



# FIVE BELOW WHITE PAPER

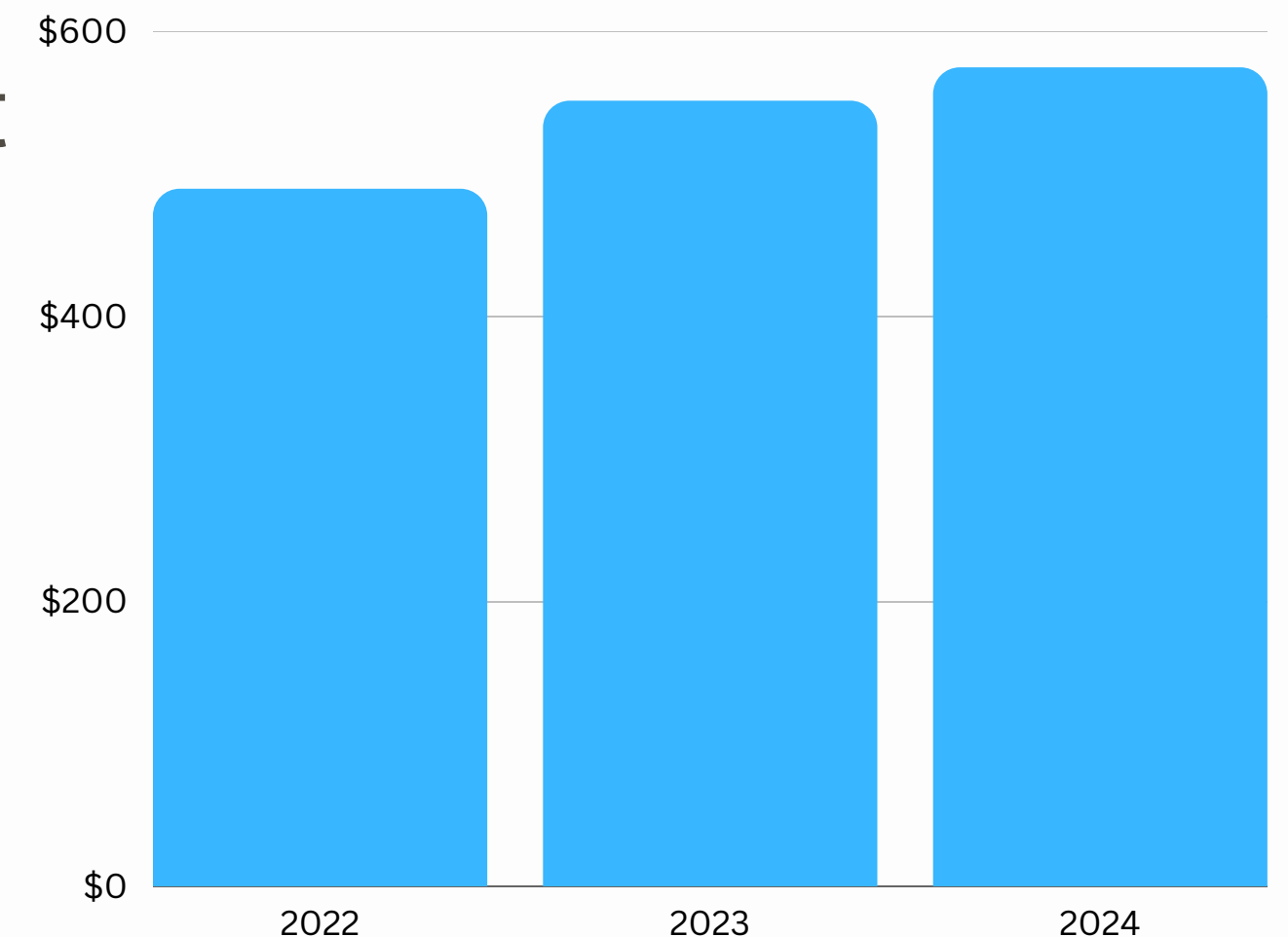
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# INDUSTRY / MARKETPLACE

**Financials-** Revenue in the Accessories market amounts to US\$551.10 billion in 2023. The market is expected to grow annually by 4.24%

