

Why Forever 21, a fast fashion leader filled for bankruptcy

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Abstract - During the last decade, fast fashion has emerged significantly in the clothing industry. The concept of fast fashion was originated in the U.S. Fast Fashion refers to designs that move quickly from the runway to stores to get the latest trends. This article takes into account the history of the US fast fashion catalyst and apparel retailer Forever 21 and the path its recent downfall.

keywords - Fast fashion, Forever 21, Bankruptcy, consumer trends, labour laws, copyright infringement

INTRODUCTION

Forever 21 is an American fast-fashion retailer that appeals to young consumers who are exposed to constantly changing fashion trends. Forever 21 was America's fastest-growing fast-fashion brand. The target customers are young adults who want to be trendy and may not be able to afford luxury articles. Back in the day, Forever 21 symbolized the American dream. In 1981, Do Won Chang and Jin Sook Chang migrated from South Korea. In 1983, they opened a 900 square feet store with an investment of \$11,000 called Fashion 21. Initially owners took advantage of the wholesale discount to buy merchandise from manufacturers at a much lower price. The store made \$700,000 in sales in the first year. The Changs leveraged their success by opening new stores every six months which also broadened the company's customer base. Their key to success was to cultivate a huge following by selling trendy clothing at a low price. It converted its once penniless founders to billionaires, recognized itself as the powerhouse in the fast-fashion market, and at its peak earned revenue of \$4.4 billion. But it's once flush with Profit Company has now filed for bankruptcy.

Even though other designers were not the biggest fans of Forever 21, consumers couldn't get enough of their affordable styles. For that reason forever 21 became one of the largest tenants of American malls, with almost 480 stores nationwide. In March 2015, The Changs became one of America's affluent couples with a net worth of \$5.9 billion. They aimed to become an \$8 billion Company followed by launch 600 stores within 3 years. Forever 21 was listed at #122 in Forbes's biggest private companies in the USA in December 2013.

LITERATURE REVIEW

The buyers of this brand search for cheap but yet chic fashion. Styles of Forever 21 consist of various trends that the brand can maintain as it follows quick-turn inventory. Larry Meyer, the Vice President of the brand stated, "We want the customer to feel there's always going to be something new and exciting here". Compared to H&M, the consumers of Forever 21 would in all probability be more fascinated by People, Cosmopolitan, and Seventeen magazines where the clothes of this brand can be found within the publications as 'hot deals'. Forever 21 stores have various sections within their stores that display different styles of clothing that cater to a variety of people. Apart from their usual everyday clothing line, Forever 21 also offered multiple retail lines which included a plus-size line, a sleepwear line, an athleisure line, a cosmetics line, and various other lines that are all sold under the brand label. These megastores, which host just about every type and article of clothing one can imagine.

The objective of Forever 21 is to offer a 'one-stop shopping' experience in a fun and exciting setting. It has become the ultimate source for the up-to-the-minute fashions at a great price. The majority of the stock was copied from the designs of high fashion labels. They aimed to bring fashionable looks to people who could not afford the designer label. This has instigated legal issues in the past, but Forever 21 has been able to escape any serious penalties. Another strategy used in the business concept of Forever 21 is utilizing domestic manufacturers to get trendy clothes to the streets at a fast pace. Sixty percent of the manufacturers of Forever 21 originate from the United States.

What made Forever 21 prevalent in the first place was its fast-fashion model. Even though their products were always mass-produced, they still felt unique, because its stores sold selected styles as limited edition. However, as the company focused on growing bigger, their styles appealed more cookie-cutter. This led to Forever 21 losing touch with its core customers. Like many traditional retailers, Forever 21 struggled from rising competition from online rivals. Forever 21 started facing sluggish sales. Neil Saunders, the managing director of Global Data Retail stated that over the years, the brand has lost excitement and enthusiasm which is crucial to driving footfall and has led to a significant decline in sales which is easily overlooked. He also stated that the store standards had been sliding and consumer ratings for the quality of presentations, merchandise, and the amount of inspiration in shops have dipped substantially over the past year. Forever 21 sales have only been declining further. This incorporated a 32% drop in sales in 2019, forcing the company into bankruptcy.

