

Overall Sales Justification

Fall / Winter 2019-2020

Perry's Department Store

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FASH 342 - 002

Promotion

I. Customer Loyalty Programs

Customer loyalty programs exist as a key business driver for retail stores in 2019. In a survey conducted by *emarketer*, in January of 2019, customer loyalty programs ranked as the second most valued aspect of retail shopping by customers. These point systems surveyed positively for 58.7% of participants (Cakebread, 2019). Perry's will use this trend to drive their sales by implementing a program to celebrate returning customers with discounts. This promotion will run during Perry's slower selling months of August and September to encourage customers to utilize the in-store technology such as the installed iPads to sign in using face recognition. Signing into the store's database will earn customers points that will accumulate to a 20% off one item coupon to be redeemed after the 5th sign-in; sign-in's are limited to one per day. Not only will this incentivise customers to make use of the technology, but will encourage them to frequently visit the store and to make a purchase.

Trends (Business & Fashion)

I. Webrooming

Webrooming is when customers browse merchandise online to inform their purchasing decisions in-store (Cakebread, 2019). This is a popular shopping habit of millennials, as 40% of those surveyed claimed to do this. This is also well practiced among Baby Boomers as well; 33% admitted to doing so in the same survey. In 2019 shoppers are projected to spend 90% of their retail dollars in brick and mortar stores (Cakebread, 2019). Webrooming will play a key role in store sales. Perry's department stores can expect to benefit positively from webrooming if there is great consistency in their omni-channel systems.

II. Freedom as a Luxury Concept

Luxury goods have been long recognized as symbols of social and financial status. To many they represent a vocality of sorts, expressing one's taste and elitism. Although this has been the status quo for sometime, and to a degree still is, the fashion industry is experiencing the same shift that the rest of the retail industry is experiencing. The customer wants experiences versus simply products and services. More specifically, this "experience" concept is driving toward a more intangible direction, and it is the essence of freedom (Stephens, 2019). Perry's, as a luxury department store, will need to adapt to this concept and implement the essence into their marketing strategy. Aligning themselves with the popular ideals of their customers is important for sustaining brand loyalty, and subtly remaining on trend with current shifts in fashion.

III. Personalization

Personalization is key going forward in the retail industry as more intimate shopping experiences are proving to be valuable to consumers. A study conducted by Accenture shows that 75% of consumers are more inclined to shop at a retailers with associates who show personal interest in the customer (Ravishunkar, 2019). Ways to do this include addressing them by their name and recalling and utilizing their purchase history for product suggestions. Perry's will adapt to this desire by keeping their sales staff well informed. They will now serve as personal stylists to assigned customers and have access to their tastes on their own personal iPads to use in store. This data will be collected from the customer's use of the app, and will provide associates with suggestions for their customer.

Weather

I. Warmer Temperatures

The National Weather Service predicts that the months included in the overall six month plan for the fall and winter 2019-2020 season will reach higher temperatures than usual (Gottschalck, 2019). Statistical and dynamic models are utilized for predictions; predictors group months together by groups of three. August, September, and October show warmer temperatures that is predicted to remain through the continued months of the six month plan including November, December, and January. The weather models show that the Mid-Atlantic region is at least fifty percent, in some states more than that, likely for temperatures to increase from the previous year (Climate Prediction Center Internet Team, 2015). The hotter temperatures will mean customers visiting the Perry's store in the months of the six month plan may not be as avid or ready to purchase winter clothes as soon as they normally would in the fall and winter.

II. Higher Precipitation

Overall, the National Weather Service predicts that the precipitation during the months in the six month plan will increase (Gottschalck, 2019). The precipitation will take place mostly within the earlier months of the sales plan primarily in August and into September; therefore, merchandise such as rain coats and rain boots will keep their sales from the previous months. Customers will not be ready to purchase cold winter clothing until the six month plan is almost over, more than likely not until November and December (Old Farmer's Almanac, 2019).

III. Severe Storms

The official hurricane season spans from June 1 to November 30. The hurricane season lasts for four out of the six months of our plan which means it should be taken into consideration. AccuWeather predicts less tropical storms and less hurricanes for 2019 compared to 2018 (ABC,

Inc., WTVD-TV Raleigh-Durham, 2019.) The weather predictions support the planned sales increases during August, September, and October. Customers will be able to physically travel to the Perry's stores easier than in 2018.

Marketing

I. Social Media Advertising

A study conducted with three luxury department stores (Saks Fifth Avenue, Barneys New York, and Net-a-Porter.com) released finding that all three brands had the most users on Facebook, then Twitter, and the least on Instagram (De Souza and Ferris, 2019). The data supports our point to use Facebook and Pinterest to target our demographic. The study also found Twitter allows for highest number of posts within a period of time and Instagram had the highest number of consumer feedback; therefore, Twitter and Instagram could be incorporated in plans for the future if the target demographic starts utilizing those two social media platforms more (De Souza and Ferris, 2019).

Perry's will plan to project marketing on social media platforms including Facebook and Pinterest. Data shows the target audience for Perry's Women's Contemporary department uses and prefers these platforms versus social media platforms like Twitter or Instagram (Gyant, 2018). Both platforms, Facebook and Pinterest, have online webpages as well as mobile phone and tablet applications. Perry's advertisements will be everywhere the target customer could be online.

II. Email Marketing

Billions of people still use email (O' Brien, 2019). Email continues to be a major form of communication. As the market moves toward customization and personalization, email

marketing to Perry's customers will be personalized to reflect their browsing history and recommend items. Emails will also provide a live-chat link to communicate with a Perry's stylist via webcam through the Perry's app. The link will work on both mobile and desktop devices so customers are able to use Perry's styling services on their Perry's smartphone app or Perry's desktop website.

III. Artificial Intelligence

Artificial Intelligence and personalization will be main focuses of Perry's marketing for the fall and winter 2019-2020 season. As marketing trends move toward the use of artificial intelligence and customization, Perry's Women's Contemporary department will use technology to increase sales (Forbes Agency Council, 2019). "Technology like virtual reality, augmented reality, and mobile technology will continue to push retail brands to add layers and new experiences to their traditional retail models," says Jia Wertz, contributor to Forbes magazine (2018). Customers will be able to utilize iPads to elevate the shopping experience in Perry's department store, particularly in the Women's Contemporary department. Perry's personal voice assistant will allow customers to ask for garments such as a black sweater, and the voice assistant on the Perry's app will exhibit all of the black sweaters in the Perry's Women's Contemporary department. The Perry's voice assistant will be knowledgeable of the local weather and seasons, as well as common special events, and will be able to suggest garments for certain weather or specific events such as a graduation ceremony or formal dinner. The voice assistant will be able to fully communicate with customers.

Economic

Gross Domestic Product (GDP) is expected to have a healthy demand for 2019; there will be little to no negative change in consumers' desires to shop. Despite there being a healthy demand for products, supply may suffer as a result of limited available labor for product manufacturing and services (Conerly, 2019). Economic growth is expected to slow down from 3% to 2.5% in the year of 2019, but will remain higher than the Q4 close of 2018 which was 2.2% (Davidson, 2018). Despite economic growth experiencing a mild decline, consumer spending is still expected to grow meaning customers will be shopping more. Consumer spending is expected to increase a total of 2.7%, and the rate of inflation is expected to level out to 1.9% while the price of gas drops (Domonoske, 2019). Research shows that these price decreases will save consumers \$224-\$480, which is more money for retail shopping (Domonoske, 2019).