



five **BELOW**

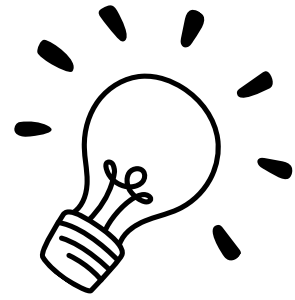
**By: Isabelle Dunham,
Molly McCabe, and
Addison Mackenzie Suit**

COMPANY HISTORY



In January 2002, Five Below was born as Cheap Holdings, Inc. by David Schlessinger and Thomas Vellios. The two founders had a dream of an unrecognized market. There was a gap in the market for fun, but also, affordable shopping. They changed their name to Five Below in August 2002 for a more positive branding style for their target teen consumer that makes up 20% of the US population. Today we are going to be focused on their room decor section, which focuses on items used to complete and personalize living spaces, including lamps, posters, frames, fleece blankets, plush items, pillows, candles, incense, lighting, novelty décor, accent furniture, and related items.

BRAND VALUE PROPOSITION



"Five Below makes it easy to say YES!"

**NEVER
STANDING STILL!**

Five Below keeps its competitive edge by always staying relevant and on-trend, giving consumers a meaningful experience. They offer the right trend in the right price. They want to give the customer freedom to explore and wander with a sense of security because of the low cost. They use dynamic and novel displays to create a wonderland of possibility.

Industry / Market Place

Top Brands driving the market



POTTERY BARN



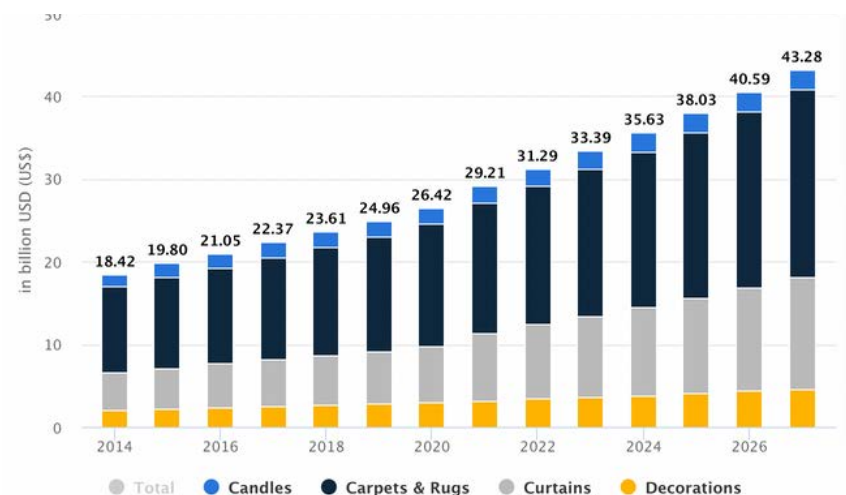
Via: Google Images

Some of the brands that are driving the market today are West Elm, CB2, Ikea, and Pottery Barn. Some of the retailers that are succeeding in this market include Target, Walmart, HomeGoods, Anthropologie, Urban Outfitters, and TJ Maxx. Five Below can offer a unique product to consumers by replicating contemporary trends in the market at more affordable prices than competitors.

Financials: Breakdown of actual sales within the U.S market

Total U.S Room Decor industry expenditures (billions of dollars):

- 2020: \$33.39
- 2021: \$35.36
- 2022: \$38.03
- 2023: \$40.59



Target Consumer

Currently, the room decor section at Five Below is driven by Gen Z consumers aged 13-18. According to “What’s driving Five Below’s success?” by STORES, NRF’s Magazine, most of their consumers are Gen Z. This age range is a pivotal time in someone's life. They are discovering who they are and they want to translate these changes into their own space. According to UVWM Decoring your room, the way you want allows for self-expression and a form of independence. Moreover, young adults have their own money to start to make their own finical decisions. Five Below is a great place for these young consumers since it is affordable and trendy. Decorating and managing this space is an important aspect of their developing independence. Gen Z is driving room decor purchases, with nearly 70% of all purchases in the second half of 2022 new, exclusive Consumer Insights Now research.



Via: Google Images

TRENDS

PRODUCT TRENDS

Shapes: Organic shape designs are trending in rooms because they have flowing, natural shapes and use colors that are fun and playful. Curvy candles are a huge trend.

Graphic Pillows: The rise in graphic posters has turned graphic statement pillows into the latest trend.

Faux Plants: Faux plants have made their mark in the stores and on everyone's Pinterest board. They allow you to add greenery without having to take care of anything. Perfect for busy college students.

Storage: Storage is always a must for teenagers. But why not make it cute? Recently, we've been seeing storage bins inspired by the 90s with bright colors to complement your room

INDUSTRY TRENDS

Overall, we're seeing that 64% of all home decor is purchased in-store with about 36% made online according to homesownernow.com. Everything seems square and rectangular – from couches to bed frames to bookshelves. Much like the fast fashion industry, there has been a rise in fast furniture/decor. The same idea is being replicated with room decor. For example, a glass vase made at CB2 will be replicated by Urban outfitters but made out of plastic.



Via: Pinterest



Via: Urban Outfitters



Via: Urban Outfitters



Via: 5 below



Via: All Pinterest



good
vibes
only

CONSUMER PROFILE



pic from pinterest

Sydney is a nineteen-year-old female who is finishing up high school and preparing to enter her freshman year off of college. According to ESRI her age range currently makes about \$33,000 a year with her job at a local bakery she works at after school. She is excited to move from the suburbs of Pennsylvania to the city of Philadelphia. She wants to cultivate an exciting aesthetic for her dorm room. She is worried about making new friends and wants to put her best foot forward.

Her daily schedule includes: starting with an iced white mocha from Starbucks on her car ride to school, then doing homework and editing her vlogs after school, and before work. When she comes home, she catches up with her friends and does her yoga and skincare routine before bed., dreaming about her college life.

With college comes a lot of expenses. Her maximalist style does not always fit with her budget. She is really into the current dutch pastel aesthetic, but most of the options she sees at Urban Outfitters and Homegoods are just too expensive for her. She needs somewhere to shop for colorful novelty items with a cohesive aesthetic.

Tiktok and Pinterest are where she gets most of her inspiration from. She follows influencers like Mabel and Selena Gomez, and models her account after their attributes. She enjoys making try-on hauls and get-ready-with-me videos. She is excited to show off her brand new dorm to her followers but needs Five Below to show her where to start.

CONSUMER MOOD BOARD



Our consumer mood board highlights Sydney and consumers like her, featuring some of her interests like shopping, reading, painting, and exploring. This board captures her free artistic spirit, showcasing her personality as bright, colorful, and stylish. She's in touch with urban city life but understands the call to nature in her travels. She loves shopping at Five Below because she always finds something cute and in her price range to aptly express herself fiercely within her bland dorm room space.

pic from pinterest

When analyzing Five Below's room décor product assortment we split the merchandise into the categories **hardlines** and **soft lines** and then separated the items into the following classifications: **Lighting, pillows, blankets, rugs, drinkware, wall décor, faux plants, bin storage, hanging storage, decorative trays, and furniture**. The assortment offered at the 2250 South Christopher Columbus Boulevard Location in Philadelphia, PA was found in a back corner of the store under "My Room" with 1.5 shelf units and a corner wall unit.

What makes Five Below a strong competitor in the room decor market is their unmatched low prices

Room Decor Products: 1039
Total Retail \$ (Stock): \$5,856.00

Overview: The selection offered by the five below was 80.8% at the price point of \$5.55 and the most common style/aesthetic was Basic at 29.6%. The top 5 products were blankets, pillows, storage bins, rugs, and lighting. There was not much offered in terms of materials information but the main materials used were plastic, polyester, metal, ceramics, and wood. All merchandise was imported from China or India.