In September 2019, Forever 21 had filed for bankruptcy. The company declared that it was ceasing operations in 40 countries and closing most of its local stores, aiming to permit mall operators and landlords to have a stake in the company. The company plans to close most of its stores in Asia and Europe and concentrate on the profitable part of its operations in the US and Latin America. Linda Chang, the executive vice president for the company, stated that filing for Chapter 11 was an important and much-required step to safeguard the future of the Company, which will not only reorganize but also help reposition the retail brand. The company shut all of its Japanese stores by October 2019 and all of its Canadian stores were shut by November 2019. On February 2, 2020, it was declared that Forever 21 had reached a deal to sell all of its assets for \$81 million to a consortium of mall operators Simon Property Group and Brookfield Properties, and brand management firm Authentic Brands Group, conditional on approval by a bankruptcy court judge. After the acquisition, ABG expanded Forever 21 in Latin America through a licensing agreement. In June 2020, ABG appointed IB Group as a licensee for Forever 21 in Mexico, signed a license agreement with AR Holdings in October, and launched the brand in nine Latin American countries.

Forever 21, which was purchased in the wake of the bankruptcy of the Authentic Brand Group by David Simon, CEO of Simon Property Group SPG + 1.1%, and Brookfield Property Partners, sees an international expansion opportunity led by ABG. Convert current store operations in Central America, South America, Mexico, Philippines and the Caribbean into a licensed partnership model. There is a lot of room for growth, especially in Eastern and Western Europe and Southeast Asia, especially in China, which remains largely untapped, said Nick Woodhouse, ABG's president and chief marketing officer, also in the Middle East and India. There are attractive areas. Mark Miller, president and CEO of SPARC LLC, a joint venture between ABAR, Simon Property Group and Brookfield Property Partners, said Forever 21 is fully integrated into SPARC and benefits from the group's excellence, overall fashion capability and operational discipline.

While the company intended to shut down stores in Asia and Europe, the new owners say they hope to expand in South America, Western, and Eastern Europe, China, Southeast Asia, Middle East, and India. ABG and Simon each own 37.5% of the company's intellectual assets as well as the operating businesses, while Brookfield owns 25% of the company. The new owners plan on keeping the company's headquarters in LA. ABG plans on seeking out young consumers by introducing refreshed, creative, targeted digital campaigns, and influential collaborations. In light of the supposedly limited funds, the trustee stated that discharge or conversion of the Chapter 11 proceedings to Chapter 7 will be appropriate Chapter 11 bankruptcy proceedings denote a rearrangement, whereas Chapter 7 would mean liquidation that is Conversion or discharge of the case would not influence Forever 21's retail units and e-commerce sites, which are now the possessions of the ABG, Simon and Brookfield consortium.

RESEARCH GAP

Based on the cited journals and articles mentioned above, the research was not backed by sufficient statistical data. Presence of statistical data helps in analyzing the data and drawing conclusions therefrom. Expressing the results in numbers is a powerful method of conveying the intended message. It provides credibility to the paper. Majority of the papers mentioned above comprise of theoretical only. Graphs, Frequency distribution, Measure of central tendency, Regression etc. can be used for the best representation of data.

RESEARCH OBJECTIVE

The purpose of this paper is to enlighten the consumers about the damage done by Fast Fashion industry. Bankruptcy of Forever 21 is one of the examples that faced retail apocalypse. Mass production and quick turn in- inventory has brought a question mark to sustainability. It is environmentally disastrous. Fast fashion also triggers imitation of designs of other designers. It is not just the strain instigated by over manufacturing resources but also the need of constantly disposing and purchasing new articles based on the constantly changing trends in the Fast Fashion world.

RESEARCH METHODOLOGY

[1] Type of Research

This study is based on primary research. Primary research is research you conduct yourself. This includes direct access to sources (usually targeting market customers and prospects) to ask questions and gather information. Example of a preliminary survey: Interview (telephone or face-to-face) survey (online or email) Questionnaire (online or email) Focus group visits to participant locations. The objective of the primary survey is to answer specific questions that accompany the project survey. The specific nature of answering questions according to individual needs is one reason why preliminary research is valuable. In the context of this scripture, the nature of the information available was qualitative and not quantitative.

[2] Type of Research Design

The type of research designed used for this paper was Explanatory research. Explanatory research is being done on this issue which was not well researched earlier. Descriptive research is actually a type of research design that focuses on explaining aspects of your study. Explicit research is done to find the problem which was not thoroughly investigated. Explanatory research is not used to give us conclusive evidence, but to help us understand the problem more effectively. Its purpose is not to provide definitive and definitive answers to research questions, but to allow the researcher to explore the research in depth.

[3] Population

The research was targeted towards shoppers aged between 18 - 35 years as they are the ones who associate most with the brand personality. 70% of the population was female shoppers, majority of which reside in India followed by Qatar.

[4] Sampling Consideration

Sample considerations relate to desirable characteristics that should always be considered when selecting a sample to increase the likelihood of an accurate estimation of demographic parameters. This paper follows the random sample, also known as the grab or chance model. This is a nonprobabilistic sample that takes a sample of nearby populations rather than carefully deciding and preserving it.

