



**COACH**  
NEW YORK

## Six Month Buying Plan

By Lydia Dizon and Mia Gutierrez

FASM 245 - 01

Professor Cohen







# Table of Contents

## Part I Review

History

Mission

Size & Scope

Sales

Competitors

## Part II Review

SWOT

External Impacts

## Six Month Buying Plan

Corporate Plan

6 Month Buying Plan

Product Assortment

Example

Flagship

Small Store





©2016 COACH®



# PART I REVIEW



History



Mission



Size & Scope



Sales



Competitors





History



Mission



Size & Scope



Sales



Competitors



Founded in 1941

New York City

Pioneers



History



Mission



Size & Scope



Sales



Competitors



“To become the  
company that  
defines global  
modern luxury.”



History



Mission



Size & Scope



Sales



Competitors



430 U.S. Stores  
+ 16k Employees  
3% of U.S. L.L.G.



History



Mission



Size & Scope



Sales



Competitors



\$4.4B Annually

53% Handbags

Markdowns



History



Mission



Size & Scope



Sales



Competitors



Michael Kors

~~Kate Spade~~

Louis Vuitton





# PART II

## REVIEW



Strengths



Weaknesses



Opportunities



Threats



External Impacts





Strengths



Weaknesses



Opportunities



Threats



External Impacts



Rebranding

Heritage

Pricing

Loyal Customers



Strengths



Weaknesses



Opportunities



Threats



External Impacts



Department Stores

No Technology

Scarce Soc. Media

Whitespace



Strengths



Weaknesses



Opportunities



Threats



External Impacts



Phygital Era

L.L.G. Mkt. Growth

Influencers

Kate Spade



Strengths



Weaknesses



Opportunities



Threats



External Impacts



Low Tourist Rate  
Competition Prices  
Economic State  
Kate Spade



Strengths



Weaknesses



Opportunities



Threats



External Impacts



Economy

E-Commerce

Wholesale Store #

Department Stores





# SIX MONTH BUYING PLAN









Coach Company S/S 2018	(in millions)
Planned Sales for Period	\$2.27m
Sales (LY)	\$2.18m
Planned Increase %	4%
Initial Markup %	85%
Planned Reductions %	15%
	\$0.34m
Planned Ecommerce Sales %	15%
	\$0.34m
Planned Store Sales %	55%
	\$1.25m
Planned Wholesale Sales %	30%
	\$0.68m
Turn	2.44







Coach Company S/S 2018	(in millions)
Planned Sales for Period	\$2.27m
Sales (LY)	\$2.18m
Planned Increase %	4%
Initial Markup %	85%
Planned Reductions %	15%
	\$0.34m
Planned Ecommerce Sales %	15%
	\$0.34m
Planned Store Sales %	55%
	\$1.25m
Planned Wholesale Sales %	30%
	\$0.68m
Turn	2.44

*Ecommerce is the smallest  
source of sales for Coach*







Coach Company S/S 2018	(in millions)
Planned Sales for Period	\$2.27m
Sales (LY)	\$2.18m
Planned Increase %	4%
Initial Markup %	85%
Planned Reductions %	15%
	\$0.34m
Planned Ecommerce Sales %	15%
	\$0.34m
Planned Store Sales %	55%
	\$1.25m
Planned Wholesale Sales %	30%
	\$0.68m
Turn	2.44

*Ecommerce is the smallest  
source of sales for Coach*

*Shrinking presence in  
wholesale stores*







Coach Company S/S 2018	(in millions)
Planned Sales for Period	\$2.27m
Sales (LY)	\$2.18m
Planned Increase %	4%
Initial Markup %	85%
Planned Reductions %	15%
	\$0.34m
Planned Ecommerce Sales %	15%
	\$0.34m
Planned Store Sales %	55%
	\$1.25m
Planned Wholesale Sales %	30%
	\$0.68m
Turn	2.44

*Ecommerce is the smallest  
source of sales for Coach*

*Shrinking presence in  
wholesale stores*

*Our main focus for this  
buying plan*







# Six Month Buying Plan North America Handbags

This buying plan is  
for Coach Women's  
Handbags in North  
America for the  
S/S '18 season.