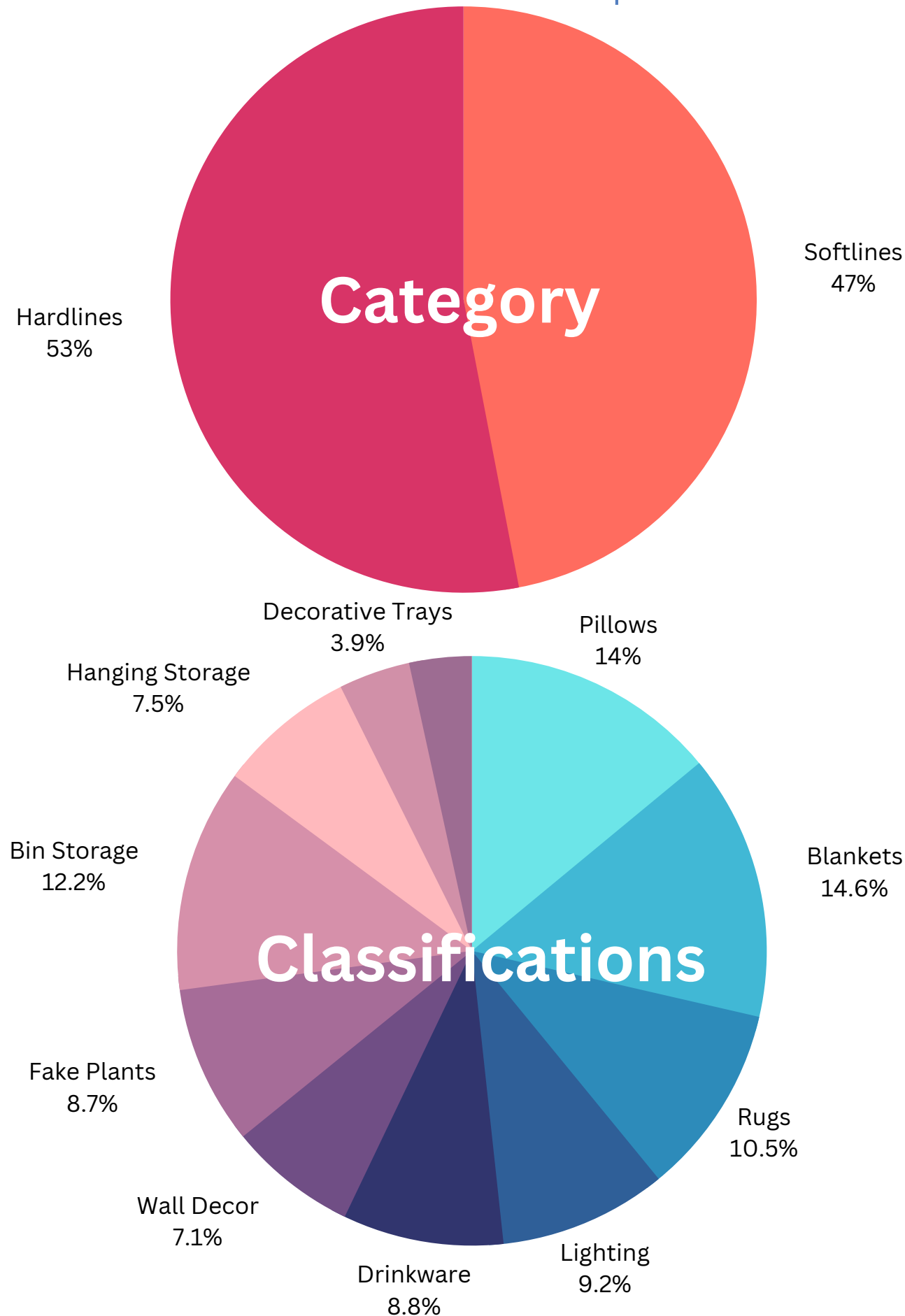
Price
\$15.55 -- 4.6%
\$5.55 -- 80.8%
\$5.00 -- 2.3%
\$4.00 -- 1.9%
\$3.50 -- 7.7
\$3.25 -- 2.7



PRODUCT ASSORTMENT

Softlines & Hardlines

Assortment offered at the Philadelphia Five Below store:



The assortment was almost evenly split between hardlines and soft lines. Despite the two largest classifications belonging to soft lines (blankets and pillows), the hardlines assortment offered a wider variety of products, the largest classifications being storage bins, lighting, and drinkware. These are good classifications to have leading the assortment however, given current market trends the faux plant selection making up 8.7% of the assortment could be slightly higher. Furniture could also need an increase as it sits at only 3.5% of the current assortment though the store space causes limitations for carrying larger furniture products.



\$5.55

Wall Decor



\$5.55

Lighting



\$5.55

Faux Plants

Via: Five Below

ASSORTMENT BREAKDOWN HARDLINES



\$5.55

Storage Bins



\$5.55

Furniture



\$5.55

Drinkware



\$5.55

Blankets



\$5.55

Pillows



\$5.55

Rugs

ASSORTMENT BREAKDOWN SOFTLINES



\$5.55

Storage Bins



\$5.55

Hanging Storage



\$15.55

Five Beyond

Via: Izzy Five Below

Classifications Breakdown

Pillows: 25 styles, 63% R2R, 37% Luxe Collections, all \$5.55

Blankets: 17 Styles, 52.9% R2R, 47.1 % Luxe Collection, all \$5.55

Bin Storage: 16 Styles, 68.8% R2R, 31.3% Home Expressions, \$5.55-\$4.00

Rugs: 10 styles, 100% R2R, most @\$5.55, some offered at the new Five Beyond Price @ \$15.55

Lighting: 7 Styles, 100% R2R, All \$5.55

Drinkware: 11 Styles, 90.9% R2R, 9.1% Peacock, offered @\$5.55 & @\$3.50

Faux Plants: 7 Styles, 100% R2R, offered @ \$5.55

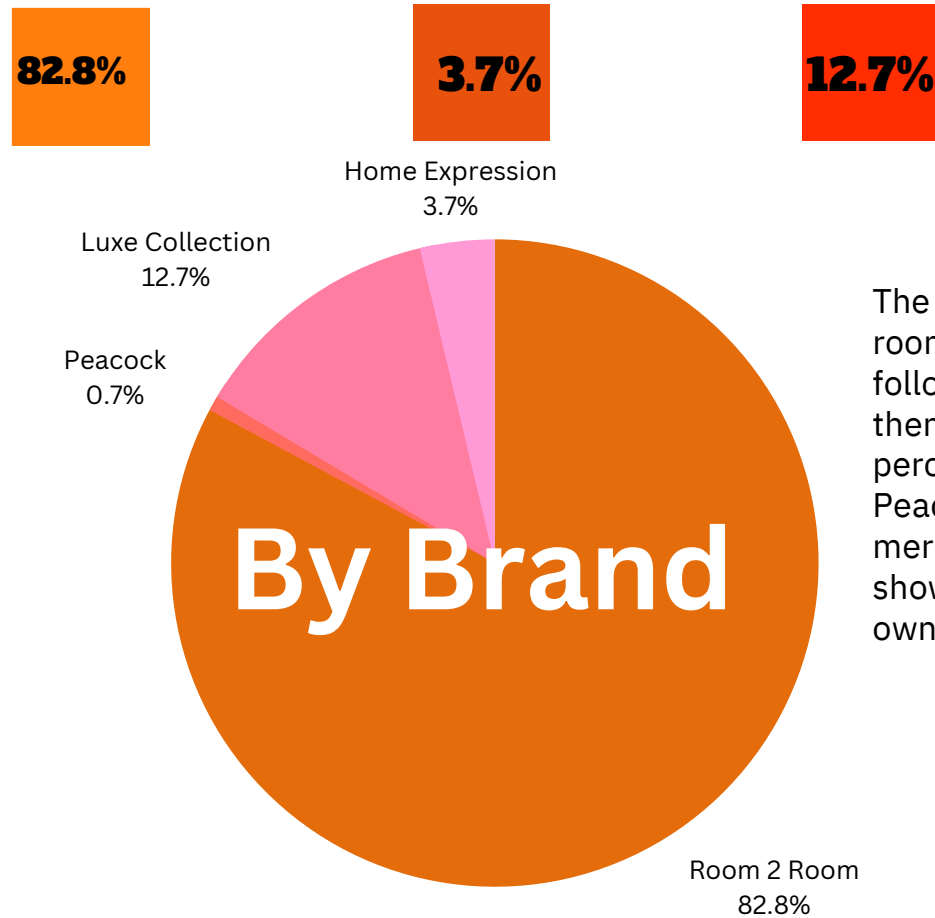
Hanging Storage: 16 Styles, 100% R2R, offered @ \$5.55

