

HUDSON'S BAY



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Competitive Review



NORDSTROM



- Founded in 1901 by John W. Nordstrom
- Blake, Pete & Erik Nordstrom co-presidents of Nordstrom INC.
- Leading retailer featuring: shoes, clothing, accessories, home goods, and gifts.
- 371 stores overall across 40 states & in Canada.
- 122 in United States & Canada, and 237 Nordstrom Rack locations.
- Nordstrom.com and Nordstromrack.com websites operating in 96 countries.
- Nordstrom INC- Nordstrom Rack, Nordstrom Canada, HauteLook, Trunk Club.
- Spa Nordstrom, Restaurants & Nordstrom Local.

Overview

“

An incredible eye for what's next in fashion. A passionate drive to exceed expectations. For more than 100 years, we've worked to deliver the best possible shopping experience, helping our customers express their style—not just buy fashion.”

S

STRENGTHS

- International presence- United States & Canada with 120 stores throughout and 110 Nordstrom Rack.
- Broad range of merchandise - Clothing, footwear, bedding, furniture, jewelry, beauty products, cafe, and House Ware category
- More than 66554 employees who are extensively trained and offer superior customer service which includes building and maintaining loyal relationships with customers.
- Offer internship opportunities in different departments and reward/promote from within.

W

WEAKNESSES

- Only brick and mortar stores are in United States and Canada- low international presence
- Expensive for price sensitive consumers

O

OPPORTUNITIES

- Further global expansion/development

T

THREATS

- Strong, alternative competitors that offer reduced prices can affect Nordstrom sales.
- Possibility of external factors demographics, economic, political etc.

★ macy's

AMERICAN ICONS
a celebration of the people, places and things we love

★ *A main attraction*
A feast for the senses; the nation's oldest Chinatown proudly calls the City by the Bay home. What can one expect to find in 24 square blocks? Plenty of fresh produce markets, delicious restaurants and exotic shops.

Vince Camuto
Celebrated in low drape, Misses, \$148. • 2127435

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- Founded in 1929
- Macy's was the first retailer to promote a woman, Margaret Getchell, to an executive position, making business history.
- 670 department stores- approximately 160 specialty stores that include Bloomingdale's The Outlet, Bluemercury and Macy's Backstage
- Operates across 44 states, the District of Columbia, Guam & Puerto Rico- international Bloomingdale store in Dubai and Kuwait
- E-commerce websites macys.com, bloomingdales.com and bluemercury.com
- Macy's Thanksgiving Parade

Overview

“

Our goal is to be a retailer with the ability to see opportunity on the horizon and have a clear path for capitalizing on it. To do so, we are moving faster than ever before, employing more technology and concentrating our resources on those elements most important to our core customers. ”

S

STRENGTHS

- Frequent deals, store events and promotional sales that drive customers.
- Multiple brands, and multiple category of merchandise- clothing, footwear
- largest chain stores in the US with operating more than 800 stores across various states.

W

WEAKNESSES

- Underdeveloped customer service
- Limited global brand recognition only stores are in United States and Abu Dhabi

O

OPPORTUNITIES

- Further global expansion/development
- Improve customer service

T

THREATS

- Direct competitors that offer either similar prices or better customer service such as JC Penny or Nordstrom.
- Possibility of external factors demographics, economic, political etc that could reduce sales.

Company Overview

HUDSON'S BAY



SHOP THEBAY.COM



HUDSON'S BAY CO.

History



1821
The Fur Trade

Radisson and des Groseilliers discover a wealth of fur North and West of the Great Lakes

1912
Rise of Retail

The Company's focus shifted to retail with a wide variety of goods in the "original six" stores; Calgary, Edmonton, Vancouver, Victoria, Saskatoon, and Winnipeg.

Diversification

Natives brought furs annually to these locations to barter for manufactured goods such as knives, kettles, beads, needles, and blankets

1970
Focus on Retail

HBC became a Canadian Corporation

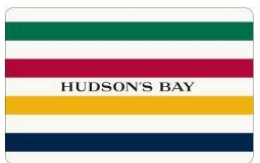


2000

launched its e-commerce business with the introduction of hbc.com

2001

Loyalty Program introduced; HBC Rewards



2005

Selected as the National Premier Partner and Official Retailer for the Olympic and Paralympic Games



OFFICIAL OUTFITTER - HABILILEUR OFFICIEL

2012

Became publicly traded again

2013

First major logo rebrand since 1965 updated to reflect the modern retail brand.



S

STRENGTHS

- Frequent deals, store events and promotional sales that drive customers.
- Multiple brands, and multiple category of merchandise- clothing, footwear, beauty, home goods etc.
- 'Shop-in-shop' featuring Topshop/Topman & M.A.C.
- Recognizable brand identity as it has been around since 1670.
- Hudson's Bay Optical, Maritime Travel, Altered Image, watch and jewellery repair.

W

WEAKNESSES

- Underdeveloped customer service.
- Limited global brand recognition as there are only stores in Canada.

O

OPPORTUNITIES

- Further global expansion and development.
- Improve customer service.

T

THREATS

- Direct competitors that offer either similar prices or better customer service such as Nordstrom and Macy's.
- Possibility of external factors demographics, economic, political etc that could reduce sales.

HUDSON'S BAY
Point
BLANKET COATS



QUEEN'S
Pine Green
Gold
White
Coraline



MINAKI
(left)
Rosada
Gold
Sky Blue
Wild Cranberry



WOMEN'S RED RIVER
Silver
Scarlet
Pine Green
Multi-Stripe



VICTORIA
Wild Cranberry
Gold
White
Caramel



Hudson's Bay "Point" Blanket Coats are the one necessary article of clothing for all outdoor activities—for cool weather wear at the lake—in the woods—on canoe trips or camping expeditions—for all winter sports. Because they are noted for their comfortable warmth, are easy to keep clean, do not require pressing and shed water to a remarkable degree, they are favorites everywhere and have become as famous and admired as the blankets themselves. They are recognized as the ideal sportswear apparel for both spectators and participants.



