

Monthly Sales Justification
Perry's Department Stores
Trysten Evans & Corbin Harmon
Virginia Commonwealth University
FASH 342 - 002

Monthly Sales Justifications

August

The month of August expects an increase in sales of 3.9% as a major result of weather conditions. The National Weather Service predicts extreme rainfall for the month of August (Gottschalck, 2019). During this time, Perry's will utilize these climate changes to showcase an assortment that will accommodate this weather. Perry's will stock more umbrellas near the cash tills to promote spontaneous purchases during this extra wet weather. Focus will direct to visual merchandising schemes that will highlight our raincoats and water repellent outerwear.

The National Weather Service projects that temperatures will also be warmer than usual during the season, August and September in particular (Gottschalck, 2019). The planned BOM stock for August is \$75.1 million and will need to reflect these conditions. Perry's will repurchase popular selling warm weather garments in new colors instead of beginning purchases on transitional clothing. This is to accommodate the Perry's customer during this prolonged summer season. Markdowns for this month total \$8.3 million and will focus on moving stock of old summer styles that have previously been slow-moving. This will help to make room for the new purchases for August's warm weather clothing.

During the month of August, Perry's will launch its customer loyalty program in conjunction with new in-store technology to incentivise customers to visit the brick and mortar locations. iPads will be installed throughout the store for customers to sign into using facial recognition; this will be how Perry's transitions its rewards program. The increased rainfall for this time is likely to decrease consumers' desires to visit brick and mortar stores for shopping. To combat this, the first promotion that Perry's will run will reward customers for visiting the store.

Shoppers will gain recognition for their visit by signing into an iPad in the store. Each visit will be documented, and customers will receive a reward after their 5th visit. This tactic will encourage more foot traffic despite bad weather.

September

September sales for Perry's Women's Contemporary Fashion Department are projected to increase 5.5% as a result of our new email campaigns and fall preview purchases. As email proceeds to be a major part of communication for retailing, Perry's will launch a new email campaign in September (O' Brien, 2019). This campaign will utilize data technology to log our customers purchased items and use algorithms to suggest items they may be interested in purchasing in hopes of driving sales. This will also utilize trends in personalization to capture sales from customers. Personalization is a key growing trend in the retail industry; customers favor when their companies take interest in them personally (Ravishunkar, 2019). Perry's will incorporate this trend into its new email campaign by providing live chat options for ease of communications with customers. Live chats can help with processing returns, styling, and answering questions about merchandise available in-store. Tapping into consumers' desires for more intimate experiences through a leading method of communication will boost sales for Women's Contemporary Fashion at Perry's.

BOM plan stock for September is \$82.8 million. Warm weather will still be present in September, but rainfall will be slowing. During this month, Perry's will plan to purchase a small selection of fall preview items for selling in-store while still trying to move summer stock. Included in this assortment would be lightweight jackets and sweaters, and long-sleeved blouses that will be styled with warmer weather clothing like skirts. This small selection of fall items will

be featured in the new email campaigns as material to incite webrooming, a fashion shopping trend where consumers browse the internet for items they want to purchase in store (Cakebread, 2019). Shoppers are projected to spend 90% of their discretionary income in brick and mortar stores in 2019, and webrooming is expected to contribute greatly to this. By strengthening its omni-channel presence through strong email marketing, Perry's will capture these sales successfully.

As a result of successful sales in dollars for the month of September, Perry's plans to take less markdowns this month in comparison to August. In total, plan markdowns for September are 12.9%. As the store transitions into October and the warm weather begins to cool off, Perry's will be moving their summer styles off the floor as a result of markdowns and successfully moving the new fall preview pieces at full retail price.

October

October plan sales are to increase 5.1% as result of an in-store event Perry's will be hosting for its prime customers. These customers are determined using data collected through the Perry's customer loyalty program. The first in-store event will invite customers with the highest accumulation of points from purchases and store visits to shop an exclusive Veronica Beard trunk show, and attend a meet and greet at an A-level store. At this time, Perry's will also be launching a new app. This is to promote click and collect sales, which refers to purchasing products online and picking them up in stores. This is to accommodate our customers who shop on-the-go. Click and collect is a retailing method popularized in the United Kingdom and Europe, that has not quite gained the same popularity in the United States. Retailers like Walmart have utilized this method in their United States retail stores and obtained great success (Balu &

Cavale, 2019). According to Reuters, more than 30% of customers who shop Walmart stores via click and collect purchase other items while in the store (Balu & Cavale, 2019). Perry's unveiling of a new app with this feature will boost sales in the month of October.