Wall Decor: 10 Styles, 100% R2R, offered @ \$5.55

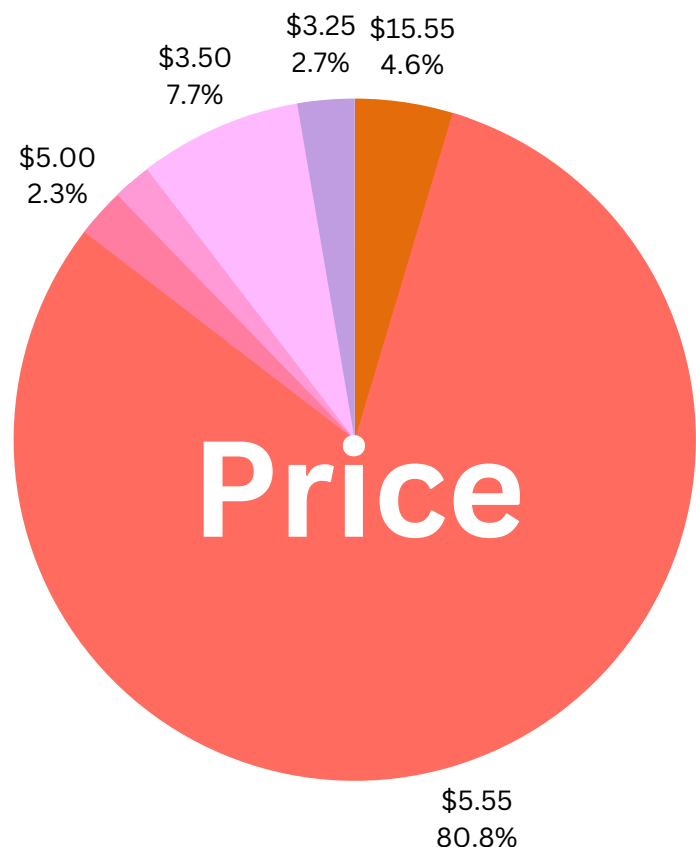
Decorative Trays: 3 Styles, 100% R2R, offered @ \$5.55

Furniture: 3 Styles, 100% R2R, offered @ \$5.55

Room 2 Room Home Expression Luxe Collection



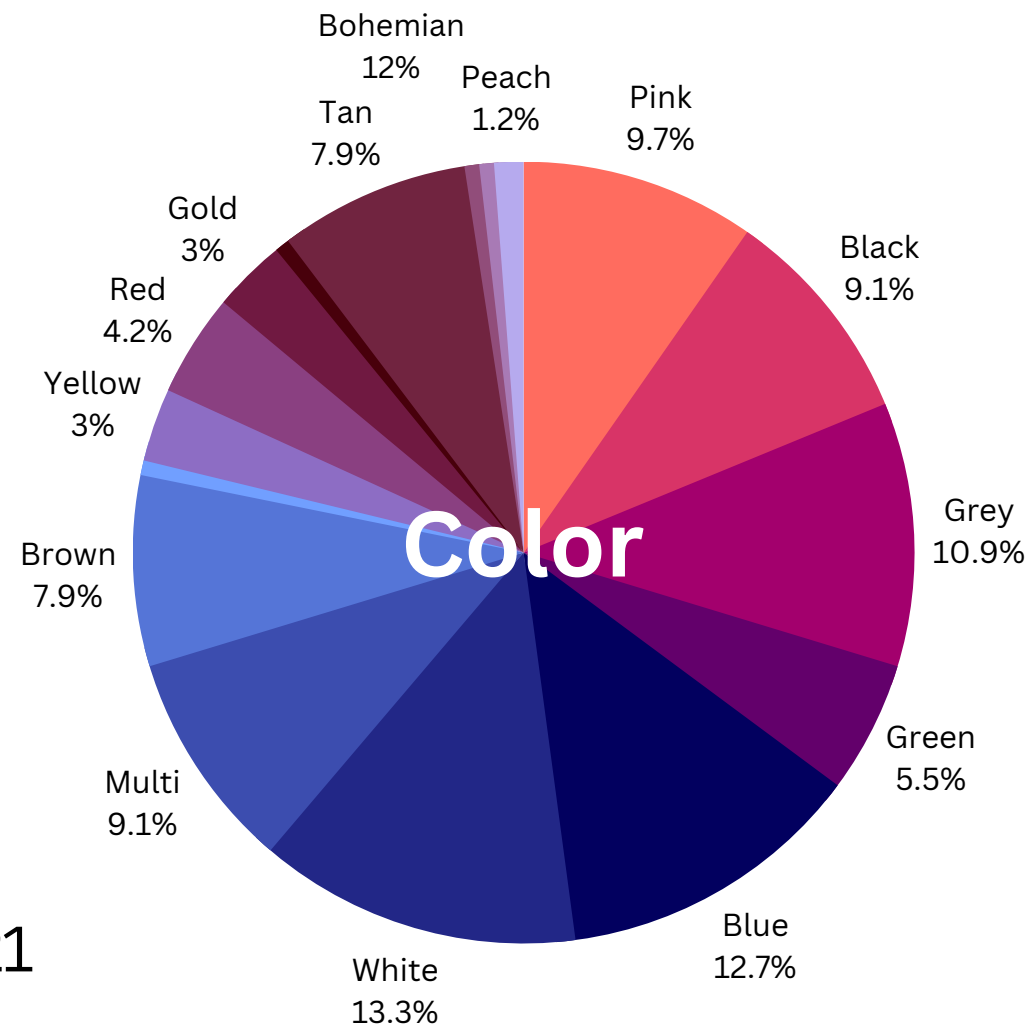
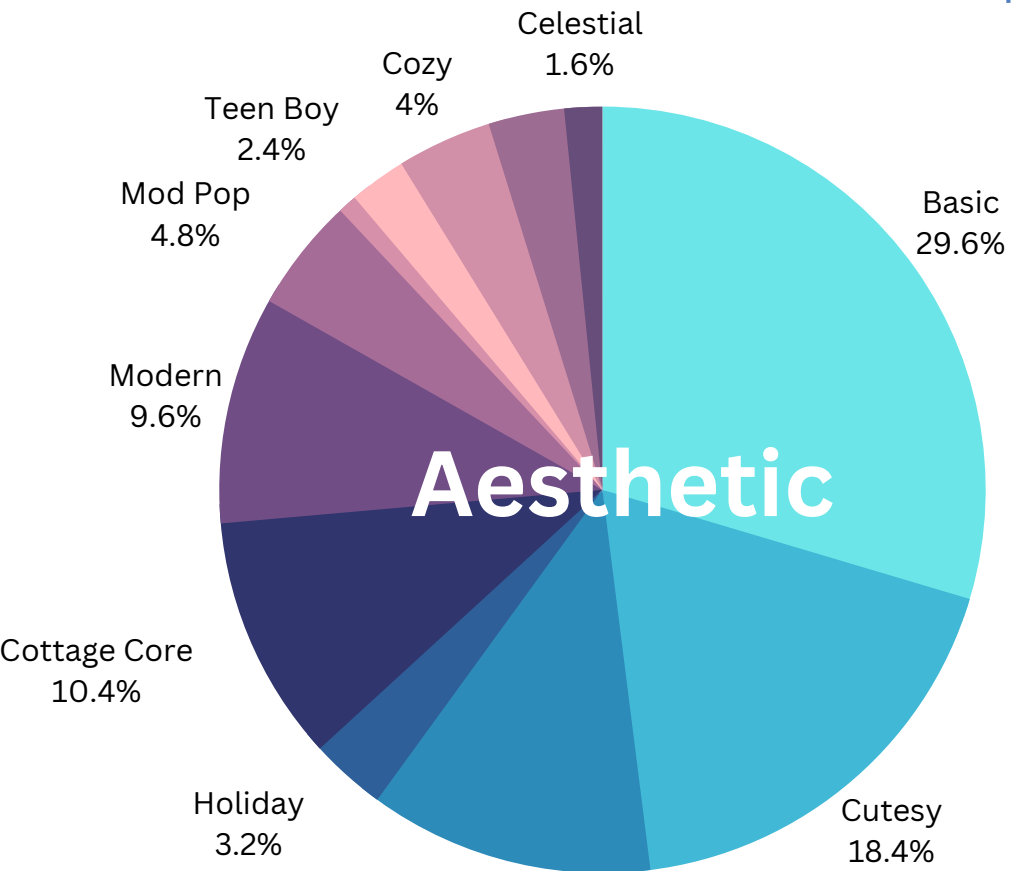
The Brand carried the most for room decor was Room 2 Room, followed by Luxe Expression, then Home Expression. A small percentage for brand goes to Peacock because of merchandise that uses the tv show 'The Office' which is owned by Peacock.



