



SEEKING STABILITY THROUGH HERITAGE

Carhartt, which began as a workwear brand in Detroit in 1889, has recently seen its jackets photographed on celebrities including Austin Butler, Pete Davidson and Daniel Day Lewis. In May, sneaker brand New Balance, founded in Boston in 1906, unveiled a campaign centered on a seven-minute short film that serves as an ode to the company's heritage and cultural impact. Last year, New Balance reported record sales, including a 23 percent year-over-year increase. The flagship store for L.L. Bean, founded in 1912 in Freeport (ME), is currently the second-most-visited tourist attraction in Maine. Schott NYC, founded in New York City in 1913 and famous for its leather jackets, saw its online marketplace sales increase by 107 percent between 2021 and 2022. (*Lectra*, 2/15/23; *GQ*, 2/22/24; *Hypebeast*, 2/23/24; *DesignRush*, 5/10/24; *Retail Dive*, 6/26/24)

The concept of heritage is built on three fundamental elements: values, traditions and culture. The four heritage brands above, as well as Abercrombie & Fitch, J.Crew, Gap Inc., Filson, SeaVees and others, are benefitting from individuals seeking comfort and familiarity in brands that evoke not just nostalgia but also a sense of stability, tradition and American identity during a time of social instability and perceptions of economic uncertainty. While there are examples of people of all ages seeking such comfort, the Millennial and Gen-Z generations, which combined make up more than 42 percent of the U.S. population, have been the most active in seeking out heritage brands and revisiting the companies that were popular when they were younger or that provide a connection to an American past way before their births. Many of these brands had fallen from their peaks of popularity but have been reinventing themselves to meet the consumers' emotional and psychological needs.

IMPLICATIONS

- Many consumers are gravitating toward brands that offer a traditional American identity, and/or brands that were popular during their teenage years, or even their parents' or grandparents' teenage years, indicating the strong influence of nostalgia on purchasing decisions.
- American heritage brands are experiencing significant growth and renewed popularity, which should benefit the stock performance of those that are publicly traded.
- As these brands gain popularity, they may influence broader fashion styles and consumer behavior, shifting the industry away from fast fashion and toward more curated, long-lasting designs.
- Clothing styles inspired by the American West and country music will benefit in the near term.
- Secondhand sellers of heritage brands will benefit.
- Engaging audiences via nostalgia-driven ad campaigns could be a successful marketing tactic.
- Retail catalogs may see a resurgence.

The Original Context

In October 2023, we wrote about the Era of Limits and how it would impact an American identity that had long been centered on being a people of plenty, and the optimism that that abundance created. **Among the many implications of the Era of Limits, we suggested that there would be a questioning of identity and a resulting increase in nostalgia; that heritage brands would benefit; that Americana-related products would benefit; and that the American West would continue to hold its appeal** (see [IF 4419](#)). Earlier this year, we suggested that people were looking to the past as a way to deal with the present uncertain environment. We wrote, "Current economic and social uncertainty, brought on by the devastating effects of climate change, the mental disturbances that resulted from a lengthy experience with COVID-19 and dealing with the changes we characterized

as Uncharted Territory, have unnerved many people to the point where they are searching for stability. The most important reason for the remembrance of things past is to locate stability in one's life or business and to have some feeling of certainty about the self." We added, "While looking to the past for inspiration that can be applicable in the present is hardly a new idea, it has become more pronounced lately, and observations suggest that today people are looking to the past for answers, for ways to act and for solutions" (see [inThought 3/18/24](#)).

New Observations

Abercrombie & Fitch

Abercrombie & Fitch was founded in 1892, filed for bankruptcy in 1976, and in 1988 was acquired by The Limited. After a run of popularity, mostly with teens, in the 1990s and early 2000s, the company faced scandals and lawsuits and fell out of favor with consumers. In 2016, the company had the lowest score of any retailer on the American Customer Satisfaction Index. Over the past few years, the company has separated itself from its fast fashion competitors by focusing on higher-quality materials. The retailer has also attempted to grow along with the teen consumers who once drove its popularity by selling "adult" attire appropriate for work and weddings, along with denim and workout apparel.

- The Abercrombie & Fitch stock increased 285 percent last year, making it the best-performing stock of the S&P 500 index.
- In its last fiscal year, Abercrombie & Fitch generated more than \$4 billion in revenue.
- For the quarter ending August 28, Abercrombie reported that it had achieved record net sales of \$1.13 billion, marking a 21 percent increase year-over-year.