DALHOUSIE
(above)
Multi-Stripe
Coraline



MACKINAW
(right)
Silver
Camel



HUDSON'S BAY
Point
BLANKET COATS

Shown on back cover in Empire Blue



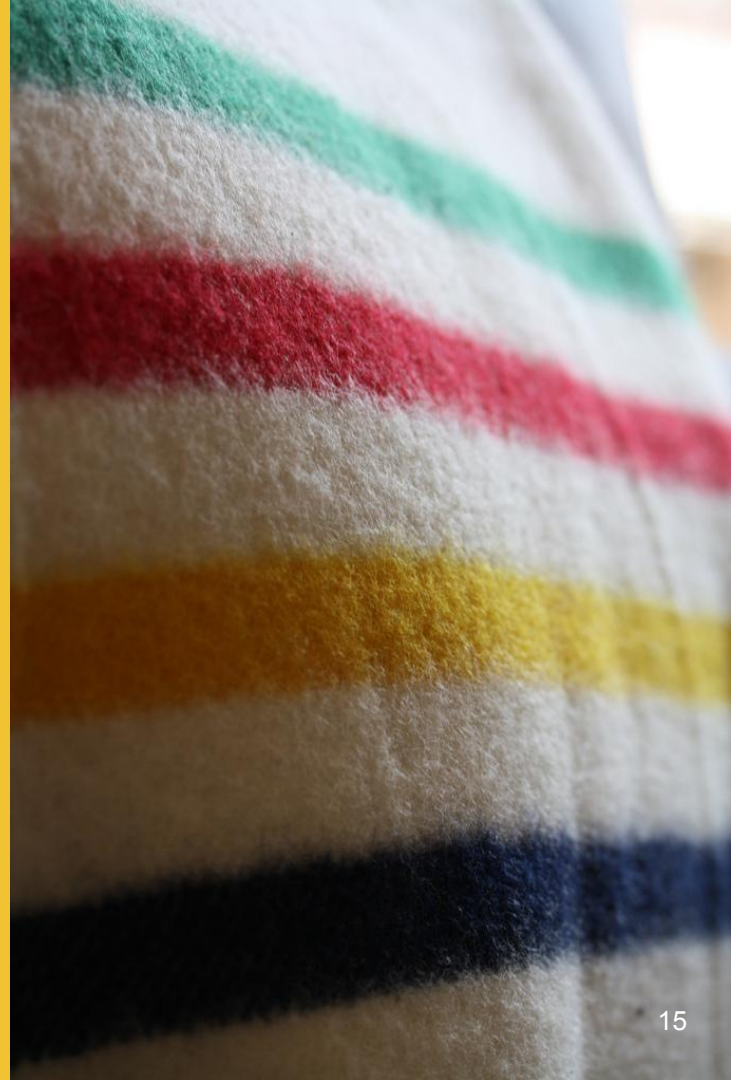
Company Overview

Core Mission

“HBC is a diversified global retailer focused on driving the performance of high quality stores and their all-channel offerings, growing through acquisitions, and unlocking the value of real estate holdings. Founded in 1670, HBC is the oldest company in North America. HBC’s portfolio today includes formats ranging from luxury to premium department stores to off price fashion shopping destinations, with more than 480 stores and over 66,000 employees around the world.”

Brand Positioning

Hudson’s Bay is popular amongst people as it is a full line department store featuring exclusive fashion merchandise in apparel, accessories, and soft home categories. They carry varied brands ranging from street to prestige designers catering to anybody’s need and offering only the best quality. Priced at mid-to-upper price points, Hudson’s bay provides frequent sales and deals that attracts customers to purchase their most loved high end brands at affordable prices. Additionally, they are most recognized through their striped point blankets and their 4 signature colors of Green, Red, Yellow and Blue.



As Canada's oldest retailer, Hudson's Bay has readily increased throughout the years and working its way to the most sought out department store throughout Canada.

Market Share = (retailers) total sales revenue/total market revenue

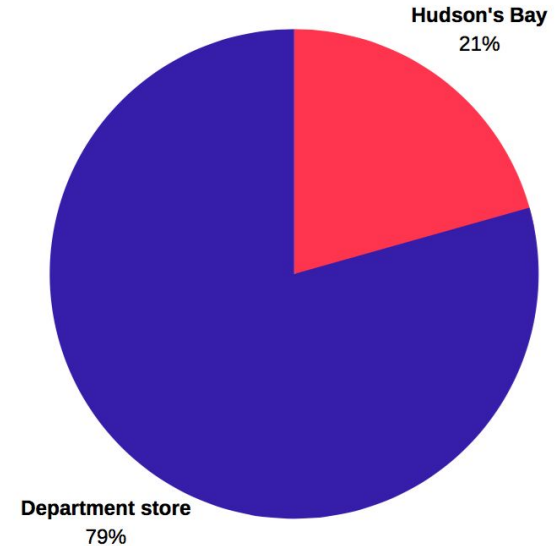
*From February 2017 to January 2018, Hudson's Bay sales revenue was 14,349 MCAD and according to statistics Canada, total sales revenue under Department store category in Canada for 2017 was 67,821 MCAD.