As previously mentioned, 80.8% of the product assortment falls at the \$5.55 price point. The next most seen price point was \$3.50. The brand has been introducing a new price point called Five Beyond and we saw some rugs featured at the price of \$15.55 making up 4.6% of the assortment. Overall, we can see Five Below's dedication to their affordable price point.

PRODUCT ASSORTMENT *Color & Aesthetic & Design*

Assortment offered at the Philadelphia Five Below store:



Because Five Below aims to maintain a low price point, the majority of the products stick to basic, cutesy, and bohemian design aesthetics. This means very few additional design elements outside of shape, color, and graphics.

Color Trends for the products stick to basic/neutral colors, though popular fashion color seen in the merchandise is pink (9.7%) and blue (12.7%). There is also the implementation of assorted/multi-color items which mostly accounts for patterned items. Patterns did not appear in a large part of the assortment. Graphics and colors were the main design elements of products. Overall the design is simple and more about functionality and price over aesthetic.



Overall, the product assortment offered by this Five Below location is best suited for college students, especially freshmen and sophomores, who live in dorms and small apartments. The product assortment is also suitable for young kids, tweens, and teens with low spending power. The basic design with additional cute and playful aesthetic makes the products easy to incorporate into your space, however, there is a lack of a cohesive aesthetic, especially in the display of the items, that may make it hard for consumers to picture the full potential of multiple five below products in their space.

COMPETITIVE RESEARCH



URBAN OUTFITTERS

When researching Five Below's room decor section, we also analyzed some of their top competitors which include, HomeGoods, Target, and Urban Outfitters. For all of these stores, we analyzed the target consumer, location, as well as the products they carry. Out of the three competitors, we focused the most on Target by going the most in-depth with their inventory analysis. Target's inventory analysis, we completed in a very similar way to our process for analyzing Five Below's inventory. We first searched online, then counted each item in-store, and finally completed a formal category breakdown. As for Homegoods and Urban Outfitters, we didn't take inventory, however, we did get to compare the products they offer to the assortment at Five Below and draw conclusions about that. Competitor research was one of the biggest elements of this project because it is imperative to understand ways in which Five Below can benefit. From comparing these stores, we can suggest different products that Five Below should carry that are most popular among their competitors. With this information, we can make educated suggestions as to what we think would fit in well with Five Below's business model. Now, let's look at each of the competitors individually.

HomeGoods®



Via: Izzy at homegood

Home goods is a home furnishing store that was founded in Massachusetts thirty-one years ago in 1992. Since then it has grown into a larger chain business having locations all over the United States. As of 2020, there were 814 locations in total. Home goods supply a wide variety of products which are then appealing to lots of different consumers. They are then able to go into Homegoods excited about what they might find that day. So not only do they carry home furnishing items like bedding, furniture, lighting, and different housewares, but they also have a variety of different interesting items for their customers to find at an affordable cost. The average consumer is females 30-60 years old who need things for their homes. The prices are affordable so it can appeal to a wide variety of different consumers. This doesn't apply to luxury furnishing brands, their product line is more comparable to IKEA because of the materials used and prices. Bed baths beyond are another competitor because of their economic prices and a wide variety of products.

STRENGTHS

One strength Homegoods has is the large assortment of products they offer. Since it is an off-price retailer, weekly shipments and new things enter the store every week. There are also designer goods at low prices and even items that you would never expect to see in a home retail store. This adds a level of surprise and intrigue to the consumer so that they are more excited to be shopping there. When a customer is excited and interested in the items around them, they are more likely to buy them. That's why Homegoods is so successful because they can surprise customers with items they didn't even know they needed.

WEAKNESSES

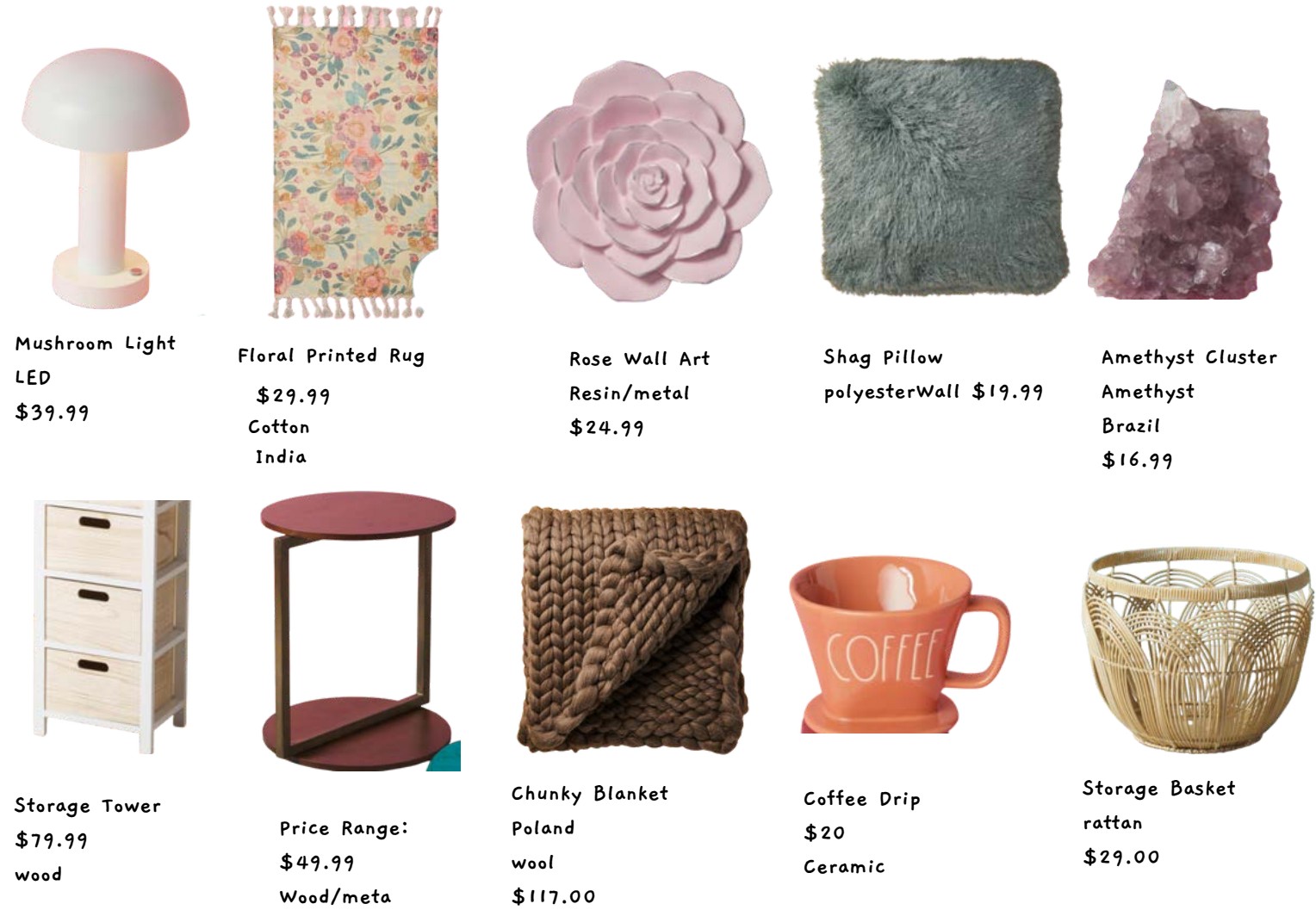
While Homegoods is a great company, it also has a lot of different weaknesses. For example, customers may have to create their furniture combinations and may feel lost in the store. While a large inventory can be a benefit it can also be a drawback. Customers can end up feeling lost and overwhelmed when choosing from such a wide selection of items. Also, unlike companies like IKEA, Homegoods doesn't preselect these items to work together as a conducive group. This can lead the job of creating the perfect living room up to the customer. Just like having a large inventory, this can come as a benefit and a drawback. Customers enjoy freedom and individuality but they also can benefit from guidance and direction. Home goods also have a limited global presence compared to big retail players. While Homegoods has been able to expand more on its presence in the United States, for Homegoods to be successful and grow as a company it should consider becoming more global with its approach. Another weakness Homegoods experiences are due to the economic slowdown. This prevents people from spending as much on home decor and other items the store has to offer. While people do enjoy having these items for their homes, people can only buy them when they have the extra money to spend in their pockets. When it's harder to keep money in your pocket, people tend to spend it less and especially on cosmetic and nonessential items like home decor. Lastly, Homegoods is also vulnerable to other online retailers for home improvement. There are many different options for consumers when it comes to home improvement and decoration. Therefore to be successful in this specific industry you will need something that makes you unique and different from the other online retailers. Without more competitive prices, organization, and efficiency, Homegoods may not stand out as much when compared with many other online retailers.

