

# FRENCH CONNECTION



*Group 12*

**Strategic Development Report.**

# Executive summary.

## Are French Connection set to sink?

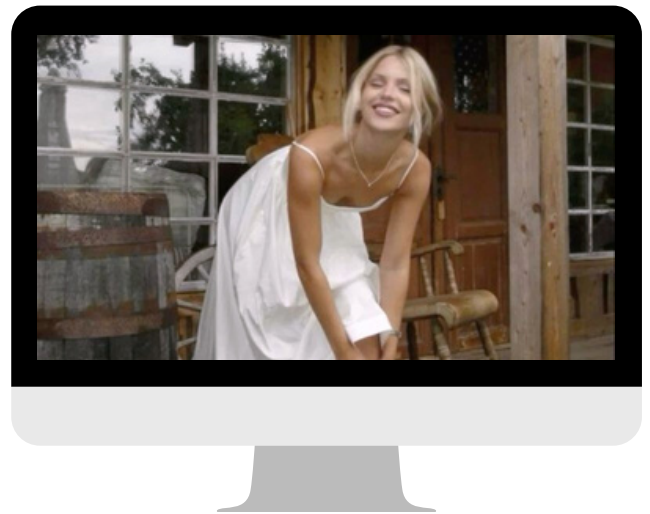
Once known for their affordable high-quality formalwear, French Connection has lost their direction. After a change in consumer trends showing a rise in casualwear due to a 'recession core' French Connection has gradually lost sales (Lischke 2023). In 2021 French Connection made a loss of £19.7 million with assets falling from £50 million to £9.5 in five years (French Connection 2021).

In an attempt to survive French Connection has tried to reduce prices to match disposable incomes entering a more affordable fashion market. Furthermore, supplier shifts have aided in price reductions (Dirvanauskas 2022). The closure of stores suggests a frantic attempt to reduce outgoings (Reuters 2023) .

This raises the question of how long will French Connection survive with their current strategies.

Years ended 31st January	2017	2018	2019	2020	2021
REVENUE	£153.2M	£135.0M	£135.3M	£119.9M	£71.5M
(LOSS)/PROFIT BEFORE TAXATION	£(5.3)M	£(2.3)M	£0.0M	£(7.8)M	£(19.7)M
BASIC (LOSSES)/EARNING PER SHARE	(5.8)P	(2.7)P	0.1P	(8.2)P	(20.4)P
ADJUSTED (LOSS)/PROFIT BEFORE TAXATION	(3.7)M	(0.6)M	0.8M*	(2.9)M	(11.7)M
ADJUSTED LOSSES PER SHARE	(4.2)P	(0.9)P	0.8P*	(3.1)P	(12.1)P
DIVIDENDS PER SHARE	-	-	-	-	-
NET ASSETS	£50.0M	£46.7M	£46.2M	£29.1M	£9.5M

**French Connection's 'Five-Year Record' of profit and losses (FCUK, 2021)**



**Unclear audience.**



**Lack of range width - stock mainly formalwear.**



**Lack of sustainable practices.**



**Missed opportunities in marketing.**



**Failure to implement innovative technologies.**

## Salvage.

## Shift.

## Sustainability.



## Aspirational - Sustainable fashion creators. (18-35)

**French Connection must alter their marketing techniques to target eco-conscious Gen Z**

### Strategic Objectives.

#### 2025. Recommendations.

##### Strengthening Brand Awareness

Growing awareness of the brand's new elements, connecting with consumers more closely to increase footfall.



##### Develop into New Ranges

Launching new sustainable collections, to engage with the current market trends and demographic. Leading to define their target consumers, and market position.



##### Investing into a Sustainable Plan

Investing in sustainable practices such as improving rental service and creation of carbon-free delivery to gain more loyal consumers, whilst keeping supply chains transparent.

