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ADV 3500

DR. CHEN

FOREVER 21

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AVIATION ADVERTISING



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ABOUT OUR AGENCY

Above and beyond

Aviation Advertising strives to provide our clients with the best research, resources, and insights to help their business succeed. We accomplish this through reliable quantitative and qualitative methods of research.



EXECUTIVE SUMMARY

Forever 21 is an affordable store that keeps up with the latest fashion and style. With 600 stores worldwide, they are one of America's largest private companies. Forever 21 carries new trends for men, women, children and plus size. This store generates a couple billion dollars each year. In this report, we will analyze customers, potential customers, history of Forever 21, trends in the fashion industry and our own research that we conducted.

SITUATION ANALYSIS



INDUSTRY ANALYSIS

Industry: Women's Clothing Stores in the U.S.

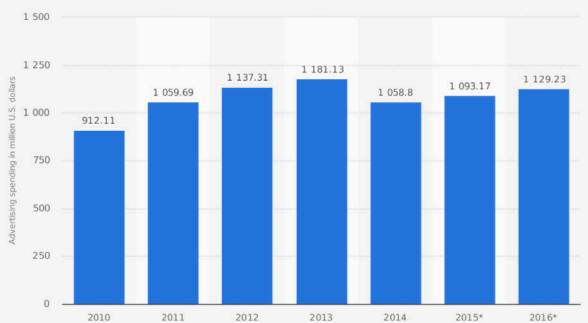
The Women's Clothing Industry is in the mature stage of the product life cycle. Regulation of this industry is medium, and technology affects this industry on a medium level (IBIS World). Revenue of this industry has been steadily increasing since 2010. Total revenue of women's and girl's apparel was \$101 billion in 2010, \$109 billion in 2012, \$112 billion in 2015, \$121 billion in 2018, and is expected to increase to around \$130 billion by 2021. (Statista)

American Eagle Outfitters, Urban Outfitters, Abercrombie & Fitch, H&M and Charlotte Russe are primary competitors of Forever 21. These companies offer similar products in a similar price range. Forever 21's revenue in 2018 was \$4.6 billion. Forever 21's primary competitors all had lower revenue in 2018: American Eagle's 2018 revenue was \$3.7 billion, Abercrombie and Fitch's was \$3.4 billion, H&M's was \$473 million and Charlotte Russe's was \$1.1 billion.

Forever 21's secondary competitors are ZARA and Urban Outfitters. These companies offer similar products at a higher price. ZARA's 2018 revenue was \$2.1 billion and Urban Outfitters' was \$3.6 billion.

Walmart and Target are indirect competitors of Forever 21. These companies offer clothing at a lower price, but the products differ from those of Forever 21. These companies had a higher revenue in 2018 than Forever 21. Walmart's 2018 revenue was \$500 billion and Target's was \$71 billion. These revenues are significantly higher than that of Forever 21, but Walmart and Target offer more products than just women's clothing.

Advertising spending in the women's clothing stores industry in the United States from 2010 to 2016 (in million U.S. dollars)



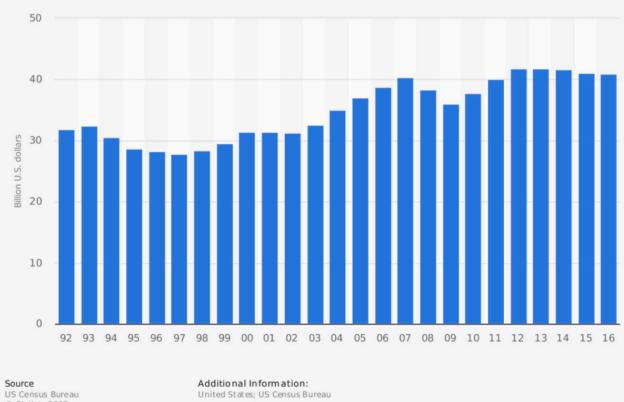
Source:
Schwartz & Associates
© Statista 2018

Additional Information:
United States, 2010-2014; Industry SIC code: 5621



According to Statista, advertising expenditures in the women's clothing industry have been increasing at an unsteady rate between 2010 and 2016. Advertising expenditures in 2010 were \$912,110,000, and expenditures increased until 2014, when they dropped by 1.1%. Expenditures were projected to increase again in 2015 and 2016. According to IBISWorld, marketing expenditures currently account for 1.9% of this industry's revenue.

Women's clothing store sales in the United States from 1992 to 2016
(in billion U.S. dollars)

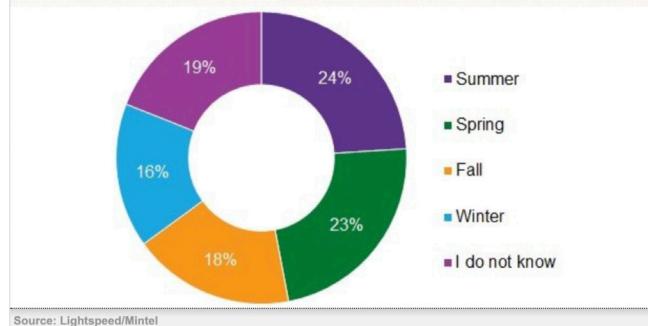


The women's clothing industry is in the mature stage of the product life cycle. Sales have slightly increased since 1992, but this growth is not significant enough to classify this industry as being in the growth stage.