COMPARISON

Homegoods Assortment



We analyzed the selection of merchandise at Homegoods and compared it to the Five below. Homegoods had a large selection of accent furniture, pillows, wall art, and trinkets. Five below had many of the same categories such as throw pillows, blankets, rugs, and wall decor. As far as aesthetics, Homegoods focused on accent and fashion pieces. We didn't notice a very cohesive line since it is an off-price retailer it might be difficult to do so. They consider named brands and aesthetic pieces over cohesion. Since their customer is older, they have a more sophisticated selection. They want consumers to chance a thrill when they find a name brand for a good deal. Five Below targets younger consumers and this is reflected by their choice of aesthetics. They use cartoons and simple prints and patterns that feel young. Five below has to the chance to make a specific line since they can benefit from it and have the ability to make it. As for the price range, Homegoods we noted in the product assortment offers a selection of pillows for \$20 while five below are at \$5. Similarly, rugs were \$30 and around \$15 at Five Below. Homegoods has a higher price point and their furniture selection is at the higher end of that price point. A round table is \$50 at HomeGoods and \$5.55 at Five Below. The assortment at Homegoods has more selection overall considering it is solely for home and room. This makes it a great aspirational store for Five Below.



Round Table
\$49.99



Round Table
\$5.55



flower shaped rug
\$5.99



Floral Printed Rug
\$29.99





Target is one of 5 Below Biggest Competitors. Target is the second leading mass retailer after Walmart; collectively having over 1,900 retail stores in the United States. The wide variety of Target store locations allows for all audiences to be served. Target's consumer base ranges from young adults (18+ years of age) who are single to adults (30-50 years of age) and parents. Since Target offers such a wide product selection, consumers tend to visit frequently for a multitude of needs. Target made \$19,876 million off of their home decor making them a fierce competitor for Five Below.

STRENGTHS

Target's strong brand recognition has solidified a loyal customer that always knows what to expect. Their products have a low to mid price range for the Gen Z / College student consumer. They sell items specifically made to function in the dorm that is going to last all year without being considered a keepsake. Most of their items come in several colors and multiple styles. Target organizes its in-store and website by the aesthetic, giving the consumer the available products. For those who are not designing majors or ones with an artistic eye, it can be a challenge to put a room together nicely. Target makes all of the items available for selection. Target has fantastic reliable products that buyers should take note of because of their consistent quality. Consumers always know what to expect when purchasing an item from Target. They know they will have multiple colors and finishes available to them, with multiple styles. They have rugs in different shapes, mugs with different sizes, and pillows with multiple dimensions. Target has a vast range of options to full fill specific needs that the customer can rely on--but only when the products are available, leading us to their weakness...

WEAKNESSES

There is little to no in-store marketing for room decor and has industrial displays. Target has so far not directed money to account for "cute" or trendy displays for their products, letting them speak for themselves on the bland shelves. There is an opportunity here for Target to inspire a lot more creativity and excitement over decorating. They rely on the items to speak for themselves in terms of aesthetics as opposed to in-store signage. While the online store separates the section by aesthetic blatantly, they leave the consumer to fend for themselves in the store so they just have to assume the correct items are displayed together. In this way, Target expects the consumer to know what they want or make decisions based on liking item for item, which conflicts with their online presence. Their products are also not consistent online and in-store. This can lead to frustration and disappointment if the customer does not have the item they need available to them the way they need it. Target's overall biggest weakness is inconsistency.

COMPARISON



We analyzed the selection of merchandise at Target to compare to Five Below. Target and Five Below were very similar in functionality. They both had several products that filled the same needs, but Target provides several more aesthetics and color, and style options. Five Below usually kept to one style in several colors; whereas Target had the same type of item, for example, a blanket, in several different, colors, fabrics, dimensions, etc. Five Below gets the job done and looks cute doing it, but Target caters to the individual desires of the consumer. The same goes for their displays. As you can see in the picture at the bottom, Target's assortment is presented as one cohesive aesthetic; whereas Five Below lets you cherry-pick items to your liking. Target's products are longer lasting than Five and Below, but there for not as appealing to someone who likes to change up their decor often. Five Below caters better to a dorm in this way, and as a college student/teen is their prior consumer for room decor, they are doing a better job by having cute affordable products to last a school year. Five Below allows the consumer to buy in access to who they are now. Everyone changes when they go to college and so these items are perfect to fill the mindset. Investments in style can be overwhelming at this age so Five Below lets you go wild and design guilt-free to your heart's content.



URBAN OUTFITTERS



Pic from google images

Urban Outfitters is a strong competitor in the room decor market. Similar to Five Below, UO was founded in Philadelphia, PA in 1976 and has grown tremendously as a company. As of January 2022, they had 562 stores in the U.S.A. and their revenue for 2022 was 1.33 billion. Their target consumer for UO is Millennials & Gen Z ages 16-28 who are easily influenced by social media and art. They are looking for trendy, stylish, bold, fun, and vibrant decorations to create the most aesthetically pleasing space.

STRENGTHS

Urban Outfitters offers a wide variety of unique and fun designs. There are lots of vibrant colors, patterns, and shapes to pick from that build a cool & groovy aesthetic. They also offer some fuller-sized products rather than just smaller knick-knacks. One of their greatest strengths is their visual merchandising and style inspo for their products, paired with their cohesive assortment, which makes it very easy for the consumer to picture the items in their space and also creates a need to purchase more than one item.

WEAKNESSES

Their in-store selection shows a small range of their product offerings and to showcase trendy and funky items, they don't offer many basics in-store either. This can also make the assortment feel overwhelming when not broken up by basics. They also have a much higher price point which can be challenging for their consumer who does not have a high disposable income yet.

COMPARISON URBAN OUTFITTERS

Urban Outfitters is seen as an aspirational competitor to Five Below. While their prices do not match the affordability that Five Below offers, they excel in the design, following of trends, and visual merchandising of their products. The products offered by Five Below and Urban Outfitters are fairly similar as they offer the same functionality and follow similar trends. Where they diverge the most is the sophistication of the design, the cohesiveness of the entire product offering, and the display of the products. To sell its products for a higher price point UO has to market its items convincingly and make it easy for the customer to picture the items in their space. We suggest Five Below focus on this strategy as well as consider new approaches to the design of products.