**Consumer-** Teen Girls Aged 13-19, values trends, active on social media without a disposable income

**Leading Brands-** Claire's, Amazon, and Target



# MERCHANDISE ANALYSIS

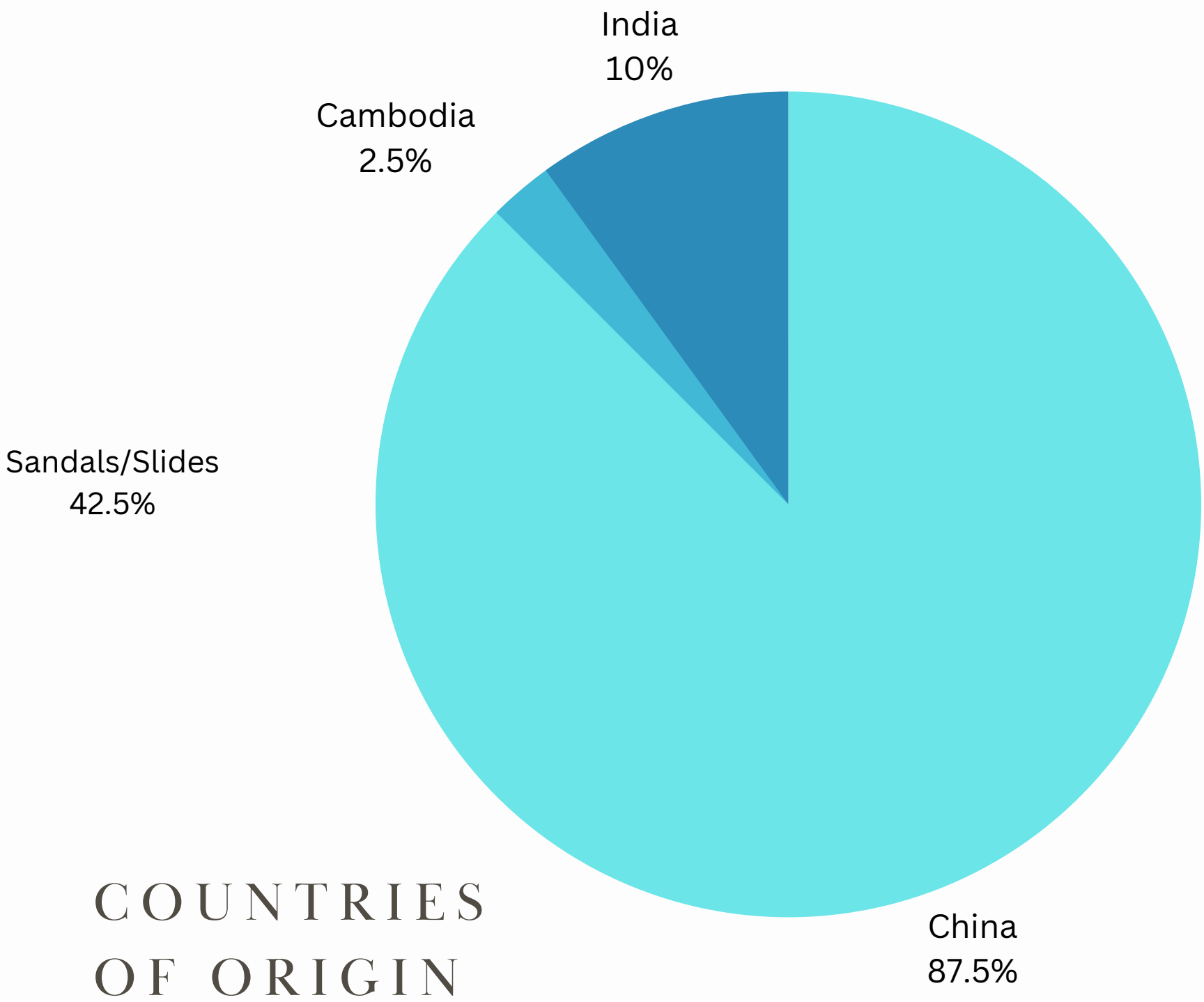
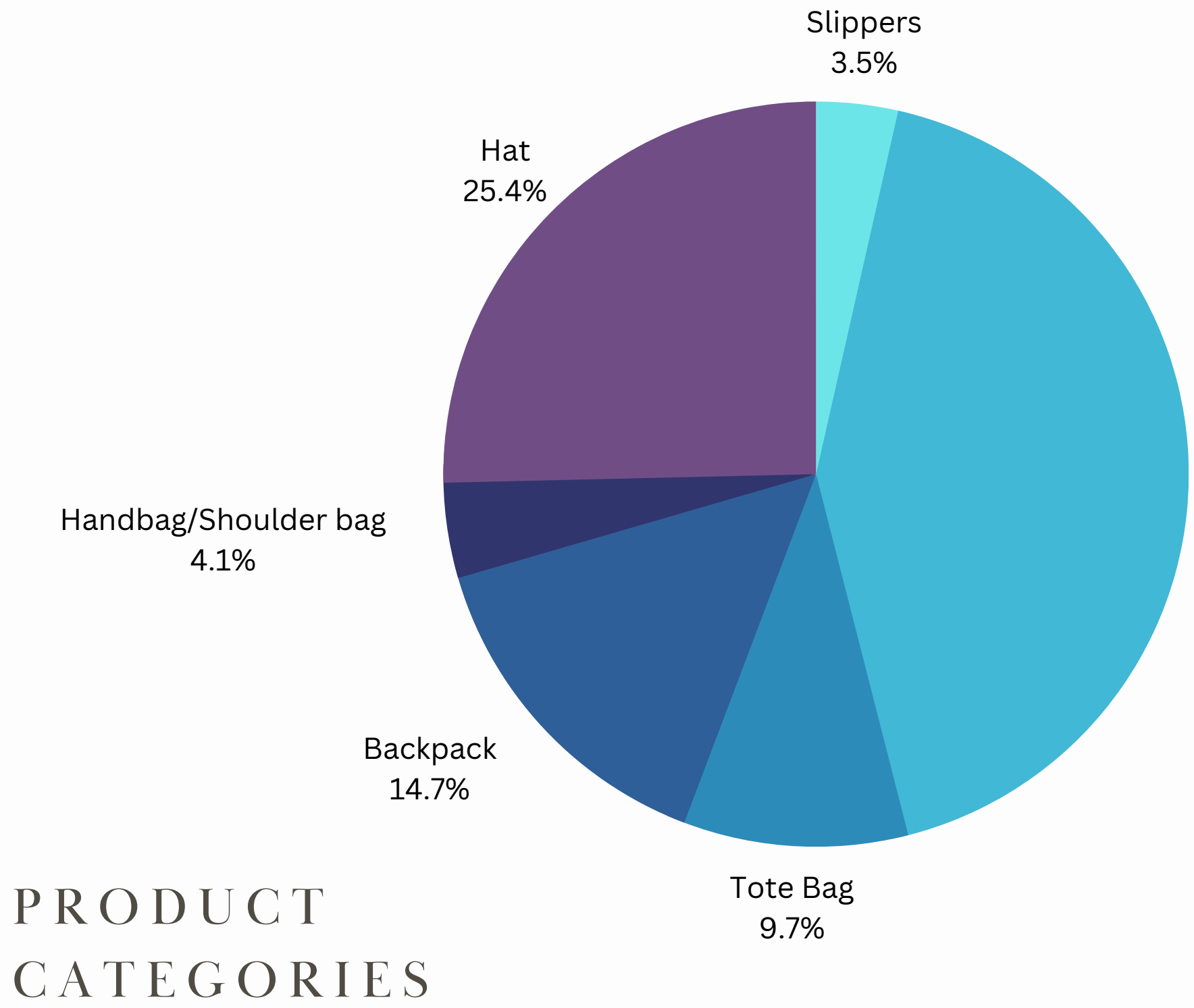
**Product Categories-** Sandals and Slides, Slippers, Tote Bags, Handbags/Shoulder Bags, Backpacks, Hats