(\$ millions)





This buying plan is  
for Coach Women’s  
Handbags in North  
America for the  
S/S ‘18 season.  
(\$ millions)

Planned Sales for Period	\$660.9
Sales (LY)	\$520
Planned Increase %	27%
Planned EOM for Period	\$278.9
Initial Markup %	85%
Planned Reductions %	15%
Planned Reductions \$	\$99.1





This buying plan is  
for Coach Women's  
Handbags in North  
America for the  
S/S '18 season.  
(\$ millions)

Planned Sales for Period	\$660.9
Sales (LY)	\$520
Planned Increase %	27%
Planned EOM for Period	\$278.9
Initial Markup %	85%
Planned Reductions %	15%
Planned Reductions \$	\$99.1



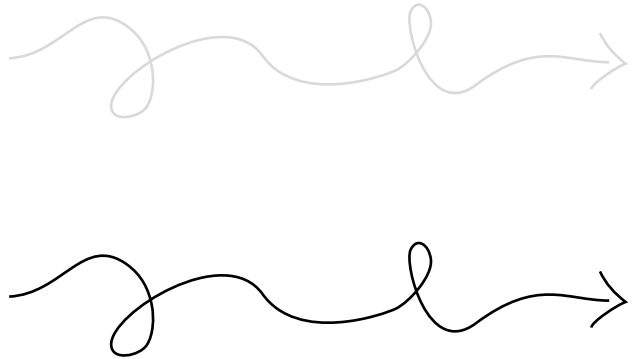
*53% of Coach's sales is  
from women's handbags*





This buying plan is  
for Coach Women's  
Handbags in North  
America for the  
S/S '18 season.  
(\$ millions)

Planned Sales for Period	\$660.9
Sales (LY)	\$520
Planned Increase %	27%
Planned EOM for Period	\$278.9
Initial Markup %	85%
Planned Reductions %	15%
Planned Reductions \$	\$99.1



*53% of Coach's sales is  
from women's handbags*

*U.S. LLG Market is  
expected to grow 3%*





Planned Sales for Period	\$660.9		FEB	MAR	APR	MAY	JUNE	JULY	TOTAL
Sales (LY)	\$520	Sales Distribution	15%	10%	10%	20%	25%	20%	100%
Planned Increase %	27%	Stock-Sales Ratio	2.3	2.3	2.4	2.4	2.4	2.8	
Planned EOM for Period	\$278.9	Reductions Distribution	15%	10%	10%	10%	25%	30%	100%
Initial Markup %	85%								
Planned Reductions %	15%	Planned Monthly Sales	\$99.1	\$66.1	\$66.1	\$132.2	\$165.2	\$132.2	\$660.9
Planned Reductions \$	\$99.1	Planned Monthly BOM	\$228.0	\$152.0	\$158.6	\$317.1	\$396.5	\$370.1	\$270.4 (avg.)
		Planned Monthly EOM	\$152.0	\$158.6	\$317.2	\$396.5	\$370.1	\$278.9	\$278.9 (avg.)
		Planned Monthly Reductions	\$14.9	\$6.6	\$6.6	\$13.2	\$41.3	\$39.7	\$122.3
		Planned Purchases at Retail	\$38.0	\$79.3	\$231.3	\$224.7	\$180.1	\$80.6	\$834.0
		Planned Purchases at Cost	\$32.3	\$67.4	\$196.6	\$191.0	\$153.1	\$68.5	\$708.9





