

| FALL | | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | JANUARY | FEBRUARY | SEASON TOTAL |
|------------------------------|------------|------------------|-----------|---------|-------------|----------|---------|---------------|--------------|
| SALES \$ | Last Year | 21.3 | 20.7 | 21.5 | 26.7 | 40.5 | 14.5 | | 145.2 |
| | Plan | 21.6 | 20.7 | 22.5 | 25.2 | 44.0 | 14.1 | | 148.1 |
| | % Inc/Dec | 1.4% | 0.0% | 4.7% | -5.6% | 8.6% | -2.8% | | 2.0% |
| | Revised | | | | | | | | |
| | Actual | | | | | | | | |
| STOCK/SALES RATIO | Last Year | 3.4 | 3.7 | 3.7 | 3.1 | 1.9 | 4.4 | 5 | |
| | Plan | 3.4 | 3.7 | 3.8 | 2.9 | 2.0 | 4.3 | 4.9 | |
| BOM STOCK \$ (Retail) | Last Year | 72.4 | 76.6 | 79.6 | 82.8 | 77.0 | 63.8 | 72.0 | 74.9 |
| | Plan | 73.4 | 76.6 | 81.7 | 77.4 | 81.0 | 62.4 | 82.8 | 76.5 |
| | Revised | | | | | | | | |
| | Actual | | | | | | | | |
| MARKDOWNS \$ | Last Year | 7.8 | 6.6 | 7.1 | 7.8 | 12.8 | 9.1 | | 51.2 |
| | Plan | 10.7 | 8.7 | 10.0 | 9.3 | 18.6 | 9.3 | | 66.6 |
| | % to Sales | 49.5% | 42.0% | 44.4% | 36.9% | 42.3% | 66.0% | | 45.0% |
| | % by Month | 16.1% | 13.1% | 15.0% | 14.0% | 27.9% | 14.0% | | 100.0% |
| | Revised | | | | | | | | |
| | Actual | | | | | | | | |
| PURCHASES \$ (Retail) | Last Year | 33.3 | 30.3 | 31.8 | 28.7 | 40.2 | 31.8 | | 196.0 |
| | Plan | 35.5 | 34.5 | 28.2 | 38.1 | 44.0 | 48.1 | | 228.4 |
| | Revised | | | | | | | | |
| | Actual | | | | | | | | |
| SEASON TOT. | | LAST YEAR | | | PLAN | | | ACTUAL | |
| Sales | | \$145.20 | | | 148.1 | | | | |
| Markup % | | 53.3% | | | 57.0% | | | | |
| Markdown % | | 35.3% | | | 45.0% | | | | |
| Gross Margin % | | 36.8% | | | 37.7% | | | | |
| Average Stock | | 74.9 | | | 76.5 | | | | |
| Turnover | | 1.94 | | | 1.94 | | | | |

PERRY'S

MONTHLY SALES BY PERCENTAGE AND INCREASE/DECREASE

| | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | JANUARY | Total |
|------------|---------|-----------|---------|----------|----------|---------|----------|
| PL Sales | \$ 21.6 | \$ 20.7 | \$ 22.5 | \$ 25.2 | \$ 44.0 | \$ 14.1 | \$ 148.1 |
| % by Month | 14.6% | 14.0% | 15.2% | 17.0% | 29.7% | 9.5% | 100.0% |
| LY Sales | \$ 21.3 | \$ 20.7 | \$ 21.5 | \$ 26.7 | \$ 40.5 | \$ 14.5 | \$ 145.2 |
| % by Month | 14.6% | 14.7% | 14.8% | 18.4% | 27.9% | 10.0% | 100% |
| \$ Inc/Dec | 0.3 | 0.0 | 1.0 | (1.5) | 3.5 | (0.4) | 2.9 |
| % Inc/Dec | 1.4% | 0.0% | 4.7% | -5.7% | 3.2% | -2.8% | 2.00% |

PERRY'S

PLAN MARKDOWNS

| | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | JANUARY | TOTAL |
|------------------|--------|-----------|---------|----------|----------|---------|--------|
| Fall Plan TY | | | | | | | |
| PL Sales | 21.6 | 20.7 | 22.5 | 25.2 | 44.0 | 14.1 | 148.1 |
| MD % to Sales | 49.3% | 41.8% | 44.4% | 37.0% | 42.4% | 66.1% | 45% |
| MD \$ | 10.7 | 8.7 | 10.0 | 9.3 | 18.6 | 9.3 | 66.6 |
| MD % by Month | 16.0% | 13.0% | 15.0% | 14.0% | 28.0% | 14.0% | 100% |
| Act Sales LY | 21.30 | 20.70 | 21.50 | 26.70 | 40.50 | 14.50 | 145.20 |
| Act MDS LY | 7.80 | 6.60 | 7.10 | 7.80 | 12.80 | 9.10 | 51.20 |
| MD % by Month LY | 15.2% | 12.9% | 13.9% | 15.2% | 25.0% | 17.8% | 100.0% |
| MD % to Sales LY | 36.6% | 31.9% | 33.0% | 29.2% | 31.6% | 62.8% | 35.3% |