**Key Product Materials-** Polyester and Synthetic Materials, Foam and Memory Foam, Canvas, Cotton

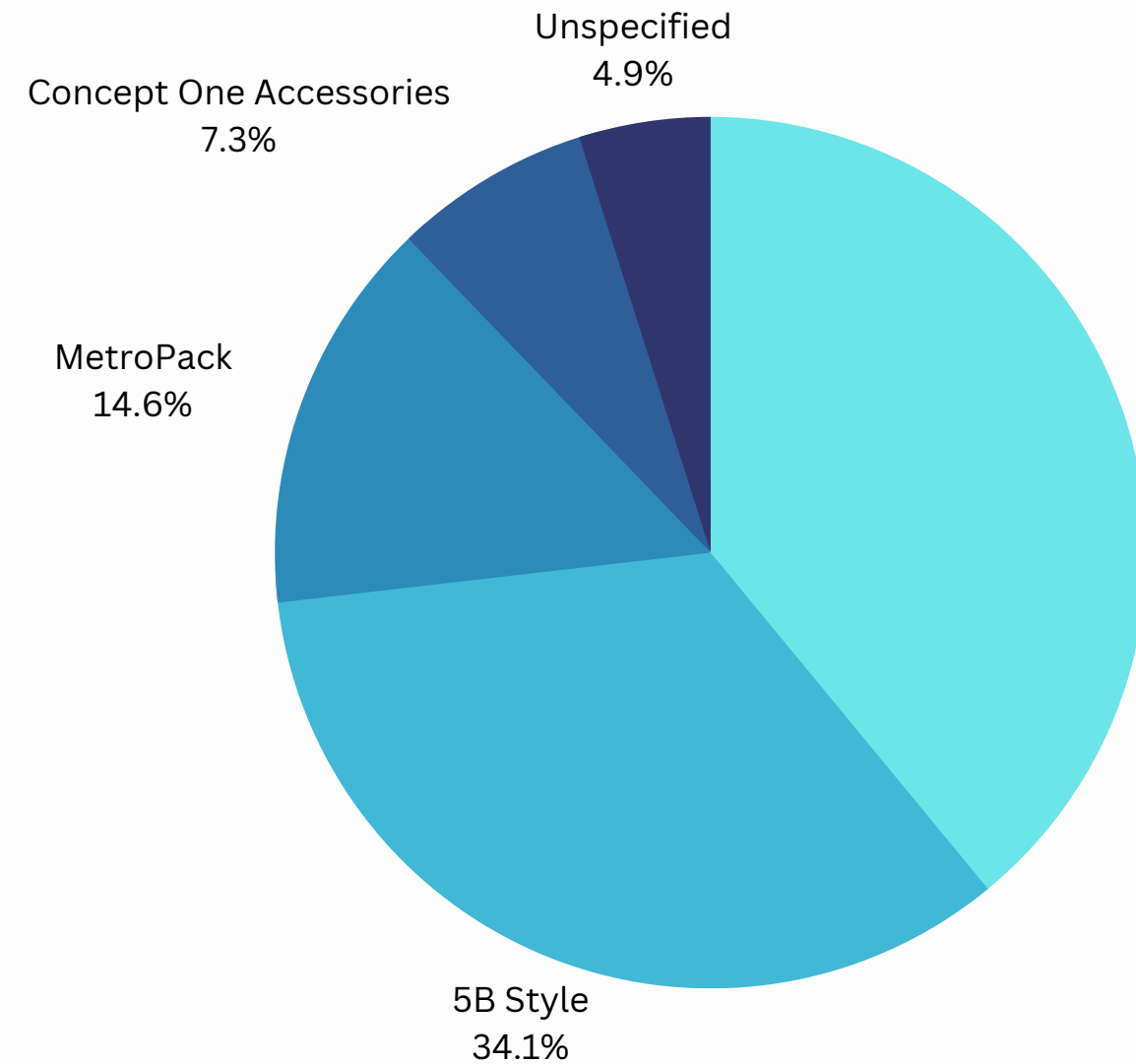
**Price-** \$5

**Countries of