Figure 20: Seasonality, April 2017

Base: 1,006 female internet users aged 18+ who bought clothes for themselves in the past 12 months

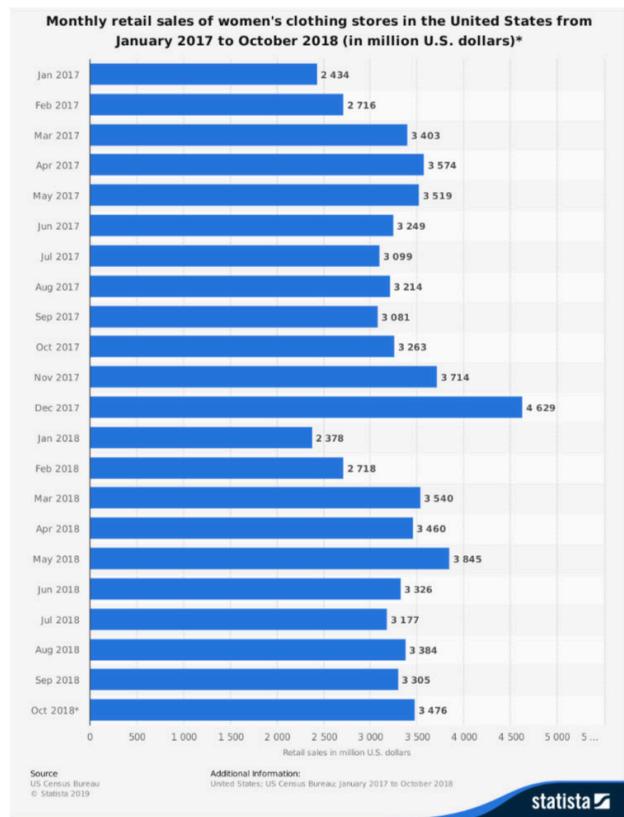
"When did you do the majority of your clothes shopping in the past 12 months?"



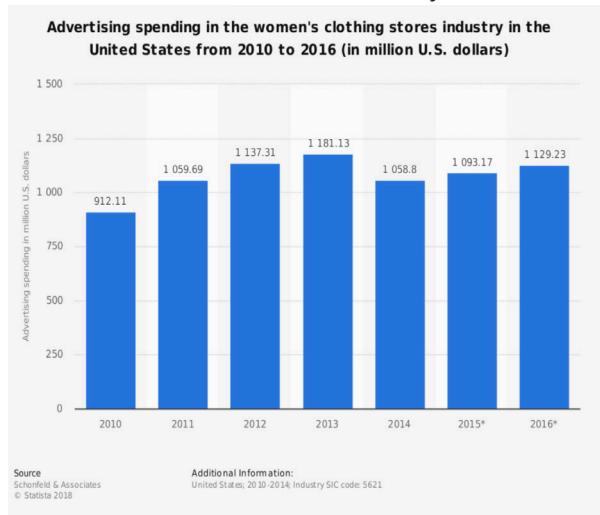
Source: Lightspeed/Mintel

Women's clothing has very low seasonality. According to Mintel, women typically purchase new clothes either when they need

them or when there is a sale, which can happen during any time of the year.



Women's clothing sales are very similar every month, with a small spike in December. This is likely due to the large amount of sales that occur around the holidays in December.



According to IBISWorld, women's clothing stores are facing declining revenues due to a decrease in foot traffic. More consumers are choosing to purchase clothing online, so companies with an online platform are safe from this threat.

This industry is very dependent on the state of the economy. If consumers do not have enough disposable income, they will wait to purchase new clothes. If consumers have a lot of disposable income, they will spend more money on clothing.

According to IBISWorld, there is medium regulation on the women's clothing industry. The Sherman Act, Clayton Act, Wilson Act and Robinson-Patman Act all were passed to prevent monopolies and promote competition. The Federal Consumer

Credit Protection Act ensures that consumers are notified of the annual rates of the credits offered by retailers.

Societal and cultural changes have a major impact on this industry. Clothing companies must adapt to changes in trending styles in order to retain customers. If a company's styles are not up to date, consumers will purchase from other stores.



CLIENT PROFILE

Forever 21

History

Forever 21 was founded in 1984 by CEO Do Won Chang and his wife. In 2009, Esther and Linda Chang, the founders' daughters, joined the company and are now in charge of strengthening the company's brand through the use of social media marketing and in-store presentation. Since its founding, the company has opened over 600 stores under various banners throughout the Americas, Asia, the Middle East and the UK. These "banners" include XXI Forever, Love 21, Heritage 1981 and Reference. The chain has pioneered the fast fashion industry and is a one stop shop for cheap and trendy clothing; additionally, 60% of the company's apparel is made in China.

Advertising and Money

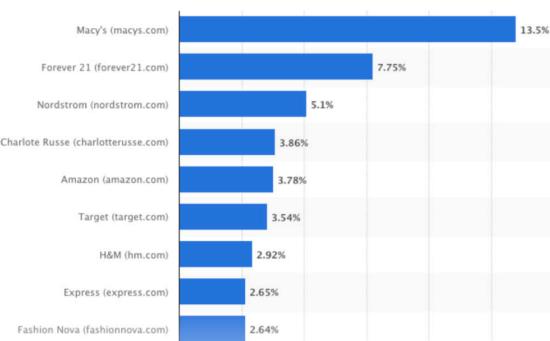
In recent years, Forever 21 sales have been increasing. In its first year, when the company was still called Fashion 21, Forever 21 rung up \$700,000 in sales. The company's revenue grew by 5% to almost \$4 billion in 2014's fiscal year. According to Hoovers, Forever 21's annual sales are \$4.6 billion at the moment. On the company website it says that there was a goal to become an \$8 billion company by 2017 and to open 600 more stores in the next three years (though it is not clear when this was last updated, considering it still has 2017 goals).

In 2014, Forever 21 opened its first store in Russia as part of its global expansion strategy. Similarly, the chain is investing in other places with large populations and emerging markets. Over the next few years, the company wants to open around 35 stores in India, too. Forever 21 is lagging behind in Europe, so they're trying to make up for it by growing in Asia and adding more stores throughout the United States.