[5] Variables

Variables are of two types- Independent and Dependent. It is important to establish cause and affect relationships in order to get correct scientific findings.

Independent variables are free from influence and are changed by researchers in order to study the effect of these changes on the dependent variables. For the purpose of this paper are independent variables. The independent variables have been identified as – age, gender and other criteria's such as fashion preference, customer experience and fast fashion ethics.

[6] Scales Used

Scales used for the purpose of this study in the questionnaire are as follows-

- **Ordinal Scale** - This scale is based on ranking and helps to identify the degree/ preferences of the respondents. The ordinal scale used is the typical 5 point scale with 1 being the lowest and 5 being the highest. A 5 point scale has been used because it provides the optimal number of choices along with ranges such as strongly agree, disagree, neutral, agree strongly agree, very poor, poor, neutral, good and excellent.
- **Nominal Scale** – This particular scale has been used for the age and gender questions because it helps to label variables into distinct classifications for particularly not quantitative questions.

[7] Instruments Used

The instrument used for this study was an online Google survey. It is a type of research method used for collecting data from predefined groups of respondents to gain information and insights into various topics of interest.

Questionnaires provide a relatively cheap, quick and efficient way of obtaining large amounts of information from a large sample of people. A questionnaire uses both open and closed questions to collect data. This is beneficial as it means both quantitative and qualitative data can be obtained.

[8] Tools Used

The tool used for this research is Google forms and Google spreadsheet as they are widely used to create surveys easily and quickly since they allow you to plan events, ask questions to your employees or clients and collect diverse type of information in a simple and efficient way. Google forms allow us to include different types of questions such as short answers, paragraphs, multiple selection, verification boxes, pull-down, linear scale, grid of several options, among others.

Descriptive analysis will be followed as it is a straightforward analysis. It explains the “what” about a topic, by using data, statistics, and trends. It employs the use of many common characteristics companies already have access to, like case studies, surveys, and customers.

REASONS FOR THE FAILURE OF FOREVER 21

[1] Rapid Expansion

Forever 21 began in 1984 then called as “Fashion 21” in LA. They had a pretty good run initially totaling up to \$700,000 in sales and had a very good reputation going especially among the American-Korean community. There was good reason to believe that this brand, with its quirky, affordable styles was here to stay for a long while which built up enough credibility for the owners to borrow heavy loans for expansion.

The Changs started opening up new stores every six months and soon became one of the largest tenants of American malls reaching 480 locations worldwide with sales reaching nearly 4 billion in 2015. Their goal was to become a 8 billion dollar company by 2017 and to open 600 new stores within 3 years. This was a highly ambitious and aggressive expansion plan as it is not easy to develop and adapt into new markets at this rate while at the same time maintaining continuity with the main brand and adapting more than thousands of fashion trends every day. They required significantly more manpower and operational resources than they had at that time.

Apart from that the American Malls are also seeing a big drop in visits especially for retail outlets. They have filed for chapter 11 bankruptcy, and have closed stores in Japan, Canada and are planning on exiting most of Europe, Asia while heavily downsizing in USA. It lists both assets and liabilities in the range of \$1 billion to \$10 billion, according to the court filing in the U.S. Bankruptcy Court for the District of Delaware.

[2] Labor Laws/Treatment

Forever 21 have a bad rep when it comes to labor relations. They get cheap labor and often don't treat them very well in terms of fair compensation or working conditions. This is the general narrative of fast fashion companies and Forever 21 seems to be no great exception.

There have been various lawsuits that have been filed against Forever 21 for infringing labor laws. In September 2001, the Asian Pacific American Legal Center and the Garment Worker Center, workers' advocacy groups, filed a lawsuit claiming that 19 contracted employees received less than the minimum wage, the hours on time cards were reduced, workers who complained to the state were fired, and that the employees faced sweatshop-like working conditions. The case was settled in 2004 but many other similar cases followed in 2012 and 2014.

The U.S. Department of Labor investigated 77 Los Angeles garment factories from April through July of 2016 and found that workers were paid as little as \$4 and an average of \$7 an hour for 10-hour days spent sewing clothes for Forever 21, Ross Dress for Less and TJ Maxx. One worker in West Covina made as little as \$3.42 per hour during three weeks of sewing TJ Maxx clothing, according to the Department of Labor.

Those sweatshop wages are the hidden cost of the bargains that make stores like Forever 21 affordable for consumers. Forever 21 would have had to pay 50% more in order for sewing contractors to pay workers the federal minimum, the investigation found.

[3] *Changing Consumer Trends*

Fast fashion retailers have developed as the impelling cause behind most consumer purchases. What once took months to transition from Catwalk to consumer can now be done in a matter of two weeks. Consumers can't get enough of high fashion designs curved into reasonably priced products in the shortest time possible, and fast fashion brands are able to do just that and make a profit too. The evolution of fashion trends depends on fast cycles, quick prototyping, more effective transportation and delivery, and merchandise presented "floor ready" on hangers with price tags attached.

