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(54) **Name of Invention:** Sales Management System and Method

(57) Summary

Problem to be Solved:

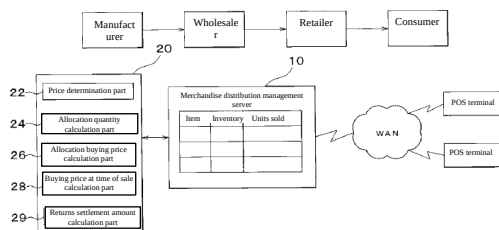
To provide a sales management system that minimizes the costs of manufacturing and sales borne by the consumer for merchandise to be returned when the consumer purchases the merchandise at the full price in which only the manufacturing and sales costs of the purchased merchandise and a fair profit margin for the merchandise entity are borne by the consumer.

Means of Solving the Problems:

The invention is provided with a price determination part 22 that determines the reference retail price for items sold based on the amount of inventory and the number of parts sold during the part period for each item sold which is stored in a merchandise distribution management server 10; an allocation calculation part 24 that calculates the allocation quantity of the items for each retailer; an allocation buying price calculation part 26 that calculates the allocation buying price for each retail outlet based on the allocation quantity of the items; a buying price at the time of sale calculation part 28 that calculates the stocking price of the sold item based on the reference retail price at this stage when the purchased items based on the allocation quantity are sold by each retailer; and a returned goods settlement amount calculation part 29 that calculates the returned goods settlement amount according to the unsold quantity and returned goods fee for the items purchased by each retailer based on the quantity allocated thereto.

Drawing Selected: Fig. 1

Fig. 1



Patent Claims

Claim 1

A sales management system comprising: a price determination part that determines the reference retail price of an item for sale based on the inventory and the number of items sold during the unit period for each item for sale, which is stored in a merchandise distribution management server; an allocated quantity calculation part that calculates the allocated quantity of the items for each retailer; an allocated stocking price calculation part that calculates the allocated stocking price for each retailer based on the allocated quantity of the item calculated by the allocated quantity calculation part; a time of sale stocking price calculation part that calculates the sold purchase price based on the reference retail price at a stage wherein the stocked items based on the allocated quantity are sold by each retailer; and a returned goods settlement amount calculation part that calculates the returned goods settlement amount according to the returned goods fee and unsold quantity among the items stocked by each retailer based on the allocated quantity.

Claim 2

The sales management system of claim 1, further comprising: a purchased merchandise quantity receiving part that receives the quantities of purchased merchandise for each retailer that is set independently from the allocated quantity of the items; and a purchase and stocking price calculation part that calculates the purchase and stocking prices based on the reference retail price for each retailer based on the purchased merchandise quantity of the items.

Claim 3

The sales management system of claim 1 or claim 2, further comprising: a supervisor part that manages the sales of the items that are purchased by each retailer based on the allocated quantity of the items, wherein the supervisor part has a function for managing the return of the items purchased by each retailer based on the allocated quantity.

Claim 4

The sales management system of any one among claims 1 to 3, further comprising: a sales rep part that manages the sales progress rate of the items for each retailer among a predetermined number of retailers based on the allocated quantity, wherein the sales rep part is authorized to transfer the items from retailers having a low sales progress relative to the allocated quantity to retailers having a high sales progress rate.

Claim 5

A sales management method for executing each step using a computer:
recording the inventory and the number of units sold during the unit period for each item of merchandise for sale; determining the reference retail price based on the inventory and the number of units sold during the unit period of the item as stored in the management server; calculating the allocated quantity of the items for each retailer; calculating the allocated stocking price of the items for each retailer based on the allocated quantity of the items; calculating the sold purchase price based on the reference retail price at a stage wherein the stocked items based on the allocated quantity are sold by each retailer; and calculating the returned goods settlement amount according to the returned goods fee and unsold quantity among the items stocked by each retailer based on the allocated quantity.

Detailed Description of the Invention

Technical Field

0001

This invention relates to a sales management system and method suitable for use in commercial transactions between manufacturers and wholesalers or retailers, and to a sales management system and method for reducing the risk of bad inventory of merchandise at retailers while reducing lost sales opportunities.

