

BASICS EXPLAINED

WHAT IS SELL THROUGH?

This is how much you have sold through of the line looking at how much you brought
If you have a low sell through (the number is low) then it will take you a longer time to sell out of the product
If you have a high sell through, this means that you are about to sell out and need to take some actions

Calc: Total Buy Units/ All time sales

Total Buy	Total Sales	STR%
8000	7000	88%

If you have a Low Sell through, these are some of the actions you could take:

1. Check has it gone out to all the stores it should have?
2. Does the warehouse quantity match how much you brought?
3. Check that replenishment is turned on
4. Check that the price is right. Does it match what its meant to be selling at?
5. Check with the warehouse that its not in a frozen/isolated area
6. If it is a slow seller, do you have more stock coming? Are you able to cancel it?

If you have a High Sell through, these are some of the actions you could take:

1. Check if you have more orders coming through and when
2. Change the replenishment so that its serving your best stores
3. Work out how long your next order will last and make sure you buy enough to cover you until you need to buy again
4. Speak to your supplier to see if they can get you stock as soon as possible, this could also be by Air Freighting it
5. If you cant get more stock, talk to the buying team to see if there is something similar that they can buy quickly

BASIC TERMINOLOGY

DELIVERIES

INTAKE This refers to what stock as come in/or is about to come into the warehouse
You will need this to understand how much stock you have totally to support your sales
Its always important to check what dates your orders arrive to ensure that they are in time

DESPATCH This refers to the stock which is sent out from the warehouse to stores/fulfillment centres
Its important for you to understand how much money/units are being sent out and monitor this so that its not too much for the warehouse to cope with

SHIPPING

DUTY Duty also known as Customs duty or Import duty, is a charge on imported goods coming into the UK. It is there for two main purposes, to raise money for the government, but also to make sure that product which is being made in the UK doesn't have an unfair advantage.

F.O.B F.O.B' stands for Free On Board. When this is used in B&M, it means that the supplier has given the buyer a cost which includes paying for all the costs of the product to get it on a ship/aeroplane . Most products which come from the Far East are costed as FOB and you will see this term regularly. It's the companies responsibility then to pay for the shipping until it arrives to the warehouse.

LANDED This is another form of costing for the buyer, and is the total **cost** of a **landed** shipment including the purchase price, freight, insurance, and other costs up to the port of destination, the warehouse. In some instances, it may also include the customs duties and other taxes levied on the shipment. Many retailers who deal with Branded product might have more Landed costings than FOB but FOB is normally the better option to save costs for many companies.

ADVANCED EXPLAINED

Markdown

Markdown is the cost to the business of reducing the price of a product either permanently or at a reduced price

There are 2 types of markdown you will come across:

POS Markdown (Point of Sale Markdown) and Perm Markdown (Permanent Markdown)

POS Markdown is anything that's promotional and it doesn't stay permanently as the price you have reduced to

In retail, examples where POS Markdown is used are:

3for2, Buy One Get One Free (BOGOF), 20% off, Buy 2 get the 3rd free

Permanent Markdown means that you have decided to reduce the price of the product and will not be changing the price again

It mainly covers when you go into SALE and reduce prices, or can be included in changing the retail price of a product. Sometimes changing the retail price can sit in a different pot of markdown but it inevitably comes into here.

It also includes the change in price if it goes up, and it is the difference between the Price you had it at before and the price you have it at now

Calculations are mostly done at a higher level, but when you are forecasting how much it will cost the business to change the prices on a permanent or promotional basis, you can work it out like this:

Examples

What will be your % off if you want to change the price?

Calc: Excel (New Price)/(Old Price)-1

Old Price	New Price	% off
£ 20.00	£ 5.00	-75%

Sometimes you will be asked to take % off items, the Calculation below shows you how to do this in Excel:

Calc: (Retail Price)-((Retail Price/decimal off (0.3)))

Retail Price	New Price	% off
£10.00	£7.00	-30%

ADVANCED TERMINOLOGY

SALES

TREND STORES Trend refers to stores which were open at the same time last year but also has been operating in the same capacity as other stores in that group. This means that they would have been trading for at least a year. Its really important to understand the performance of your trend stores as this measures performance on an even playing field, not taking into account other growth factors which would affect your sales totally.

LFL This stands for Like for Like. Where trend represents stores which have had a full year of trading and are in the same group, this refers to stores who were open at the same time but might not have traded a full year and again gives you the ability to measure your performance with stores in a similar trading stance.

ECOMMERCE

CRM Customer Relationship Management (CRM) is a strategy for managing all your company's relationships and interactions with your customers and potential customers. It helps you improve your profitability. It's usually referred to as a system which manages all your customer data coming in and allows you to tailor your marketing and your business platform to your customers.

BLOG Blogs are written articles about something in particular which is then distributed on the internet. Blogging is now a big part of social media and a lot of companies use their own blogs to promote their brand to engage people on what the company is about.

BOUNCE RATE Bounce rate is an Internet marketing term used to describe the percentage of site visitors that arrive at a single page on a given website, and then leave (bounce) from that same page without visiting any other page on the site. It allows the company to understand whether the page they visit is attractive enough to make people look at the rest of the site.