

## Case study

## Forever 21's AI journey: From broad promotions to targeted AI incentives

How Forever 21 uses behavioral AI to create better customer experiences – and improves conversion at the same time.



Using AI to understand behavior and respond in real-time is going to be standard in ecommerce. Session AI is already driving real business outcomes as they innovate.

- Sam Biswas

SVP, Digital Technologies, Engineering and Data

## In summary

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Forever 21 aimed to reduce its dependence on broad promotions by introducing more targeted offers on their website. This approach included leveraging real-time offers and dynamic segmentation, which led to increased top-line revenue. With Session AI's in-session marketing, the retailer also achieved a significant lift in conversion for both anonymous and known site visitors while more effectively managing their promotional strategy.

### Challenges

- High reliance on promotions, with majority of transactions involving a promotion
- Need to reduce the sitewide discount rate, without compromising revenue
- Priorities to increase conversion rates, revenue per visit, and top-line revenue

### Solution

- Implemented Session AI's in-session marketing platform for their US website
- Leveraged real-time offers and dynamic segmentation to enhance the shopping experience
- Introduced targeted offers based on visitor purchase intent

### Success highlights

- **23.6% lift in conversion rate (CVR)** for on-the-fence shoppers
- **23.3% increase in revenue per visit (RPV)** for on-the-fence shoppers
- Immediate **10x ROI** that will continue to grow

## Background

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Forever 21 is a leading fast-fashion retailer known for offering trendy and affordable clothing and accessories.

Established in 1984, the company operates hundreds of stores worldwide and caters primarily to young adults. Forever 21 is owned by SPARC Group, a brand management company and operator of fashion brands. SPARC Group's portfolio includes notable brands such as Aéropostale, Brooks Brothers, Eddie Bauer, Nautica, and Lucky Brand. SPARC Group aims to revitalize and manage these iconic brands, leveraging synergies across its portfolio to drive growth and operational efficiencies.



## Challenges

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Forever 21's growth strategy has traditionally focused on sitewide promotions, which have successfully attracted customers but also presented challenges in maintaining margins. The company needed to better influence the customer journey, especially given that a substantial portion of their transactions involved promotions.

Their corporate priorities for the year included increasing conversion rates, revenue per visit, and top-line revenue.

## Selection of Session AI

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Forever 21 has been actively testing AI technologies that are making a measurable impact on growth and efficiency. Additionally, they were exploring ways to help their brands reimagine their established promotional strategies. The team chose Session AI's in-session marketing platform to address their need to better deploy their promotional budgets and gain flexibility in their promotional strategy. The ability to deliver real-time actions and influence both anonymous and known web traffic provided significant ROI and convinced the team to adopt this approach. Additionally, the team saw that in-session marketing could help move excess inventory and assist in breaking into new product categories.

The Digital leadership at Forever 21 was intrigued by Session AI technology and saw the potential to make an impact for their brands. A test-and-learn strategy followed by a broader rollout drove results for Forever 21.

## Results: Higher profit margins & ROI

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The retailer introduced threshold-based discounts specifically catered to high-intent visitors, which raised order volumes. They preserved margins by offering enticements other than discounts to those who did not need them to convert. This targeted approach resulted in a 23.6% lift in conversion rate (CVR) for on-the-fence shoppers. It also impacted revenue – with a 23.3% increase in revenue per visit (RPV) for on-the-fence shoppers. This resulted in an immediate 10x ROI, one that will continue to grow to 12-15x over time.

23.6%

lift in conversion rate

23.3%

increase in revenue per visit

10x

immediate return on investment

## Future plans

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With the insights gained from in-session marketing, the ecommerce team is now exploring strategies for marketing higher-value items and refining their conversion strategies further. They aim to implement more sophisticated segmentation and targeting to enhance customer engagement. They are also looking at additional use cases with highly likely-to-buy and unlikely-to-buy customers.

## About Session AI:

Session AI is the pioneer of in-session marketing, the critical capability online retailers need to convert site visitors in a privacy-first world. Using patented artificial intelligence, Session AI predicts purchase intent in five clicks, enabling online retailers to provide each visitor with the right offer in real time. Major brands rely on Session AI to increase revenue and engagement without the need for personally identifiable information or third-party cookies. Learn more about the future of ecommerce marketing at [www.sessionai.com](http://www.sessionai.com).