# Six Month Buying Plan North America Handbags

Planned Sales for Period	\$660.9		FEB	MAR	APR	MAY	JUNE	JULY	TOTAL
Sales (LY)	\$520	Sales Distribution	15%	10%	10%	20%	25%	20%	100%
Planned Increase %	27%	Stock-Sales Ratio	2.3	2.3	2.4	2.4	2.4	2.8	
Planned EOM for Period	\$278.9	Reductions Distribution	15%	10%	10%	10%	25%	30%	100%
Initial Markup %	85%								
Planned Reductions %	15%	Planned Monthly Sales	\$99.1	\$152.0	\$66.1	\$132.2	\$165.2	\$132.2	\$660.9
Planned Reductions \$	\$99.1	Planned Monthly BOM	\$228.0	\$152.0	\$158.6	\$317.1	\$396.5	\$370.1	\$270.4 (avg.)
		Planned Monthly EOM	\$152.0	\$158.6	\$317.2	\$396.5	\$370.1	\$278.9	\$278.9 (avg.)
		Planned Monthly Reductions	\$14.9	\$6.6	\$6.6	\$13.2	\$41.3	\$39.7	\$122.3
		Planned Purchases at Retail	\$38.0	\$79.3	\$231.3	\$224.7	\$180.1	\$80.6	\$834.0
		Planned Purchases at Cost	\$32.3	\$67.4	\$196.6	\$191.0	\$153.1	\$68.5	\$708.9

Coach's Summer Sale  
is in June





# Six Month Buying Plan

## North America Handbags

Planned Sales for Period	\$660.9		FEB	MAR	APR	MAY	JUNE	JULY	TOTAL
Sales (LY)	\$520	Sales Distribution	15%	10%	10%	20%	25%	20%	100%
Planned Increase %	27%	Stock-Sales Ratio	2.3	2.3	2.4	2.4	2.4	2.8	
Planned EOM for Period	\$278.9	Reductions Distribution	15%	10%	10%	10%	25%	30%	100%
Initial Markup %	85%								
Planned Reductions %	15%	Planned Monthly Sales	\$99.1	\$66.1	\$66.1	\$132.2	\$165.2	\$132.2	\$660.9
Planned Reductions \$	\$99.1	Planned Monthly BOM	\$228.0	\$152.0	\$158.6	\$317.1	\$396.5	\$370.1	\$270.4 (avg.)
		Planned Monthly EOM	\$152.0	\$158.6	\$317.2	\$396.5	\$370.1	\$278.9	\$278.9 (avg.)
		Planned Monthly Reductions	\$14.9	\$6.6	\$6.6	\$13.2	\$41.3	\$39.7	\$122.3
		Planned Purchases at Retail	\$38.0	\$79.3	\$231.3	\$224.7	\$180.1	\$80.6	\$834.0
		Planned Purchases at Cost	\$32.3	\$67.4	\$196.6	\$191.0	\$153.1	\$68.5	\$708.9



This buying plan is for Coach Women’s Handbags  
in North America for the S/S ‘18 season.  
(\$ millions)

	% Total	Total Cost at Retail	Cost of Core Styles	Cost of Fashion Styles
Cross Body	24%	\$200.2	\$130.1	\$70.1
Shoulder	22%	\$183.5	\$119.3	\$64.2
Tote	15%	\$125.1	\$81.3	\$43.8
Satchel	15%	\$125.1	\$81.3	\$43.8
Clutch	14%	\$116.8	\$75.9	\$40.9
Misc.	10%	\$83.4	\$54.2	\$29.2
Total	100%	\$834.0	\$542.1	\$291.9





This buying plan is for Coach Women's Handbags  
in North America for the S/S '18 season.

