How Listening Saved Levi's Brand

Idea In Short

Executives who assume growth comes from bigger campaigns or new product lines should study what happened at Levi Strauss and Co. between 2011 and 2019. Revenue had sat near $4.5 billion for a decade against an internal target of $10 billion when incoming chief executive officer [CEO] Chip Bergh took over. Rather than order a restructuring on day one, he spent an hour with each of the company's top 60 executives, then sat in customers' living rooms asking what they wore and why. That discipline surfaced a leadership team rowing in different directions, led to the departure of roughly 80 percent of senior executives within 18 months, and produced the phrase that became Levi's global tagline, 'Live in Levi's.' The lesson for any leader inheriting a stalled organization is straightforward: diagnose through direct listening before prescribing a fix, and let the customer's own words define the brand promise.

A Brand Stalled at $4.5 Billion

Levi Strauss and Co., the San Francisco based denim maker founded in 1873, spent a decade with revenue stuck near $4.5 billion, well short of an internal ambition of $10 billion. The company still carried the credibility of inventing riveted work pants alongside tailor Jacob Davis and building one of the most recognized apparel brands in the world, a heritage that traces back to the original 501 lot number the company began using in 1890 to mark its highest quality jeans1. Recognition alone, though, had stopped translating into growth. The board brought in Chip Bergh, a former Procter and Gamble executive, as chief executive officer in September 2011 to find out why, and he inherited a business large enough to matter and stagnant enough to demand a different kind of diagnosis than another product launch or advertising refresh.

Listening Before Deciding

Bergh did not begin with a strategy memo. He set up meetings with each of the company's top 60 executives, giving each one an hour, and treated the sessions as a diagnostic tool rather than an introduction. After 15 to 20 of those meetings, a pattern had already emerged.

> When I asked people what they were working on, and how that work linked to Levi's strategy, I got a lot of blank stares. It was obvious that they were rowing in different directions (Chip Bergh, chief executive officer, Levi Strauss and Co.)

A second question compounded the concern. When Bergh asked how many people in the room believed the company was performing well, three-quarters of attendees raised their hands despite a decade of flat revenue. The gap between perceived and actual performance told him the organization lacked a shared, honest read of its own condition, which meant any strategy he introduced would need new people to execute it and not simply new slides to describe it.

Rebuilding Leadership Before Rebuilding the Brand

Within 18 months of Bergh's arrival, roughly 80 percent of the top executive team had left Levi Strauss and Co., a scale of turnover that surprised even the CEO who ordered it. This was not a mass layoff executed for cost savings, but a sequential replacement of leaders who could not connect their daily decisions to a company-wide direction. In a later interview with the Wharton School, Bergh described a culture in which clarity about strategy had to precede any commercial recovery, not follow it as an afterthought once new products shipped2. Once new leadership was largely in place, Bergh turned the same listening discipline outward, toward the customers the company had claimed to understand for more than a century.

Sitting in the Customer's Living Room

Bergh's next step took him out of headquarters and into consumers' homes. He conducted in-home interviews, watching how people actually dressed and asking about their lifestyles, their closets, and their loyalties to competing brands, rather than presenting them with concepts to react to. One interview took place in Bangalore, India, with a 29-year-old professional woman from an upper-middle-class household who owned jeans from several competing labels. When Bergh asked why she still reached for Levi's, she answered plainly.

You wear other jeans, but you live in Levi's

Bergh has described that sentence as the moment the company's brand promise became obvious, since it distinguished Levi's from fashion competitors not by describing a fit or a wash but by describing a relationship the customer had already formed on her own terms.