According to Ad\$pend, Forever 21 has spent \$7,222,300 on advertising in the last five years, which is comparatively much lower than the revenue made in that same time frame (to make it simple, assume the company has made \$4 billion each of the last



five years, totaling \$20 billion in sales). Last year, Forever 21 only spent \$235,900 on advertising. Magazines appear to have the highest portion of media allocation. Apparently, though, they don't really need to increase advertising spending. According to Statista, the company was the second to Macy's in share of voice among leading online fashion retailers in the United States from April to June 2018.





COMPETITOR ANALYSIS

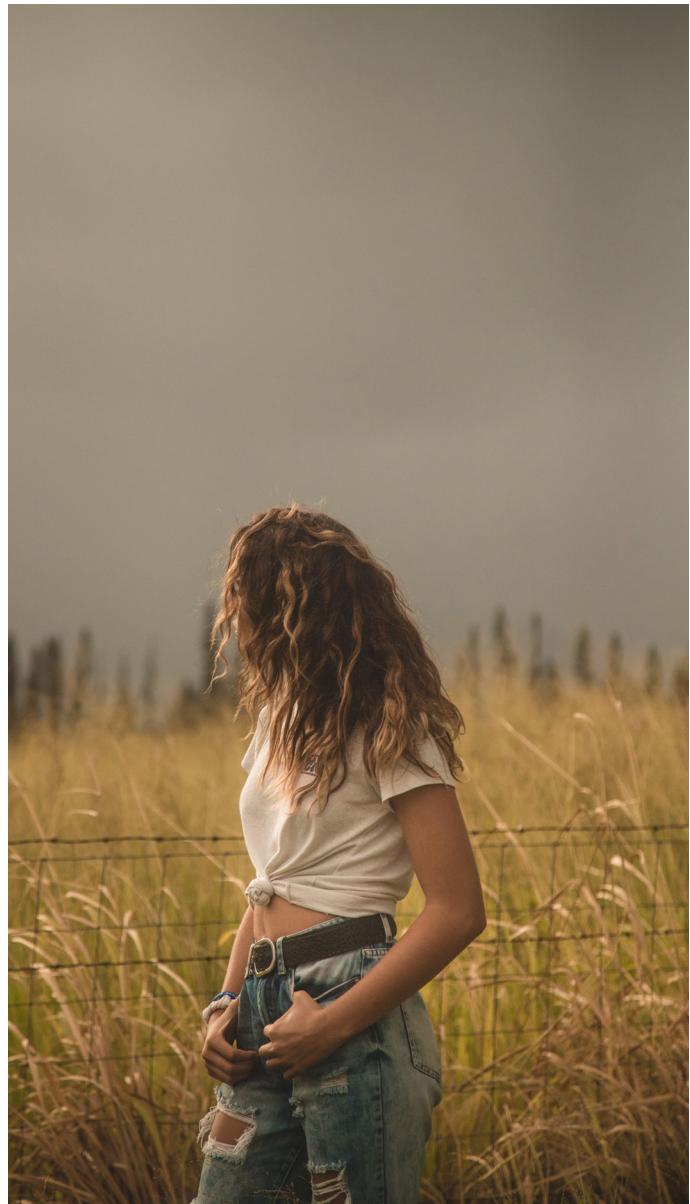
H&M

Hennes & Mauritz, better known as H&M is one of Forever 21's top direct competitors. H&M clothes are designed to target the fashionable and stylish. Their clothes are cheap and modern and their style is consistent with the ever changing style of the times. H&M's fiscal year ends in November, and they are a public company. The first Hennes store was opened in 1947 in Sweden by the 30-year-old entrepreneur Erling Persson. The year before he opened the store, he went on a trip to New York and was inspired by the way women's fashion was sold. When the store first opened, only the "H" was present; Hennes meant "hers" in swedish.

By 1952, a Hennes store opened in Stockholm, Sweden, the capital. Due the high demand and popularity, a second Hennes opened up in Stockholm, making it the third store. The "M" came into the name in 1968 when Hennes acquired the retailer Mauritz Widforss. During this same year, Hennes & Mauritz introduced children's and men's clothing. A year later they expanded and has 42 stores and soon after, more stores opened worldwide in places such as Norway, Denmark, U.K and Switzerland. In 1974, Hennes & Mauritz rebranded all of the stores and changed their name to H&M.



The very first store, Hennes in Västerås, Sweden.



Between the 80s and 90s, worldwide expansion of the store continued, and items were now available to be purchased online. In 2000, the first H&M in the USA opened up on 5th Ave in New York City with the mission to prove that style and price were not always directly correlated. In 2009, H&M home was introduced as part of the company. Since, then the company has continued to grow.

In 2017, H&M's total sales were 27,696.63 billion, and total sales in the United States were 3,322.94 billion according to Statista. H&M's advertising expenditures consist of cable tv, spot tv, syndication, magazines, internet displays and national spot radio. In 2017, H&M spent \$15,441,400 on advertising, according to Ad\$pendter. H&M spent the most on magazine ads at \$5,650,100 and cable tv ads at \$5,102,600. H&M's prices are a little higher than Forever 21's, but they offer a wider variety of items. H&M continues to grow as a global company by being inclusive, creative and innovative with the times.



Urban Outfitters

Urban Outfitters is a company that has always had the mission of having a refined look. In 1970, Dick Hayne and his college roommate, Scott Belair came up with the idea to open up a retail shop that was inspired by an entrepreneurship class. The first store opened up right across the street from the University of Pennsylvania. Urban Outfitter's original name was "Free People".