(\$ millions)

	% Total	Total Cost at Retail	Cost of Core Styles	Cost of Fashion Styles
Cross Body	24%	\$200.2	\$130.1	\$70.1
Shoulder	22%	\$183.5	\$119.3	\$64.2
Tote	15%	\$125.1	\$81.3	\$43.8
Satchel	15%	\$125.1	\$81.3	\$43.8
Clutch	14%	\$116.8	\$75.9	\$40.9
Misc.	10%	\$83.4	\$54.2	\$29.2
Total	100%	\$834.0	\$542.1	\$291.9

Core style handbags sell  
the most versus Fashion  
style handbags

Product  
Assortment

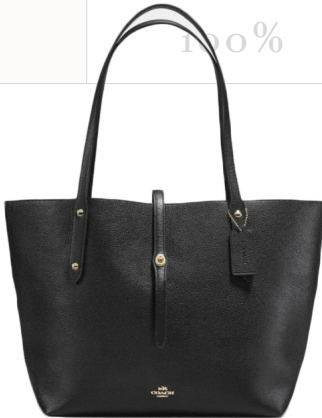


This buying plan is for Coach Women's Handbags  
in North America for the S/S '18 season.

(\$ millions)

	% Total	Total Cost at Retail	Cost of Core Styles	Cost of Fashion Styles
Cross Body	24%	\$200.2	\$130.1	\$70.1
Shoulder	22%	\$183.5	\$119.3	\$64.2
Tote	15%	\$125.1	\$81.3	\$43.8
Satchel	15%	\$125.1	\$81.3	\$43.8
Clutch	14%	\$116.8	\$75.9	\$40.9
Misc.	10%	\$83.4	\$54.2	\$29.2
Total	100%	\$834.0	\$542.1	\$291.9

Core style handbags sell  
the most versus Fashion  
style handbags



Product  
Assortment





This buying plan is for Coach Women's Handbags  
in North America for the S/S '10 season.  
(\$ millions)

*Cross Body is the most popular style of bag*

	% Total	Total Cost at Retail	Cost of Core Styles	Cost of Fashion Styles
Cross Body	24%	\$200.2	\$130.1	\$70.1
Shoulder	22%	\$183.5	\$119.3	\$64.2
Tote	15%	\$125.1	\$81.3	\$43.8
Satchel	15%	\$125.1	\$81.3	\$43.8
Clutch	14%	\$116.8	\$75.9	\$40.9
Misc.	10%	\$83.4	\$54.2	\$29.2
Total	100%	\$834.0	\$542.1	\$291.9





This buying plan is for Coach Women's Handbags  
in North America for the S/S '18 season.

(\$ millions)

*Cross Body is the most  
popular style of bag*

	% Total	Total Cost at Retail	Cost of Core Styles	Cost of Fashion Styles
Cross Body	24%	\$200.2	\$130.1	\$70.1
Shoulder	22%	\$183.5	\$119.3	\$64.2
Tote	15%	\$125.1	\$81.3	\$43.8
Satchel	15%	\$125.1	\$81.3	\$43.8
Clutch	14%	\$116.8	\$75.9	\$40.9
Misc.	10%	\$83.4	\$54.2	\$29.2
Total	100%	\$834.0	\$542.1	\$291.9

*Budget achieved!*







STYLE A



STYLE B



STYLE C



STYLE D

	% of Total Cross Body	FEB	MAR	APR	MAY	JUNE	JULY	TOTAL
STYLE A	15%	\$4.5	\$3.0	\$3.0	\$6.0	\$7.5	\$6.0	\$30.03
STYLE B	20%	\$6.0	\$4.0	\$4.0	\$8.0	\$10.0	\$8.0	\$40.03
STYLE C	10%	\$3.0	\$2.0	\$2.0	\$4.0	\$5.0	\$4.0	\$20.02
STYLE D	15%	\$4.5	\$3.0	\$3.0	\$6.0	\$5.0	\$6.0	\$30.03
TOTAL	60%	\$18.0	\$12.0	\$12.0	\$24.02	\$30.0	\$24.0	\$120.10