Perry's plan BOM stock for October is increasing from September to \$83.6 million. This is to support the planned sales coming from the Veronica Beard trunk show, and new app launch. Markdowns for the month of October will total \$9.7 million as older summer styles and seasonal weather items are finally being pushed out for good this season. This as well will contribute to our overall planned sales increase of 5.1%.

November

For the month of November, the plan calls for a monthly sales decrease of 7% as a result of different factors. One factor includes the loss of a major retail holiday: Cyber Monday. With the move of Cyber Monday into December for the holiday season of 2019, Perry's should plan for new ideas to stimulate sales within November. One idea includes planning markdowns to represent the second highest percent to sales for this month (the highest is planned for January). November last year illustrated third place for the month with the highest markdown percent by month; however, due to the loss of Cyber Monday, the plan for this year shows November as the second highest month for markdowns. Markdowns will stimulate sales for November since the month holds the biggest retail shopping day of the year: Black Friday.

Another factor that will influence the monthly sales decrease includes the weather. With weather predictions forecasting an unusually warm fall and winter for 2019, customers will prolong their outings to stock up on winter items to replace their summer garments (Gottschalck, 2019). This will impact sales and is why the six month plan calls for the only decrease in sales

during this month. By this month, many Perry's customers more than likely will still not be ready for full winter wardrobes until December. The planned stock to sales ratio for November shows a decrease from October at 3.7 decreased to 3.0. The BOM stock also will decrease from October at \$83.6 million down to \$74.4 million. The reasoning for these planned decreases includes the amount of sales expected to decrease.

December

December is planned to have the third highest markdown percent by month, after January and November respectively, which is a shift from December last year as the month with the highest markdown percent to sales. The markdown plan for December is 28.3% of sales. Our plan illustrates how impactful Cyber Monday will exist for 2019, and how sales will be affected. December will not have as many markdowns as last year because of the decrease in sales for November; however, December remains as the month with the highest planned sales since it still keeps the Christmas holiday and gains Cyber Monday. The BOM stock plan increases from \$81.8 million in November to \$86.4 million for December in order to allocate for the sales increase of 6.8%. The sales plan for December is \$43.2 million which will be reached using promotions and technology both in Perry's stores and on the Perry's website.

As the digital retail climate grows, Cyber Monday's popularity grows. More customers than ever before choose to purchase garments on the Internet versus brick and mortar stores; therefore, retailers like Perry's should integrate cyber Monday demands into their sales plan. Some promotional ideas for Perry's Cyber Monday in 2019 includes free online shipping, a free gift with a \$25 purchase, and markdowns such as 40% off all women's contemporary department for a specified period of time like "3 hour flash sale" ("Saks Fifth Avenue Cyber Monday 2018

Deals & Sales,” 2019). A promotion can also be conducted utilizing the new technology in stores with iPads the members have access to. iPads in stores on Cyber Monday can be loaded with member-only promotions such as “free blouse with suit purchase.”

January

January’s planned sales of \$15 million align closely with last year’s sales of \$14.5 million because of BOM stock and markdowns. Our planned markdown percent of sales for January is 77.7%. January has the highest planned markdowns since the end of season will bring all of the merchandise that has remained on the floor for an extended period of time and has not sold. The planned sales for January is \$15 million, existing as the lowest month for sales in the plan since the six month plan will be ending and a lot of the inventory will include garments already looked through and spent time in the department for multiple months. The BOM stock planned for January is \$64.5 million. The planned BOM stock reflects our lowest month’s sales plan, as well as the amount of stock leftover from the previous months in the plan.

After the majority of the selling season ends, January will highlight the remainder of the assortment from the six month plan through promotions and new technology. In January, Perry’s will launch a new website. The website will not only show special promotional items such as 15% off one item, but also will create more of an experience for customers. The website design will be sleek but also simple to use in order to align with the target customer. The focus for the website will be freedom as a luxury concept, and incorporate ideas of creating an experience for customers (Stephens, 2019).

Perry’s new website will feature themes that focus on simplicity, utilizing neutral colors like black, white, and tan, and use blank space seldomly to highlight the importance of Perry’s

merchandise. While customers browse the website, they will receive pop-up notifications asking if they would like to chat over messages with a Perry's online sales aide. The customer profiles will have already been integrated when the iPads hit stores in August of 2019, so customers can access information outside of the Perry's store such as their account information; however, the new website will incorporate new features for members. Perry's members will be able to access more than regular customers. The website for members will highlight a section where they can live video chat with a Perry's store stylist who can assist them with selecting merchandise for events.