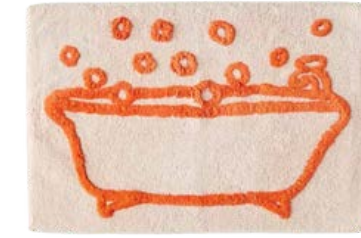
Urban Outfitters



Suri Small Arch Wall Shelf
\$39.00
wood



Heart Side Table
\$199.00



Bubble Bath Mat
\$39.00



Mario Sitting Vase
\$39.00



Bhavna Incense Holder
\$18.00



Ugh Throw Pillow
(2)
Reviews
\$49.00



MoMA Raawii Duplum Mirror
\$329.00



Market X Smiley Mug Set
\$50.00



Ryan Rolling
4-Tier Storage Shelf
\$199.00



Mushroom Neon Sign
\$59.00

five BELOW



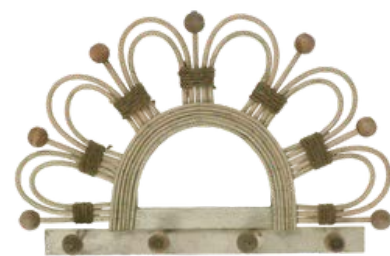
28
Mushroom Light \$5.55

URBAN OUTFITTERS



"Howdy" Light \$129

five BELOW



Rattan Wall Hooks &
Shelf \$5.55

URBAN OUTFITTERS



Metal Wall Shelf \$49



Pic taken by Molly at Urban Outfitters

COMPETITOR RANKING



After looking at our competitor matrix, we decided to rank target number one since it has a loyal customer base. We put Five Below at number two since its prices cannot be beaten. Urban Outfitters, is ranked number three because they offer a unique product selection but their prices are high. At number four we have Homegoods since they can improve on their product cohesion and organization



COMPETIOR MATRIX

Retailer	Target Consumer	Top 3 Trends	Price Range	Top 3 Classes	Description Assortment	Standout Design Details	Top 3 Brands	Point of Difference	Rank
Five Below	Teens, that want on trend clothes at an affordable price	Colors Graphics Crop tops Matching sets	\$1-5	Room Decor, Furniture, Drinkwear	Colorful Patterns and graphics	Basic, Simple, Cute	R2R Luxe Collections Home Expressions	Price	2
Competitor #1 Homegoods	Young adult that values affordable prices	Statement Pillows & Seasonal decor	\$15-\$80	Room Decor, Furniture, Drinkwear	Brand Name, Affordable, large variety	Best seasonal decor options	Elle Decor, Atrium, Silver Birch,	Price & product	4
Competitor #2 Target	College students - Gen Z	1 traditional 2 Modern 3 farmhouse	3-\$5,000	1 furniture 2 decor 3 bedding	High quality with a large variety with most items coming in multiple colors and styles	Shop by Aesthetic Minimal design Foundation in color	Threshold, Opalhouse, Casaluna	High price point	1
Competitor #3 Urban Outfitters	Gen Z & Millennial 16-28 Stylish Influenced by Social Media	1 Bold Print 2 Urban/City 3 70s Inspired	5-\$2,799	1 furniture 2 decor 3 bedding	Meets basic function with elevated design, wide variety of items and styles, good quality, trendy	Funky, Bold, & Minimal design Aesthetic and cohesive/ easy to style	Deny Designs, Hawkins NY, Zwilling's	High price point & Design	3

Looking at our competitors we found the most significant comparisons to be amongst target consumers, price, assortment, and aesthetic. We found Target and Urban Outfitters had the most similar target consumer to Five Below, being teens to young adults, while Home Goods had the most different target consumers being older adults. Five Below had the most similar product assortment to Home Goods while Target and Urban Outfitters were the most similar in that regard. When it came to price, Five Below can not be beaten which is what ultimately makes the company a fierce competitor in the room decor market. Because of the need to maintain this price point, we see sacrifices made on their aesthetic, which is where competitors like Target and Especially Urban Outfitters, which is why we believe Urban Outfitters to be aspirational for design and marketing but not price. While Five Below keeps design and aesthetic basic, cute, and somewhat trendy we can see Home Goods in particular hitting seasonal aesthetics and other competitors playing more with bold shapes, colors, and patterns. Target finds more balance between minimal design, trend, and price, with Five Below being one the extreme with low price and basic design, and Urban on the other extreme with a high price and bold design. How each brand approached weighing design and aesthetics with a price to reach their target consumers were the aspects we considered most when ranking them.

SIX MONTH BUY PLAN

SIX MONTH BUYING PLAN - SPRING 2024							
PRODUCT CATEGORY: ROOM DÉCOR							
Weeks	4	5	4	4	5	4	
SPRING	FEB	MAR	APR	MAY	JUNE	JULY	TTL SPRING
Sales Distribution	14.2%	17.0%	16.5%	17.3%	17.4%	17.5%	
Stock-Sales Ratio	1.5	1.6	2.2	2.5	3.0	3.5	
Reductions Distribution	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Average Stock	\$ 23,036,772.5	\$ 30,161,547.5	\$ 37,785,056.8	\$ 45,337,318.3	\$ 53,887,048.3	\$ 62,341,781.3	\$42,273,665.0
Turn	0.59	0.54	0.41	0.36	0.31	0.27	2.25
Average Weekly S/T	14.6%	10.7%	10.4%	9.1%	6.1%	6.7%	8.64%
PLANNED MONTHLY BOM	\$20,234,361.0	\$25,839,184.0	\$34,483,911.0	\$41,086,202.5	\$49,588,434.0	\$58,185,662.5	
PLANNED MONTHLY SALES	\$13,489,574.0	\$16,149,490.0	\$15,674,505.0	\$16,434,481.0	\$16,529,478.0	\$16,624,475.0	\$94,997,000
% Total	14.2%	17.0%	16.5%	17.3%	17.4%	17.5%	
PLANNED MONTHLY MARKDOWNS	\$404,687.2	\$484,484.7	\$470,235.2	\$493,034.4	\$495,884.3	\$498,734.3	\$2,847,060.1
Markdown Rate %	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
PLANNED PURCHASES AT RETAIL	\$19,499,084.2	\$25,278,701.7	\$22,747,031.7	\$25,429,746.9	\$25,622,590.8	\$25,435,446.8	\$144,012,602.1
PLANNED RETAIL MU	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53%
PLANNED PURCHASES AT COST	\$9,164,569.58	\$11,880,989.80	\$10,691,104.88	\$11,951,981.06	\$12,042,617.69	\$11,954,659.97	\$67,685,923.0
% Total	13.5%	17.6%	15.8%	17.7%	17.8%	17.7%	
PLANNED MONTHLY EOM	\$25,839,184.0	\$34,483,911.0	\$41,086,202.5	\$49,588,434.0	\$58,185,662.5	\$66,497,900.0	

Breaking down our six-month plan, To determine the sales split between Q1 and Q2, we averaged the Quarterly Totals from 2020-2022 for Q1 and Q2. These numbers were provided by Professor DeSimone. With this information, we concluded that Q1 should amount to 46% and Q2 should be 54%.

You can see that we have balanced our planned monthly sales based on our spring calculations. Here we can see that Five Below will make the most of its sales in July at 17.8% based on our adjustments to the stock-sales ratio. We can support our adjustments with the following data According to Dealnews: For many, mid-July serves as a reminder that summer is half over and back-to-school supplies shopping is starting. College freshmen are collecting supplies for the dorms before they leave in August. Furthermore, Statista did a study on the most popular time for doing dorm shopping among young people in Canada and it proved to be mid-July with 40% of individual shopping during this period. We are certain about this room decor growth because a study conducted by NRF confirms the growth of dorm spending to reach an all-time high of \$37 million a year.

