



A Focus on Consumer Behavior Reshapes Jeans Shopping

After a year when revenue declined five percent, VF Corporation—the maker of Lee, Wrangler, Nautica, North Face, and more than 20 other brands—embarked on a path for new growth. The apparel leader turned to Innosight to help create a strategy to meet ambitious goals for its Jeanswear division.

CHOOSING ONE BIG OPPORTUNITY TO GROW

Innosight kicked off a 10-month project at VF Corp.'s Greensboro, N.C. headquarters by auditing current innovation practices and bottlenecks. After evaluating the existing innovation portfolio, we calculated the “growth gap,” the space between the revenue that was desired and what was probable if the company’s approach to innovation didn’t change. Along with VF’s vice president of strategy and innovation, the team mapped and prioritized 44 proposed projects backed by \$7 million in seed money. To the Innosight team, one opportunity seemed to hold especially high potential. VF’s flagship Lee® brand had long defined comfort and style in jeans. But sales were lagging, with Lee dropping to #4 in market share. The denim wars had heated up, with skin-tight brands taking over shelf space and winning favor. Lee needed to find a way to regain the edge.

TURNING THE ‘MOM’ JEAN INTO THE ‘WOW’ JEAN

Part of the problem was that many women partial to the Lee brand were turned off by the jean

shopping experience and had not updated their jeans in years. A mock commercial on Saturday Night Live poked at this phenomenon. Sporting “Mom Jeans” with super high waists, Tina Fey, Amy Poehler and friends go about gardening and packing kids into mini-vans—oblivious to the fact that their jeans are out of style. The innovation mandate was clear. Lee needed to “turn the mom jean into the wow jean” by designing a stylish jean with a delightful fit—while also making the overall shopping experience more satisfying and effective.

Using Innosight’s “jobs to be done” approach—identifying an unmet or poorly understood customer need—we helped Lee generate insights into how to better satisfy the market of 30-to-50-year-old females. Our team spent hours in stores trying on jeans, breaking the process down into discrete steps and pain points. Through ethnographic research, we visited homes of 20 women, interviewing them while going through their closets, discovering that many didn’t know how many pairs of jeans they owned. We found a nagging perception that women still feel a need to trade style for comfort. They also felt that finding the right pair of jeans that fit well was a hit or miss process. These frustrations probably caused lost sales.

CREATING A NEW SHAPE SYSTEM

Innosight helped Lee develop a new concept to address these problems: the Riders By Lee Shape System. Introduced in November 2010, in conjunction with a new line of jeans, the new system was supported by a marketing campaign led by style guru Stacy London. The idea was to help women better identify the right jeans using pictorial descriptions of body types—from curvy to straight. The concept allows women to take fewer pairs of jeans into the fitting room and more easily find the pair that feels and looks right.

RIDERS BY Lee NEW SHAPE SOLUTIONS

FOR CURVIER SHAPES

- ✓ Is your waist smaller compared to your hips?
- ✓ Do you carry your weight in your seat and thighs?

Shop Curvier Styles

FOR STRAIGHTER SHAPES

- ✓ Is your waist the same or fuller compared to your hips?
- ✓ Do you carry your weight in your mid-section?

Shop Straighter Styles

GETTING GROWTH ON TRACK

The new system helped unlock demand, with the jeans division realizing a \$100 million gain in revenue and catapulting Lee to #1 in market share in this key demographic. The innovation process that led to the Shape System helped VF model a more general framework to create successful new products and systems, which was rolled out to the entire company. Within two years of our work, VF was on a sustained path of double-digit revenue growth across all business units. In 2011, for the first time, VF Corp. entered the top 100 on the Barron's 500, based on strong growth of sales and profits as well as return on investment. By 2014, VF moved into the top 15 on that list among all publicly traded companies in America.

“The payoff we received from our work with Innosight is even more profound than we had hoped for.”

– Joseph Dzialo, President of VF Jeanswear