But for almost a year now, sharp fashion has gone out of fashion. Young customers are losing interest in throw-away clothes and are more attracted to eco-friendly products. They're also descending toward rental and online second-hand sites. Resale sites like thredUp.com, which calls itself the largest online thrift store, are growing popularity. Millennials and Gen Z are aware of the massive ecological damage that this throw-away fashion mindset is having on the planet increases. More and more environmental and consumer groups are influencing attitudes, raising awareness and changing purchasing patterns. It's no secret that fast fashion has been responsible for a catastrophic level of environmental pollution. Over use of raw materials, water pollution and greenhouse gas emissions are only a part of the story. It affects landslide and circular carbon contribution from circular buying, wear and toss behavior. Trends vary from top-down fashion development set by fashion magazines to social media and personal expression driven. Influence has allowed and promoted the consumer public to promote their own, unique personal styles.

[4] *Copyright Infringement*

Forever 21 have no design team of their own. Designers attend shows and take a note of the runway hits that they can replicate and have it on the shelves of Forever 21 in a matter of weeks. According to Forbes, 50 copyright violation complaints have been placed against Forever 21.

Forever 21 has been sued by Anna Sui for seventeen items of clothing, Anthropologie for ten items, Bebe Stores for twenty-eight items, Carole Hochman for a nightgown with a "Marilyn Monroe" design, Diane von Furstenberg for four wrap dresses and one blouse, Harajuku Lovers for clothing with "Heart and Heart/Box design" print, Harkham Industries for a dress with the "Shadow Fern" design, and Trovata for six items of clothing.¹⁵¹ All of these lawsuits ended in settlement. Canadian media reported on a local, family-owned business in Richmond, Granted Clothing, whose designer noticed that their sweater designs had been stolen and mass-produced for sale on Forever 21's website. Both parties resolved the matter on "amicable terms". On 28 January 2015, the software developers Adobe, Autodesk and Corel filed a joint lawsuit against Forever 21 for supposedly using unlicensed copies of Photoshop, AutoCAD and PaintShop Pro. American singer Ariana Grande sued Forever 21 for \$10 million for copying her style by dressing up their models the same way in their photo shoot from her music video of "7 Rings".

They have been caught a couple of times, they have been publicly exposed, they have been sued but all they do is settle. This is their business strategy. They get what they want and when caught up, they pay up. It's cheaper than licensing their products.

Current laws do not protect clothing from being copied, just logos. Many designers have been petitioning congress to expand the copyright statute to protect their intellectual property. Some think through Forever 21 to be a fashion savior. Without them, many lower and middle class wardrobes would suffer. Everyone would not have the occasion to sport the latest fashion trends right off the runway. So is Forever 21 considered to be the Robin Hood of the fashion industry stealing designs from the rich and selling them for cheap to the poor?

[5] *Financial Management*

The Changs were truly an exceptional success story. At its peak, retailers had annual sales of over \$ 4 billion and employed more than 43,000 people worldwide. Now it is leaving 40 countries and closing up to 199, or more than 30%, of its stores in the United States as part of its bankruptcy, and former employees are pointing to the Changs' narrow-minded management style as a major reason for their down fall. They signed disastrous real estate deals and the chain's poor merchandising strategy in recent years. Erik Gordon, a management expert at the University Of Michigan Ross School Of Business said that they didn't have a board of directors to give a reality check; they didn't have stock analysts to give a reality check.

But Forever 21 made its biggest blunders in real estate. In the years before and after the recession, the company expanded and decided to open a large flagship store. The stores became hard to fill with new merchandise.

Two employees said that the chain often failed to recognize that customers in some European countries shopped for winter merchandise earlier in the year than American consumers. The chain expanded to Germany without comprehending that stores in the country are closed on Sundays.

Forever 21 said in the filing that most of its international locations were unprofitable as of 2015 and that its stores in Canada, Europe and Asia were losing an average of \$10 million per month in the past year. Overall, the annual business value of Forever 21 stores was \$ 450 million

Jin Sook Chang's side of the business was also making mistakes with the extensive store base. Merchandising was based on the 2016 sales, and Forever 21 bought too little inventory in 2017, then too much in 2018, the filing said.