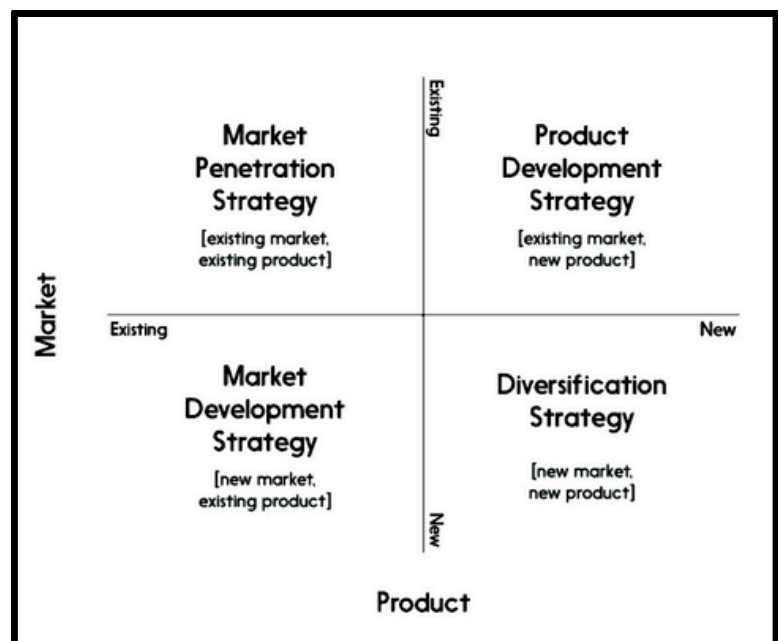


##### Marketing Strategies

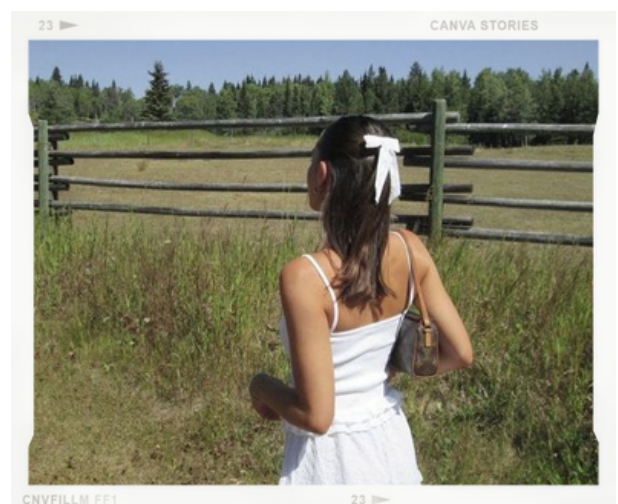
Investing in social media platforms for brand updates. Connecting with consumers with free lookbooks and magazines for a personalised marketing experience. Photo advertisements to promote new services.



Thorough analysis of the internal and external environments alongside strategic analysis suggests French Connection must adopt a diversification strategy to survive (Ansoff, 1965). While reduced prices help make French Connection affordable in the current volatile market (Dirvanauskas 2022), further potential strategies include targeting a new consumer with marketing strategies such as look books, and magazines. Furthermore, ranges must be developed to allow increased product offerings with sustainable materials and trendy garments. Alongside marketing, sustainable supply chains and services will help when targeting the younger more ethically conscious consumers (Greenorb, 2021).



**(Ansoff's matrix, 1965)**



# Supply chain redirection.

## Context

French Connection are making a loss due to issues such as an unclear consumer. They are currently creating a conscious connection strategy to improve sustainable aspects of the brand, such as a resale service and recyclable packaging (French Connection 2024). It could be argued French Connection currently greenwash as an attempt to gain a new conscious consumer, yet they fail to make exact action plans clear (Terrachoice 2009). Supply chain redirection allows actions French Connection require to successfully rebrand as more sustainable and gain ethically conscious consumers through positive brand images.



**Salvage.  
Shift.  
Sustainability.**



## Concept

In order to rebrand as more sustainable and target a new younger ethical consumer, French Connection must release new sustainable ranges for consumers with biodegradable materials (Rinaldi and Testa 2017). Deliveries should be made carbon free to reduce emissions. Rental and resale services are already offered and can become more popular with successful marketing (French Connection 2024). A repair service would emphasise French Connections high quality and care for longevity of products (Muthu 2019). Ethical production can be guaranteed through an in-house local factory with regular audits (Moreno-Gavara 2019). Process models help divide supply chain activities into different branches allowing for successful redirection.

1) Sustainable ranges



2) Carbon free deliveries



3) Improved services



4) Creation of an Inhouse factory



5) Brand marketing & educational content





## Justification

A redirection of supply chain activities is a suitable strategy for French Connection due to the demand for and wide range of sustainable opportunities in the market (Weihrich 1982). Multiple short and long term opportunities can be met through supply chain redirection tackling multiple issues while helping French Connection rebrand. This strategy suits the brand due to most strategies being short term to generate cashflow which can be invested into the brand. Longer term goals are also important to highlight commitments. The proposed strategy will be readily accepted by stakeholders due to the increasing importance of sustainability within the fashion industry (Henninger et al 2017). It is essential brands cooperate to tackle the climate crisis making this strategy widely supported and has low risk (Koch et al 2015). Although some strategies suggested have high initial cost, the positive response from consumers will generate income and often make operations more efficient for brands due to lower energy costs (Moreno-Gavara 2019).