STYLE A



STYLE B



STYLE C



STYLE D

	% of Total Cross Body	FEB	MAR	APR	MAY	JUNE	JULY	TOTAL
STYLE A	15%	\$4.5	\$3.0	\$3.0	\$6.0	\$7.5	\$6.0	\$30.03
STYLE B	20%	\$6.0	\$4.0	\$4.0	\$8.0	\$10.0	\$8.0	\$40.03
STYLE C	10%	\$3.0	\$2.0	\$2.0	\$4.0	\$5.0	\$4.0	\$20.02
STYLE D	5%	\$2.0	\$3.0	\$3.0	\$6.0	\$5.0	\$6.0	\$30.03
TOTAL	60%	\$18.0	\$12.0	\$12.0	\$24.02	\$30.0	\$24.0	\$120.10

Example

Core Styles

Fashion Styles





Example



STYLE A



STYLE B



STYLE C



STYLE D

	% of Total Cross Body	FEB	MAR	APR	MAY	JUNE	JULY	TOTAL
STYLE A	15%	\$4.5	\$3.0	\$3.0	\$6.0	\$7.5	\$6.0	\$30.03
STYLE B	20%	\$6.0	\$4.0	\$4.0	\$8.0	\$10.0	\$8.0	\$40.03
STYLE C	10%	\$3.0	\$2.0	\$2.0	\$4.0	\$5.0	\$4.0	\$20.02
STYLE D	15%	\$4.5	\$3.0	\$3.0	\$6.0	\$5.0	\$6.0	\$30.03
TOTAL	60%	\$18.0	\$12.0	\$12.0	\$24.02	\$30.0	\$24.0	\$120.10