Market Share= (retailers) total sales revenue/total market revenue

$$= \$14,349/\$67,821$$

$$= \underline{21\%}$$

Size of the Business



\$6.4 BILLION
NORTH AMERICAN SALES

\$3.3 BILLION
CANADIAN SALES

STABLE CAPITAL STRUCTURE
US \$1.25 BILLION AND US \$400 MILLION
NON-RECOURSE MORTGAGES

2016 CONSOLIDATED ADJUSTED
EBITDAR OF \$1,353 MILLION AND
ADJUSTED **EBITDA OF \$636 MILLION**

US \$2.25 BILLION
GLOBAL ABL FACILITY

480
STORES
ACROSS LUXURY,
PREMIUM DEPARTMENT
STORE AND
OFF PRICE SEGMENTS

**TWO REAL ESTATE
JOINT VENTURES
WITH A COMBINED
ENTERPRISE VALUE
OF \$8 BILLION**

ONGOING **INITIATIVES**
TO IMPROVE OPERATIONAL
PERFORMANCE

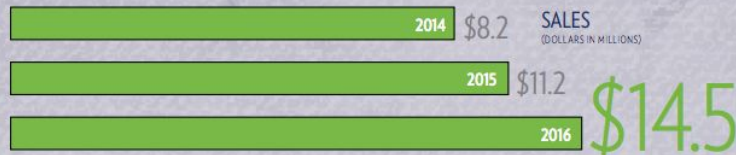
COMPARABLE **DIGITAL
SALES GROWTH** OF 16.6% AT
HBC'S DEPARTMENT STORE
BANNERS DURING 2016

\$4.8 BILLION
EUROPEAN SALES

PRUDENT CAPITAL INVESTMENT PROGRAM
FOCUSED ON TECHNOLOGY, STORE RENOVATIONS
AND NEW STORE OPENINGS

STRENGTHENING

OUR FOUNDATION



Number of stores

90 Hudson Bay full-line locations in Canada, one outlet store & 480 stores under HBC

Online Presence

- Detailed website, featuring all the different categories the company has to offer including sales within those categories
- Offer free shipping with purchases over a certain amount, next-day and three day shipping options available for a cost.
- Offer different delivery methods; parcel, curbside, in-home and shop online, pickup in store.

“HBC digital continues to show outstanding growth and we are already leveraging the team across the organization for this important channel,” said Baker, adding that HBC expects customers to increasingly do online shopping as it adds to its digital offerings.”- Hudson’s Bay chairman, Baker



Pricing Strategy

High /low pricing strategy is used as their merchandise is priced higher than that of competitors but through promotions, advertisements, and or coupons, lower prices are offered on key items. In this way, these promotional prices will bring in customers who enjoy shopping luxurious items and brands at a discounted price.

The lower promotional prices designed to bring customers to the organization where the customer is offered the promotional product as well as the regular higher priced products discounts

Fierce competition from massdiscounters such as Walmart and more recently from online giant Amazon. Since 2008 though the group has made a strong recovery under a new owner, selling off mass-market chain Zellers (to Target ironically) and acquiring high-end store Saks Fifth Avenue to focus more directly on better-off customers.

Hudson's Bay reported first-quarter net earnings of \$176 million, up from a net loss of \$22 million in the year ago period as retail sales jumped to \$1.85 billion, an increase of \$971 million year-over-year.

Digital sales, important to the company's future growth, were \$207 million in the quarter and included sales at Hudson's Bay Company, Saks and Lord & Taylor.

HB Target Customer

of Potential Customers:

- Total of 36 million people in Canada of which about 24 million are the ages of 15-64 which is the age range Hudson's Bay caters towards.

Demographic

- Ages 18-65
- Catered to women, men, young adults and children
- Have their own disposable income or rely on parents disposable income
- Live in the bigger urban cities where a Hudson's' Bay store is easily accessible

Psychographic

- Fashion forward and keep up with trends
- Luxury buyer
- Keeps up with social media, in-store events and promotions or deals
- Enjoys shopping at a multi-category store for themselves or for gifts

Behaviouristic

- Consumers who enjoy shopping for different merchandise categories
- Look for unique items that are considered expensive as the more expensive, the more special it is creating a greater demand

Competitive Advantage

- Well established brand identity/image
- Store in store- M.A.C. and Topshop/Topman
- HBC rewards offering a loyalty programs which promotes small discount with each purchase, invites customers to exclusive in store events, and accumulates points that add up to further discounts.
- Select locations offer tailoring services, optical offices, jewellery/watch repairs and hair salon services.
- Although their merchandise consists of several brands, they are known for frequent discounts which drive customers back to the store in order to get prestige brands at discounted prices.
- They offer something for everyone- women's, mens and children clothing, soft and home goods, accessories, shoes, and beauty.

Area of Business

Why Fragrance?



I chose to analyze the fragrance category within Hudson's Bay because it is a chance for me to explore a new area of the retail/fashion world that I have not explored yet. I am also interested in potentially working in the beauty industry which is the umbrella for cosmetics and fragrance.

From my research, I conclude that fragrance is a good area to focus on because it quite readily appeared on the "best sellers" and "top rated" lists. From personal experience, Hudson's Bay for many years has been a "go to" for fragrance shopping not only because of their extensive collection, also because of the probability they will be offering a promotional sale, coupon or discount code that reduces the cost of luxury goods. The fragrance section is always displayed on the first floor so it gets the most traffic and is placed at the center making it accessible from every entrance. They also strategically place a lot of sales associates in this area who are readily available to spray and promote certain fragrances, drawing customers in solely by the smell. Because of this, I presume that the fragrance category represents at least 5% of the company's total sales.

International Market Expansion

The Brazilian fragrance market increased 1.5% in 2016 to total US\$5.75bn maintaining its position as one of the largest fragrance markets in the world – and the largest when measured by volume of fragrance consumed per capita, thanks to its consumption of mass fragrances, according to Mintel data.

“Price plays a key role in the dominance of the mass segment in fragrances. It is the number one factor for consumers when buying a fragrance, followed by the scent and the brand name,” says Euromonitor.