Prior Art

0002

The inventor has proposed a distribution system for packaged merchandise such as game software, videos, and CDs (compact discs), as shown in Patent Document 1. In the case of game software, copyright restrictions limit the supply of game titles to game software manufacturers who own the copyrights, and the same game titles are not supplied by competitors in the same industry. Thus, game software manufacturers are in a stronger position than wholesalers and retailers, and in general business practice, it is retailers that buy game titles.

0003

Patent Document 1: Publication of Unexamined Patent Application 2002-109004

0004

It so happens that when it comes to musical works such as CDs, price competition among stores cannot take place due to resale price constraints (Article 23 of the Antimonopoly Law). However, game software is a typical merchandise that is not subject to resale price constraints, and thus has merchandise characteristics that encourage price competition among retailers. Therefore, retailers bear the risk of unsold merchandise when they purchase game titles, and game software manufacturers try to maintain retail prices by controlling the number of packaged merchandise produced with a view to ensuring that there are no unsold game software titles.

0005

On the other hand, the women's or men's apparel industry as an industry structure that is significantly different from that game software. Thus, at the manufacturing stage where the garments are sown, there are specialized companies for each of the many processes in apparel production, including spinning, weaving, dyeing, cutting, and sewing. Each company specializes in the skills associated with the specialized process for which they are responsible and has been in business for many years. On the other hand, there are wholesalers and retailers at the distribution stage, but because of the multi-segmented nature of consumer needs, retailers are also segmented into men's wear, women's wear, kimonos, underwear, accessories, and so on.

0006

In the apparel industry, the supply of garments is never monopolized by a single garment manufacturer; there are always substitutes. Therefore, in the apparel industry, the companies with strong marketing power that control women's and men's clothing brands have priority in acquiring added value. Therefore, under the consignment sales model, it is the merchandise companies that bear the risk of unsold merchandise, while retailers are allowed to return merchandise, thereby avoiding the risk of unsold merchandise by retailers and preventing the sale of unsold merchandise for cash, which in turn maintains brand value.

Disclosure of the Invention

Problems the Invention Seeks to Resolve

0007

However, this consignment-based sales model in the apparel industry enables retailers to accept returns of merchandise, so the suggested retail price set by merchandise companies must consider the merchandise return ratio. This makes the purchase price higher than it would otherwise be if consumers purchased the items at the full price.

0008

In other words, retailers purchase more merchandise than they can expect to sell at their own stores because they can return the merchandise, and thus increase the selection in their stores to stimulate consumers' willingness to buy. Thus, the quantity of garments ordered by the merchandise entity from the sewing manufacturer is greater than the quantity that the merchandise entity is able to sell, and a certain percentage of the garments are returned after having been shipped to the retailer. The returned garments are handled differently by each merchandise company. If the garments have longevity, they are shipped again to other stores, while if they no longer have longevity, they are cut and disposed of

or sold off to outlet stores for cash. Therefore, when consumers purchase at the regular price, in addition to the manufacturing and sales cost of the purchased merchandise and the retailer's margin, a certain percentage of the cost of returned goods, transportation costs to and from the store, the cost of occupying display space at the store, and disposal costs are added to the cost.

0009

The present invention resolves the aforementioned problems, and its first objective is to provide a sales management system that minimizes the costs of manufacturing and sales borne by the consumer for merchandise to be returned when the consumer purchases the merchandise at the full price in which only the manufacturing and sales costs of the purchased merchandise and a fair profit margin for the merchandise entity are borne by the consumer. The second objective is to provide a sales management system that reduces the risk of bad inventory for retailers of apparel and other merchandise while reducing lost sales opportunities.

Means of Solving the Problems

0010

The sales management system of the present invention that achieves the aforementioned objectives, for example, as shown in Fig. 1, is provided with a price determination part 22 that determines the reference retail price for items sold based on the amount of inventory and the number of units sold during the unit period for each item sold which is stored in a merchandise distribution management server 10; an allocation calculation part 24 that calculates the allocation quantity of the items for each retailer; an allocation buying price calculation part 26 that calculates the allocation buying price for each retailer based on the allocation quantity of the items; a buying price at the time of sale calculation part 28 that calculates the sold purchase price based on the reference retail price at this stage when the purchased items based on the allocation quantity are sold by each retailer; and a returned goods settlement amount calculation part 29 that calculates the returned goods settlement amount according to the unsold quantity and returned goods fee for the items purchased by each retailer based on the quantity allocated thereto.

