

Implementing new strategies

Life



Organizations these days have become quite agile and alert when it comes to making decisions or implementing new strategies. It is due to the dynamic condition of the economies, markets, and consumer needs all over the world, where uncertainty is rising, trends are changing, and so are the needs.

Therefore, before entering into any business or implementing new plans such as, diversification plan, companies conduct competitor analysis in order to provide better understanding to the company about where do its competitors stand, what are their missions, what measures are they adopting to achieve them, what are their strengths, weaknesses, opportunities, and threats. There are four main components of a Competitor Analysis Framework that includes Objectives, Strategy, Assumptions, and Resources & Capabilities of the competitors (NetMba, 2010).

The paper would discuss about an apparel retailer named ‘ Forever 21’ and would identify its competitors, and what competition do they give. Forever 21 is an apparel and fashion accessories retailer that offers a wide range of products such as, apparel items, footwear, and accessories not only for women but also men, teens, and children; where most of its products are manufactured in Southern California. Talking about its competitors, yes, Forever 21 does face competition from many other apparel and accessories retailers. The competitors of Forever 21 are ‘ Urban Outfitters, Wet Seal, H&M, New Look, and Charlotte Russe’ (Answers, 2010).

Not only this, there are numerous other retailers operating in the same industry that include Zara, J. Crew, Gucci, Marks & Spencer, Gap, etc. The competition exists among them due to several reasons including the new designs and attractive prices. Let’s discuss the competitor analysis of <https://assignbuster.com/implementing-new-strategies/>

Forever 21 in detail. Forever 21 initially started its business in the United States, after which it expanded in many other countries such as, Canada, South Korea, Japan, Singapore, Saudi Arabia, etc. Although the company has enjoyed many successes from its inception; nevertheless, it could not go as far as it is capable of.

Let's shed some light on the SWOT analysis of Forever 21 that would help us understand what type of competition it is facing, from whom, and why. This retailer company has the key strength that comes from its targeting those people who like to have trendy apparels, footwear, or accessories; moreover, it has formed several brands for different products and for different customers such as, Heritage 1981 that offers vintage clothing, Love 21 where accessories can be bought, and Gadzooks that offers apparels and accessories to women.

Nevertheless, its weakness can be seen easily that comes from the presence of its competitors; for instance, competitors or designers such as Diane von Furstenberg and Gwen Stefani are at their best when it comes to innovation, creativity, and new ideas for apparels. Whereas on the other hand, Forever 21 has not been experiencing its own creativity and have been imitating their ideas and designs, due to which it was sued several times for doing so.

Another aspect that put its competitors on upper hand is the effective product arrangement and alignment within the stores, where no clutter is found and the customers find it easy to see, select, and purchase the items they like. This does not happen in the stores of Forever 21. Customer service is another aspect that its competitors such as, Urban Outfitters and Zara

prefer to be at its best since they prioritize customer satisfaction at all costs and always go for fulfilling their needs and making them contented.

This does not only come from offering new products; in fact, the store's layout, packaging, pricing, and after-sales contact also lets the retailer to achieve customer satisfaction and build strong relationships with them. Forever 21 must analyze these objectives and strategies of its competitors, understand why they are being implemented, how they are implemented, and what benefits do they provide back to the company. There are some threats being faced by Forever 21 from its competitors mentioned earlier, which include the offering of products to the same set of customers at lower prices.

Deb, which is another competitor of Forever 21, has its merchandise of same good quality but at economical rates. Fast delivery and after-sales contact by the competitors also pays them off pretty well, while hurting Forever 21 that does not have fast delivery system of preference to bind the customers with them (Watts, 2009). Therefore, after analyzing all the strategies and preferences that the competitors of Forever 21 have adopted, let's put them in the competitor analysis framework. First, the objectives of those competitors show the sound presence of satisfying customers, building brandloyalty, and market share.

Strategies adopted by them include low prices, fast delivery, new and creative ideas of their own, and after-sales contact. Assumptions include making decisions based on the information about the industry, regions, past experiences, and competitive position in the market. And finally, Resources and Capabilities that enable them to execute strategies are there by hiring

personnel for customer service, efficient distribution channels, experienced and creative personnel for creative and R&D departments, and taking services of skilled marketers.

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