*(Style % x Total Cross Body budget) x Sales Distribution % per month*





STYLE A



STYLE B



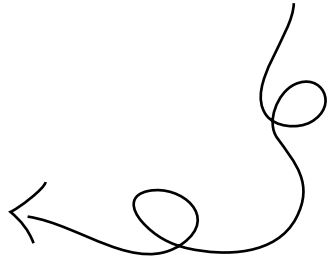
STYLE C



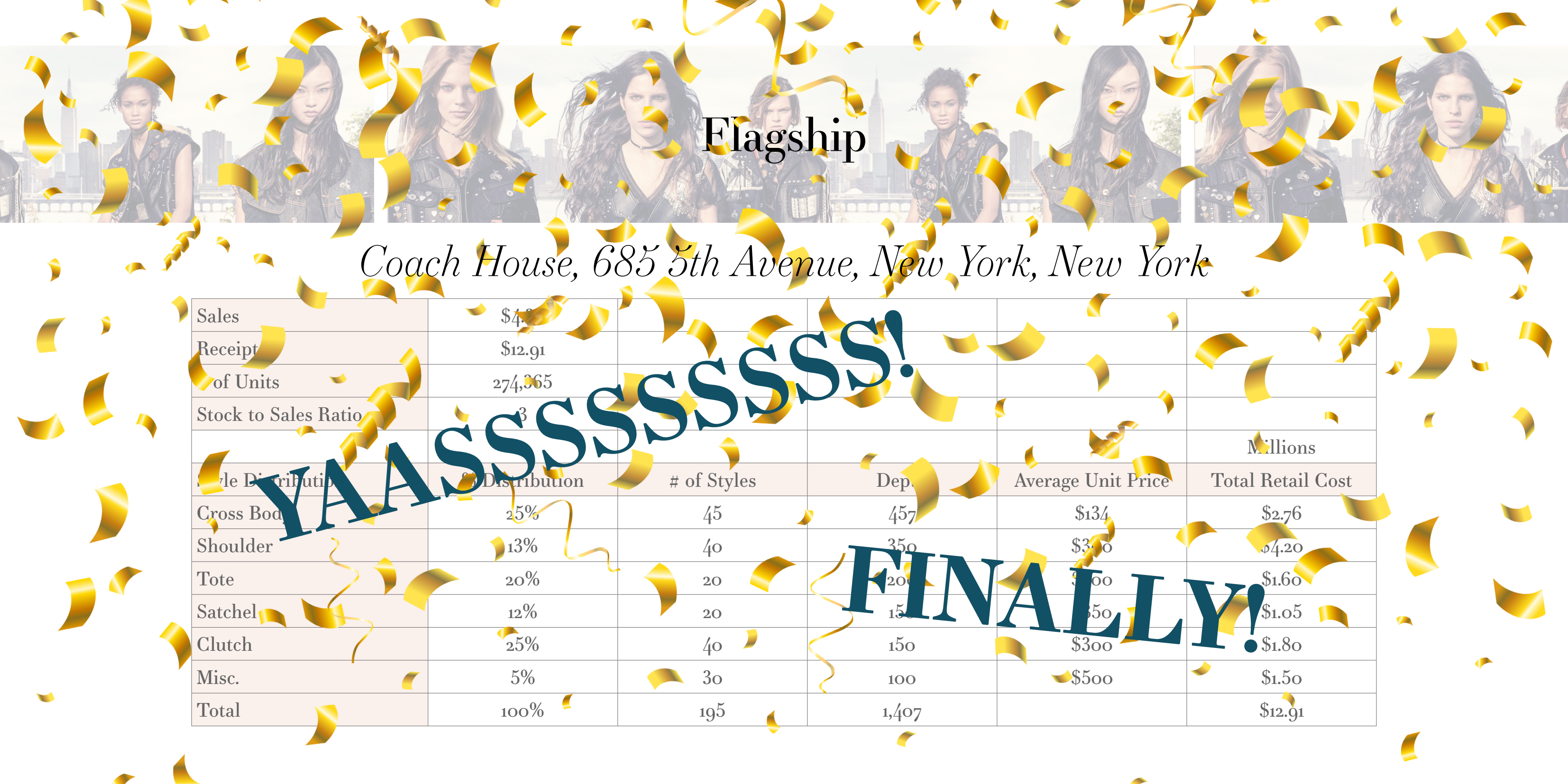
STYLE D

	% of Total Cross Body	FEB	MAR	APR	MAY	JUNE	JULY	TOTAL
STYLE A	15%	\$4.5	\$3.0	\$3.0	\$6.0	\$7.5	\$6.0	\$30.03
STYLE B	20%	\$6.0	\$4.0	\$4.0	\$8.0	\$10.0	\$8.0	\$40.03
STYLE C	10%	\$3.0	\$2.0	\$2.0	\$4.0	\$5.0	\$4.0	\$20.02
STYLE D	15%	\$4.5	\$3.0	\$3.0	\$6.0	\$5.0	\$6.0	\$30.03
TOTAL	60%	\$18.0	\$12.0	\$12.0	\$24.02	\$30.0	\$24.0	\$120.10

*This example is for 60% of the Cross Body purchases for S/S '18*







# Flagship

*Coach House, 685 5th Avenue, New York, New York*

Sales	\$4.8				
Receipt	\$12.91				
of Units	274,365				
Stock to Sales Ratio	3				
					Millions
Style Distribution	% Distribution	# of Styles	Dep	Average Unit Price	Total Retail Cost
Cross Bod	25%	45	457	\$134	\$2.76
Shoulder	13%	40	350	\$3.50	\$4.20
Tote	20%	20	200	\$1.00	\$1.60
Satchel	12%	20	150	\$1.50	\$1.05
Clutch	25%	40	150	\$3.00	\$1.80
Misc.	5%	30	100	\$5.00	\$1.50
Total	100%	195	1,407		\$12.91