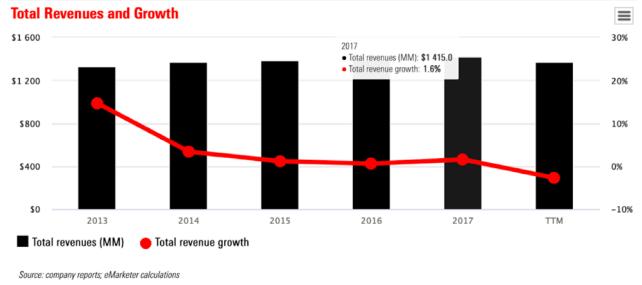
The idea and mission of the first store was to offer used clothing, jewelry, home decor and furniture for college students in a laid-back, different environment. Urban Outfitters has kept the same vibe as the first store, and always strives to offer unique items. Urban Outfitters preserves the original features of a building when opening a new store while also adding a new twist to it. Urban Outfitters was first created in a private label division by Meg Hayne. However, due to popular demand, Meg and Dick needed to create a wholesale line. The business was doing so well that Dick separated from the business for some time and the line took on companies such as, Anthropologie, Cooperative, bulldog and Ecote.

In 1984, Free People was reintroduced in a different way. In 1993, Urban Outfitters sold shares for \$18 a share in a public offering. In 1998, Urban Outfitters spread overseas to London and opened on Kensington High. The Urban Outfitters website was created in 2000 to create direct-to-consumer business. Urban Outfitters later moved their production sight to the Navy Yard. Urban Outfitters also owns Anthropologie, Free People, BHLDN (a bridal line), Terrain at Styers and the Vetri Family (a group of restaurants). According to Statista, Urban Outfitters' net sales in 2018 were 3,299.71 billion for retail operations and 327.54 million for wholesale operations. Urban outfitter's fiscal year ends on January 31st.

According to their 2017 annual report on eMarketer Retail, Urban Outfitters had an 11.4% growth for net advertising spending, but the specific amounts were not provided. In 2017, the average sales per store were \$3,676.8 million, but average sales per store growth were down 5.9% since 2013. However, in

Urban Outfitters, Inc.

Revenues & Sales - Urban Outfitters (Brand)



Source: company reports; eMarketer calculations

2017, total revenues were 1,415 million and revenue growth was 1.6%, up 1% from 2016. In comparison to Forever 21, the clothes at Urban Outfitters are more expensive, but better in quality. Urban Outfitters does have a larger men's option, but they do not carry plus size or children's clothes like Forever 21 does.



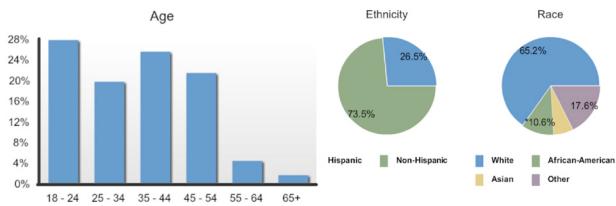


CONSUMER ANALYSIS



Descriptors

Forever 21 targets both female and male consumers of all ages. The majority of its consumers are women aged 18-24, despite having merchandise for kids, women and men. The graph on the right shows the ages of women who shopped at Forever 21 within the past month. The popularity among women could be due to the fact that Forever 21 only sold women's clothing when it first became a retailer.



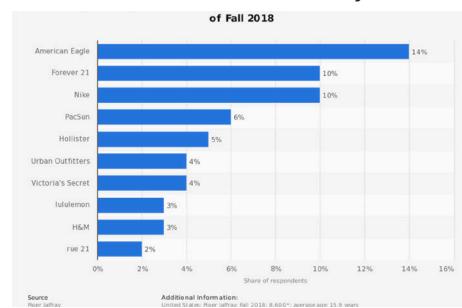
The majority of its consumers shop there because they are shopping on a budget, yet still want stylish clothing. Among women who shopped there in the past month, the majority were Non-Hispanic and identify as white. The majority of consumers were also from the South (37.7%, Simmons OneView) as opposed to the Northeast (18%), the Midwest (21.2%) and West (23.1%). As for usage level, the majority of shoppers go 1-2 times a month.

Base:	MOST EVERYTHING I WEAR IS OF THE HIGHEST QUALITY	Sample	Weighted (000)	Percentage
Target:	I-2	*35	571	3.92%

After the age of 34, the majority of shoppers don't favor Forever 21 as their favorite clothing store, and this could be due to the idea that Forever 21 sells clothing that is affordable. Most 34 year olds' earnings are in the middle-class range or upper-middle class. Forever 21 shoppers find that the biggest benefits to buying the merchandise is the price. While the stores stock very fashionable clothing, it's not very durable and often made from cheap fabrics. When consumers were asked if they considered that their clothing was of the highest quality, only 6.11% agreed.

Consumers typically start shopping at Forever 21 when they are teenagers. Forever 21 was the second favorite clothing store among teens in 2018, right after American Eagle and ahead of big brands like Nike, PacSun and Hollister, which could be

attributed to the affordable prices. Adoption also occurs among young adults older than 18 and in their early 20s.



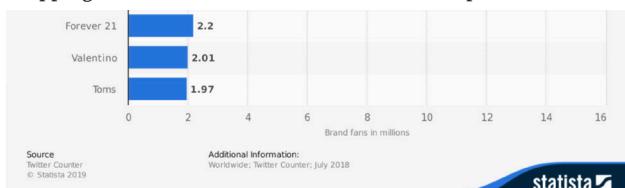
When it comes to information sources, the majority of the young people that buy at Forever 21 see ads for the merchandise on social media, as opposed to traditional television or magazine ads. In fact, Forever 21 had the highest engagement on Instagram out of all of the high street fashion label brands.

	Instagram likes	Instagram comments	Total Instagram user engagement
Forever 21	12,511,530	31,936	12,543,466
H&M	10,421,526	36,824	10,457,810
Primark	6,012,399	42,374	6,054,773
Topshop	4,434,419	15,271	4,449,690
ASOS	4,157,131	33,969	4,191,100
Zara	2,655,324	8,637	2,663,961
Mango	1,001,155	3,331	1,004,486
New Look	971,061	4,548	975,609
GAP	305,015	1,054	306,069
Next	163,265	1,509	164,774

In the hierarchy of effects model, Forever 21 succeeds in awareness because of its high user engagement in its social media accounts. Knowledge is usually built on and enforced by other young teens who speak about the brand to their friends. Liking and preference is established through brand loyalty and through word of mouth. Lastly, conviction and purchase usually occurs in mall dates, when friends who get together decide to shop at the store. References and peer groups are young highschool teens, young college students, and women who are entering the workforce but are not yet high-salaried employees.

