

### *Section I: Background*

**The problem and the industry:** Once a brand enjoyed by celebrities and white-collar workers alike, J. Crew has gone bankrupt. While the timing seems to implicate the COVID-19 pandemic, that's not necessarily the case. The previous economic fallout from the Great Recession directed consumers to other retailers, (Ocbazghi and Cameron, 2020).

J. Crew was a brand that focused on creativity and didn't care about the cost for consumers. Skirts listed for over 2,000 dollars solidified the brand as a clout-oriented, "pay-to-play" clothing line. Fast-fashion brands like H&M lured away shoppers by providing similar types of clothes at far lower prices. This forced J. Crew to inflate their price-tags, causing the balance sheet to plummet. Unable to return the investment made by TPG capital, J. Crew had a \$1.6B debt owed to its financier, (Ocbazghi and Cameron, 2020).

"We became a little too elitist in our attitude. . . We gave a perception of being a higher-priced company than we were. . . very big mistake," said former CEO Mickey Drexler (Ocbazghi and Cameron, 2020). Drexler would eventually step down from J. Crew amid the tailspin.

But Drexler sat on the board and hindered the recovery effort, beefing with his replacement over changes to the company. His successor tried to appeal to less-affluent customers and opted to sell products on Amazon. Drexler felt it "cheapened the brand." He eventually left for good in 2019, (Ocbazghi and Cameron, 2020).

J. Crew ultimately declared bankruptcy in 2020, relieving itself of the debt burden by turning the \$1.6B into equity and receiving \$400 million from lenders. The company is still able to function, but faces an uphill battle trying to reinvent itself in a pandemic. (Ocbazghi and Cameron, 2020).

J. Crew isn't alone, though. Many other retail brands have run promotions, sales, and offered contactless options to boost sales during the pandemic.

**The Target Audience:** This brand appeals to those who want to look both stylish and professional. The line has options for work, big events, religious services, or just dressing to the nines for no reason at all. Additionally, J. Crew has expanded the target demographic to include those in lower tax brackets, so that anyone can look great.

"We believe in looking like a million bucks, not spending it—which is why we go the extra mile to source the absolute best fabrics at the most accessible prices," (*About Us*, n.d.).

**The Insights:** What's unique about J. Crew is the "distinct heritage pairs perfectly with modern design and fabric technology. We believe in feel-good color..." (*About Us*, n.d.). This brand focuses on signature categories, like cashmere, coats, blazers, and pants. And, while fast-fashion competitors like H&M have been in hot water for their improper practices, J. Crew prides itself on "a responsibility to the planet and to humanity to choose eco-friendly fabrics and to support our factory workers, without compromise," (*About Us*, n.d.).

When it comes to marketing, "J. Crew Group projects its brand image through consistent creative presentations and messaging in its store environments, websites, social media channels, partnerships and collaborations, experiential activations and direct mailings; and through its high-quality customer service," (*J. Crew Group, Inc.: Company Profile*, n.d.).

Additionally, J. Crew looks to modernize, making strides in terms of online options, speed to market, customization of products, and the overall convenience of its services. "The company has also hired Chris Benz as head of women's design. He is expected to give the brand a lift through a fresh design perspective," (*J. Crew Group, Inc.: Company Profile*, n.d.).

## *Section 2: Re-Branding*

**The Relaunch:** If J. Crew is looking to be around for the long-haul, it's going to need a complete overhaul of its ideology. First and foremost, the cheapening of the brand cannot happen, but the exclusivity of the product cannot remain.

The first order of business for J. Crew is to essentially follow the iPhone model (cost brackets) mixed with a little fast-fashion technique (cheap, ethical clothes). If consumers want the biggest, fastest iPhone, they're going to pay the premium. But Apple still offers competitive products for far lower prices. That's the approach J. Crew will take – it's not one or the other, it's both. Additionally, this initial phase will include bringing on lesser-known designers that focus on creating clothes out of cheap, green materials. Hemp, bamboo, and recycled plastics will lead a line set to compete with H&M.

**Brand Identity:** This brand will now stand for the consumer. It won't be about the glamorous, but all about the fabulous. One shouldn't need a six-figure income to be comfortable J. Crew. Folks can enjoy fits for every occasion, all within the budget. And, the same great styles will remain, as the high bar of looking great won't be replaced in this new initiative.

**Value Proposition:**

- Functional benefits:
  - **Savings**, first and foremost. Consumers won't feel the need to max a credit card to shop at J. Crew (even though we'd welcome it).
  - **Comfortable fashion for every occasion** – this could be the one-stop shop for a whole wardrobe reboot.
- Emotional benefits:
  - **Being the change in the world.** Fast fashion doesn't have to wreck the environment. Consumers can enjoy nice garments made out of recycled or plant-based materials in an effort to reduce impact.

**Brand Position:** J. Crew will be able to compete with other brands like H&M without the need for worker exploitation or damaging the environment. As mentioned, it's the cost effective, eco-friendly one-stop shop for the whole closet.

**Execution:** This campaign will include numerous marketing initiatives, beginning with a commercial rollout debuting some of the looks made available to shoppers. To that end – Twitter and other social media promotions will be bought to increase exposure. Finally, a rewards program for shoppers will be made available and up-sold by every in-store clerk.

## References:

*About Us*. J.Crew - About Us. (n.d.). <https://www.jcrew.com/aboutus/jcrew.jsp>.

Guilbert, K. (2018, September 24). *H&M accused of failing to ensure fair wages for global factory workers*. Reuters. <https://www.reuters.com/article/us-workers-garment-abuse/hm-accused-of-failing-to-ensure-fair-wages-for-global-factory-workers-idUSKCN1M41GR>.

*J. Crew Group, Inc.: Company Profile*. Vault. (n.d.). <https://www.vault.com/company-profiles/retail/j-crew-group-inc>.

Ocbazghi, Emmanuel, and Steve Cameron. "The Rise and Fall of J.Crew." *Business Insider*, Business Insider, 9 June 2020, [www.businessinsider.com/rise-fall-and-future-of-jcrew-iconic-american-brand-2020-6](http://www.businessinsider.com/rise-fall-and-future-of-jcrew-iconic-american-brand-2020-6).