Origin-** China, Cambodia, and India

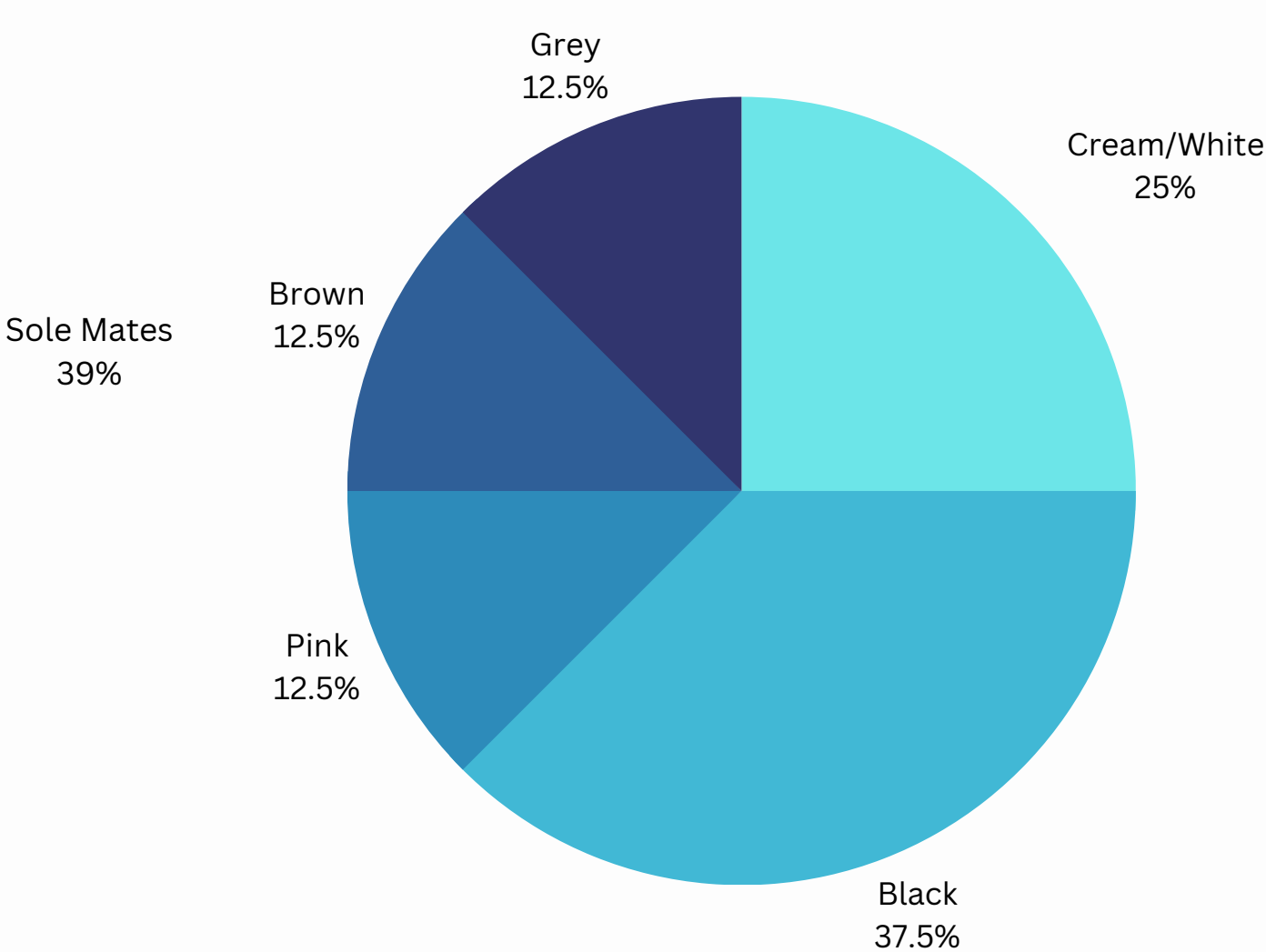
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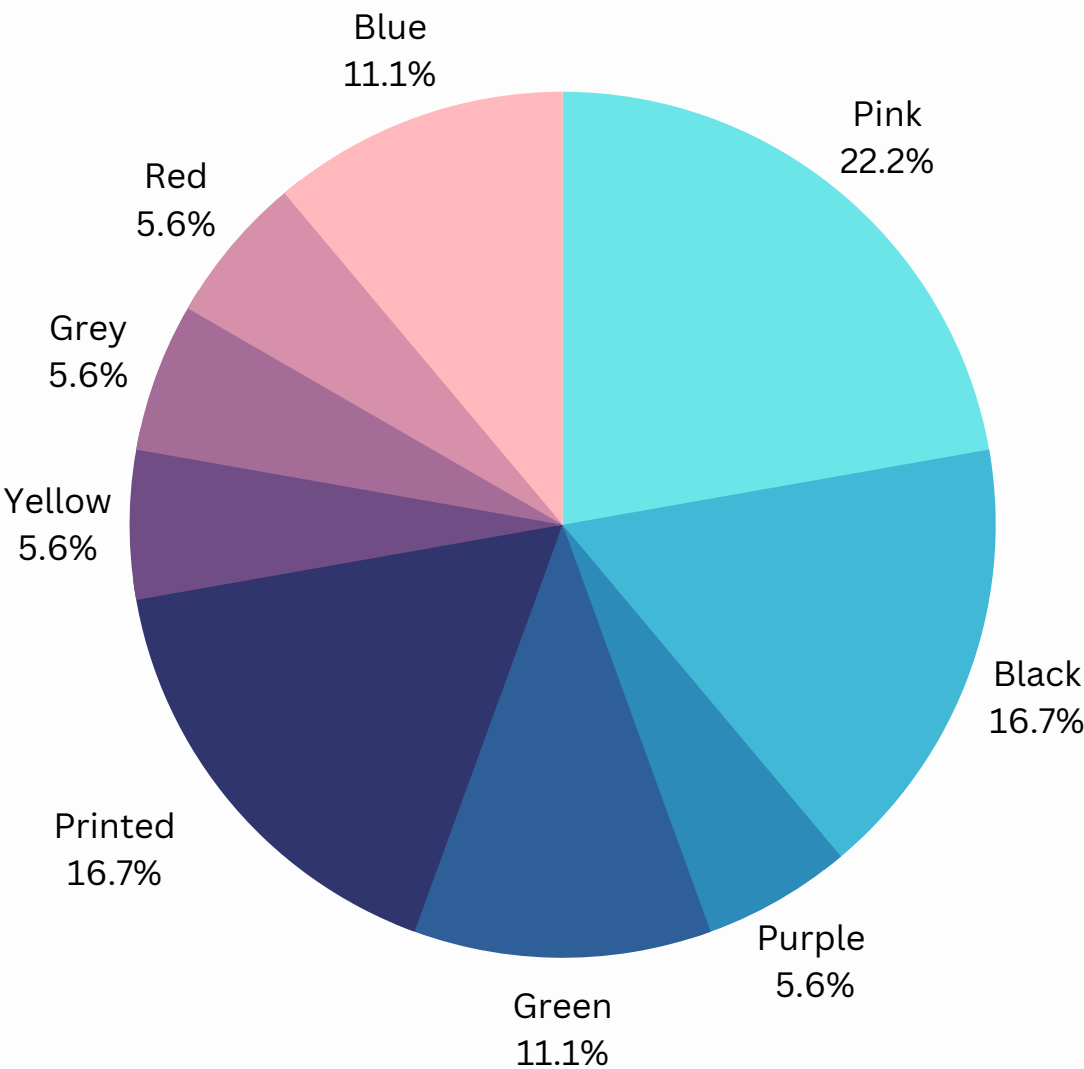
# MERCHANDISE ANALYSIS