Processes

The consumer life cycle usually starts with awareness brought on by peers, social media and the Forever 21 website. Knowledge is then added by visiting the stores with friends or alone, trying on clothes and seeing others wear the clothing. Consideration happens when others reinforce the idea that shopping at Forever 21 is a cool and affordable experience.



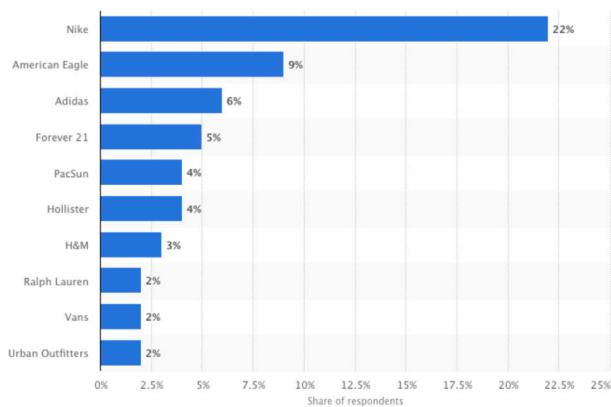
Selection happens in store, or on smartphones, where young adults and teens look for the nearest location. After buying the product, there is temporary satisfaction and loyalty to the brand because the consumer feels that they were able to buy a stylish and chic product for less money than if they would have shopped a more expensive brand. Word-of-mouth continues, and the consumer life cycle begins again.

Involvement with the Forever 21 brand happens throughout all social media platforms. One of the biggest platforms is Twitter. As of July 2018, the brand had more than 2 million followers, which is still true today. It makes the cut for the top 20 fashion apparel brands followed on Twitter.

Perceptions

Something that Forever 21 does well and consumers highly appreciate is its size range. In a study done in 2012, it was found that Forever 21 is among the most favored brands for plus size options: "While Forever 21 does not specialize in plus size clothing, it does offer an assortment that appeals to women for low prices and fashionable offerings. Furthermore, particularly for teens, it allows plus size girls to shop with their friends and have the same experiences and not have to visit specialty stores." This is more of an appeal to younger consumers, though, because it was also found that plus size women over 35 do not tend to gravitate toward the brand.

Something Forever 21 is not currently very successful in is appealing to wealthy consumers. The company needs to work



on is how affluent consumers perceive it, because at the moment Forever 21 is known to be cheap. According to another Piper Jaffray study, Forever 21 is not at the forefront of the minds of members of the upper class compared to other brands, such as Amazon and Nike.

As a whole, though, Forever 21 continues to dominate its specific place in the clothing industry. Not only this, but it also dominates the entire industry as a whole. According to a recent study by Piper Jaffray, Forever 21 is the fourth most popular clothing brand overall for American teens.







PRIMARY RESEARCH



Qualitative Research Overview

Our research plan was to find out how consumers perceive Forever 21 by conducting qualitative research. We wanted to find out why consumers choose to purchase or not purchase from Forever 21, and what qualities consumers look for in clothing stores. We answered these questions by conducting research through focus groups and in-depth interviews.

For our focus group, the first step was selecting a moderator who was unbiased towards Forever 21. The moderator also needed to promote discussion and hold a welcoming demeanor. Our two focus groups had 4-6 participants in it, and we decided two was enough because of all of the information we were able to gather before using our other method of research. The participants in these focus groups were ages 18-24, and all were from the UF campus, since we do not have a large budget and this age range is the brands largest audience. We had an outline for the focus groups, and a few ice breakers incase of any silent moments. To perform these focus groups we rented a study room in the UF Library West to guarantee a neutral place that would be quiet and comfortable.

Our group conducted in-depth interviews as our second form of qualitative research. In-depth interviews help give researchers more detailed insights of the topic at hand. Since in-depth interviews can last 15 minutes to 2 hours, we plan to have a set of questions to ask, while allowing the interview to last a minimum of 30 minutes. The research procedure was to interview our participants individually and ask them a series of questions related to Forever 21. As explained above, we wanted to know specifically what people look for in clothing stores, how people perceive the store Forever 21, and why some people like it so much.

The participants of our research procedure were the target market of Forever 21. Three of our participants were female, because the store mainly offers women's clothing. We also interviewed two men who wear Forever 21, so there was more information provided about the store. Since we performed this research in a college town, our participants were college students. Forever 21 is a popular store among teenagers and young adults. The store is also known for its low prices and wide selection of fast fashion clothing items. They also recently introduced a plus size section, so they have options for all different people.

The more information that our group has about the company, the more accurate the research will be. It is crucial to know about all sectors of the clothing line and to have research on them. Ultimately, the goal was to interview enough people to obtain the necessary information.

In-Depth Interview Results

Lyanne Melendez

The participant is a 20-year-old Hispanic female who is a college student. She considers herself a loyal customer of Forever 21. She shops at Forever 21 because of the low prices and variety of styles. Online shopping is more convenient for the participant since she does not have a car at school. She does not think the quality of Forever 21 clothing is the best, but she prefers to shop at Forever 21 because it is very affordable. She follows fashion trends on social media and is very into fashion. The participant prefers to shop in the sale sections of stores.

Hannah Engel

The participant is an 18-year-old White female who is a college student. She tends to shop at high-end stores, but will sometimes shop at Forever 21. She shops at Forever 21 because of the convenience and variety of styles. The participant does not think Forever 21 has high quality clothing. The participant is very into fashion and prefers to purchase products that have high brand equity. She thinks that Forever 21 clothing is priced accurately for the quality of the clothing.