*Coach House, 685 5th Avenue, New York, New York*

Sales	\$4.3o				
Receipts	\$12.91				
# of Units	274,365				
Stock to Sales Ratio	3				
Style Distribution	% Distribution	# of Styles	Depth	Average Unit Price	Total Retail Cost
Cross Body	25%	45	457	\$134	\$2.76
Shoulder	13%	4o	35o	\$3oo	\$4.2o
Tote	2o%	2o	2oo	\$4oo	\$1.6o
Satchel	12%	2o	15o	\$35o	\$1.o5
Clutch	25%	4o	15o	\$3oo	\$1.8o
Misc.	5%	3o	1oo	\$5oo	\$1.5o
Total	1oo%	195	1,4o7		\$12.91





## Coach House, 685 5th Avenue, New York, New York

Sales	\$4.3o				
Receipts	\$12.91				
# of Units	274,365				
Stock to Sales Ratio	3				
Style Distribution	% Distribution	# of Styles	Depth	Average Unit Price	Total Retail Cost
Cross Body	25%	45	457	\$134	\$2.76
Shoulder	13%	4o	35o	\$3oo	\$4.2o
Tote	2o%	2o	2oo	\$4oo	\$1.6o
Satchel	12%	2o	15o	\$35o	\$1.o5
Clutch	25%	4o	15o	\$3oo	\$1.8o
Misc.	5%	3o	1oo	\$5oo	\$1.5o
Total	1oo%	195	1,4o7		\$12.91

*2.8x larger than the average  
Coach store\**

*\* The average  
Coach store's  
sales is \$1.54 M.  
(450 U.S. stores).*





Coach House, 685 5th Avenue, New York, New York

Sales	\$4.30				
Receipts	\$12.91	<i>Reciepts = Sales x S2S Ratio</i>			
# of Units	274,365				
Stock to Sales Ratio	3				
Style Distribution	% Distribution	# of Styles	Depth	Average Unit Price	Total Retail Cost
Cross Body	25%	45	457	\$134	\$2.76
Shoulder	13%	40	350	\$300	\$4.20
Tote	20%	20	200	\$400	\$1.60
Satchel	12%	20	150	\$350	\$1.05
Clutch	25%	40	150	\$300	\$1.80
Misc.	5%	30	100	\$500	\$1.50
Total	100%	195	1,407		\$12.91





*Coach House, 685 5th Avenue, New York, New York*

Sales	\$4.3o				
Receipts	\$12.91				
# of Units	274,365				
Stock to Sales Ratio	3				
		✓✓	✓✓		
Style Distribution	% Distribution	# of Styles	Depth	Average Unit Price	Total Retail Cost
Cross Body	25%	45	457	\$134	\$2.76
Shoulder	13%	4o	35o	\$3oo	\$4.2o
Tote	2o%	2o	2oo	\$4oo	\$1.6o
Satchel	12%	2o	15o	\$35o	\$1.o5
Clutch	25%	4o	15o	\$3oo	\$1.8o
Misc.	5%	3o	1oo	\$5oo	\$1.5o
Total	1oo%	195	1,4o7		\$12.91





*Coach Danbury, 7 Backus Ave, Danbury, Connecticut*

Sales	\$0.61				
Receipts	\$1.35				
# of Units	28,905				
Stock to Sales Ratio	2.2				
Style Distribution	% Distribution	# of Styles	Depth	Average Unit Price	Total Retail Cost
Cross Body	30%	33	70	\$134	\$0.310
Shoulder	20%	20	65	\$300	\$0.390
Tote	15%	20	25	\$400	\$0.200
Satchel	10%	20	25	\$350	\$0.175
Clutch	15%	20	25	\$300	\$0.150
Misc.	10%	10	25	\$500	\$0.125
Total	100%	123	235		\$1.35





## *Coach Danbury, 7 Backus Ave, Danbury, Connecticut*

Sales	\$0.61				
Receipts	\$1.35				
# of Units	28,905				
Stock to Sales Ratio	2.2				
Style Distribution	% Distribution	# of Styles	Depth	Average Unit Price	Total Retail Cost
Cross Body	30%	33	70	\$134	\$0.310
Shoulder	20%	20	65	\$300	\$0.390
Tote	15%	20	25	\$400	\$0.200
Satchel	10%	20	25	\$350	\$0.175
Clutch	15%	20	25	\$300	\$0.150
Misc.	10%	10	25	\$500	\$0.125
Total	100%	123	235		\$1.35

