14758409/Symbol-2000s-cool-roars-sexism-scandal-nearly-sank-fashion-brands-stock-prices-soars.html> - Please view link - unable to able to access data
2. <https://www.ft.com/content/86e2be28-ccd7-4ef3-a715-ad5b5f5fb06d> - Fashion is experiencing a '90s revival, benefiting brands like Abercrombie & Fitch and Gap. Abercrombie has shed its exclusive image, adopting a more inclusive approach that resonates with younger consumers, especially Gen Z. Its stock value quintupled from 2023 to 2024 and remains up 290% despite recent trade concerns. Hollister, targeting teens and college students, drove its best-ever fiscal first-quarter with $1.1 billion in sales. However, sales from the Abercrombie namesake brand aimed at millennials declined, and profit margins may be threatened by potential tariffs. Analysts view Abercrombie's current valuation as attractive for investors, given its nine-times forward earnings multiple, below its historical average and competitors' multiples.
3. <https://www.ft.com/content/7625b35b-55f6-4d00-9542-c7586ceae7f1> - Abercrombie & Fitch, once a popular teen brand in the early 2000s, has successfully reinvented itself and achieved a notable comeback. The company, previously criticised for its exclusionary and preppy branding, has undergone significant changes since CEO Fran Horowitz took over in 2014. The retailer now caters to a broader demographic, including millennial and Gen Z customers, with a comprehensive range of stylish and well-fitting clothing for various occasions. This rebranding, combined with a strategic inventory management system that allows for agile responses to consumer trends, has led to impressive financial performance. Abercrombie reported strong sales growth and higher profit margins, outpacing competitors like Aritzia and American Eagle Outfitters. The brand's focus on fit and versatility has attracted a diverse customer base, from plus-sized shoppers to those seeking fashionable styles seen on social media platforms like TikTok. With its re-established presence in the US, Abercrombie is now aiming for global expansion, building teams in Shanghai and London to localise assortments for the European and Asian markets.
4. <https://www.netflix.com/title/81323741> - White Hot: The Rise & Fall of Abercrombie & Fitch is a 2022 American documentary film made for Netflix and directed by Alison Klayman. The film focuses on Abercrombie & Fitch's massive success and controversies during the late 1990s to 2000s. It was released on April 19, 2022. The documentary details the store's success and controversies, including its racist and exclusionary practices. The film focuses on the rise in popularity of the brand after the arrival of CEO Mike Jeffries in 1992, and his practices which led to a 2003 class-action suit which alleged racial discrimination in the stores’ hiring policies. Director Alison Klayman explores the company's toxic culture, featuring interviews from some of the original participants in the class action lawsuit. The documentary also features Samantha Elauf, who was rejected by Abercrombie for employment due to wearing a headscarf to the interview. Abercrombie fought back and the case ultimately went to the Supreme Court in 2015, which ruled in favour of Elauf.
5. <https://www.vox.com/consumerism/368168/abercrombie-fitch-retailers-fashion-revival> - Abercrombie & Fitch has experienced a remarkable resurgence, quietly becoming a closet staple and a stock market giant once again. The brand's revival is attributed to its strategic shift under CEO Fran Horowitz, who moved the company away from its previous image of exclusivity and hyper-sexualisation. The brand now offers a more inclusive approach, catering to a broader demographic, including millennials and Gen Z consumers. This transformation has led to impressive financial performance, with Abercrombie generating more than $4 billion in revenue in the last fiscal year. The company's focus on quality materials and well-fitting designs has resonated with consumers, contributing to its successful comeback.
6. <https://www.cnn.com/2023/01/10/business/abercrombie-and-fitch-shopping-millennials-gen-z> - Abercrombie & Fitch has undergone a significant transformation, overhauling its marketing, store environment, and product offerings to appeal to a broader audience. The brand has moved away from its previous image of exclusivity and hyper-sexualisation, adopting a more inclusive approach that resonates with millennials and Gen Z consumers. This shift includes offering a wider range of sizes and more diverse representation in its marketing campaigns. The company's success comes at a time of uncertainty for clothing stores and the broader retail industry, with Abercrombie's resurgence highlighting its ability to adapt to changing consumer preferences and market conditions.
7. <https://www.businessinsider.com/abercrombie-and-fitch-rise-and-fall-lawsuits-controversy-comeback-2022-8> - Abercrombie & Fitch, founded in the late 1800s as a store for outdoor gear, became hugely popular with 2000s teens until changing tastes and controversy led to a decline. The retailer has recently found a new cohort of fans: Gen Z shoppers. The brand's resurgence is attributed to its transformation under CEO Fran Horowitz, who shifted the company's focus from exclusivity to inclusivity. This strategic pivot included expanding size offerings and revamping marketing tactics to feature a diverse range of models. The introduction of the Curve Love line, which caters to curvier customers, has been particularly successful, now accounting for nearly half of the women's denim segment. The company's recent success is also attributed to its innovative product lines, including the launch of the A&F Wedding Shop Collection, which has resonated with young consumers preparing for various social events. This diversification reflects Abercrombie's commitment to adapting to changing consumer preferences, moving beyond casual wear to encompass a wider array of styles.