SALES BREAKDOWN BY CLASSIFICATION

Current Assortment Mix		Merchandise Assortment Recommendation						
		SALES BY CLASSIFICATION, PERCENTAGE, AND DOLLARS						
Classifications	Percent	Classification	Percent	×	Season Sales	=	Class Sales	CLASS SHIFTS
Lighting	9.2%	Lighting	10.0%		\$94,997,000		\$9,499,700	0.8%
Pillows	14.0%	Pillows	16.0%		\$94,997,000		\$15,199,520	2.0%
Blankets	14.6%	Blankets	15.0%		\$94,997,000		\$14,249,550	0.4%
Rugs	10.5%	Rugs	11.0%		\$94,997,000		\$10,449,670	0.5%
Drinkware	8.8%	Drinkware	3.0%		\$94,997,000		\$2,849,910	-5.8%
Wall décor	7.1%	Wall décor	10.0%		\$94,997,000		\$9,499,700	2.9%
Fake Plants	8.7%	Fake Plants	12.0%		\$94,997,000		\$11,399,640	3.3%
Storage Bins	12.1%	Storage Bins	12.0%		\$94,997,000		\$11,399,640	-0.1%
Hanging Storage	7.4%	Hanging Storage	4.0%		\$94,997,000		\$3,799,880	-3.4%
Decorative Trays	3.8%	Decorative Trays	2.0%		\$94,997,000		\$1,899,940	-1.8%
Furniture	3.8%	Furniture	5.0%		\$94,997,000		\$4,749,850	1.2%

PRODUCT TRENDS

Shapes: Organic shape designs are trending in rooms because they have flowing, natural shapes and use colors that are fun and playful.

Curvy candles are a huge trend.

Graphic Pillows: The rise in graphic posters has turned into graphic statement pillows as the latest trend.

Faux Plants: Faux plants have made their mark in the stores and on everyone's Pinterest board. They allow you to add greenery without having to take care of anything. Perfect for busy college students.

Storage: Storage is always a must for teenagers. But why not make it cute? Recently, we've been seeing storage bins inspired by the 90s with bright colors to complement your room

As Seen On Page 6

To find the percent of total Spring sales for each classification of products we began by inputting the percent of sales by month. Then, we put in the percentage of total sales that each category represented. Lastly, we did calculations to find the dollar breakdown of each classification both in total, and by month.

Based on market trend research and what we saw from the original product assortment in store we want to increase the assortment mainly in the classifications of lighting, pillows, blankets, wall decor, faux plants, and furniture. Our market research indicates the popular room decor trends are in faux plants, graphic pillows, and fun organic shapes in hardlines and softlines, but especially furniture. Increasing the aforementioned classifications will provide the most opportunity to apply these current trends while fulfilling the areas of improvement the Five Below's product assortment needed. Storage and rugs remain relatively the same and we plan to decrease drinkware, hanging storage, and decorative trays the most.

CLASSIFICATION SALES BY MONTH

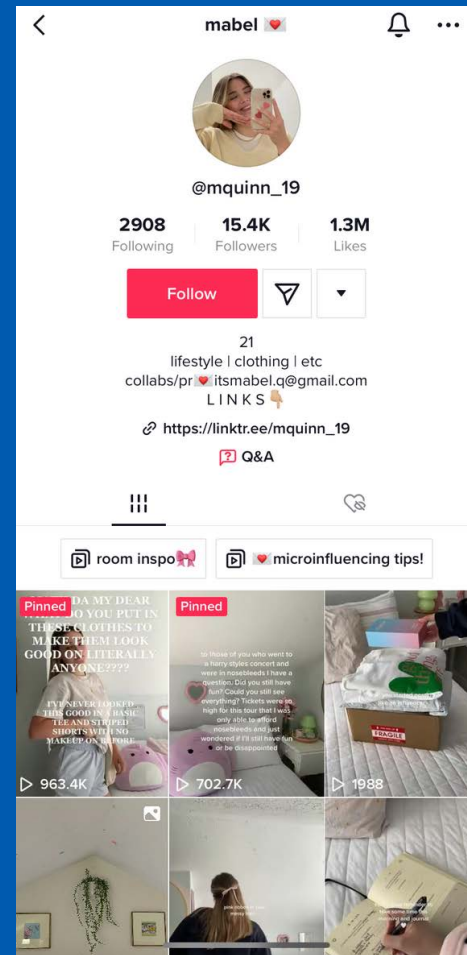
CLASSIFICATION SALES BY MONTH											
	FERUARY	MARCH	APRIL	MAY	JUNE	JULY	TOTAL	TOTAL			
Percent	14.20%	17.00%	16.50%	17.40%	17.40%	17.50%	100.0%	SALES \$			
Class								STEP 3	STEP 4		
Lighting	\$1,348,957.4	\$1,614,949.0	\$1,567,450.5	\$1,652,947.8	\$1,652,947.8	\$1,662,447.5	10.0%	\$9,499,700.0			
Pillows	\$2,158,331.8	\$2,583,918.4	\$2,507,920.8	\$2,644,716.5	\$2,644,716.5	\$2,659,916.0	16.0%	15199520.00			
Blankets	\$2,023,436.1	\$2,422,423.5	\$2,351,175.8	\$2,479,421.7	\$2,479,421.7	\$2,493,671.3	15.0%	\$14,249,550.0			
Rugs	\$1,483,853.1	\$1,776,443.9	\$1,724,195.6	\$1,818,242.6	\$1,818,242.6	\$1,828,692.3	11.0%	\$10,449,670.00			
Drinkware	\$404,687.2	\$484,484.7	\$470,235.2	\$495,884.3	\$495,884.3	\$498,734.3	3.0%	\$2,849,910.0			
Wall décor	\$1,348,957.4	\$1,614,949.0	\$1,567,450.5	\$1,652,947.8	\$1,652,947.8	\$1,662,447.5	10.0%	\$9,499,700.0			
Fake Plants	\$1,618,748.9	\$1,937,938.8	\$1,880,940.6	\$1,983,537.4	\$1,983,537.4	\$1,994,937.0	12.0%	\$11,399,640.0			
Storage Bins	\$1,618,748.9	\$1,937,938.8	\$1,880,940.6	\$1,983,537.4	\$1,983,537.4	\$1,994,937.0	12.0%	\$11,399,640.0			
Hanging Storage	\$539,583.0	\$645,979.6	\$626,980.2	\$661,179.1	\$661,179.1	\$664,979.0	4.0%	\$3,799,880.0			
Decorative Trays	\$269,791.5	\$322,989.8	\$313,490.1	\$330,589.6	\$330,589.6	\$332,489.5	2.0%	\$1,899,940.0			
Furniture	\$674,478.7	\$807,474.5	\$783,725.3	\$826,473.9	\$826,473.9	\$831,223.8	5.0%	\$4,749,850.0			
Total Sales	\$13,489,574.00	\$16,149,490.00	\$15,674,505.00	\$16,529,478.00	\$16,529,478.00	\$16,624,475.00	-	100%	\$94,997,000.0		

Here we can illustrate the total sales broken by classification, and which product categories are driving the most sales. Currently, that is the pillows category.

White Space

Launch Plan

pic: tiktok



pic: pintrest

pic: facebook



mabel ❤️



@mquinn_19



pic: pintrest

Our white space idea is an influencer collab with Tiktoker, Mabel, who will showcase her product line, aimed at our current consumer, Sydney. This on-trend line will fulfill Five Below's need for a cohesive product line and draw in new customers with Mabel's audience. Some of the products also tap into their Five and Beyond promotion. This new price point will be more welcomed with an influencer endorsement because the elevated price point will make it feel exclusive and her die-hard fans will be more willing to support her. Utilizing Mabel as a micro-influencer will fill the need for a cohesive aesthetic, provide an ethos Marketing approach to welcome in new consumers and inspire the return of current ones, and elevate the overall brand aesthetic

For our launch plan, we will plan meet and greets at a top location: which is 1529 Chestnut Street, Philadelphia, Pennsylvania according to fivebelow.com. The customers will get to see the merchandise first and get to design picture frames while waiting in line. The collection will be located in the seasonal section of the store and on an end cap of the room section. Marketing will consist of posters and cardboard cutouts in the store. Mabel will post about the event on her social media and do Instagram takeovers on Five Below. We will also propose a walkthrough of the collaborative process to keep the customers invested. There will also be a banner on the homepage of the website.