(Vox, 8/26/24; Glossy, 8/29/24)

J.Crew

J.Crew Group began in 1947 as Popular Club Plan, a door-to-door business that sold inexpensive women's apparel. In 1983, the company was relaunched as J.Crew Outfitters, a catalog-only retailer, and positioned itself as a less expensive, Americana-prep alternative to Ralph Lauren. The brand became one of the most popular U.S. retailers during the late 1990s and through the early 2010s, even outfitting then First Lady Michelle Obama. In 2013, the *New York Times* called the brand's creative director, Jenna Lyons, "The woman who dresses America." The company was later saddled with more than \$1 billion in debt and in 2020 became the first major retailer to declare bankruptcy during the pandemic. In 2021, J.Crew hired the former creative director of Supreme, Brendon Babenzien, as its menswear designer. (CNN, 5/4/2020; *Esquire*, 1/5/24)

- J.Crew sales are approaching a record \$3 billion this year.
- J.Crew has become one of the most searched brands on Depop, a resale site with a large Gen Z customer base. Searches on the site for the retailer have **increased 56 percent since last year**.
- Vintage J.Crew catalogs have become collectibles, recently selling on eBay for \$50 to \$250 apiece.
- An Instagram account called Lost J.Crew chronicles the brand's catalogs and styling from 1983 to 1997. The account has more than 80,000 followers.
- After a three-decade run, the J.Crew catalog was discontinued in 2017. The retailer, which used to produce 13 editions a year and send them to more than a million customers, has restarted a catalog and will send three this year to a mix of customers in its loyalty program and other shoppers.

- The current catalog is more of a magazine than the inventory pages of the past, with fewer products and more editorial content. The current iteration includes an interview with actress Demi Moore about her J.Crew vintage collection.

(*Wall Street Journal*, 9/4/24)

Gap Inc.

The first Gap store opened in 1969 in San Francisco, where it sold records and blue jeans made by Levi Strauss. The retailer eventually launched its own clothing label, and by 1999, the brand had more than 2,000 stores around the world and sales of \$11.6 billion. The turn of the century brought numerous fast fashion competitors and multiple turnaround attempts under unsuccessful CEOs. In August 2023, Richard Dickson, one of the architects behind Mattel's Barbie reinvention and movie, was hired as chief executive of Gap Inc. In February, he hired high-fashion designer Zac Posen to be chief creative officer of Old Navy and executive vice president, and creative director of Gap Inc. Posen is now a "creative partner," advising on products, advertising and store design for all Gap brands (Old Navy, Gap, Banana Republic and Athleta). (*The Guardian*, 4/5/22; *New York Times*, 9/5/24)

- In May, when it launched a collaboration with cottagecore brand Dôen, Gap had more influencer mentions than in any prior month this year. That equated to a 41 percent increase in unique influencer mentions.
- Data from Traackr, which provides influencer insights, shows a 73 percent increase in Gap's influencer mentions between June and July 2024 compared to the same period in 2023.
- On August 29, Gap's second-quarter earnings showed that it doubled net income from the year prior and beat revenue expectations.
- An Old Navy gathering with more than 1,000 participating designers, models, factory workers, editors, retailers and influencers was one of the first events at this fall's New York Fashion Week.
- Old Navy is the second-largest apparel brand in the United States, with net sales of \$8.2 billion last year.

(*New York Times*, 9/5/24; *Glossy*, 8/30/24)

SeaVees

BFGoodrich launched SeaVees in 1964 and sold the sneaker brand to Converse in 1969. The SeaVees brand was dormant for nearly 40 years before being revived as an independent company in 2008. Upon its resurgence, the company's CEO used an archive of vintage SeaVees images, then redesigned the shoes using modern technology and sustainable materials.

- SeaVees is growing at a rate of 30 percent year-over-year, with many of its new styles selling out within days.
- The past four years have yielded the brand's highest sales to date.

(*Fast Company*, 9/4/24)

Filson

Filson, founded in 1897, served gold prospectors and lumberjacks in Alaska and the Pacific Northwest for decades. The brand disappeared before it was acquired by Bedrock Manufacturing, Shinola's parent company, 12 years ago.

- Filson's revenue has grown 40 percent over the past five years.

•Filson is launching a women's collection for fall 2024, the first in the company's 127-year history. Women already make up around 30 percent of the brand's website visitors on average.