[6] Criticism

Forever 21 has been criticized for pushing forward a Christian agenda. They sold the top with phrases like "Holy", "Love, Peace, Faith, Hope, Jesus" and "Thank God". Forever 21 got media attention for laser printing of the Bible verse "John 3:16" on the bottom of his yellow bag. The Bible verse John 3:16 that reads, "For God so loved the world that he gave his one and only Son, that whoever believes in him shall not perish but have eternal life,"

As Jezebel Editor Moe Tkacik stated, "Church is to Forever 21 what taking sexy party photos and lines to make are from American Apparel. According to garment district insider, Mrs. Chang attends pre- dawn service and encourages her staff to do the same. She hunts out young designers from the companies she's working with and employs them in the business if they are Christian. ABC News and numerous users on Reddit condemned Forever 21 for its "Allergic to Algebra" shirt. They declared that the shirt had an anti-education theme. The Center for Environmental Health found that Forever 21 sold jewelry that included the toxic metal cadmium. 1.03 million dollars in payments and 0.03% cadmium in jewelry were part of the agreement.

Lawyer Carolyn Kellman filed a class action lawsuit against Forever 21 after she received one penny less when she returned several items. Clienteles who were given a penny less or were charged one more agreed to work on the case. In line with The Huffington Post, these pennies added up as the threshold for civil proceedings in his court district is 15,000 dollars. In short, he had to find enough people to participate in the proceedings so that he could claim damages of 1.5 million pennies. Forever 21 has been accused of fat shaming due to the inclusion of Atkins' brand weight-loss bars with orders containing plus-sized clothing. Forever 21 apologized, stating that was an "oversight."

The company was trying to reach new customers by creating an Instagram account for its plus-size consumers. Fuming buyers remarked on the Instagram saying that the models did not precisely represent the average plus-size consumer and presented an unrealistic depiction of what a plus-size woman looks like. Once again, the company released a statement saying that they always appreciate their customers when they have a concern and that's why they've deleted some images and are working to ensure that our future posts represent the Forever 21 Plus customer .

[7] Brexit

"Brexit" is a term used in reference to the UK's planned exit from the European Union, a decision taken in the summer of 2016 by a nationwide vote. As a result of this planned departure, some customers in the UK are more patriotic and are therefore more interested in buying products from their home country, UK-born brands and stores. Forever 21 is a well-publicized and well-known American brand. Because of this, Forever 21 is at a clear disadvantage to its competitors, such as Primark, Topshop, and H&M, stores that originated in the United Kingdom. The stores that they decided to close in the United Kingdom are all expected to be taken over by rival store H&M. Additionally; UK consumers are generally spending less money due to economic concerns raised by Brexit.

The company did not do their proper research on the area. If they had, they would have realized that opening stores in the United Kingdom would cause them to lose money due to the oversaturation of the market. Forever 21 also did not change any of their products based on what the average United Kingdom consumer enjoys. They took products that they know work with the American youth and simply assumed that it would work for the United Kingdom youth as well. The United Kingdom consumer is a more sophisticated buyer and is not attracted to copious amounts of graphic tee-shirts and ripped jeans.

Reaching out to international consumers through an online presence is a much better and more profitable way to expand Forever 21's platform.

[8] Separation from Shipping Company

Forever 21 ended up having to separate from their long term shipping company, EZ Worldwide, an action which resulted in a reportedly fifty percent drop in Forever 21 sales (Chung). EZ Worldwide abandoned Forever 21 saying their business was no longer profitable to them.

DATA ANALYSIS AND INTERPRETATION

From the data accumulated through the medium of a survey, majority shoppers were aged 18 to 35. The shoppers in this age group connect with the brand personality of Forever 21. The questionnaire was based on the perception of Forever 21 in the minds of the customers. How important is the concept of fast fashion to the customers.

Following were the questions of the questionnaire:

- [1] Age
- [2] Gender

- [3] What are the top 3 things you look for when shopping with a fashion retailer?
- [4] Have you ever shopped at FOREVER 21?
- [5] If yes, was this online or in-store?
- [6] In which of these categories do you Forever 21 products fit in?
- [7] Rate the following criteria based on your customer experience
- [8] How frequently do you shop at a known fast-fashion retailer?
- [9] “I like it, I buy it” describes my behavior in fast fashion retail environments
- [10] Are you concerned about the environmental impact of disposing of unwanted clothing items?
- [11] Would you continue shopping at a fast-fashion brand despite its unethical practices such as plagiarism or unfair labor laws?

BRAND AWARENESS QUOTIENT: - HAVE YOU EVER SHOPPED AT FOREVER 21?