- Largest fragrance market- meaning there is already a need/want for it in the market
- Brazilians use, on average, three times more fragrances by volume than consumers in the U.S. or Canada.
- The amount of people in Brazil is about 6 times the number of potential consumers in Canada.
- Hudson’s Bay will offer mid to high-end/prestige brands never before sold in the Brazilian market
- With the deals they offer, consumers will be attracted to buying fragrances for half of the cost as they are known as “bargain shoppers.”
- Only the companies listed below are the retailers that sell fragrances in Brazil, however they sell private label and not well-known brands except for Sephora.

Brazilian Fragrance Market is number 1 for scents in the world, with annual sales of about \$7 billion. Brazil accounts for more than 15% of global fragrance sales and in Latin America.

The logo for Pernambucanas, featuring the word "PERNAMBUCANAS" in bold, blue, uppercase letters on a yellow background with a blue triangle above it.The logo for Natura, featuring the word "natura" in lowercase, white, sans-serif font on a black background.The logo for oBoticário, featuring the word "oBoticário" in white, lowercase, sans-serif font on a red background.The logo for Marisa, featuring the word "marisa" in lowercase, pink, sans-serif font on a white background.

Laws

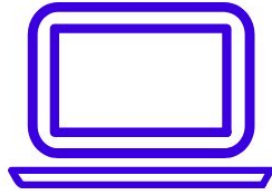
- The Ministry of Health controls the manufacture and import of all Toiletries, Perfumes and Cosmetics
- Products need to be registered with the National Agency of Health Surveillance, ANVISA, which regulates the production, import and trade of perfumes, cosmetics, toiletries, etc.
- They set the criteria or standard for the composition of the products, permitted and restricted ingredients, and the instructions for labeling amongst several other factors.

Agency	Scope
Brazilian Health Regulatory Agency (Anvisa)	Toiletries, Perfumes and Cosmetics sanitary regulation including: authorization of the operation of manufacturers and importers; good manufacturing practices; marketing authorization, post-market sanitary control and sanitary border control.
National Institute of Metrology, Quality and Technology (Inmetro)	Product safety, children's products, cosmetic packaging and labeling relating to weight and volume, unfair trade practices and product performance.
Brazilian Customs (Receita Federal Brasileira)	Border control and country of origin (for most imported products, licensing, and certification).
The Chief of Staff of the Presidency of the Republic (Casa Civil da Presidência da República)	Consumer Law.

Macro Trends

“The overall macro trend is greater movement of sales online, so I think we’re very well-positioned for that” - Baker

- Sustainable fashion
- Athleisure
- Healthy lifestyle
- Technology
- Political
- Overall retail experience



Fragrance Trends

- Lavender, Herbal, Citric, Fougere, Floral, Fruit, oriental Gourmand,
- Sensuality: Vanilla, Tonka Bean, Almonds, Chocolate.
- Re-launching of classics containing new scent



6 Month Plans

Topline 6 Month Plan

- Estimated overview of the numbers regarding sales, BOM & EOM, markdowns, employee discounts, and shortages based on Hudson's Bay Canada.
- Seasoned total figure was estimated using the third and fourth quarter sales, and assuming that fragrance makes up about 5% of total sales.
- Markdown percent and percent of sales is highest in November and December due to large sale events, and heavy customer traffic during holidays.
- Markdown percent at 25% as they use high-low pricing strategies with moderate to heavy discounts. Especially in November-december because of their Bay Day sales in November and boxing day sales in December.



Topline 6 Month Plan

	A	B	C	D	E	F	G	H	I	J	K	L
1			August	September	October	November	December	January	Season Totals			
2	BOM	Plan	\$451,993,500	\$538,087,500	\$584,147,790	\$1,613,401,560	\$1,988,771,400	\$527,325,750	\$5,703,727,500		Initial Markup %	46.0%
3		% Total	7.9%	9.4%	10.2%	28.3%	34.9%	9.2%	100.0%		Markdown %	25.0%
4	Sales	Plan	\$301,329,000	\$387,423,000	\$473,517,000	\$1,291,410,000	\$1,506,645,000	\$344,376,000	\$4,304,700,000		Employee Discount %	4.0%
5		% Total	7.0%	9.0%	11.0%	30.0%	35.0%	8.0%	100.0%		Shortage %	5.0%
6	Stock To Sales		1.5	1.4	1.2	1.2	1.3	1.5	1.3		Gross Margin %	29.1%
7	Markdowns	Plan	\$107,617,500	\$96,855,750	\$64,570,500	\$269,043,750	\$376,661,250	\$161,426,250	\$1,076,175,000		Inventory Turnover	2.7
8		% Total	10.0%	9.0%	6.0%	25.0%	35.0%	15.0%	100.0%		Average Stock	\$1,612,725,107
9	Employee Discounts	Plan	\$25,828,200	\$34,437,600	\$22,384,440	\$20,662,560	\$51,656,400	\$17,218,800	\$172,188,000			
10		% Total	15.0%	20.0%	13.0%	12.0%	30.0%	10.0%	100.0%		Gross Margin \$	\$1,253,743,875
11	Shortages	Plan	\$27,980,550	\$30,132,900	\$34,437,600	\$43,047,000	\$64,570,500	\$15,066,450	\$215,235,000			
12		% Total	13.0%	14.0%	16.0%	20.0%	30.0%	7.0%	100.0%			
13	Purchase at Retail	Plan	\$548,849,250	\$594,909,540	\$1,624,163,310	\$1,999,533,150	\$538,087,500	\$344,376,000	\$5,649,918,750			
14		% Total	9.7%	10.5%	28.7%	35.4%	9.5%	6.1%	100.0%			
15	Purchase at Cost	Plan	\$296,378,595	\$321,251,152	\$877,048,187	\$1,079,747,901	\$290,567,250	\$185,963,040	\$3,050,956,125			
16		% Total	9.7%	10.5%	28.7%	35.4%	9.5%	6.1%	100%			
17	EOM	Plan	\$538,087,500	\$584,147,790	\$1,613,401,560	\$1,988,771,400	\$527,325,750	\$333,614,250	\$5,585,348,250			
18		% Total	9.6%	10.5%	28.9%	35.6%	9.4%	6.0%	100.0%			