BRANDS  
OFFERED



SHOE  
COLORS



BAG  
COLORS

# SHOE ANALYSIS

**Slides-** Made of foam, plastic, and vinyl. (All of which are synthetic materials.) Solemates is the only available brand for slides. All of the slides were made in China, and sizes ranged from small (6/7) to Xlarge (10/11)

**Sandals-** Made of memory foam, plastic, cork, and velcro. Solemates is the only brand available for sandals. All of the sandals were made in China and sizes ranged from small (6/7) to Xlarge (10/11).

**Slippers-** Made of faux fur, polyester, and memory foam. (All of which are synthetic materials) Solemates is the only available brand for slippers. All slippers were made in China and sizes ranged from small (6/7) to Xlarge (10/11).

# BAG ANALYSIS

**Backpacks-** Made from 100% polyester, 100% cotton, or 55% cotton and 45% polyester. The brands available for backpacks are MetroPack, 5Bstyle, and an unspecified brand. Backpacks were made in India, China, and Cambodia, and there were 9 styles available in store.

**Tote Bags-** Made from faux leather, cotton, and polyester. The only brand available for tote bags was 5Bstyle. Tote Bags were made in India and China, and there were 7 different styles available in store.

**Handbags/Shoulder Bags-** All made from synthetic materials. The only brand available for these bags was 5BStyle. All of these bags were made in China, and there were 3 styles available in store.

# HAT ANALYSIS

**Baseball Cap-** All baseball caps were made from 100% polyester. The only brand available for baseball caps was 5BStyle. All baseball caps were made in China and there were two different styles available in store.

**Bucket Hat-** All bucket hats were made from 30% cotton and 70% polyester. The only brand available in store was 5BStyle. All bucket hats were made in China and there was only one style available in store.

**Trucker Hat-** Made from 100% cotton. The only brand available was ConceptOne Accessories. All trucker hats were made in China and there were three styles available in store. (Hello Kitty, The Mandalorian, and SpiderMan)



# Value Proposition

The slogan for Five Below is "Let Go & Have Fun!" This reflects their merchandise that consists of fun toys for families to play with. The company sells name brand products for an affordable price for the family, so that more people will be able to play with the items they love. These products are up to date with kids toy trends, as well as being colorful and making great gifts for special events.

They have many different categories of name brand items, so that no one's interests are left out. These categories include Style, Sports, Tech, Party and more. The company is dedicated to keeping up with trends for kids and teens, while also raising money for charities dedicated to children and their families in their community.