Casey Sussman

The participant is a 21-year-old female who is a college student and a hair stylist. She does not really shop at Forever 21, but likes it for specific articles of clothing. She shops at Forever 21 when she needs something for a specific event, or something that she knows she will not wear often. The participant prefers shopping at higher end stores, such as Free People, because it is better quality and lasts longer in her opinion. She is also interested in the changing fashion trends. She thinks that Forever 21 keeps up with the latest fashion, and their clothes are cute and stylish, but it is not her first store of choice.

Max Grigoletto

This participant is a 20-year-old college student who considers himself a frequent customer at Forever 21. He does not necessarily enjoy shopping, but he cares about his appearance. He likes going to Forever 21 because of the great prices and wide selection for men. He also likes Forever 21 because it is in most malls he has visited, so he is able to be consistent with his shopping habits. He does not intensely follow fashion trends, but he likes to be somewhat in the know. Forever 21 helps keep him in the know with the items that they sell in the store.

Gavin Peltz

This participant is a 22-year-old college student who goes to Forever 21 only when he is buying clothes that he wears out. This participant is an athlete, so he spends most of his time in athletic clothes. However, he likes the selection and price of the clothes for men at Forever 21. The price and quality are good for what he is using them for which is going out on the weekends. In a college town, he does not want to buy nicer clothes and risk ruining them, so Forever 21 is perfect for what he is looking for.

Focus Group Results

Focus Group 1

This focus group consisted of 6 participants; three female and three male. In this focus group we asked a series of questions related to consumer behavior and Forever 21 while also letting the conversation flow. Based on the feedback from the participants the general consensus was that it is a good, affordable store for young adults. Forever 21 appeals to a wide variety of customers due to their large selection and low prices. They have mens, womens, children, and plus size clothing, which appeals to a large market. The participants concluded that they like the store because it has something for most people.

Focus Group 2

This focus group consisted of 5 participants which included three females and two men. We asked a similar series of questions to expand our knowledge about the consumer behavior. Of these participants, two of the women and one of the men shop at Forever 21 consistently. They shop there for the convenience, low price, and wide selection. They also shop there because it is one of the few stores that are in the Oaks Mall in Gainesville. The two participants that do not shop at Forever 21 say that it is because of the bad quality. They would rather spend more money on clothes that will last longer. They prefer quality over quantity.

Focus Group Conclusions

- Forever 21 is loved for its low price
- People know that their products are not high end, but they think that the price fits the quality
- It is popular amongst college students
- While the store is mostly shopped at by women, men enjoy the section of mens clothing too
- Even people who do not love the store have found that they have shopped there for a few things
- People like the designs, but not the quality of the clothing items



Quantitative Research Overview

The quantitative research method we used was an internet survey. We conducted this survey to find out what people think about Forever 21. We distributed the survey until we had received 75 responses. When the survey was concluded, we analyzed the results. Our population will consist of people ranging from under 18 years old to over 30 years old. We will create the survey using Google Surveys. Our sample was 75 people ranging from 18 years old to 30 years old.

We used the snowball method to recruit our subjects. We did this by initially sending the survey to a small group of people, then having those respondents share the survey with their peers. We recruited 75 subjects because, for our research purposes, that is enough for there to be saturation in the results. We sent out the online survey on April 9th and concluded the survey on April 15th.

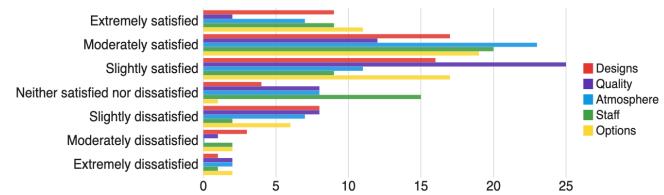
We analyzed our data by comparing the most frequently chosen answers in the survey. We also compared the answers to the demographic questions that we asked. By doing this, we found who the most frequent buyers are, how old they are, where they live, what they like about the company, etc.

We used descriptive type of statistical analysis in which we summarized the data we gathered with our survey. This type of analysis is great for a big sample of people because we organized the information in numbers, charts, tables, and graphs.

For validity, we used face validity because it can be assessed quantitatively and is great for a large sample of people. For reliability, we used internal consistency to ensure that the subjects' answers are reliable. This lets us know if their answers are consistent with other answers in the survey.

Survey Results

Q4 - How satisfied are you with your last visit?



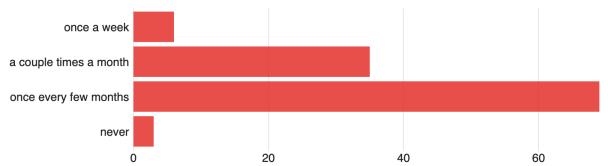
Common reasons respondents were dissatisfied with their previous visits:

- Low-quality clothing
- Messy store
- Limited plus-size clothing
- Weird text on clothes
- Clothing has poor fit
- Unwelcoming staff

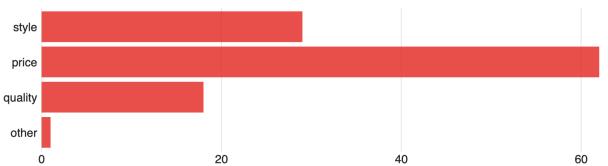
Common places respondents shop for clothes:

Abercrombie, Hollister, Urban Outfitters, American Eagle, Old Navy, TJ Maxx, Marshalls, Forever 21, Goodwill, PacSun, Cotton On, Love Culture, H&M, Express, Charlotte Russe, JCPenney, Kohls, ASOS, Boohoo, Target, Nordstrom, Lulus, Tobi.

