

Video Segment 6: Leadership Reflections and the Future of Retail

NOTE-TAKING GUIDE

“The brand today by all metrics is stronger than it has ever been.”

-Chip Bergh, former CEO, Levi Strauss & Co.

Reflecting on his time as CEO of Levi Strauss & Co., Chip Bergh highlights three corporate decisions that he is particularly proud of. What are they and why are they important to him? Take note of the details:

1.

2.

3.

Wharton's Dr. Barbara Kahn, an expert in retail who wrote the book *The Shopping Revolution*, has said that "Physical retail is not going away; bad retail is going away." In this video segment, Chip Bergh validates that statement while talking about how Levi Strauss & Co. is aligning with some of the changes and innovations in the retail business. What are his observations around the following?:

3 early strategic choices he made as CEO:

Direct-to-consumer strategy and department stores:

Making physical retail more experiential:

Reflection: What entices you to shop in a store rather than online for a product? What experiences have or would really amp up the physical-store experience for you? As a consumer, do you value the omni-channel approach?

THE LANGUAGE OF BUSINESS

(Linked terms are defined in the Wharton Global Youth Video Glossary)

Advertising Metrics	Liquidity
Board of Directors (The Board)	Market Liquidity
Brand	Marketing Strategy
Branding	Private Company
Bricks-and-Mortar	Product
CEO	Product Assortment
CEO Succession	Product Category
Company	Public Company
Consumer	Resource Allocation
Corporate Governance	Retailer
Customer Stickiness	Revenues
Distributor	Service
E-commerce	Shares
Executive Team	Shareholder
Industry	Strategic Management
IPO (Initial Public Offering)	Supply Chain
Innovation	Team
Liquidation (Bankruptcy)	

Americus Reed: The Whitney M. Young Jr. Professor of Marketing at the Wharton School of the University of Pennsylvania. Dr. Reed's primary research and consulting areas are in brand equity and identity loyalty, the study of creating and fostering brand communities. He is also a co-host of the podcast, *Marketing Matters*.

Apple Genius Bar: A technical support service that Apple offers inside its stores to help customers with its products and services.

Barbara E. Kahn: The Patty and Jay H. Baker Professor of Marketing at the Wharton School of the University of Pennsylvania. Dr. Kahn is an internationally recognized scholar on retailing and brand loyalty. She is also the co-host of the podcast, *Marketing Matters*.

Brand Guy: A professional like Chip Bergh who has spent a good part of their career in marketing and branding for different products.

Charles “Chip” Bergh: Former president and CEO of Levi Strauss & Co. who is credited with the company’s turnaround. He is also a legendary “brand guy” who previously spent 28 years at Proctor & Gamble, managing iconic brands like Old Spice.

Club Store: A retail store that sells a wide variety of products and allows customers (people and businesses) to buy big quantities of wholesale products. Sam’s Club is an example.

Corporate Turnaround: Reviving a business that has declined in sales or underperformed for a period of time, with a goal of making it successful.

Customer: A person or organization that buys goods and services from an organization – many denim heads are customers of Levi Strauss & Co.

Department Store: A type of retailer that offers a large selection of goods, often in different product categories.

Differentiated Assortment: Offering different products across retail channels.

Direct-to-consumer (DTC): A retail model where companies sell directly to customers and not through third-party sellers (like department stores) or wholesalers.

Distribution Footprint: In this case, Levi Strauss & Co.’s network of distributors who help to sell their products.

Dual Class: A type of company structure that issues two classes of common stock to shareholders with different voting rights but equal economic rights. In this case, it means that family members with financial interests in Levi Strauss & Co. still have voting control about company decisions.

Experiential Retail: When customers shopping in a physical retail space are offered new experiences, like art, music and virtual reality as a way to enhance the customer experience and entice them to come back.

JCPenney: A large American department store chain.

Levi Strauss & Co.: An American clothing company trading under the stock symbol LEVI that is known worldwide for its Levi’s brand of denim jeans. The company was [founded](#) in 1853 by Levi Strauss.

Levi’s Jeans: Blue denim jeans made by Levi Strauss & Co. Levi’s 501 jeans are particularly iconic and known for their straight leg and button-down fly.

Levi’s Stores: The physical retail locations where Levi’s jeans and other Levi’s products are sold. As of November 2023, Levi Strauss & Co. operated 1,172 company-owned retail stores worldwide.

Macy's: A legacy department store that has struggled through the years. Tony Spring has stepped in as CEO to bring new ideas and try to capture younger customers.

Marketing Matters: A weekly podcast hosted by Wharton School marketing professors Barbara Kahn and Americus Reed that discusses marketing and advertising trends, consumer behavior, data and analytics, the latest in retail marketing and brand building.

Michelle Gass: Former CEO of Kohl's who was selected to succeed Chip Bergh as president and CEO of Levi Strauss & Co. She became president of Levi Strauss in 2023 and CEO in 2024.

Nordstrom: A leading fashion retailer offering a variety of clothing for all types of customers.

Off-pricers: A type of retailing where brand-name goods are sold at reduced prices.

Omnichannel Retail: A popular [strategy](#) among today's retailers that engages customers through multiple channels, including online, in-store and mobile.

Physical Retail: Retailing with actual bricks-and-mortar stores, like Levi's stores in malls and other venues.

Profitable Core: Developing a strong core business to support sustainable, profitable growth.

Retail Industry: All companies that sell goods and services to consumers.

Retail Theater: Attempting to amplify the experiences that customers have in physical stores, some retailers are creating theater ways to engage customers with their merchandise and brands. This dazzling approach includes everything from exotic window displays to hands-on in-store activities and colorful pop-up stores.

Sears: A large American department store chain.

Tony Spring: [Former CEO of Bloomingdale's](#) department store who was recently named CEO of Macy's department store. He is a big name in retailing.

Transitioned Leadership: New executive leadership in a company, such as Michelle Gass transitioning into Chip Bergh's position at Levi Strauss & Co. In this case, she spent time learning the business to strengthen her position when she stepped into the role as CEO.

Trucker Jacket: A denim jacket.

Underperformance: When a public company and its stock fall short of meeting financial-performance goals and expectations. They don't perform as well as expected.

Vertical Retail: A business model where a single company controls the supply chain of a product or service, from design to shipping to sale. Walmart is an example.

The Wharton School: The Wharton School, also referred to as just Wharton, is the business school of the University of Pennsylvania, a private Ivy League university based in Philadelphia, Pennsylvania. Wharton is a world leader in business education and a hub for academic research in all areas of business.

Wholesale Customer: A business or individual that buys large quantities of goods and services from distributors or manufacturers.

EXPLORE MORE IN OUR ONLINE BUSINESS JOURNAL

[The Power of 'Pivot or Perish' in Retail](#)