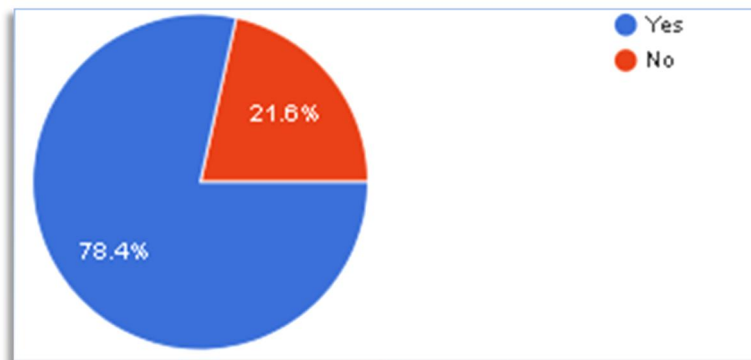


Figure 1

78% of the respondents replied to the question with yes. Through this chart we understand that majority of the shoppers aged 18 – 35 are well aware of the brand and have purchased their products. Forever 21 have focused majorly on social media to raise brand awareness which is the integral part of reaching younger generations. Brilliance of social media is that it provides wide reach without investing a lot of money or efforts. One of the marketing strategies that the brand uses is to encourage their shoppers to post pictures of their outfits from Forever 21. This encourages them and makes them feel more involved in the process.

ONLINE PORTAL: - IF YES, WAS THIS ONLINE OR IN-STORE?

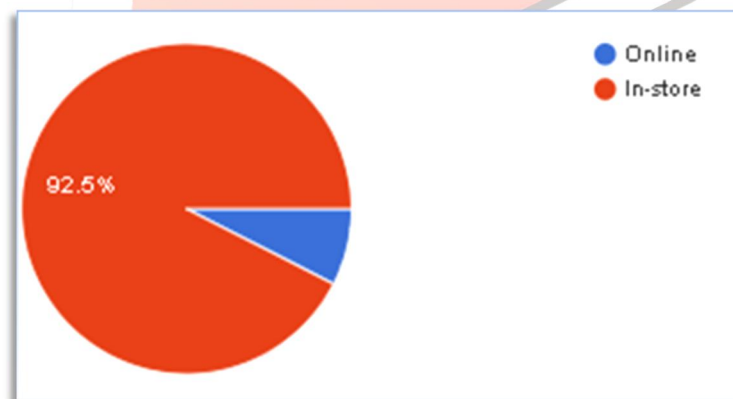


Figure 2

Based on the survey, 92.5% of the customers shopped at their offline store and only 7.5% of the customer have shopped on their online website. These figures indicate that the footfall to the brands online portal is unsatisfactory. This was one of the reasons that led to the brands downfall. In today’s fast moving day and age most shoppers want to reach everywhere just by a few clicks. They want convenience on their fingertips. The brand was unsuccessful at providing a positive online-store experience. They were hooked on to the mall mindset. Brands like H&M and ZARA have shifted to the online portal. They faced competition from fast fashion brands such as ASOS or Fashion NOVA whose entire business model in online, which provides the customer to order, try and return their outfits without going to the store. Without digital presence, retail store cannot survive. In order to target Gen z, one has to go online. Out of date retails who don’t pay attention to the latest trends are the ones who are closing down.

TREND FOLLOWED BY THE BRAND: - IN WHICH OF THESE CATEGORIES DO YOU FOREVER 21 PRODUCTS FIT IN?

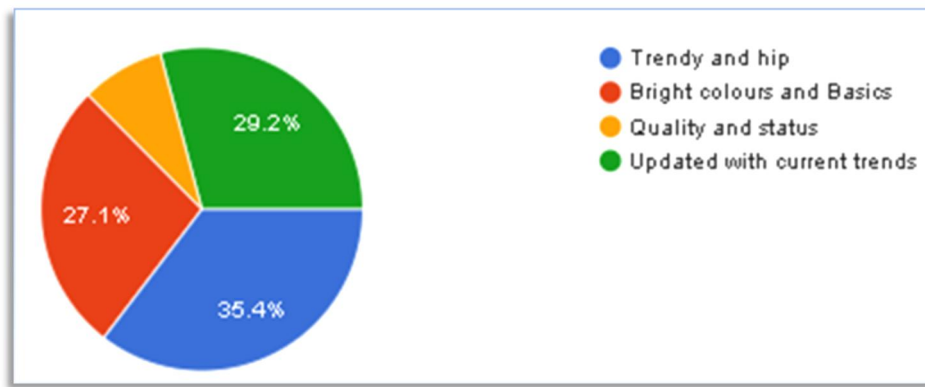


Figure 3

From the above pie chart we can see that the merchandise of the brand up to date with the latest trends which consist hip as well basics, providing the customer with the best of both worlds. However the products of the brand are associated as low quality and affordable. It perfectly caters to the youth as most of them are students and unwilling to spend huge amounts of their income on expensive merchandise. This is also one of the most notable characteristic of fast fashion brands who lack to provide quality product as their in a rush to move their products from the factories to the shelf’s as soon as possible. Forever 21 doesn’t manufacture its own clothing instead they outsource them from other various manufacturers. This often results in inconsistent sizing across their tops and bottoms despite them all having labels that say they’re of the same size. This leads to consumer frustrations over not being able to fit certain outfits they like.