# Competition- Big Lots

Big Lots "stated that its target customer is a younger female consumer who prefers a physical, in-store shopping experience (cleverism.com)." Through ESRI Research we were able to determine information about the nearest Big Lots, on 3472 Concord Rd, Aston, PA 19014:

- Pre-dominant Racial Group:** White (non-Hispanic)
- Median Age:** 40
- Gender Ratio:** More women than men
- Per Capita Income:** \$32,757
- Median Family Income:** \$106,662.

This information shows that the company caters to people, mostly women, that are money-conscious, and younger families so their products are more affordable and appeal to family activities, as well as practical tools for the family. The items in the store consisted of various simple and affordable products that valued function over style, so a lot of the products were plain looking, in contrast to Five Below where there more colors and designs on the products. There was less of an emphasis on catering to teen girls, but there were colorful sneakers with traction, and cute, comfortable slip-on shoes, so young girls could use the products.

The store's strengths are that many of their items are very affordable, recyclable, and have same day delivery, making them very convenient for families that need functionable items on a budget. The weaknesses of the store is that there is not as many options for accessories, especially compared to Five Below. Also, the store's website is not very polished, with the materials not being described in much detail. Some of the products that are described are made of cheaper- quality materials, and are not as big as Five Below products.

Big Lots	Five Below
<div><p>Women's Straw Hat-\$7.49</p><p>Denim Blue Bucket Hat-\$4.97</p><p>Tan Bucket Hat-\$4.97</p></div>	<div><p>Fabric Panama Hat with Trim-\$5</p><p>Bucket Hat with Beaded Trim -\$5</p><p>Terry Cloth Bucket Hat-\$5</p></div>



# Competition- Claire's

The target customer for Claire's is teen and tween girls looking for fun jewelry and accessories, and the company is known for families bringing their daughters to the store, typically to get ear piercings or other types of jewelry. Through ESRI Research we were able to determine information about the nearest Claire's, on 1625 Chestnut St, Philadelphia, PA 19103:

**Pre-dominant Racial Group:** White (non-Hispanic)  
**Median Age:** 33  
**Gender Ratio:** More women than men  
**Per Capita Income:**\$69,633  
**Median Family Income:**\$144,570

There are many families in the area, and the median family income is middle class, meaning that they can afford many of Claire's products, which are mostly affordable but have a higher price point than 5 Below. The accessories in the store include fuzzy and soft-feeling footwear, bright and girly designs, and stretchy hats for winter weather protection.

The store's main strength's consisted of having a stylized and detailed website catering to teen girls, their target demographic where lots of items can be delivered. You can use more than one payment methods on the website, and there were funny descriptions for each product. This made the shopping experience fun and convenient, and the products were all well-made and many incorporated cute designs. There were also many kid's characters in the designs, and there was a variety of colors for items. The company's main weaknesses were that they are slightly more expensive than Five Below, and the website does not go as in depth about product material info. Also, the brand only caters to a specific audience.

Claire's	Five Below
<div><p>©Disney Stitch Gray Peek-A-Boo Beanie-\$16.99</p></div> <div><p>Claire's Club Purple Butterfly Bucket Hat-\$13.99</p></div> <div><p>IYKYK Ribbed Knit Beanie Hat-\$8.49</p></div>	<div><p>Chenille Patch Beanie-\$5</p></div> <div><p>Tie Dye Bucket Hat - Multicolor-\$5</p></div> <div><p>Waffle Knit Thermal Beanie Hat-\$2.50</p></div>



# Target Consumer Profile:

Five Below's target consumers are tweens and teens within the age range of 13 years old to about 19 years old. The audience is mainly directed towards girls because of the wide jewelry and accessories section within their stores. Most of their consumers do not have their own income and are relying on family member or parent money. The ideal persona enjoys and prefers a lot of color and design. They use this as a way to self express and find joy in accessible fashion apparel & more. These tweens and teens are reliant on social media to discovering new trends and knowing what's in v.s. not in based on that. The Five Below target consumer goes to the store in hopes of finding a fun and creative birthday gift for a friend, inexpensive jewelry, accessible tech, self care, - t-shirts, and snacks.