### A holistic supply chain approach

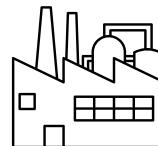
#### Sourcing

- <Materials
- >Animal welfare
- >Standards
- >Relationships



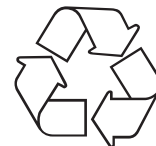
#### Sales & Distribution

- >Stock control
- >Overconsumption
- >Transport
- >Sustainable services



#### Production

- >Water
- >Dye
- >Energy
- >Worker conditions
- >Packaging
- >Reindustrialisation



#### Aftercare & Disposal

- >Laundering
- >Circularity
- >Repair
- >Recycle
- >Resell



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## Justification

Competitors have been successful reaching new consumers and gaining positive brand images with this strategy (Fresen 2021). Although short term strategies also have an initial cost, the improvements to ranges and services the brand already invest in will generate more capital for French Connection with the hope to eventually make a profit. Employees are readily available to implement the majority of strategies due to familiarity (Niinimäki 2020). For less familiar strategies such as factory development and repair services skills can easily be resourced. The photoshoot conducted shows potential marketing for French Connections new sustainable processes.

# Heritage product range.

## Context

“French Connection need to take a step back and look at product” (Sutherland, 2016)

Following French Connection’s **peak during the 1990’s-early 2000’s** due to their infamous FCUK slogan, the brand has faced losses to profits, where they have **failed to differentiate their products from Highstreet competitors.** (Sutherland, 2016)

The brand aims to position itself as a **high-priced high street** brand, however prices are **difficult to justify** where they **lack sustainable practice and differentiation within product ranges.** To regain profits French Connection must better appeal to their aspirational 18–35-year-old sustainable fashion creators through **trend analysis, building of brand heritage and sustainable practice within products,** which in turn will **increase market position and competitive advantage**

- Appealing to sustainable fashion creators
- Investing into sustainable product ranges
- Strengthening brand awareness
- Adopting a diversification strategy
- Building brand heritage
- Differentiating products from competition

## Concept

### A/W 25/26 Re-Generations Trend Analysis and European Style Inspiration



EU + UK



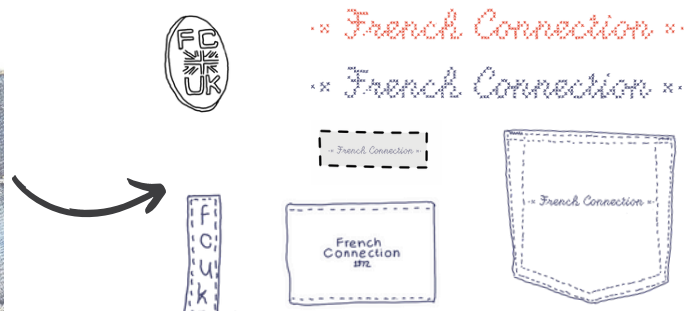
To create brand heritage this product range will use a combination of **trend analysis from the A/W25/26 Re-Generations trend and European trend analysis from WGSN and vintage French connection product details to instil nostalgia.**

considerations of classic and timeless inspiration like **Jane Birkin’s 1970’s style** will influence the range, where her effortless, European look was identified within French Connections **brand image aspirations.** (Williams, 2023)

The range must also be made up of **sustainable and recycled materials** to appeal to the target consumer and protect the brand from profit losses.

## **Details and Embellishments**

Reimagined vintage French Connection Detailing for the promotion of nostalgia and contemporary brand heritage.





## Sustainable Heritage Range



Heritage Wool Blend Knitted  
Zip Through Jumper



Heritage Wool Blend  
Turtle Neck Knitted Vest



Heritage Logo Wool  
Blend Jumper



Heritage Cotton  
Embroidered Shirt



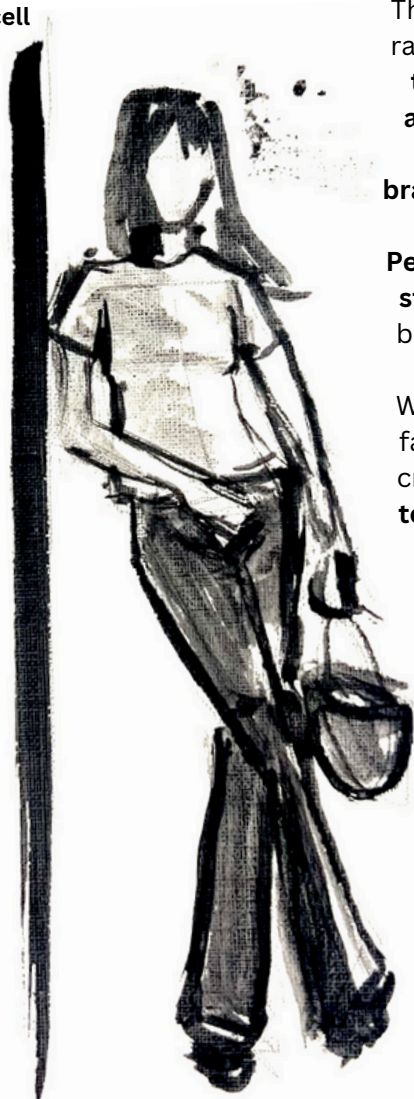
Heritage Tailored  
Mini-Shorts



Heritage Pocket Logo  
Wide-Fit Low-Rise Jeans

### Materials:

- Recycled GRS Cotton
- Recycled RWS Wool
- Tencel Lyocell



Heritage Colour Palette.