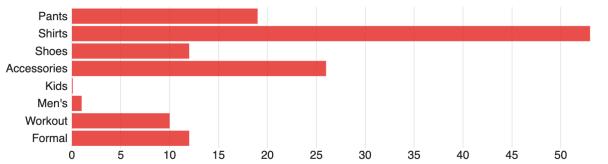
Q8 - How frequently do you shop for clothes?



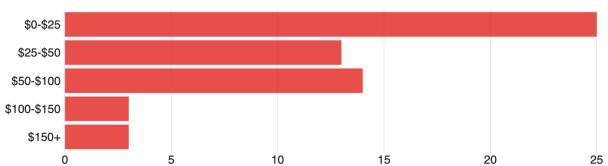
Q7 - What is your main concern when shopping for clothes?



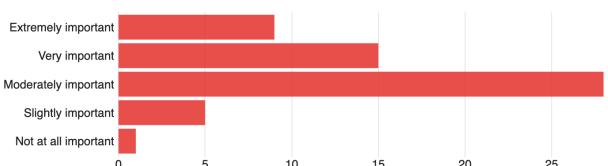
Q11 - What do you usually shop for in Forever 21?



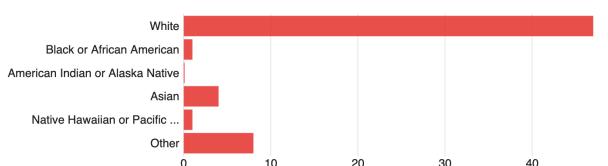
Q12 - How much do you spend in clothing purchases per month?



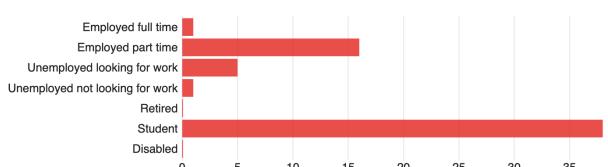
Q13 - How important is clothing quality to you?



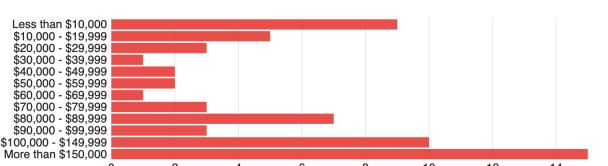
Q14 - What ethnicity do you identify as?



Q17 - What is your employment status?



Q16 - What is your annual household income?



Survey Conclusions

- College students and young women are bargain shoppers.
- Price is this market's main concern when shopping for clothes, but style and quality are also very important to them.
- Overall, the respondents were satisfied with Forever 21 and shop there regularly.
- Most young women shop for clothing either a few times a month or once every few months.
- Most young women spend \$0-25 on clothing per month, but a decent amount spend \$25-50 or \$50-100 on clothing per month.
- Respondents were very satisfied with Forever 21's styles and designs, but generally unsatisfied with the quality.
- Forever 21 could increase interest from this market by heavily advertising their sales and everyday low pricing.



SWOT ANALYSIS





Strengths

Forever 21 has plenty of strengths that allow it to remain in business for years to come. They remain price friendly for consumers and keep track of current trends to keep their clothes modern. An example of this is that whenever there's a new saying, Forever 21 makes sure to make the photo or meme as a shirt and start selling it. They try to keep up with the millennial fashion trends.

Another strength that Forever 21 has is that it advertises with new artists. Past examples have been Justin Bieber and Lady Gaga. As soon as an artist starts rising fast, they set partnerships with them to appeal to the younger crowd.

Forever 21 stores also have great customer service. The staff is known for being friendly and there's never a very long line in stores because they make sure to always have enough store clerks on the clock. The organization of the store is essential to its sales. They have sections depending on styles and they also separate their clothing depending on purpose, so the gym clothes are separated from dresses. They also have a big part of the store dedicated to clearance items where customers who already came in for a deal on clothes can get an even better price. It would seem to consumers that Forever 21 keeps ahead of the trends, so if there's a new type of pants that are being worn, consumers expect Forever 21 to have them in their stores already.

Weaknesses

Weaknesses that Forever 21 endures are being a private company and its focus on teen clothing. Because they are a private company, most of the executive decisions rely on a single family which can negatively impact them since they are not getting any outside influences/opinions from other stakeholders.

Although they have clothing lines for kids, men, and others, Forever 21's consistent target of young teens and females could potentially exclude them from other profitable markets. Older millennials may not feel inclined to shop at Forever 21 if the majority of shoppers are in their teen years. Their clothing quality

Weaknesses

is sometimes also less than expected. Jeans can fade rather quickly and shirts can look worn out after a couple of washes. While they attract customers for their prices and chic clothing, a lot of the clothing is not washer and dryer friendly, so that keeps customers from going back and buying more unless they cannot afford clothing from a higher-end store.

Opportunities

Forever 21 has opportunities to grow in different markets, especially the kids and men's market. They could expand all of their product lines and market more towards other customers that are not young women. They also have the opportunity to expand their pop-culture trendy clothes because trends come about very suddenly and eventually drop. In addition, they have the opportunity to change the factories they get their clothing from to factories that supply higher-quality clothing that doesn't tear easily. They also have the opportunity to partner with more mature artists that could attract older millennials and a broader audience.

Threats

Threats that Forever 21 experiences are the economic situation in the countries it does business in and brands competing against it in the millennial fashion industry. The economic state of the United States, which is a huge market for Forever 21, can affect it if we go into a depression or inflation gets higher.

There are also many stores that are rising in popularity among teens and young adults. Forever 21 focuses on having affordable clothing but sometimes the material is very cheap. Other stores are also having fun clothing styles but have clothes that will last much longer than Forever 21's clothing.

Many other stores are also focusing on a specific target market rather than targeting everyone as does Forever 21. The stores can limit its loss of sales by taking the opportunities they have and becoming an even more prominent brand.



