



CHAPTER 9 SALES FORECASTING

“We have to know where the customer is going, and get it to her before she gets there.” – Kenneth Cole

THE FUTURE – “REAL-TIME MARKETING”

Quick Response (QR):

Just In Time (JIT):

Sales Data:

Aggregated Data:

Errors in Sales Forecasting result in two kinds of Losses:

1.

2.

Basic styles v.s “One hit wonders”

SALES FORECASTING BASICS

Sales Forecast v.s Sales Plan

Sales Forecasting requires access to three Types of Information

1.

2.

3.

INTERNAL DATA

- Sales Volume
- Sales Volume by Geographic Area
- Sales Volume by Time Period
- Sales Volume by Sales Channel

How and How often to track sales data-

SALES FORECASTING METHODS

Time-Series Techniques

Correlation or Regression Techniques

Qualitative Techniques

SALES FORECASTING IN CONTEXT

The Product Life Cycle

- Development Stage
- Introduction Stage
- Market Development Stage
- Exploitation Stage
- Maturity Stage
- Saturation Stage
- Decline Stage

The Business Cycle:

The decomposition process:

The Apparel Cycle-

Consumer Confidence As an Indicator

The Leading Indicator Approach

DATA MINING – A STEP TOWARD “REAL – TIME MARKETING”

Data Mining:

Data Warehouse:

“ Merchandise Optimization”

STRATEGIC DATA PARTNERSHIPS & “REAL – TIME MARKETING”

Retail Supply Chain

Automated Replenishment System

Category Management