### Justification

Through implementing **heritage and sustainability** within this product range French Connection will be **provided with stability** within **today's turbulent economy**. The product range will adopt a **differentiation approach as explained within Ansoff's Matrix**, where differentiation will be achieved through the **contemporary reimagining of the brands routes**, where French connection was founded in the during the 70's. (Pookulangara and Shephard 2013)

**Perceived quality and durability, following heritage and sustainability strategies will enable a strengthened brand image**, which moves the brand away from their FCUK days, where the range aims to embody a reimagined 70's European style. (Kim and Hall 2015)

With growing demand for slow consumption and sustainability within fashion apparel, the demands of the aspirational sustainable fashion creator will be met, while **profit losses from reputation damages due to lack of environmental considerations and increased supply chain regulations can also be avoided where the brand implements sustainable practice**. (BoF and McKinsey & Co 2024)

### Product Classifications:



# French Connection Magazine.

## Context

Following extensive brand and market research a number of weak points in the company were identified including **missed marketing opportunities**, a **confused target market**, a **lack of sustainable practices**, and a **lack of brand identity/personality**. In order to begin to salvage the company, identified issues need to be rectified. To do this French Connection must **use marketing strategies to engage consumers** and **create brand identity, strengthen brand awareness** and begin to **target a younger consumer group**. The brands target market will need to be realigned to the **18-35** age group and will seek to improve business performance by gaining the interest of this new target market through the use of marketing

**Establishing target market**



**Establish brand identity/personality**



**Engaging Consumers**



**Strengthen brand awareness**



**Educate customers**



## Concept

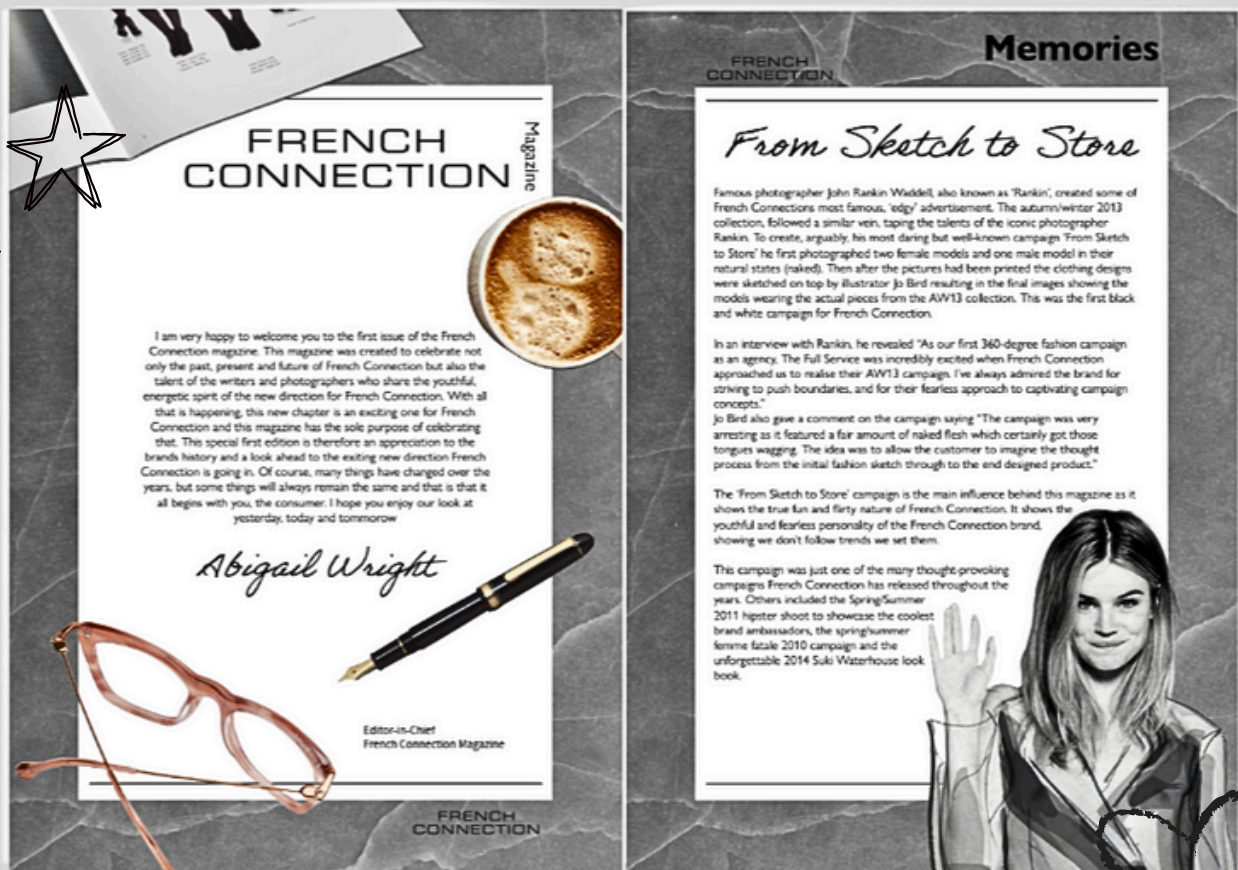
In order to create a new brand identity the **magazine** will be used to **establish its personality** to a younger target market. The brand was previously known for fun and daring advertisements, which will be shown in the magazine, but has since lost this identity. The brands new target market consists of both generation Y, who place importance on authentic brand messaging and seek out brands that support social/environmental causes, and Z who are tech-savvy and place a higher importance on financial stability (LaFleur, 2023). To address this the magazine will discuss the **current/future sustainability efforts, promote new product launches, state the history and heritage of the brand** to become more of a **'collectors'** magazine and will be available, **free of charge**, in a limited amount in stores across the UK as well as online. This is to encourage **increased footfall** in stores but will also be online to target the younger generation. French Connection have the power to use marketing to **create desire and high demand** for their products through effective marketing communications (Atik & Ozdamar Ertekin, 2022). The magazine will also **educate** and **influence**