STRATEGIC RECOMMENDATIONS

Online Presence

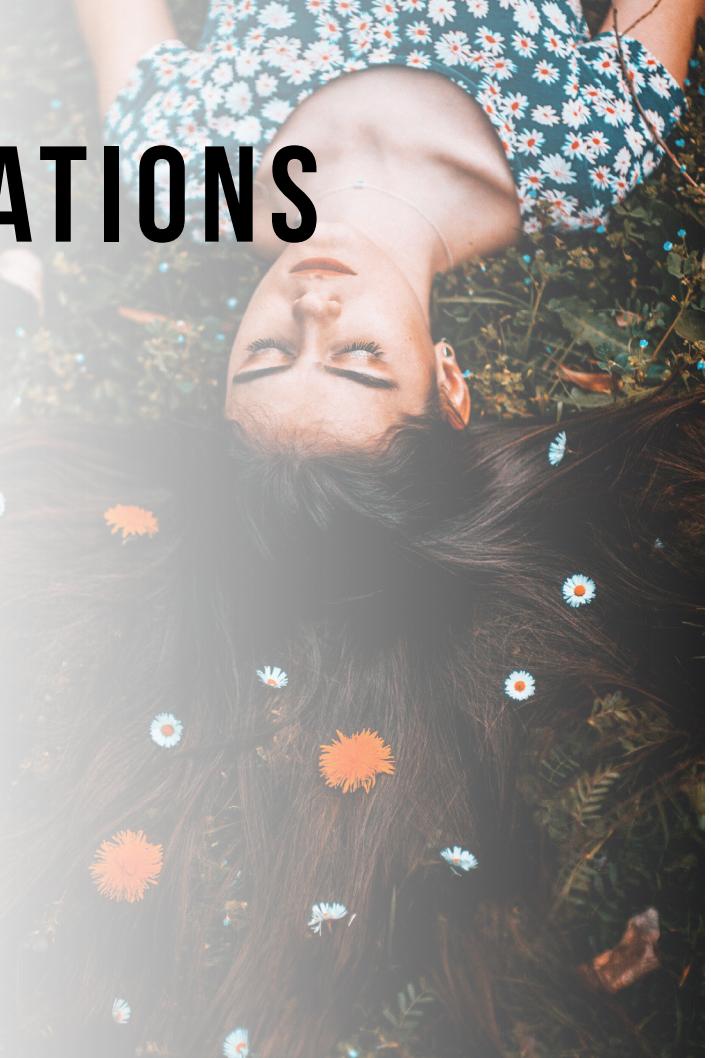
Forever 21 has many opportunities available that could benefit them. The first opportunity is one that many companies in the same category have done/are doing recently—shifting to a primarily online presence. Some of the top brands in Forever 21's industry are entirely online or have primarily online sales, so in order to compete more parallelly with them, Forever 21 should put more emphasis on its website.

Sponsorships

In addition to having a better online presence, Forever 21 should consider working with social media influencers, whether that be in the form of sponsorships, collaborations or just using them as models. The kinds of selected influencers should vary. Instead of just using teenage girls, Forever 21's influencer affiliations should be with teenage boys, men in their late 20s and early 30s, children, professional women, etc. in order to better reach those audiences. Collaborations with adults could be kept minimal, though, as they make up less of the market than teenagers.

In terms of sponsorships, Forever 21 should work with YouTubers whose styles coincide with Forever 21's overall image, particularly teenage girls in high school and college that are interested in beauty and fashion. Sponsored Instagram posts could also be effective among audiences other than teenage girls, such as teenage boys and younger children. Forever 21 could also use social media influencers as models for their products as a way to get attention from those influencers' audiences.

Similarly, Forever 21 should consider collaborating on clothing lines with social media influencers. This strategy may be most effective in driving sales from the influencers' audiences as they would feel as though they are directly supporting the influencers they love.



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APPENDIX

Appendix A

Survey Questions

1. How frequently do you shop for clothes?

- once a week
- a couple times a month
- once every few months
- never

2. What is your main concern when shopping for clothes?

- style
- price
- quality
- other

3. Have you visited our shop recently?

- Yes
- No

4. Where do you normally shop for clothes?

5. What do you usually shop for in Forever 21?

- Pants
- Shirts
- Shoes
- Accessories
- Kids
- Men's
- Workout
- Formal

6. How much do you spend in clothing purchases per month?

- \$0-\$25
- \$25-\$50
- \$50-\$100
- \$100-\$150
- \$150+

7. How important is clothing quality to you?

- Extremely important
- Very important
- Moderately important
- Slightly important
- Not at all important

8. How satisfied are you with your last visit?

(Extremely satisfied, Moderately satisfied, Slightly satisfied, Neither satisfied nor dissatisfied, Slightly dissatisfied, Moderately dissatisfied, Extremely dissatisfied)

- Designs -

Quality -

Atmosphere -

- Staff

- Options

9. Why were you dissatisfied with your last visit?

10. What ethnicity do you identify as?

- White

- Black or African American
- American Indian or Alaska Native
- Asian
- Native Hawaiian or Pacific Islander
- Other

11. What is your employment status?

- Employed full time
- Employed part time
- Unemployed looking for work
- Unemployed not looking for work
- Retired
- Student
- Disabled

12. What is your annual household income?

- Less than \$10,000
- \$10,000 - \$19,999
- \$20,000 - \$29,999
- \$30,000 - \$39,999
- \$40,000 - \$49,999
- \$50,000 - \$59,999
- \$60,000 - \$69,999
- \$70,000 - \$79,999
- \$80,000 - \$89,999
- \$90,000 - \$99,999
- \$100,000 - \$149,999
- More than \$150,000

13. Which age range describes you best?

- under 18
- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 54
- 55 - 64
- 65 - 74
- 75 - 84
- 85 or older

13. What's your gender?

- Male
- Female