CUSTOMER EXPERIENCE AT FOREVER 21



Figure 4

The above bar graph represents the experience of customers at Forever 21. The experience criteria’s were as follows: -

- [1] Friendliness when greeting
- [2] Knowledge of product
- [3] Helpful in finding merchandise
- [4] Speed of service
- [5] Professionalism

The overall experience of the customers ranges from neutral to good. This means that the shoppers had a positive in- store experience. This means that the customers very satisfied and turned into loyal customers. The percentage of poor remarks has been low, however the percentage of excellent remarks have been low as well. The service provided at the store is pretty average. There is a scope of improvement for the brand in terms of its customer service.

FAST FASHION ATTITUDE: - “I LIKE IT, I BUY IT” DESCRIBES MY BEHAVIOR IN FAST FASHION RETAIL ENVIRONMENTS.

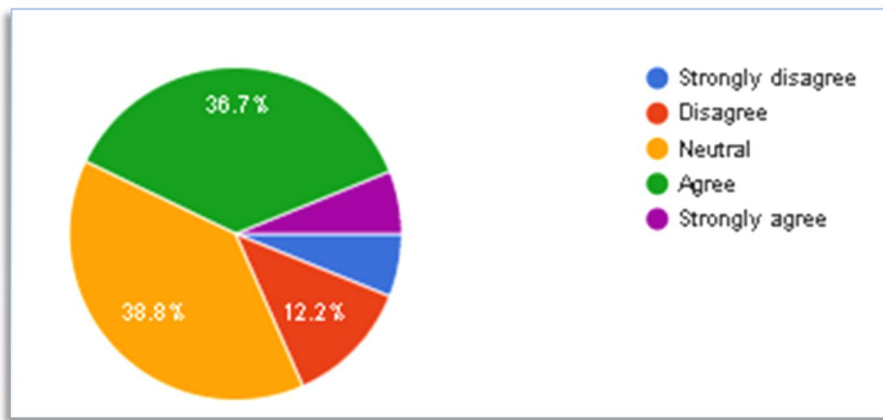


Figure 5

Based on the pie chart we can see that majority of the shoppers connect with the fast fashion behavior which means impulse purchasing. 36.7% of the respondents agree with the attitude and 6.1 % of the respondents strongly agree to the statement. This means that 42.8% of the shoppers connect with the statement. This also represent the youth who keep changing the collection in their wardrobe very often. 38.8% shoppers are neutral on this statement. They are not sure about their behavior when it comes to shopping or impulse purchasing. The rest 12.2% of the respondents don't relate to the impulse purchasing attitude.

ATTITUDE TOWARDS ENVIRONMENT SAFETY: - ARE YOU CONCERNED ABOUT THE ENVIRONMENTAL IMPACT OF DISPOSING OF UNWANTED CLOTHING ITEMS?

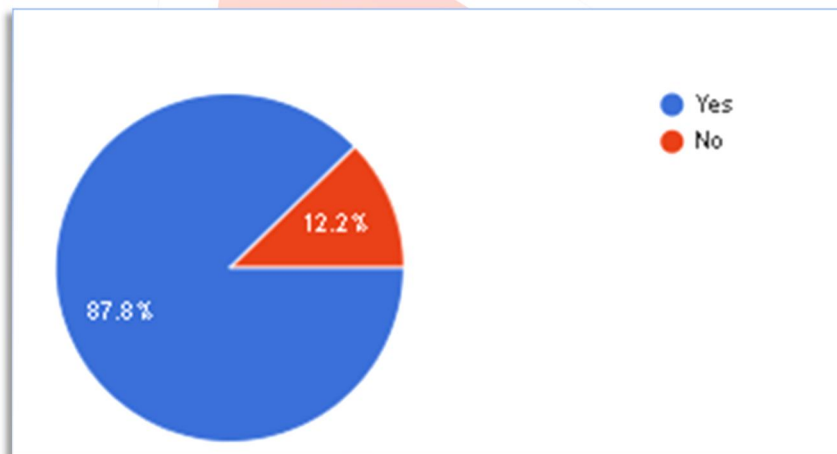


Figure 6

Majority of the respondents show concern towards the environment and the side effects of the fast fashion but these are the same shoppers who indulge in fast fashion or impulse purchasing. This means that shoppers aren't well aware about the behind the scenes of these fast fashion retails. Fast fashion brands are responsible for the 20% of the world's waste water and 10% of global emission of carbon. This is more than all the international flights combined in a year.