PERRY'S

STOCK/SALES RATIO AND BOM STOCK

| | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | JANUARY | FEBRUARY |
|-----------|--------|-----------|---------|----------|----------|---------|----------|
| PL Sales | 21.6 | 20.7 | 21.5 | 26.7 | 40.5 | 14.5 | 16.9 |
| S/S Ratio | 3.4 | 3.7 | 3.8 | 2.9 | 2.0 | 4.3 | 4.9 |
| BOM Stock | 73.4 | 76.6 | 81.7 | 77.4 | 81.0 | 62.4 | 82.8 |

PERRY'S

PLAN PURCHASES

| SPRING | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | |
|---------------------------------|----------|-----------|---------|----------|----------|---------|--|
| FALL | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | JANUARY | |
| Plan Sales | | | | | | | |
| | 21.6 | 20.7 | 22.5 | 25.2 | 44.0 | 14.1 | |
| (plus) | | | | | | | |
| Plan EOM Stock | 76.6 | 81.7 | 77.4 | 81.0 | 62.4 | 82.8 | |
| (plus) | | | | | | | |
| Plan MD | 10.7 | 8.7 | 10.0 | 9.3 | 18.6 | 9.3 | |
| (minus) | | | | | | | |
| Plan BOM | 73.4 | 76.6 | 81.7 | 77.4 | 81.0 | 62.4 | |
| (equals) | | | | | | | |
| Plan Purchases at Retail | 35.5 | 34.5 | 28.2 | 38.1 | 44.0 | 43.8 | |
| (times) | | | | | | | |
| 100% - MU% | 43.0% | 43.0% | 43.0% | 43.0% | 43.0% | 43.0% | |
| (equals) | | | | | | | |
| Plan Purchases at Cost | 15.3 | 14.8 | 9.2 | 16.4 | 18.9 | 18.8 | |

Overall Sales Justification

The Perry's buying team is planning for a 2.0% increase for the 2019 Fall season. This increase is based upon current economic conditions and promotions that'll take place throughout the season. According to the National Retail Federation "Consumers are in good financial shape and willing to spend a little more on gifts for the special people in their lives this holiday season" (McGinty & Shay, n.d). Holiday sales are predicted to hit an all-time high compared to the past 15 years. Phillip Perry expressed that 2019 is predicted to have a sales increase as "The fiscal stimulus in the form of tax cuts, as well as the tight job market, mean there are very few negatives when it comes to consumer fundamentals" (n.d). With predictions of unemployment rates to drop and hourly earnings to increase, consumers will have extra disposable income (Perry, n.d). Perry's internal factors will also have a positive effect on sales with various promotions throughout the season, a release of a new app, loyalty program, and a new celebrity collaboration to generate buzz. These factors are all acknowledged in the 6-month buying plan constructed by the Perry's buying team. However, Perry's team also understands the fears consumers obtain regarding the trade war with China and an economic slowdown. Although these issues can impact consumer spending, Perry's team decided that a 2% increase is attainable and realistic when analyzing current and predicted conditions.

Monthly Justifications

August

Sales Justification: The buying team is predicting a 1.4% increase in Perry's August sales. During the beginning of this month, Perry's will be having a large in-store promotion on jeans to celebrate back-to-school. Sales should increase as there is a moderate pace in regards to external factors such as overall economic growth (Latest News, n.d)

BOM Justification: Our BOM Stock for August will slightly increase due to a predicted sales increase.

Markdown Justification: A large majority of Perry's markdowns will be taken in this month due to our large jean promotion. Markdowns will also begin to be taken on summer merchandise to make space for fall assortments.

September

Sales Justification: Sales are estimated to remain the same as last year within the month of September. Consumers will be wary of their spending habits because although there will be solid economic growth and other favorable fundamentals, talks concerning trade will put consumers on edge (Dmitrieva, n.d). Perry's will also begin working on a new application for iPhone and Android devices that consumers can use to purchase their goods at ease, this is set to release within October in time for the holiday season. According to CNBC "The holiday season is less and less important for retailers, as more shopping moves online, according to a new study" (Thomas, 2019).