Product Assortment



Wavy Candles \$1.50ea.



Poster Pack \$5.55



Blanket \$5.55



Trinket Dish \$3.50



Flower Pillow \$5.55



Mug \$3.50

Our product assortment consists of twelve products in the trending dutch pastel aesthetic that matches Mabel's vibe. These products are in Five Below's most popular categories to help fulfill the same and more needs. The rolling cart, bedside table, and rug are the products elevating the price point with worthy design elements. The color palette is also versatile to many other feminine aesthetics for customers who don't want to purchase the entire set. Therefore, each item can still stand on its own under the same principles as its current products.



Rolling Cart \$10



Wavy Mirror \$5



Garland \$3.50



Rug \$15.55



Bedside Table \$15.55



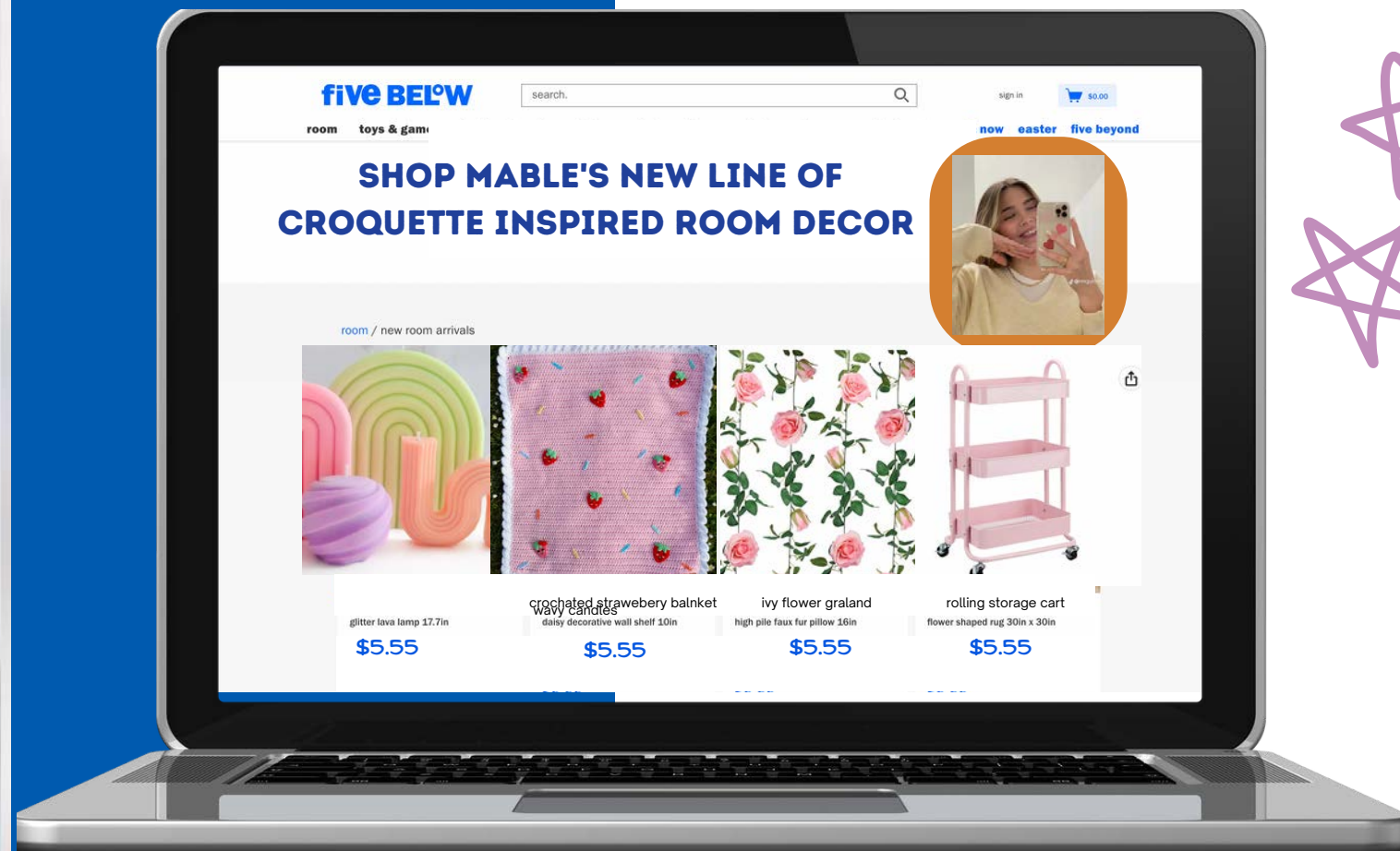
Flower Vase \$3.50

In-store Marketing



For the marketing, we created new in-store displays that will have a cut out of Mabel and a dedicated area for her product line. The store will also showcase ways to decorate with the merchandise assortment This will give customers a visually appealing idea of how they can use the product and it'll increase the chances of clients buying the merchandise. A Harvard Business Review study showed consumers are more likely to purchase items when they are in an aesthetic line and visually appealing. From this, the store will gain revenue and return customers.

Online Marketing



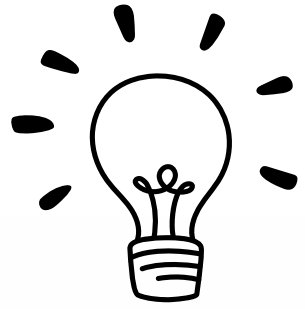
via: pinterest, 5below, tiktok



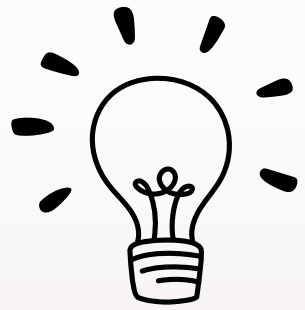
#5BelowRoomTour

A majority of our marketing will be put into social media and specifically TikTok. TikTok influencers generated \$821 million in consumer spending just last year according to Sprout Social.net. So using Mable will boost sales and attract new customers. Using the #5belowroom consumers and fans can create room tours on TikTok with the line and show how they decorated their space. This will then be reposted by 5 below and give them free promotion. We will also have a page dedicated to Mable's line for consumers to easily access and it will be located under the room decor section and also on the homepage. We are going to increase our social media presence and attract our Gen Z customers.

Conclusion



- **FILLS THE NEED FOR A COHESIVE AESTHETIC**



- **ETHOS MARKETING APPROACH TO WELCOME IN NEW CONSUMERS AND INSPIRE THE RETURN OF CURRENT ONES**



- **ELEVATES BRAND AESTHETIC**

Our white space idea for Five Below focuses on the three main positives on the left. Five Below is already a fantastic brand, but we have identified the influencer collab with the room decor line as an opportunity for growth. They will grow their product line, and customer reach, and expand their price point. This idea encourages loyal customers to embrace the opportunity of the Five and Beyond price point and welcomes new fans of Mabel to the store with an open mind and with an exciting new endeavor. Five Below's presence will become more aspirational and an even bigger player in the market space with our well-researched, on-trend, thrilling white space idea.

Appendix

- **Spreadsheet D:**
<https://docs.google.com/spreadsheets/d/14yg9lakEyg9aV8u19e2ZYEsGyiSIh5yPYY1AaoHF4vo/edit#gid=0>
- **Tiktok:** https://www.tiktok.com/@mquinn_19/video/7196045953021857067
- **Slide Deck:** https://www.canva.com/design/DAFXeCnZcRg/QgOs0xHZAKf5KgIElWOb3A/edit?utm_content=DAFXeCnZcRg&utm_campaign=designshare&utm_medium=link2&utm_source=sharebutton
- **Six Month Buying Plan:**
<https://docs.google.com/spreadsheets/d/10qtYhC3Vxq3x84jK4hC3BKeNzlTsOQZnKHjJwGx8Eww/edit#gid=0>

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