Young people are leaders in sustainability and challenge companies to reduce their devastating impact on the environment. Customers that once flocked to fast-fashion stores like Forever 21 are abandoning them in favor of clothing that isn't disposable.

H&M had managed to become one of most ethically sound fast fashion retailers. Unlike Forever 21, H&M has been public about their aims to become more environmentally friendly. But the fact of the matter is that it's almost impossible to do so regularly as a fast fashion label. So the fact that the company has prospered for this long without fully incorporating an ethical manufacturing strategy shows a lack of concern for consumers' moral decisions to purchase sustainable clothing. As consumers grow more well-informed about the ethical issues that surround the brand, internal changes will need to be made. This is a matchless strategy that has the potential to not only increase favorable perceptions of H&M, but also brand it as a modern, sophisticated and still fashionable retailer.

ETHICAL BEHAVIOR: - WOULD YOU CONTINUE SHOPPING AT A FAST-FASHION BRAND DESPITE ITS UNETHICAL PRACTICES SUCH AS PLAGIARISM OR UNFAIR LABOR LAWS

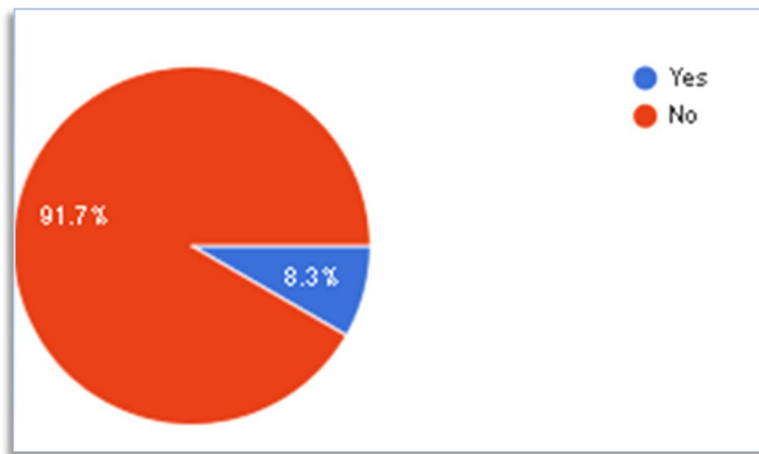


Figure 7

91.7% of the respondents have would stop shopping at a fast-fashion that indulges in unethical practices. All the controversies and unethical activities that Forever 21 practiced affected their goodwill and they did was indulge in monetary settlement which means that they don't regret any of the actions taken by them.

More and more people are boycotting fast fashion brands and settle for brands with a clean track record and those who call themselves sustainable.

DISCUSSION AND CONCLUSION

Forever 21 failed because it couldn't keep up with time. Their target customers wanted to buy ethical and sustainable clothing, but Forever 21 provided them with cheap clothing that was bad for the planet. The company was unable to meet the needs of the buyers: clothing that is valuable enough for buyers to reuse, recycle, or resell. When Forever 21 saw digital trends, looking for more physical space was a business mistake. Forever 21 was renting more space in a large mall when other fast-fashion retailers were reducing the number of brick-and-mortar stores. In 2018, sales fell 25%. This means that the business was having a difficult time paying rent on a very large space. Forever 21 had filed for Chapter 11 bankruptcy, so it doesn't mean that the brand will immediately shut down and extinguish all businesses. Chapter 11 allows you to continue your business while your company plans to restructure, reorganize, or rebrand. If they can come up with a plan and execute it, they can potentially compromise or eliminate certain types of debt. Basically this is a company reset button, giving you time to recover. If Forever 21 doesn't plan, you'll need to liquidate some or all of your assets and permanently close the door. For now, some of its underperforming stores may be closing, but the brand will continue to exist. What is now a potentially concerning finding is the ripple effect that the Forever 21 bankruptcy will have on its employees around the world.

LIMITATIONS

There were two main limitations of this research.

- [1] Fewer male respondents to the survey – 70% of the respondents to the survey were female and only 30% were male. Hence the responses were bias to one gender.
- [2] Restricted to a specific age group - most of the responses were from the age group of 18-24 and 25-35. The survey lacked responses from ages above 35. The survey was based on the opinion of the youth of the decade.

MANAGERIAL IMPLICATIONS

This conclusion drawn from this paper is useful to upcoming fast fashion brands, marketing managers and social media managers. This paper gives an insight about all the possible mistakes that could take place when entering into the fast fashion business. It's a race. The one who moves the merchandise from the manufacturing units to the shelf's first, wins the race. The idea her is to function in the industry with a strong work ethic.

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