## Justification

Magazines are essential within the fashion industry to **create and distribute valuable information** relating to styles, trends, brands, and relevant topics (Rowell, 2022). Magazines give consumers a **memorable keepsake** and traditional magazines have regained popularity as they have become more of a **collector's item** in the fashion industry (Jones and Kang, 2016). It has been found that **generation Y** (French connections main target consumer), place a great importance on the use of magazines and use them as a source of information (Wilson and MacGilivray, 1998) with **generation Z** showing an increased interest in the growing market (Global research and Insights, 2024). It has been established that the best way to address consumers is through an **online presence as well as a regular print** form of their content to achieve the **highest engagement** from a range of ages (Hunt, 2018). The look and layout of the magazine follows the brands already established image from their website and social channels, whilst adding a few extra design features for a **fresh, youthful feel**. Overall, it will help strengthen French Connections marketing communications strategy as **marketing communications are the most important tools to connect with consumers and increase consumption** (McCracken, 2005).

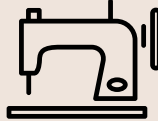


# French Connection X HURR.

1. Defining their new target audiences



2. Development into new brand ranges



3. Investing into sustainable practices



4. Social media presence increase, investing into PR



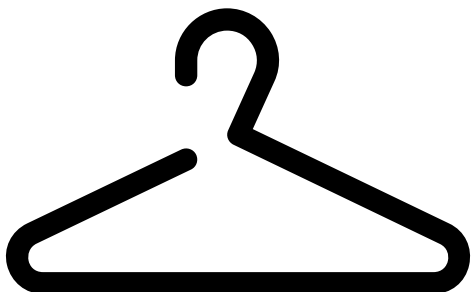
5. Strengthening brand awareness



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## Concept.

The concept of **French Connection X HURR** Rental, means FC's current 'rental service' will be updated, **becoming powered** by leading fashion rental service **HURR**. Rental items from **new and exclusive collections** will be available to customers, whilst **popular archived (90/s'100's) pieces** will also be available. The concept helps **repair to solve** their **sustainability**, waste and some condensed financial issues, whilst, reinforcing their **loyal consumer base**. Partnering with HURR, **enables less risk and burden**, as they already power rental services for **Flannels and Selfridges**, equally, they have concrete trusted processes in place for **dry-cleaning and delivery/collection**.



## Context.

French Connection have **suffered financially** since the pandemic, loyal consumers have departed from the brand, due to **brand personality loss** and **low sustainable efforts**. French Connection already have a 'rental service', however, its **underfunded** and the **stock is out-of-season and trend**, the items don't strategically align into occasional wear or holiday wear, categories that consumers buying into rental usually rental for (Herold et al, 2023). Arguably, the 'rental service' could be seen as an **greenwashing attempt**, **Gen Z and Millennial** consumers look for sustainable efforts when purchasing (Liang and Xu, 2017), the service could be seen as a ploy to gain consumers. A partnership and re-launch of the rental service with **popular rental retailer HURR**, would enable French Connection to **gain greater brand awareness, higher social media presence, loyal conscious consumers** (refer to Figure 1.3) and enable them to meet **sustainable goals**.





