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Date: June 2019

MARKET REPORT

RETAILER'S SAME-STORE SALES GROWTH RATE:
Recent Quarter and Prior Quarters

Company	3 Quarter Prior	2 Quarter Prior	1 Quarter Prior	Most Recent Quarter
*Abercrombie & Fitch	3.0%	3.0%	3.0%	1.0%
*American Eagle	9.0%	8.0%	6.0%	6.0%
*Ann Taylor	1.0%	7.0%	10.0%	5.0%
*Anthropologie	11.0%	8.0%	2.0%	1.0%
*Banana Republic	2.0%	2.0%	-1.0%	-3.0%
*Buckle	1.4%	-1.4%	-0.6%	-1.3%
*Burlington Coat	2.9%	4.4%	1.3%	0.1%
*Catherines	3.0%	-3.0%	-4.0%	-6.0%
*Cato	-1.0%	4.0%	1.0%	-1.0%
*Chico's FAS	-3.2%	-6.8%	-3.8%	-7.0%
*Children's Place	13.2%	9.5%	-3.0%	-4.6%
*Citi Trends	3.3%	0.6%	0.2%	-4.5%
*Costco	9.5%	8.8%	5.4%	5.5%
*Dillard's	1.0%	3.0%	2.0%	0.0%
*Dollar General	3.7%	2.8%	4.0%	3.8%
*Dollar Tree, Inc.	1.8%	1.0%	2.4%	2.2%
*Dressbarn	-5.0%	-4.0%	-1.0%	-4.0%
*Five Below	3.2%	2.7%	4.8%	3.1%
Francesca's	-16.0%	-13.0%	-14.0%	-14.0%
*Free People	17.0%	12.0%	4.0%	2.0%
*Gap	-5.0%	-7.0%	-5.0%	-10.0%
*HomeGoods	3.0%	7.0%	5.0%	1.0%
*JC Penney	0.3%	-5.4%	-6.0%	-5.5%
*Justice	15.0%	12.0%	2.0%	-5.0%
Kmart	-13.0%	-12.2%	-9.5%	-3.7%
*Kohl's	3.1%	2.5%	1.0%	-3.4%
*Lane Bryant	2.0%	-2.0%	-8.0%	-2.0%
*LOFT	7.0%	9.0%	10.0%	5.0%
*Macy's	0.5%	3.3%	0.7%	0.6%
*Marmaxx	7.0%	9.0%	7.0%	6.0%
Maurices	-5.0%	1.0%	-3.0%	1.0%
Nordstrom	0.6%	4.0%	2.3%	0.1%
*Old Navy	5.0%	4.0%	0.0%	-1.0%
*Ross Stores	5.0%	3.0%	4.0%	2.0%
Sears	-17.0%	-18.1%	-13.4%	-4.0%
*Stage Stores	-0.2%	-2.8%	-2.4%	-3.1%
*Stein Mart	0.7%	1.4%	-3.5%	-1.7%
*Target	6.5%	5.1%	5.3%	4.8%
*Tilly's	4.4%	4.3%	6.4%	2.4%
*TJX Canada	6.0%	5.0%	4.0%	0.0%
*Urban Outfitters	15.0%	7.0%	4.0%	0.0%
*Walmart	4.6%	3.3%	4.2%	3.4%
*Zumiez	6.3%	4.8%	3.9%	3.3%

The above data is sourced from each company's home page or U.S. Securities and Exchange Commission filings (www.sec.gov)
*Most recent quarter results announced as of June 11, 2019

Social Media Influencers

Brand endorsement by a celebrity or a public figure has been a widely used marketing tool throughout the past. Traditionally, celebrities were paid to be a public face of a brand but the messages conveyed by these public figures were dictated by the brand itself. Rise in social media popularity has led to a new way in which brands promote themselves to consumers: social media influencers. Influencers are social media users who have established credibility among a large number of followers by providing knowledgeable contents and engaging in active dialogues with the audience. Each influencer specializes in a specific industry (i.e. fashion, cosmetics, or health), and audiences consider the message or opinion of an influencer to be more authentic and reliable than a traditional advertisement featuring paid celebrities.

The trust followers have in influencers can be attributed to the fact that influencers are highly relatable. Vast majority of influencers are ordinary people who have slowly built up credibility among followers who share mutual interests and passion. In fact, 40% of Millennials claim that social media influencers understand them better than their real-life friends, and 22% of people between the ages 18 to 34 have made large purchases after seeing a post by an influencer. Google searches for 'influencer marketing' grew by 1,500% in last three years, and influencer marketing industry is expected to hit $10 billion by 2020 (Influencer marketing on Instagram, the most popular social media platform, is projected to be $2.3 billion by 2020). The ability of social media influencers to boost sales and increase brand exposure is undeniable, but it is important for brands to understand the differences between various types of influencers.

