**Fashion Merchandising: Principles and Practice 2**

**Retail calculations**

1. **Retail calculations**

Review the product analysis spreadsheet below and answer the following questions

1. What is an option?
2. What is meant by fashionability?
3. What is meant by weeks in stock?
4. What is meant by sales units to date?
5. What is meant by stock units remaining?
6. What is meant by total units buy?

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Product description** | **Option** | **Fashionability** | **Selling price** | **Stores ranged** | **Weeks in stock** | **Sales units to date** | **Stock units remaining** | **Total buy units** |
| Cap sleeve top | White | Core basic | £25.00 | 15 | 8 | 400 | 0 | 400 |
| Cap sleeve top | Navy | Core basic | £25.00 | 15 | 8 | 600 | 600 | 1200 |
| Bootleg jean | Navy | Core basic | £35.00 | 15 | 8 | 200 | 10 | 210 |
| Core |  |  |  | 15 | 8 | 1200 | 610 | 1810 |
| Skinny jean | Navy | Fashion | £45.00 | 15 | 8 | 250 | 120 | 370 |
| Skinny jean | White | Fashion | £45.00 | 10 | 8 | 150 | 220 | 370 |
| Drape back top | Navy | Fashion | £35.00 | 15 | 8 | 200 | 75 | 275 |
| Drape back top | Silver | Fashion | £35.00 | 10 | 8 | 250 | 75 | 325 |
| Fashion |  |  |  | 12.5 | 8 | 850 | 490 | 1340 |
| Jacket with satin trim | Metallic Silver | High Fashion | £125.00 | 5 | 8 | 45 | 75 | 120 |
| Pencil skirt | Metallic Silver | High Fashion | £65.00 | 5 | 8 | 35 | 85 | 120 |
| V neck dress | Metallic print | High Fashion | £75.00 | 5 | 8 | 65 | 20 | 85 |
| Bowling shirt | Metallic print | High Fashion | £45.00 | 5 | 8 | 45 | 10 | 55 |
| High fashion |  |  |  | 5 | 8 | 190 | 190 | 380 |
| **TRANSITION THEME** |  |  |  | **9.5** | **8** | **2240** | **1290** | **3530** |

1. **Exercise 1 - the rate of sale calculation**

By identifying the average rate at which options sold the merchandiser can understand the different unit volumes at which option sell. For example:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Style | Stores ranged | Weeks in stock | Sales units to date | Rate of sale |
| Red dress | 5 | 10 | 100 | 2 |

* Calculation
  + *(Total sales units/Number of stores/Lifecycle)*
  + *(100 units/5 stores/10 weeks) = 2 units*

**Exercise 2 – the sell through rate calculation**

The sell through rate calculation determines how much as been sold of a product bought. For example:

|  |  |  |  |
| --- | --- | --- | --- |
| Style | Sales units to date | Total buy units | Sell through rate % |
| Grey pencil skirt | 150 | 200 | 75% |

* Calculation
* *(Unit sales/Unit buy)\*100*
* *(150 units/200 units)\*100 = 75%*

1. **Exercise 3 – calculate the rates of sale and sell through rates for the 11 options**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Product description** | **Option** | **Fashionability** | **Selling price** | **Stores ranged** | **Weeks in stock** | **Sales units to date** | **Stock units remaining** | **Total buy units** | **Rate of sale** |
| Cap sleeve top | White | Core basic | £25.00 | 15 | 8 | 400 | 0 | 400 |  |
| Cap sleeve top | Navy | Core basic | £25.00 | 15 | 8 | 600 | 600 | 1200 |  |
| Bootleg jean | Navy | Core basic | £35.00 | 15 | 8 | 200 | 10 | 210 |  |
| Core |  |  |  | 15 | 8 | 1200 | 610 | 1810 |  |
| Skinny jean | Navy | Fashion | £45.00 | 15 | 8 | 250 | 120 | 370 |  |
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| Drape back top | Navy | Fashion | £35.00 | 15 | 8 | 200 | 75 | 275 |  |
| Drape back top | Silver | Fashion | £35.00 | 10 | 8 | 250 | 75 | 325 |  |
| Fashion |  |  |  | 12.5 | 8 | 850 | 490 | 1340 |  |
| Jacket with satin trim | Metallic Silver | High Fashion | £125.00 | 5 | 8 | 45 | 75 | 120 |  |
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| Bowling shirt | Metallic print | High Fashion | £45.00 | 5 | 8 | 45 | 10 | 55 |  |
| High fashion |  |  |  | 5 | 8 | 190 | 190 | 380 |  |
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|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Product description** | **Option** | **Fashionability** | **Selling price** | **Stores ranged** | **Weeks in stock** | **Sales units to date** | **Stock units remaining** | **Total buy units** | **STR%** |
| Cap sleeve top | White | Core basic | £25.00 | 15 | 8 | 400 | 0 | 400 |  |
| Cap sleeve top | Navy | Core basic | £25.00 | 15 | 8 | 600 | 600 | 1200 |  |
| Bootleg jean | Navy | Core basic | £35.00 | 15 | 8 | 200 | 10 | 210 |  |
| Core |  |  |  | 15 | 8 | 1200 | 610 | 1810 |  |
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1. **Exercise 4 - Analysis**

What does it mean?

1. Which products have the best and worst rates of sale and sell through rates?
   1. *Best rate of sale*
   2. *Worst rate of sale*
   3. *Best STR*
   4. *Worst STR*
2. How do you judge if the rates of sale and sell through rates are good or bad?
   1. *Rates of sale*
   2. *STR*
3. What part do the qualitative characteristics of product play in judging performance?
4. What quantitative characteristics of product influence the product budgeting process?