# French Connection X HURR.

## Justification.

A partnership with popular rental retailer, allow's French Connection to **gain concrete and trusted processes** to support their rental service. HURR are a trusted organisation with thousands of loyal consumers, HURR have a partnership with **Selfridges in-store**, opening the **UK's first fashion rental popup**, and powering retail for **75+ exclusive fashion partners** (Lei,2021). This strategy suits French Connection as **stakeholders** will accept it, due to **the 5-12x return on wholesale**, by **driving repeated value through rental** (Hurr Enterprise, 2024). Rental services have surged in popularity, in 2022 the fashion rental market was valued at approximately **USD 5.87 billion**. Projections indicate that by 2026, it is expected to reach **USD 7.45 billion**, reflecting a robust **average annual growth rate of 6.5%** (Chi et al, 2023).

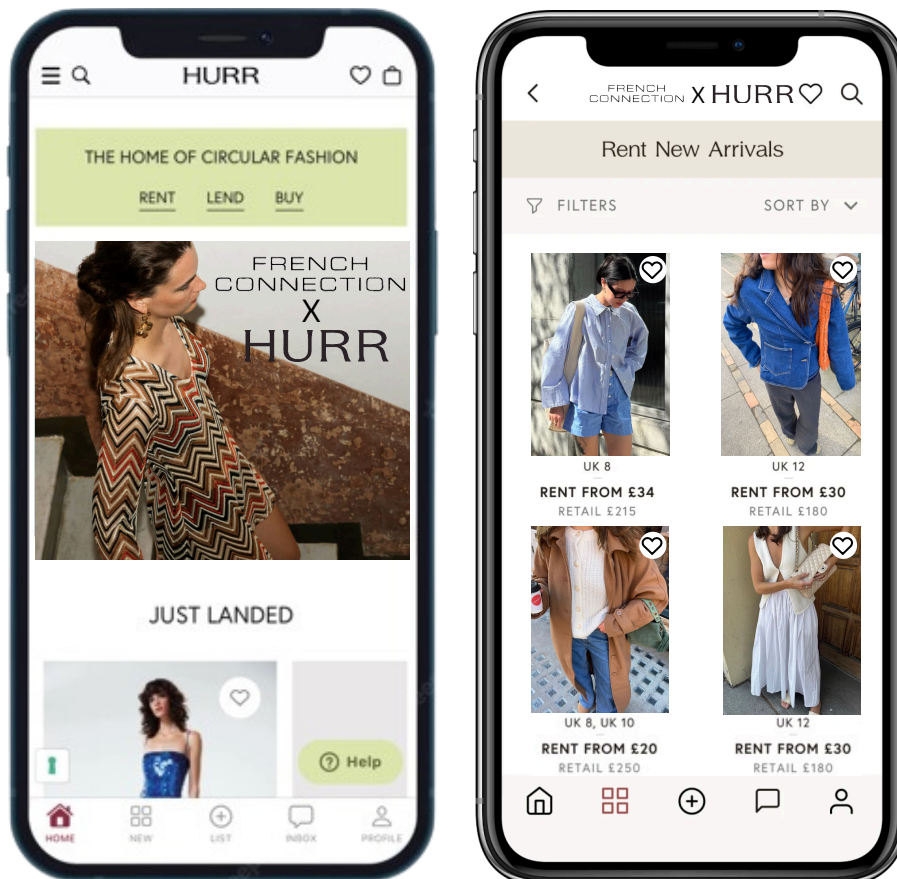
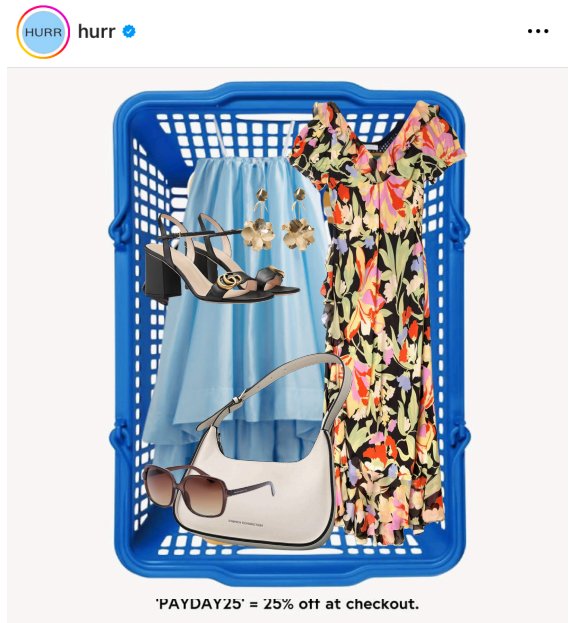


Figure 1.1- FC X HURR, website examples (Authors own, 2024)

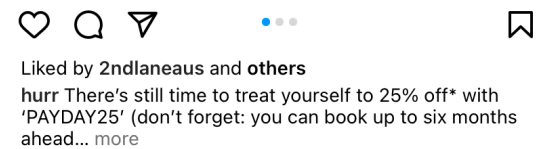


Figure 1.0- FC X HURR, social media example (Authors own, 2024)

Figure 1.0 and 1.3 illustrate the **loyalty schemes** put in place to maintain consumer loyalty, **implementing discount strategies** that will eventually lead to purchases. French Connection X HURR will be **social media advertised** (figure 1.0/1.1) as Gen Z and Millennial's interact with brands this way, seeing their **styling suggestions** and **exclusive discounts**. French Connection items will be **tagged in social media photos** (refer to figure 1.0), consumers are able to easily click onto the tab and be forwarded to HURR's website.