New Location 6 Month Plan

- Open the store in Sao Paulo, Brazil
- Estimated overview of the numbers regarding sales, BOM & EOM, markdowns, employee discounts, and shortages based Hudson's Bay Canada with minor adjustments.
- Season total figure was estimated using the third and fourth quarter sales used in original six month with the assumption that Brazillian sales could potentially makeup estimated 1.1% of total sales.
- I chose to double this number to 3% of total sales because not only is Brazil the number one country for fragrance use but there are also 207 million people of which 143 million make up my consumer segment with ages 18-64 (6 times the number of the Canadian consumer).
- The percent of sales slightly higher during the warmer months of August and September as with hotter weather, the consumer is more likely to shower more often using fragrance more than the usual three times a day.
- Highest percentages in sales and markdown similar to the original six month plan known for their frequent sales such as Boxing Day and Bay Day sale events and heavy traffic months.



New Location 6 month plan

	A	B	C	D	E	F	G	H	I	J	K	L
1			August	September	October	November	December	January	Season Totals			
2	BOM	Plan	\$19,371,150	\$22,018,541	\$24,885,471	\$42,913,554	\$53,528,945	\$17,434,035	\$180,151,695		Initial Markup %	46.0%
3		% Total	10.8%	12.2%	13.8%	23.8%	29.7%	9.7%	100.0%		Markdown %	20.0%
4	Sales	Plan	\$12,914,100	\$15,496,920	\$19,371,150	\$32,285,250	\$38,742,300	\$10,331,280	\$129,141,000		Employee Discount%	4.0%
5		% Total	10.0%	12.0%	15.0%	25.0%	30.0%	8.0%	100.0%		Shortage %	5.0%
6	Stock To Sales		1.5	1.4	1.3	1.3	1.4	1.7			Gross Margin %	33.2%
7	Markdowns	Plan	\$2,582,820	\$2,324,538	\$1,549,692	\$6,457,050	\$9,039,870	\$3,874,230	\$25,828,200		Inventory Turnover	2.6
8		% Total	10.0%	9.0%	6.0%	25.0%	35.0%	15.0%	100.0%		Average Stock	\$50,503,355
9	Employee Discounts	Plan	\$774,846	\$1,033,128	\$671,533	\$619,877	\$1,549,692	\$516,564	\$5,165,640			
10		% Total	15.0%	20.0%	13.0%	12.0%	30.0%	10.0%	100.0%		Gross Margin \$	\$42,842,527
11	Shortage	Plan	\$839,417	\$903,987	\$1,033,128	\$1,291,410	\$1,937,115	\$451,994	\$6,457,050			
12		% Total	13.0%	14.0%	16.0%	20.0%	30.0%	7.0%	100.0%			
13	Purchase at Retail	Plan	\$19,758,573	\$22,625,503	\$40,653,587	\$51,268,977	\$15,174,068	\$10,331,280	\$159,811,988			
14		% Total	12.4%	14.2%	25.4%	32.1%	9.5%	6.5%	100.0%			
15	Purchase at Cost	Plan	\$10,669,629	\$12,217,772	\$21,952,937	\$27,685,248	\$8,193,996	\$5,578,891	\$86,298,473			
16		% Total	12.4%	14.2%	25.4%	32.1%	9.5%	6.5%	100%			
17	EOM	Plan	\$22,018,541	\$24,885,471	\$42,913,554	\$53,528,945	\$17,434,035	\$12,591,248	\$173,371,793			
18		% Total	12.7%	14.4%	24.8%	30.9%	10.1%	7.3%	100.0%			

How This Location Fits Into Your Overall Plan for the Company

Based on these numbers alone, and across all the research I have come across, Brazil is considered a prime location for a fragrance market with room for further improvement. The plan for the company is to expand its global presence in order to further develop its brand identity across different markets.

Currently, there are only about 5 retailers that offer fragrances, however these stores solely offer their private label products. One of the only locations that offer a wide variety of brands for both men and women is Sephora. Brazilians are bargain shoppers and so Hudson's Bay can offer frequent sales that Sephora simply can't.

With a 207 million people living in Brazil and only 36 million living in Canada the number of potential customers is very promising. In my consumer segment alone, 18-65 years the numbers in Brazil is 143 million while in Canada it is only 24 million, giving Hudson's Bay a solid opportunity for further expansion.



The Canadian Consumer

- 36 million people- 24 million ages 15-64
- Willing to pay more for quality, prestige cosmetics/fragrances and won't make sacrifices when it comes to budgeting for luxurious items
- Will cut down on extra spendings to have enough money for luxurious items
- Most prominent customers live in Atlantic Canada and British Columbia.
- Have their own disposable income to spend on luxurious products.
- The younger generation Enjoy exploring new fragrances instead of stick to one signature fragrance
- Most likely to shop at department stores such as Hudson's Bay for cosmetic and fragrance purchases.



The Brazilian Consumer

- 207 million people- 143 million ages 15-64
- Passionate about fragrances as a whole
- Uses fragrances as a way to signal their personal hygiene
- Motivated by sexuality
- Want to be seen as elegance and sophisticated
- Since purchasing has been on the rise for the past several years and continues to be, price is no considerable factor when investing in fragrances.
- Disposable income to afford luxurious products and enjoys bargain buys
- Women enjoy more floral smells, while men enjoy a rustic- wood, leather and amber smell which shows sensual virility.
- North and Northeast regions has hottest climate, meaning people in that area shower most often and use fragrances up to three times a day.