BOM Justification: The BOM for September is expected to be the same as last year, with sales being estimated to be equivalent to 2018.

Markdown Justification: Markdowns will increase less than other months in the 6 month plan, due to less promotional efforts. The markdowns taken will be off of broken assortments and old merchandise.

October

Sales Justification: The buying team is estimating a 4.7% increase in October's sales. Perry's will be collaborating with Hailey Baldwin releasing a new line of merchandise. A large promotional effort will surround this release, predicting to generate buzz in the marketplace. This new line will be priced higher than other merchandise throughout the store, and contain luxurious pieces. Perry's chose to implement a celebrity collaboration because "While people scurrying for clothing endorsed by celebrities is far from new, the rise of social media has elevated this obsession to new levels. It has helped connect consumers with the products swiftly, creating hype and therefore rapid sales" (Nazir, 2018). Holiday sales will also start to roll in towards the end of the month according to the NRF as 40% of consumers begin Christmas shopping before Halloween (Winter Holiday's, n.d). Perry's will release of a new application for iPhones and Androids this month, allowing consumers to have an easy shopping alternative for those who prefer the online shopping experience. The app will track what merchandise they view within Perry's and give them various recommendations. They may also use apple pay, and purchase their items with a touch of a finger. Perry's will also be introducing a new loyalty program, with the release of a VIPerry's rewards credit card. This program will allow consumers to earn points as they spend which will convert into rewards. For every \$200 a customer spends, they will earn a \$10 reward which can be used on anything within the store. Additional promotions will also be given to our VIPerry's members throughout the year. This will prove beneficial according to Forbes "Customer loyalty programs are proven methods for growing and sustaining market share. Consumers who are already enthusiastic about a brand are more likely to continue buying" (Black, 2018). The new application will allow consumers to pull up their loyalty rewards card, view their points, and see how close they are from earning their next reward.

BOM Justification: With a large sales increase, BOM is also predicted to increase. More merchandise will be needed to accommodate the pace of sales.

Markdowns: A large amount of markdown dollars will be allocated to this month, to sell through the rest of fall merchandise to make space for holiday assortments.

November

Sales Justifications: In November, Perry's sales are predicted to decrease 5.6 percent. This is due to a large portion of Perry's sales last year coming from Cyber Monday, as consumers find appeal to shopping online. However, this year Cyber Monday is in December. Black Friday's traffic is estimated to decrease, as less consumers participate in the event and rely on online shopping (Amadeo, 2019). Another cause of this decrease could be based upon a lack of consumer confidence regarding the trade war with China (Rubino, 2019).

BOM Justifications: Beginning of month inventory is set to decrease from last year as less sales are being predicted.

Markdowns: The predicted markdown increase for November is based upon Black Friday and early bird sales. Throughout the whole month, Perry's plans on having holiday promotions. Markdowns will also be taken on broken assortments and old merchandise.

December

Sales Justification: Due to economic stability, sales are predicted to increase by 8.6%.

Consumers are in good financial shape due to the estimated drop of unemployment rates and increase in hourly wages (Perry, n.d). This holiday season is expected to hit an all-time high from the past 15 years according to the NRF with the prediction of holiday sales increasing between 3.8 and 4.2 percent (Shearman, 2019). Cyber Monday and Super Saturday are both likely to generate big sales within this month. Perry's online sales are also expected to be increasing as more consumers become aware of the new app released in October.

BOM Justification: Beginning inventory for the month of December is predicted to increase as this month is estimated to generate the most sales within the six-month plan.

Markdown Justification: The highest contribution of markdown dollars will be allocated to this month. Super Saturday and Cyber Monday will account for a large portion of these markdowns, with the rest coming from merchandise that isn't selling.

January

Sales Justification: Perry's sales are estimated to decrease by 2.8% in January. This is due to consumers being financially worn out because of high spending throughout the previous months. A larger amount of returns will also take place during this month, as consumers were spending more this holiday season. According to NRF, retail imports are expected to fall 2.3 percent this month in comparison to last year (Winter Holiday FAQ, n.d). As a result of this, Perry's is predicting an overall sales decrease for the month of January.

BOM Justification: The beginning of this month's inventory will be lower than last year due to the estimated sales decrease. Less inventory will be needed to accommodate our predicted sales number.

Markdown Justification: Markdowns will slightly increase this month to sell through old holiday merchandise and broken assortments.