## Benefits.

- **Super-charge growth 400-700%**
- **Attracting new consumers, 80% of customers interacted with a brand for the first time through rental.**
- **Reaching sustainable goals, 20-30x, expected utilisation on each garment.**

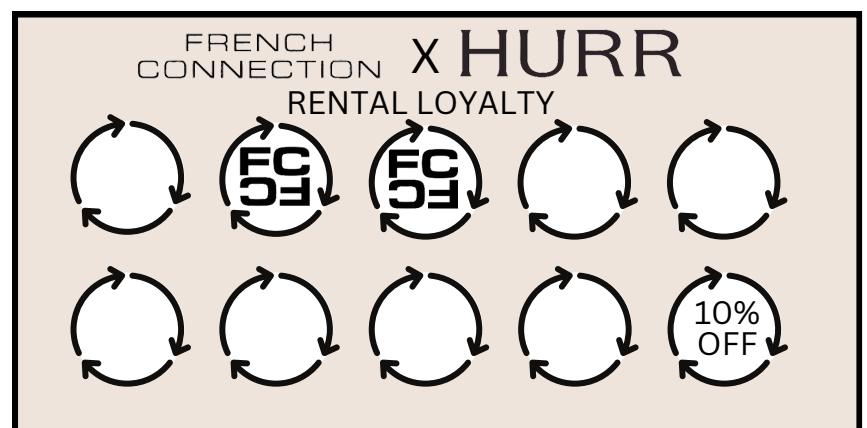
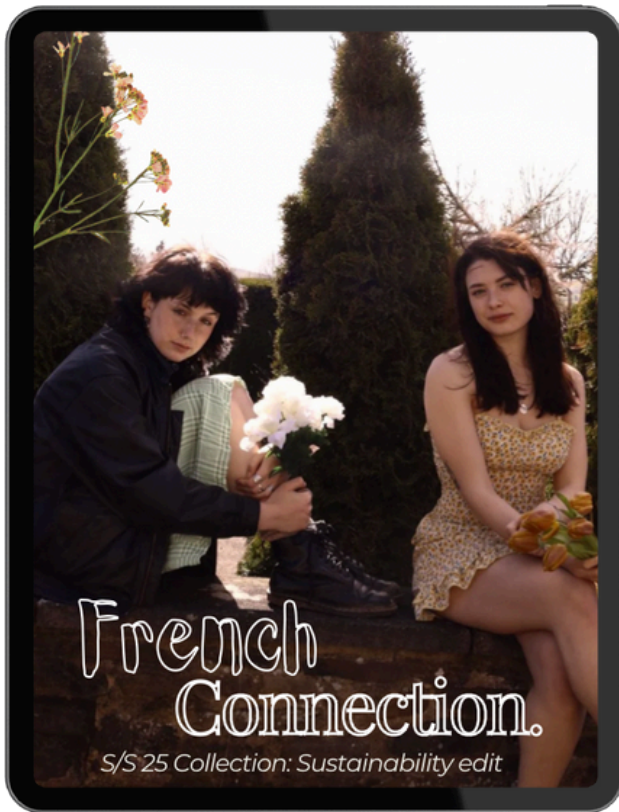


Figure 1.3- FC X HURR, rental loyalty card (Authors own, 2024)

# Sustainability lookbook.



## Context - introduction:

French Connection suffers from a mix of an unclear target market, aimless marketing strategies and a lack of sustainable practices. To resolve this, the brand must redirect its marketing strategies towards the younger generation Z - who **75%** of value sustainable values within a company (**Shaw, 2021**). Gen Z's age range will be lucrative for the brand, with half of 18-24-year-olds buying a new item of clothing once a week (**Fletcher, 2021**). Producing a lookbook showcasing a sustainable clothing edit will help to connect with a younger target market whilst promoting their sustainable efforts both online and in physical stores, generating brand excitement and redefining their lost brand image.