“ I am poor, but I’m pretty clean.”

Pricing Strategies

- While expanding the brand identity of the company into new international locations, it is important to remain true to Hudson's Bay mission, core values and pricing strategy.
- Because of this, and the fact that the Brazilian consumer is a "bargain shopper," the pricing will remain high/low, offering mid to high end/prestige brands with frequent sales and discounts allowing the Brazilian consumer buy their favourite luxurious brands at a discounted price.
- Price (without discounts) ranges from \$20.00 to \$690.00 Canadian dollars which translates into 55 to 1,902 Brazilian Real.
- Discounts and promotional deals are frequent and include large events such as Bay Day sales which consists of a week of sales in every category, One day sales, Friends & Family discounts for members and holiday sales such as Boxing Day, Black Friday, Cyber Monday etc.

HUDSON'S BAY
APRIL 11-17, 2014

LOVE DEX AND STYLE&CO. LOVE THEM AT 40% OFF
See page 2 for details.

SO MUCH TO love

bay days

LOVE OUR LOWEST PRICES OF THE SEASON

30% off women's shoes and sandals <small>almost any style 3 or more pairs. See page 8 for details. 006600049304</small>	\$14* Lagostina 8" Ambiente non-stick frying pan <small>Reg. \$39.99 (0030302005) 85% off all other LAGOSTINA non-stick frying pans.</small>	75% off London Fog luggage <small>Newbury Line and Country Collections. Reg. \$26 to \$339. Sale \$19 to \$102.50. #14272870. Excludes coats.</small>
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THEY'RE HERE! OUR FAMOUS

ONE DAY SALES

SHOP.THEBAY.COM

HUDSON'S BAY

Our Lowest Prices of the Season
bay days
shop all sales

HUDSON'S BAY NOVEMBER 24 TO NOVEMBER 30

BLACK FRIDAY WEEKEND SALE

FRIDAY, NOVEMBER 24

FREE SHIPPING AT THEBAY.COM ON ANY PURCHASE
No minimum spend required. See online for details.

SAVE UP TO \$109

FRIDAY, NOVEMBER 24 TO SUNDAY, NOVEMBER 26, 2017

ENDS SUNDAY, APRIL 3

FRIENDS & FAMILY

SAVE AN EXTRA 20%
on almost anything online and in stores with your Hudson's Bay MasterCard® or Hudson's Bay Credit Card.

SAVE AN EXTRA 15%
on your purchase without a Hudson's Bay MasterCard® or Hudson's Bay Credit Card.

SAVE AN EXTRA 10%
on regular-priced, sale and clearance furniture, mattresses, major and small appliances, patio, personal care electric, vacuums, coffee/tea/cookware, bakeware and gadgets with any tender.

USE CODE **FRIENDS**

[SHOP NOW](#)

Inventory Levels



- In both plans, percent of sales and markdowns is highest in the peak months of November and December due to big sale events and holiday season traffic, meaning BOM stock levels is also highest in these months in order to have sufficient inventory levels during high season months.
- The lowest amount of stock in both plans is in the month of January as sales greatly decline with consumers recovering from holiday shopping and retailer's getting rid of of last year's stock.
- A Potential threat or factor to considers with inventory levels in the new location could be in the beginning months where the company is penetrating the market for the first time. However I believe the numbers will not be any lower because it is something never before seen, and is a retailer the Brazilian customer will be excited for.

Assortment
Plan &
Purchase
Order

Assortment Plan

In the following assortment plan, I elected three brands of which Hudson's Bay features in their fragrances category. These brands are not only known for their quality, but are characterized as the top-selling or most popular fragrance brands the store has to offer. Because of this, I chose *Yves Saint Laurent*, *Dior*, and *Giorgio Armani*. Collectively, the assortment plans breaks down each brand by size (ml), scent and product type. The cover sheet below presents the data of the purchases at cost outlined in the new location 6 month plan and the percent/dollar amount that each brand represents in order to reach the budget for OTB.

Budget	\$86,298,473	
Brands	%	\$
YSL	41.60%	\$35,900,164
<i>Giorgio Armani</i>	29.20%	\$25,199,154
<i>Dior</i>	29.20%	\$25,199,154

Inventory Needed to Carry

- Budget for each brand is \$35,900,164, for YSL, and \$25,199,154 for Giorgio Armani and Dior.
- With this budget and the Unit cost averaging at \$68.00 (based off 40% markup) then units needed for YSL is 527944, and 370576 for Giorgio Armani and Dior.

Average Inventory/average unit

- 102,949 units for YSL
- 73,343 for Giorgio Armani and Dior

Projected Sales

- Based of the new location 6 month plan, projected sales will be a total of \$129,141,000 with the highest months totaling \$32,285,250 in November and \$38,742,300 in December