From One Sentence to a Global Campaign

Levi Strauss and Co. turned that consumer's own words into Live in Levi's, the tagline that has anchored the company's global marketing since 2013. The phrase worked because it came from outside the marketing department, and it matched a truth the company could already document: generations of customers who wore 501 jeans daily for work, for leisure, and eventually as everyday wear regardless of occasion. The approach also echoed a marketing instinct Levi's had relied on since the nineteenth century, when a large share of its customers on ranches and rail lines could not read English fluently. The company addressed that problem in 1886 by stitching a leather patch onto its overalls showing two horses failing to pull apart a pair of Levi's pants, letting illiterate or non-English-speaking customers walk into a store and ask a clerk for "those pants with the two horses"3.

A Product History That Made the Line Credible

The 501 fit itself supplied the substance behind the 2013 tagline. Levi Strauss and Jacob Davis received a patent for riveted work pants in 1873, and the two-horse patch they later adopted has been recognized as one of the five oldest continuously used trademarks still in commercial use anywhere in the world4. Decades of sponsorship, including rodeos and Western films featuring actors such as John Wayne, tied the product to durability and everyday use long before any tagline formalized the association. Because that history already existed, the Bangalore customer's sentence did not invent a new brand promise. It named one the company had built for more than a century, which is why the line survived contact with an advertising committee instead of being smoothed into something blander.

The Numbers Behind the Turnaround

The commercial case for Bergh's approach appeared years later in the company's public filings. Levi Strauss and Co. returned to the New York Stock Exchange in March 2019 after decades as a private company, pricing its initial public offering [IPO] at $17 a share, and the offering was oversubscribed more than ten times over5. In its first earnings release after the IPO, the company reported a swing to a $146.6 million profit from a $19 million loss a year earlier, with growth broad-based across regions and sales channels6. Revenue growth in the years leading up to the IPO came increasingly from categories such as tops and women's bottoms rather than from men's core denim alone, evidence the company had diversified beyond the single product line that built its original reputation.

What Leaders Should Take From the Sequence

Bergh's sequence, internal listening first, leadership change second, customer listening third, and public communication last, offers a template for any executive inheriting a business with stalled growth and an unclear strategy. Direct, unfiltered listening exposed the organizational drift that dashboards and quarterly reviews had missed for a decade, and only after that drift was corrected did customer research produce language the company could stand behind. Leaders who skip straight to a new tagline or a rebranding exercise risk repeating Levi's own mistake from the prior decade: describing a strategy that employees cannot connect to their daily work, and marketing a promise that customers have not actually made to the brand yet.

The Discipline Worth Repeating

Levi Strauss and Co.'s recovery from a decade of flat revenue did not begin with a new advertising campaign or a redesigned product line. It began with a chief executive officer who spent hours listening to his own executives before deciding what needed to change, then spent more hours listening to customers before deciding what the company should say about itself. The tagline "Live in Levi's" worked because a customer said it first, describing a loyalty the company had earned across generations of denim rather than a slogan a committee invented. Executives facing a stalled brand or a misaligned leadership team have a clear, testable move available: listen before prescribing, replace leadership that cannot articulate strategy, and let customers supply the words that marketing departments too often manufacture instead.

- 1Fashion History Lesson: Levi's 501 Jeans

- 2Former Levi’S CEO On Revitalizing A Brand — And The Right Way To Wash Jeans
- 3Levi Strauss And Co. On The Two Horse Patch
- 4Highsnobiety On The Two Horse Logo
- 5Levi's Ipo And Return To Public Markets
- 6Cnbc On Levi's First Post-IPO Earnings

Summary

Levi Strauss and Co.'s recovery from a decade of flat revenue did not begin with a new advertising campaign or a redesigned product line. It began with a chief executive officer who spent hours listening to his own executives before deciding what needed to change, then spent more hours listening to customers before deciding what the company should say about itself. The tagline 'Live in Levi's' worked because a customer said it first, describing a loyalty the company had earned across generations of denim rather than a slogan a committee invented. Executives facing a stalled brand or a misaligned leadership team have a clear, testable move available: listen before prescribing, replace leadership that cannot articulate strategy, and let customers supply the words that marketing departments too often manufacture instead.