# Competitor #1

Target is a competitor to Five Below because of their loyalty to consumers and their lower price points. Target has the second highest amount of consumer loyalty, right behind Walmart (Business Insider). Target follows trends closely and keeps up with their consumers wants and needs. This makes their target market wanting more and draws them back again & again. Because Target has what they want and need. The retailer also has a wide selection of products to choose from, allowing for more creative expression from their consumers. As well as a wider selection of departments to shop in. They have a wider target reach due to how many departments they have. Target carries licensed items as well that consumers sometimes value more over the retailer. But just by carrying these items, they're attracting more potential loyal Target consumers.



# Competitor #2

Walmart is another competitor towards Five Below especially when it comes to their low prices. Both of these retailers have a promise to low and affordable prices. Their target markets differ but Walmart is attracting more consumers compared to Five Below. Within the shoe department, Walmart has a much wider variety to choose from. As well as slightly better quality considering the low prices. Walmart is convenient, similar to Target, where they also carry licensed products and more departments within their store. Which leads to then a larger target audience.



# Competitor #3

Big Lots is most likely the number one competitor for Five Below. Big Lots was built with a vision of their target consumer being younger women who prefer an in-store shopping experience. They cater to people who are money conscious also making them compete with the low prices. Big Lots has the closest price point comparison within the hat department - selling very similar styles within the same \$5.00 range. They share very similar quality but appeal to wider age ranges. Big Lots offers recyclable options and now includes delivery as a service that is offered, same day delivery. On the down side, Big Lots online website is not up to par and their items have very vague descriptions.



# Competitor #4

Claire's is notoriously known for the tween and teen girl fashion accessories and apparel. They offer a similar fun and exciting vibe compared to Five Below. They're also known to have an impact on families since most younger girls get their ears pierced here. Along with being accessible and affordable. Claire's website is up-to-date and offers a more than one payment option online. They have 'silly' descriptions for some of their products and holds interactive raffles online. Claire's has many different subscriptions available on their website as well to attract and reach new consumers. Although their price points are higher than Five Below, their quality is also better and worth the higher price point.

The logo for Claire's, featuring the word "claire's" in a bold, lowercase, purple sans-serif font. The apostrophe in "s" is stylized with a diagonal slash.



# Perception Map

High Priced



target

**BIG  
LOTS!**

**claire's**

Teen Girls

Wide Market

**Walmart**



**fiVE BEL°W**

Low Priced

# Perception Map Description:

Five Below is placed in the bottom center of the perception map because they have the lowest price point and appeal to both girls and boys within the target market; but rather more towards teen/ tween girls. Walmart was placed right above Five Below due to their low & accessible prices but is closer to the wider market side because of the variety of departments they offer. Similar to Walmart, Big Lots is in the upper left quadrant falling closer to the wider market side. Big Lots offers, home, furniture, food, accessories, tech, games, and more. But at a higher price point than Five Below. Claires is on the opposite side of Big Lots since it appeals more to girls rather than a wide target audience. But remains at a similar price point. And lastly, Target is the highest price point retailer on the map but still falls closest to the wider market side because again, of all of the different departments the retailer has to offer to its' consumers - for also the best quality.

# Merchandise Assortment Recommendation:

As a group we think it would be really beneficial for Five Below to carry more 'everyday' canvas (material) style tote bags. We noticed you had a lot of pack backs and the tote bag selection was lacking just a little bit. Tote bags have been an upcoming trend that is here to stay and by carrying an accessible canvas tote bag - consumers would buy them. Some of your competitors carry canvas 'everyday' tote bags, or just other varieties of the sort. We would suggest using popular movies/ logos/ bands for any printed bags to appeal to a specific audience. As well as using basic colors and upcoming trendy prints for the spring/ summer season. Even for the 'back to school' season we think this would drive higher sales within this department.

Inspiration:



Variety of different colors in this style



# The Takeaways & Conclusion:

Five Below has the lowest prices out of their competitors, making it a very popular option when shopping for accessories. Targeted towards tweens & teens, they have a wide variety of products that have different materials used, like cotton, polyester, and canvas. As well as a variety of departments including: tech, fashion accessories, apparel, snacks/ candy, self care, home, and more.

The company could add 'everyday' styled tote bags to their merchandise assortment to increase the number of tote bags of their assortment. The ratio between book bags and tote bags shows they carry more book bags. But tote bags are a trend that is here to stay. And that would be a popular product among adolescents and teen girls - possibly even older; which then you can begin to reach a new target audience.

The company could also increase their use of social media marketing among various different apps. Just by posting a short form of some content across different platforms like Tiktok and Instagram, Five Below could promote their new products and get the message out there on a larger platform. Especially since teens and tweens do have their own social media account, but not their own income.

# Sources:

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