First type is micro-influencers (follower base less than 10,000). Collaborating with micro-influencers may not result in exposure to a large number of followers, but having a small pool of followers has its advantages. Having fewer followers allow micro-influencers to create a more intimate and personal

Date: June 2019

Apparel Retailers' Instagram Account

Company	# of Followers *	Total Post *	Avg. Post per Day **
Anthropologie	3,867,103	6,717	3.6
Artizia	705,708	2,646	1.6
ASOS	9,378,448	8,204	4.5
BooHoo	6,010,175	11,537	4.6
Dolls Kill	2,705,599	8,761	5.6
Fashion Nova	15,747,344	45,401	26.9
Forever 21	16,279,873	9,452	7.6
Francesca's	445,326	3,424	3.2
H&M	30,747,463	4,854	3.5
Lulu	1,789,538	8,978	4.3
Modcloth	645,785	6,338	2.8
Revolve	3,110,504	10,465	6.1
Rue 21	835,802	5,904	2.7
Stitch Fix	735,070	3,092	0.7
Urban Outfitters	8,641,636	10,589	4.7
Windsor Store	901,571	7,007	3.6
Zara	33,140,075	2,510	2.0
Zulily	211,897	2,964	1.8

Source:trackalytics.com
* As of 6/6/2019;
** From 5/1/2019 to 6/1/2019

community. This translates to higher rate of engagement with followers, and ultimately, higher level of influential power over them. Cost-per-post is low with micro-influencers which allow brands to use of multiple micro-influencers to achieve maximum rate of return on marketing investment.

Second type is power-middle influencers (follower base ranging from 10,000 to 250,000). These are widely-known influencers with credibility and past experiences of collaborating with brands. Although power-middle influencers cost more and may have less intimate relationship with each follower, these influencers offer a balanced mix of number of followers and level of influence.

Final type is macro-influencers, who are household names with millions of followers. Understandably, macro-influencers do not have a close-knit community and may not be seen as being as authentic or relatable compared to a micro or power-middle influencer. However, macro-influencers have the ability to reach millions of followers with a single post. At the same time, being associated with a macro-influencer can bring credibility to a brand among potential consumers.

Although apparel retail sector has experienced many bankruptcies and store closures in recent years, retailers that have adapted to the changes in consumer habits and preferences have actually thrived. Fashion Nova is a prime example of a retailer that has aggressively utilized social media to gain popularity among consumers. Fashion Nova works with over 3,000 social media influencers and regularly collaborates with celebrities like Cardi B and Kylie Jenner. Revolve, a multi-brand retailer, is also extremely active in working with social media influencers. It recently launched a private-label brand with Aimee Song, a popular fashion influencer with 5.2 million followers on Instagram, called "Song of Style X Revolve". Even Amazon has joined the social media marketing frenzy. In collaboration with Paola Alberdi, an influencer with 1 million followers in Instagram, Amazon launched its first fashion collection which will be sold exclusively on its site for just 30 hours after introduction. By utilizing social media influencers to promote exclusive and limited items, Amazon intends to drive up interest among consumers.

Rise of online shopping have significantly altered the way consumers learn about and purchase new products. Retailers that utilize relevant channels to successfully reach consumers will have the advantage, and social media influencers have undoubtedly become a vital part of retailers' success.

Date: June 2019

Notable Fashion Influencers on Instagram

Name	# of Followers	# of Posts	Cost per Post
Bella Hadid (@bellahadid)	24.5 million	2,082	$37,233
Emily Ratajkowski (@emrata)	22.8 million	1,860	$36,535
Chiara Ferragni (@chiaraferragni)	16.5 million	12,700	$26,884
Gianluca Vacchi (@gianlucavacchi)	12.6 million	2,961	$23,094
Rosie Hungtington-Whiteley (@rosiehw)	9.5 million	3,113	$15,855
Camila Coelho (@camilacoelho)	7.9 million	10,200	$14,821
Mariano Di Vaio (@marianodivaio)	6.1 million	7,292	$12,408
Frederico Lucia (@fedez)	8.0 million	3,347	$11,718
Aimee Song (@aimeesong)	5.2 million	9,358	$9,650
Alexa Chung (@alexachung)	3.3 million	5,587	$6,203

Source: https://www.vogue.com.au/fashion/news/these-are-the-10-most-influential-fashion-accounts-on-instagram/image-gallery/44c14932278934770aa7d1b23d6eedd8?pos=1

Top Instagram Accounts with Most Followers

Name	# of Followers	Occupation	Cost per Post
Cristiano Ronaldo	170 million	Athlete - Soccer	$750,000
Ariana Grande	157 million	Singer	Not available
Selena Gomez	152 million	Singer	$800,000
Dwayne Johnson	146 million	Actor/Pro Wrestler	$650,000
Kim Kardashian	141 million	Celebrity	$720,000
Kylie Jenner	137 million	Celebrity	$1,000,000
Beyonce	128 million	Singer	$700,000
Lionel Messi	121 million	Athlete – Soccer	$500,000
Neymar Jr.	120 million	Athlete – Soccer	$600,000
Taylor Swift	118 million	Singer	Not available

Source: https://www.trackalytics.com/the-most-followed-instagram-profiles/page/1/
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