Yves Saint Laurent

YSL ASSORTMENT PLAN							
Budget	\$35,900,164						
Unit Cost	\$68.00						
Units Needed	527944						
Size Distribution (ml)	%						
50ml	50%						
75ml	10%						
100ml	40%						
Scent Distribution	%	# of items					
Floral	25%	12					
Fresh	6%	3					
Fruity	4%	2					
Warm & Spicy	35%	17					
Woody & Earthy	30%	15					
		49					
Product Type Assortment	%	# of items					
Eau De Cologne	7%	4					
Eau De Parfum	50%	25					
Eau De Toilette	36%	19					
Fragrance Sets	7%	4					
		52					
Product Type	Size	Floral	Fresh	Fruity	Warm & Spicy	Woody & Earthy	TOTALS
Eau de Cologne	50 ml	4620	1109	739	6467	5543	18478
	75 ml	924	222	148	1293	1109	3696
	100 ml	3696	887	591	5174	4435	14782
Eau de Parfum	50 ml	32996	7919	5279	46195	39596	131986
	75 ml	6599	1584	1056	9239	7919	26397
	100 ml	26397	6335	4224	36956	31677	105589
Eau de Toilette	50 ml	23757	5702	3801	33260	28509	95030
	75 ml	4751	1140	760	6652	5702	19006
	100 ml	19006	4561	3041	26608	22807	76024
Fragrance Sets	50 ml	4620	1109	739	6467	5543	18478
	75 ml	924	222	148	1293	1109	3696
	100 ml	3696	887	591	5174	4435	14782
TOTALS		131986	31677	21118	184780	158383	527944

Dior

Dior ASSORTMENT PLAN									
Budget	\$25,199,154								
Unit Cost	\$68.00								
Units Needed	370576								
Size Distribution (ml)	%								
50ml	50%								
75ml	10%								
100ml	40%								
Scent Distribution	%	# of Items							
Aquatic	3%	1							
Citrus	12%	4							
Floral	48%	16							
Fresh	6%	2							
Fruity	9%	3							
Warm & Spicy	12%	4							
Woody & Earthy	9%	3							
									33
Product Type Assortment	%	# of Items							
Eau De Cologne	5%	2							
Eau De Parfum	27%	10							
Eau De Toilette	57%	21							
Fragrance Sets	11%	4							
									37
Product Type	Size	Aquatic	Citrus	Floral	Fresh	Fruity	Warm & Spicy	Woody & Earthy	TOTALS
Eau de Cologne	50 ml	304	1214	4856	607	911	1214	911	10016
	75 ml	61	243	971	121	182	243	182	2003
	100 ml	243	971	3885	486	728	971	728	8012
Eau de Parfum	50 ml	1518	6070	24280	3035	4553	6070	4553	50078
	75 ml	304	1214	4856	607	911	1214	911	10016
	100 ml	1214	4856	19424	2428	3642	4856	3642	40062
Eau de Toilette	50 ml	3187	12747	50988	6374	9560	12747	9560	105163
	75 ml	637	2549	10198	1275	1912	2549	1912	21033
	100 ml	2549	10198	40791	5099	7648	10198	7648	84131
Fragrance Sets	50 ml	607	2428	9712	1214	1821	2428	1821	20031
	75 ml	121	486	1942	243	364	486	364	4006
	100 ml	486	1942	7770	971	1457	1942	1457	16025
TOTALS		11230	44918	179673	22459	33689	44918	33689	370576

Yves Saint Laurent

PURCHASE ORDER				
		DATE	05/23/2018	
		PO #	132551	
Hudson's Bay				
Address: 8925 Torbram Road Brampton, ON L6T 4G1		SHIP TO		
Phone: (905) 792-4400		Hudson's Bay International		
Website: www.thebay.com		Address: 313 Marina Way Sao Paulo, Brazil L6T 4G1		
Beauty Department- Fragrance		Phone: (801) 546-8907		
VENDOR				
Yves Saint Laurent				
Fragrance Department				
Address: 7, Avenue George V Paris, France 75008				
Phone: 33 1 56 62 64 00				
Fax: 33 1 56 62 65 06				
Brand	SHIP VIA	F.O.B	SHIPPING TERMS	
Yves Saint Laurent	Container Shipping by Sea	F.O.B Factory	HB takes title of merchandise & pays transportation costs 2/10 N30	
ITEM #	DESCRIPTION	QTY	UNIT PRICE (at cost)	TOTAL
600087189426	Black Opium Eau De Parfum 50ml	480	\$44.00	\$21,120.00
600087189426	Black Opium Eau De Parfum 90ml	430	\$60.00	\$25,800.00
600090124675	L'Homme Cologne Bleue Eau De Toilette 100ml	150	\$48.00	\$7,200.00
600088622675	Mon Paris Eau De Parfum 50ml	400	\$46.00	\$18,400.00
600086492977	L'Homme Parfum Intense 100ml	230	\$52.00	\$11,960.00
600087099021	M7 Oud Absolu 80ml	140	\$54.00	\$7,560.00
600032914418	Opium Eau De Parfum 50ml	500	\$46.00	\$23,000.00
600032914418	Opium Eau De Parfum 90ml	450	\$58.00	\$26,100.00
ADDITIONAL COMMENTS OR SPECIAL INSTRUCTIONS			SUBTOTAL	\$141,140.00
Fragile products, Handle with care			TAX	\$35.00
			SHIPPING	\$10.50
			OTHER	\$20.00
			TOTAL	\$141,205.50

Integrated Marketing Plan

Integrated Marketing Plan

Objectives:

- Penetrate the Brazilian fragrance market by featuring *Hudson's Bay* prestigious, exclusive and quality brands
- Generate a revenue of \$129,141,000 for Hudson's Bay within the first six months
- Become a leading department store within the market featuring luxurious fragrance brands with frequent discounts
- Introduce Hudson's Bay as an international retailer and broaden brand identity by continuing to focus on company's vision and goals
- Make 60% target customers aware of upcoming promotional events and exclusive deals happening at the store
- Opportunity to increase sales weekly (1%-3%) in the fragrance department with twice the amount of potential customers

Budget:

- Total Budget of \$86,298,473 for purchases at cost
- Individual budgets for YSL \$35,900,164, Giorgio Armani \$25,199,154 and Dior \$25,199,154 respectively
- Budget of \$6,457,050 for marketing and promotional activities (5% of total sales)
- Co-Op advertising with these respective brands to promote their fragrances at our stores

Merchandise

- Start with three main brands; Yves Saint Laurent, Giorgio Armani, and Dior
- Within these brands purchases will be towards Eau de Parfums, Eau De Cologne, Eau De Toilette and lastly, fragrance sets
- Align with six month plan to ensure the necessary amount of stock is available during peak months
- Based on assortment plan and including all four product categories (Eau De Cologne, Eau de Parfum, Eau De Toilette & fragrance sets) there would be 527,944 units needed for YSL and 370,576 units for both Giorgio Armani and Dior.
- These brands will have a distinct appeal as in Brazil they aren't commonly seen in retailers
- The items offered are the newest, and most on trend fragrances according Hudson's Bay best-selling and most-popular list attracting immediate interest to the Brazilian consumer.

