

Marilyn Chiu

Dr. Adomaitis

BUF 2255 OL25

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Part B

B1. Open to buy for each month

The formula for the open to the 6 month open to buy chart below

FEB.

Planned Sales	300,000
+ Planned Reductions	6,000 + 6,000 + 8,000
+ Planned EOM Stock	200,000
= Total monthly needs	520,000
- BOM Stock	160,000
= Planned purchases	360,000
- Merchandise on order	125,000
= Open to buy (At retail)	235000
= Open to buy (at cost) /2	117500

MAR.

Planned Sales	200,000
+ Planned Reductions	6,000 + 8,000 + 12,000
+ Planned EOM Stock	80,000

= Total monthly needs	306,000
- BOM Stock	200,000
= Planned purchases	106,000
- Merchandise on order	15,000
= Open to buy (At retail)	91,000
= Open to buy (at cost) /2	45500

APR.

Planned Sales	300,000
+ Planned Reductions	12,000 + 15,000 + 4,000
+ Planned EOM Stock	110,000
= Total monthly needs	441,000
- BOM Stock	80,000
= Planned purchases	361,000
- Merchandise on order	145,000
= Open to buy (At retail)	216,000
= Open to buy (at cost) /2	108,000

MAY

Planned Sales	200,000
+ Planned Reductions	3,000 +14,000
+ Planned EOM Stock	9,000
= Total monthly needs	307,000

- BOM Stock	80,000
= Planned purchases	227,000
- Merchandise on order	35,000
= Open to buy (At retail)	192,000
= Open to buy (at cost) /2	96,000

JUNE

Planned Sales	400,000
+ Planned Reductions	20,000 + 8,000 + 18,000
+ Planned EOM Stock	210,000
= Total monthly needs	446,000
- BOM Stock	90,000
= Planned purchases	356,000
- Merchandise on order	170,000
= Open to buy (At retail)	186,000
= Open to buy (at cost) /2	93,000

JULY

Planned Sales	200,000
+ Planned Reductions	14,000 + 6,000 + 25,000
+ Planned EOM Stock	70,000
= Total monthly needs	315,000
- BOM Stock	210,000

= Planned purchases	105,000
- Merchandise on order	23,000
= Open to buy (At retail)	82,000
= Open to buy (at cost) /2	41,000

B2. Average monthly sales

$$\frac{30,000 + 20,000 + 300,000 + 200,000 + 400,000 + 200,000}{6} = 266666.6667$$

B3. Average monthly on order

$$\frac{125,000 + 15,000 + 145,000 + 35,000 + 170,000 + 23,000}{6} = 85500$$

B4. Markdown % for each month

Feb.

$$8,000 / 300,000 = .0266... = 2.6\% \text{ or } 2.67\% \text{ or } 2.7\%$$

Mar.

$$12,000 / 200,000 = .06 = 6\%$$

Apr.

$$4,000 / 300,000 = .0133... = 1.3\% \text{ or } 1.33\%$$

May

$$3,000 / 200,000 = .015 = 1.5\%$$

June

$$18,000 / 400,000 = .045 = 4.5\%$$

July

$$25,000 / 200,000 = .125 = 12.5\%$$

Part C**C1.**

$$1,600,000 \times .091 = 145,600$$

$$1,600,000 + 145,600 = 1,745,600$$

C2.

$$1,745,600 - 1,740,000 = 5,600$$

$$5,600 / 1,740,000 = .003218 = .32\%$$

Dollar increase/ decrease for the sales period? 5,600 increase

Percentage increase/decrease? .32% increase

After three years of battling and surviving against Covid 19 by being in quarantine in isolated homes, wearing masks to prevent the virus from spreading, and getting infected by the virus, sales began to increase in retail and retail e-commerce. The pandemic and the virus changed consumers' behaviors and made consumers adapt to online shopping. In 1998, e-commerce online sales were \$5 billion but after 2 decades e-commerce online sales made up to \$800 billion. At the beginning of the year of the pandemic in the year of 2020, sales increased by 43%. However, these changes affected industries' sales because some may have not transitioned to selling online or have never done online selling before the pandemic. For example, people were not able to commute and were mandated to stay home and work from home, gas station sales decrease and gas stations rely on travelers and commuters. Retailers created strategies to lure consumers to transition back into going to stores by accepting return online orders.

Brewster, M. (2023, June 12).

Climate change plays a factor in sales. In NYC, there was barely any snow and during the spring and beginning of summer seasons, the temperature was abnormal. Car markets created electric car models to decrease oil consumption. The sales of electric cars grew but not rapidly. Car markets decreased by 8% because of material shortages, inflations, and interest rates increasing. In 2022, electric cars global sales increased by 60%. Over half of all electric vehicle sales last year were electric SUVs due to sales increase by 3% in the years of 2021 and 2022. However, electric SUVs require immense batteries which can increase the demand for the battery. Or the size of vehicles may downsize due to the battery change. Cozzi, L., Petropoulos, A., Paoli, L., Mathilde Huisman, & Dasgupta, A. (n.d.).

As technology is advancing every day and users are relying upon the use of technology, businesses also rely on social media to promote and sell their products. The use of social media

benefited businesses in increasing sales by targeting audiences and creating connections with other networks to get more business. Since being active on social media, 10% of social sales representatives have closed five or more deals. Through social media, a salesperson can provide distinctive insight to their potential consumers which drives 53% of client loyalty. About 76% of consumers are prepared to communicate with potential suppliers on social media. Although social media helps most businesses, it depends on your target market whether they use social media or not. (Ouellette, C. (2022, January 7)).

Citation(s)

Brewster, M. (2023, June 12). *Annual retail trade survey shows impact of online shopping on retail sales during COVID-19 pandemic*. Census.gov.

<https://www.census.gov/library/stories/2022/04/ecommerce-sales-surged-during-pandemic.html>

Cozzi, L., Petropoulos, A., Paoli, L., Mathilde Huisman, & Dasgupta, A. (n.d.). *As their sales continue to rise, suvs' global CO2 emissions are nearing 1 billion tonnes – analysis*. IEA.

<https://www.iea.org/commentaries/as-their-sales-continue-to-rise-suvs-global-co2-emissions-are-nearing-1-billion-tonnes>

Ouellette, C., Published by Coral Ouellette Coral Ouellette is a writer who specializes in digital marketing and affiliate marketing. In her spare time, Ouellette, P. by C., & Coral Ouellette is a writer who specializes in digital marketing and affiliate marketing. In her spare time. (2022, January 7). *Social Selling Statistics for 2023 (includes social media marketing!)*. OptinMonster.

<https://optinmonster.com/social-selling-statistics/>