## Aspirational target consumer.



### Demographics

- 18-25
- Female
- Lives in cities
- Family and work-orientated
- Younger parents and young professionals
- Medium to high disposable income

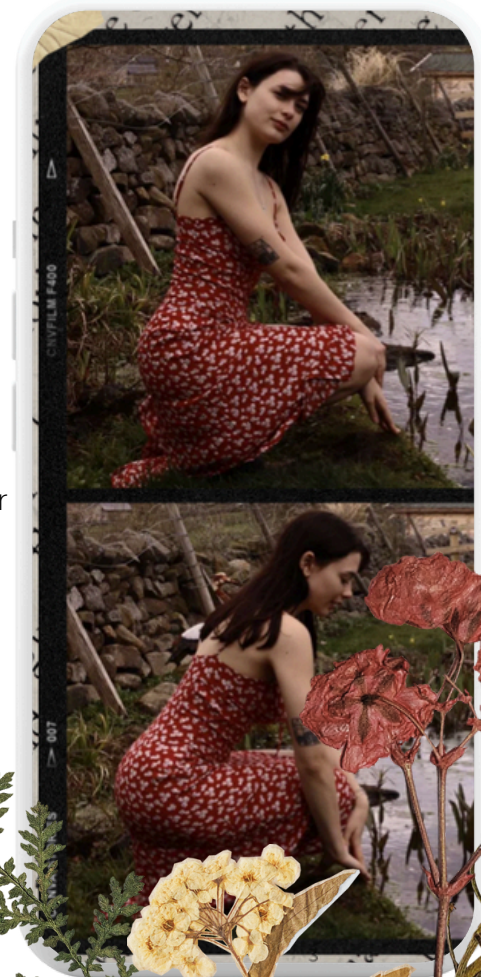
### Psychographics

- Fashionable, influencers, on-trend
- Concerned with sustainability and social ethics
- Independent and career driven
- Social - uses social media extensively

To capture Gen Z's attention, brands must personalise their campaigns through the wealth of information available through social media (**Drenik, 2023**).

## Lookbook contents:

- Styling tips
- Photoshoot images with product descriptions
- Discount codes
- Note from editor
- Contact details
- Promotion of rental & repair service
- Reveals of upcoming collections





## Concept:

A sustainable recycled lookbook showcasing the brand's latest collections, styling tips, discounts and photoshoot imagery - informing consumers of new products made from recycled materials.

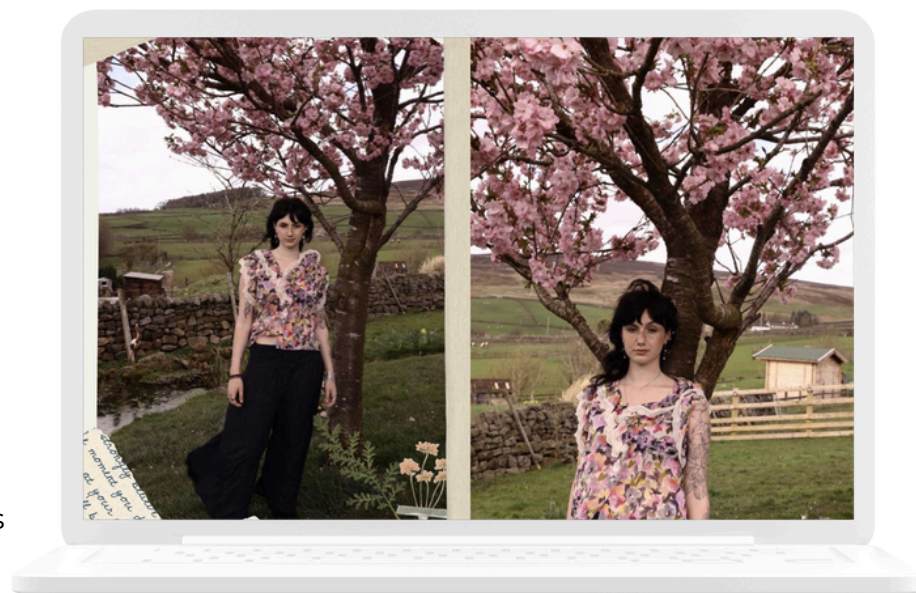
## Justification:

Lookbooks allow consumers to view the brand's latest collections and products while offering styling tips and fashion information **(Ko, 2013)**. A brand's lookbook differs from mass-printed media as it is specialised for its distinct target audience. Therefore, this makes them effective in establishing a relationship with their consumers by giving them a memorable promotional product **(Forbes, 2018)**. The layout of the lookbook is designed around the brand's image with personalised fonts, colours and imagery displaying the brand's image and personality clearly to the consumer. French Connection's objectives involve creating digitally led, meaningful campaigns to inspire excitement, a sustainable brand lookbook would be a strategic move to connect their Gen Z consumers with their refreshed brand image by styling them in their latest sustainable edit.



## Benefits:

- Sustainability efforts draw in Gen Z consumers who value recycled materials
- Styling tips and discounts encourage consumers to make multiple purchases
- Investing in a sustainable plan reduces FCUK's environmental impact
- Developing new ranges generates brand excitement and redefines brand image



**Photography (Ide Gale-Coleman)**

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