(Modern Retail, 8/29/24)

Nostalgia and Heritage Brands

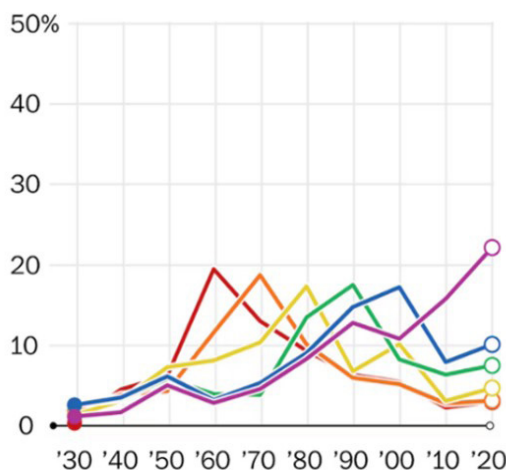
A recent study by the *Washington Post* and YouGov asked a cross-generational sample when things had been best in their lives. When it came to the "best fashion," the years offered varied greatly, but when the answers were graphed, it became clear that participants most often gave time periods that aligned with their mid-to-late-teenage years. At the beginning of this century, Abercrombie & Fitch was rated as the sixth-most-popular brand by teenagers. In 2003, Mickey Drexler was brought in as CEO of J.Crew, which started the brand's supercharged run of popularity and led to a 2005 *Fortune* magazine cover that read, "Mickey Drexler's Second Coming." Similarly, Gap sales reached a peak in 2003. As of 2024, the Millennial generation is between 28 and 43 years old, which means that all three brands were among the most popular and successful when members of the largest generation in the U.S. were teenagers. The correlation of these best moments and best fashion memories in one's life adds to the resurgence in the fortunes of these companies. (Time, 4/8/08; The Robin Report, 4/22/24; Washington Post, 5/24/24)

Opinions on each decade depend on when you were born

Share who said each superlative best applied to a given decade

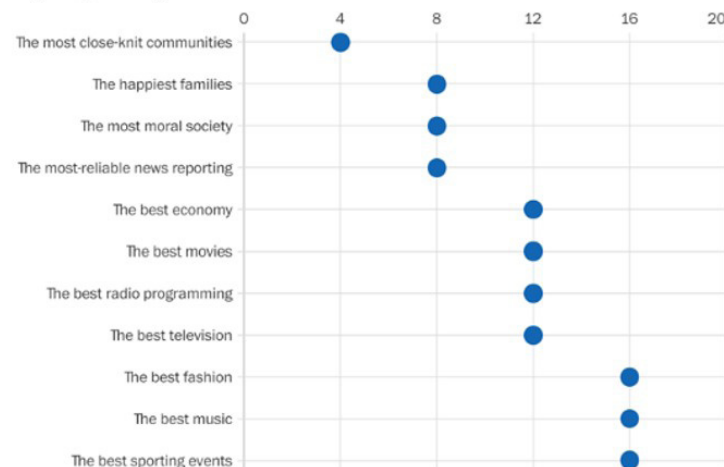
● Born from 1940-1949
 ● 1950-1959
 ● 1960-1969
 ● 1970-1979
 ● 1980-1989
 ● 1990-1999

The best fashion



The life cycle of American nostalgia

The most common answer for the age at which each peaked, for 4-year periods beginning in the age shown



Note: For dates, we used the midpoint of each decade. If you were born in 1990 and said radio peaked in the 2000s, we'd mark you as saying fashion peaked when you were 14.5, or halfway between 2000 and 2009. We counted ages as of 2023 since most folks haven't had a 2024 birthday yet.

Source: YouGov online poll of 2,000 U.S. adult citizens conducted Feb. 29 to March 5 with a full-sample margin of error of +/- 2.9 percentage points

DEPARTMENT OF DATA / THE WASHINGTON POST

Also, the resurgence of numerous American heritage brands reflects consumers' desire for psychological comfort, tradition, identity and stability in uncertain times. Members of all generations, but especially those considered Millennial and Gen Z, who have long favored less-expensive fast fashion, are embracing brands known for timeless designs, especially from those fashion companies that were popular when they were teenagers. While leveraging nostalgia, these brands, once icons of youth culture, are not merely reviving the past but are reinterpreting their identities to resonate with modern sensibilities by updating their designs and by collaborating with newer fashion brands. In navigating this environment, heritage brands have the opportunity not only to reclaim their former glory but also to redefine their relevance for future generations.