

PAST JETRO CLIENT RETAIL SUCCESS CASE

JETRO Assists Abercrombie & Fitch to Open Tokyo Flagship

Tokyo's Ginza neighborhood has long been famous for its exclusive shopping. Upscale department stores like Mitsukoshi and Wako and luxury boutiques from Louis Vuitton, Chanel, Dior and Gucci line the streets. Abercrombie & Fitch (A&F), the casual clothing retailer, joined these high-end stores when the company opened its first Asian outlet in Tokyo in December. The Tokyo store will serve as the company's flagship in the region as the retailer expands the A&F brand in Japan and Asia.



When the doors opened on December 15th, more than 800 people were lined up outside the store, including many who waited overnight. Shoppers were greeted by muscular male models dressed in A&F jeans and t-shirts as they entered the store. By the end of the day, more than 5,000 shoppers visited the store, resulting in the company's highest grossing opening ever.

The new building was designed by Selldorf Architects to echo the New York flagship. With 11 floors of retail space plus two top floors of offices, the A&F store is now the tallest building in the Ginza. The glass & steel exterior and rich wood interior combine with heart-pumping music and the scent of A&F's signature fragrance to create a unique sensory experience.

A&F is eager to grow their brand more in Europe and Asia. In late 2010, the company expects to open its second Japanese store in Fukuoka, which the company hopes will help them penetrate China and Korea. Ahead of the Ginza store opening, the company had already hired more than 1,000 employees in Japan.

The December grand opening was the culmination of almost four years of planning. In 2006, the decision to expand into Japan was finalized and A&F began scouting site locations in Ginza and Omotesando. JETRO worked with the A&F team in the United States and Japan, providing guidance on setting up a corporation in Japan and regulations affecting clothing retailers. A&F also took advantage of free temporary office space at the JETRO Invest Japan Business Support Center (IBSC) in Tokyo.

A&F was originally founded in 1892 as a sporting goods store and outfitted customers like Teddy Roosevelt, Charles Lindbergh and Ernest Hemingway. The company, which is based in New Albany, Ohio, is today known as a youth brand, with its jeans, shirts and t-shirts popular with teens and young adults.

In addition to A&F, the company has three offshoot brands: abercrombie, Hollister Co., and Gilly Hicks. In total, the company operates more than 1,100 stores and had revenue of more than \$3.5 billion in 2009. The Tokyo store follows successful launches of flagship stores in New York in 2005, London in 2007, and Milan 2009.

The opening of A&F's Ginza flagship is representative of the new trend towards value in Japan. Sales of luxury goods are declining sharply, with more Japanese consumers embracing reasonably priced goods. A&F joins companies like ZARA, H&M and Forever 21 that have also expanded into the Japanese market, eager to take advantage of this new trend. JETRO has worked extensively with these retailers to assist them as they set up their Japan operations.

To learn more about how these companies utilized JETRO services, contact Robert Corder at robert_corder@jetro.go.jp.



Abercrombie & Fitch's new flagship store in Tokyo's Ginza district.