*0.4x the average  
Coach store\**

*\* The average  
Coach store's  
sales is \$1.54 M.  
(430 U.S. stores).*





## *Coach Danbury, 7 Backus Ave, Danbury, Connecticut*

Sales	\$0.61				
Receipts	\$1.35	<i>Reciepts = Sales x S2S Ratio</i>			
# of Units	28,905				
Stock to Sales Ratio	2.2				
Style Distribution	% Distribution	# of Styles	Depth	Average Unit Price	Total Retail Cost
Cross Body	30%	33	70	\$134	\$0.310
Shoulder	20%	20	65	\$300	\$0.390
Tote	15%	20	25	\$400	\$0.200
Satchel	10%	20	25	\$350	\$0.175
Clutch	15%	20	25	\$300	\$0.150
Misc.	10%	10	25	\$500	\$0.125
Total	100%	123	235		\$1.35





## *Coach Danbury, 7 Backus Ave, Danbury, Connecticut*

Sales	\$0.61				
Receipts	\$1.35				
# of Units	28,905				
Stock to Sales Ratio	2.2				
		✓✓	✓✓		
Style Distribution	% Distribution	# of Styles	Depth	Average Unit Price	Total Retail Cost
Cross Body	30%	33	70	\$134	\$0.310
Shoulder	20%	20	65	\$300	\$0.390
Tote	15%	20	25	\$400	\$0.200
Satchel	10%	20	25	\$350	\$0.175
Clutch	15%	20	25	\$300	\$0.150
Misc.	10%	10	25	\$500	\$0.125
Total	100%	123	235		\$1.35



A stack of five rolls of material, likely leather or faux leather, is shown against a white background. The top roll features a cowhide pattern with white, brown, and black patches. The second roll is a solid light grey. The bottom three rolls are in shades of brown leather. The text "LET'S RECAP" is printed in a black serif font on the top roll.

LET'S RECAP



A stack of leather samples is shown on the left side of the image. The top sample features a cow print pattern with brown, white, and black patches. Below it are several other samples in various shades of brown and tan. The text "LET'S RECAP" is overlaid on the top sample.

# LET'S RECAP

## Part I

- Pioneers of accessible, affordable luxury leather goods in the U.S.
- Claims 3% of U.S. L.L.G. Market.



A stack of leather samples is shown on the left side of the image. The top sample is a cow print pattern. Below it is a light grey sample, followed by three samples in various shades of brown and tan. The text "LET'S RECAP" is overlaid on the top left of the stack.

# LET'S RECAP

## Part I

- Pioneers of accessible, affordable luxury leather goods in the U.S.
- Claims 3% of U.S. L.L.G. Market.

## Part II

- Suffered from overexposure in department stores and heavy markdowns.
- Kate Spade purchase results may vary.





## LET'S RECAP

### Part I

- Pioneers of accessible, affordable luxury leather goods in the U.S.
- Claims 3% of U.S. L.L.G. Market.

### Part II

- Suffered from overexposure in department stores and heavy markdowns.
- Kate Spade purchase results may vary.

### Buying Plan

- 4% planned increase for company.
- 27% planned increase for handbags.
- \$660.0M in planned sales.
- Core styles = 65% and Fashion styles = 35%.
- Flagship is 2.8x the avg. store at \$4.30M in planned sales.
- Small store is 0.4x the avg. store at \$0.61M in planned sales.



A woman is holding a red Coach bag. She is wearing a floral dress and a bracelet. The background is a blurred outdoor setting with a building and a window. The text "Bring on the Q & A" is overlaid on the image.

# Bring on the Q & A