Schedule for Promotional Events & Sales According to Brazil's National Holidays

SCHEDULE (based on 6 month plan)					
Month	Season/Holiday	Events	Initiatives	Sales	Top Performers
August	End of Summer/Back to School	One Day Sale event	One day sale event offering a discount on select merchandise	Increased sales over this period of time due to heavy traffic and sale events	Fragrances and Beauty due to hottest month
September	Back to School/Independence Day	Back to school Sale	Offer discount of 20-30% off select apparel		Clothing, backpacks, school supplies and beauty
October	Halloween/Lady of Aparecida/Civil Servants Day	Winter Beauty Gala	In-store event to promote beauty products featuring cocktails, makeovers and exclusive discounts		All categories
November	All Souls Day/Republic Day/Zumbi dos Palmares	Bay Day sale event	Lowest prices of the season		All categories due to holiday season
December	Christmas Eve/Christmas Day/New Years Eve	Holiday Sales	Promote all categories of merchandise with respective discounts		All categories due to holiday season
January	New Years Day	Closed	Stat holiday		-

Integrated Marketing Plan Contd.

Message:

- Through the use of the following promotional activities, the importance of opening Hudson's Bay first international will be outlined with the importance placed on exclusive fragrance brands.
- Billboards, print advertising and visual display will cater to the older crowd who prefers to physically look at the merchandise where as social media marketing will cater to the younger crowd to stay on trend.
- Emphasize not only the arrival of these prestigious fragrance brands in the new market, but also the importance of Hudson's Bay in-store events and frequent deals that are famously known for drawing in customers.

Promotional Activities

- Video shoot to advertise opening on Youtube, Instagram, TV, radio, magazines, billboards and newspapers
- Opening day in-store event
- E-mail marketing, Social media marketing (facebook, Twitter, Instagram)
- All events outline in the schedule will be promoted through these outlets to drive customers into the store
- Thoroughly train employees on brand identity, events and on understanding the product to be able to give all relevant information to the customer
- All sale events, and beauty gala events will happen in store
- Keep records of what sold the best during these events and any special circumstances that could've altered these conditions along with unit sales and dollar volume that resulted from the events.
- These promotional activities will best promote the new launch and engage the brand in the new international market and will be catered towards the audience of ages 18-65 (as fragrance is a broad category).

In-Store Events



HUDSON'S BAY SPRING BEAUTY GALA

SATURDAY, APRIL 23 • 10AM-6PM

Grand Prize
\$500 Fashion Shopping Spree

2nd Prize
\$200 Footwear Voucher

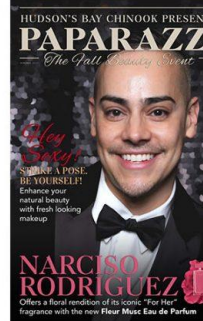
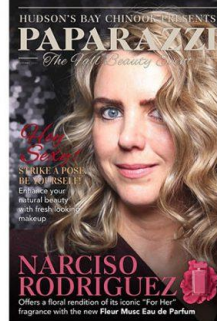
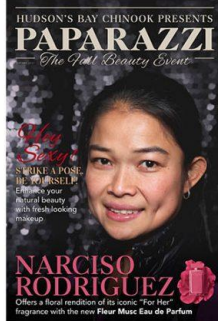
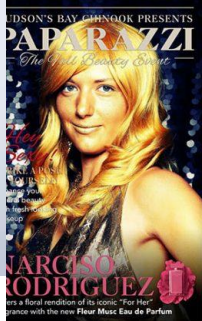
3rd Prize
Clinique Sonic Brush

**EARLYBIRD
TICKET PRICE
DRAW
VALUED AT \$800**

Tickets \$10
\$8 redeemable for one fragrance
or cosmetic purchase.

BEAUTY GIVES BACK 
\$2 FROM EVERY TICKET SOLD
WILL BENEFIT BEAUTY GIVES BACK™.

- Lots More Prizes!
- Gift With Purchase
- Spring Makeovers
- 1 on 1 Consultations
- Fashion Show
- Refreshments



1-877-8271 to reserve your tickets

Promotional Visual Displays



Social Media

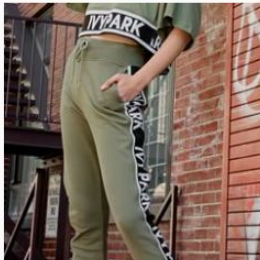


hudsonsbay Follow ...

4,372 posts 156k followers 424 following

Hudson's Bay Canada's destination for fashion and beauty. Join the conversation with #HBStyle
like2b.uy/hudsonsbay

Followed by edanarosee, katrina.martinez, slhpersonalstylists + 1 more



Integrated Marketing Plan Contd.

Evaluating Performance

- Consider the brands that are selling most and why
- Evaluate performance measure based on popularity of items, stock turnover and stock to sales ratio.
- Consider which specific products are selling the most
- I predict that *YSL* will be the most popular brand and will specifically do well with their *Black Opium* perfume as it is the most popular and most well-known fragrance.



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