0011

The sales management system of the invention, for example, as shown in Fig. 2, preferably further comprises a purchased merchandise quantity receiving part 32 that receives the quantity of purchased merchandise for each retailer, which is set independently of allocation quantity of the items, and a purchase price calculation part 34 that calculates a purchase price based on the reference retail price for the retailers based on the purchasing quantities of the items.

0012

The sales management system of the invention, for example, as shown in Fig 2, preferably further comprises a supervisor part 40 that manages the sales of the items that are bought by retailers based on the allocation quantity of the items; and the supervisor part is authorized to manage the return of such items purchased by each retailer based on the allocation quantities.

0013

The sales management system of the invention, for example, as shown in Fig 2, preferably further comprises a sales rep part 50 that manages the sales progress rate for each retailer of the items among a predetermined number of retailers based on the allocation quantity; and the sales rep part 50 is authorized to transfer the items from retailers having a low sales progress relative to the allocation quantity to retailers having a high sales progress rate.

0014

The sales management method of the present invention that achieves these objectives, as shown in Fig. 2, is provided with a merchandise distribution management server 10 that executes each step: a step to record the amount of inventory for each item of merchandise sold and the number of units sold during the unit period (S100); a step to determine the reference retail price based on the inventory quantity of the items and the number of units sold during the unit period as stored in the management server (S102); a step to calculate the allocation quantity of the items to the retailers (S104); a step to calculate the

allocation buying price of the items for the retailers based on the allocation quantities of the items (S106); a step to calculate the sold purchase price based on the reference retail price at the stage when the items purchased based on the allocation quantities are sold by the retailers (S108); and a step to calculate the amount of returned goods settlement based on the unsold quantity of the items purchased by the retailers based on the allocation and the return shipping costs (S110).

Effect of the Invention

0015

According to the sales management system and method of the present invention, retail pricing is based on scientific, rational, and empirical marketing, thereby eliminating a great deal of the waste in the distribution process and making it easier for consumers to obtain the merchandise they want at extremely low prices. This system is especially suitable for industries with low manufacturing costs and complex distribution mechanisms, such as the apparel industry.

Preferred Embodiments of the Invention

0016

The following description of embodiments of the invention are made with reference to the drawings.

Embodiment 1

0017

Fig. 1 is a block diagram of the overall configuration of a sales management system illustrating a first embodiment of the invention. In the figure, the sales management system 20 is connected to a merchandise distribution management server 10 and to point-of-sale (POS) terminals which are installed in each retail store and a communication line such as a wide area network (WAN) or Internet communication network. The merchandise distribution management server 10 records the amount of inventory for each item of merchandise sold and the number of units sold during a specific unit period. For example, the server receives sales information from POS terminals at the retail stores, manages the number of units sold for each item of merchandise sold at each retail store, and ensures merchandise distribution so that no shortages occur. The merchandise distribution information from the merchandise distribution management server 10 is also transmitted to the manufacturers' production planning teams to be reflected in the production of merchandise at the factories and used to make decisions on additional production, etc. On the manufacturer's side, sales department personnel use the merchandise distribution information from the merchandise distribution management server 10 to process sales information from the retailers for use in managing regional sales trends and customer segments, as well as to evaluate the selling capabilities of each retailer.

0018

The sales management system 20 is designed to handle the merchandise allocated by merchandise entities such as those that manufacturers, and is provided with a price determination part 22, an allocation quantity calculation part 24, an allocated buying price calculation part 26, a buying price at the time of sale calculation part 28, and a returns settlement amount calculation part 29. Allocated merchandise is that merchandise for which the merchandise entity basically bears the risk of being unsold, while the retail side is responsible for the actual cost of returned merchandise. The sales management system 20 may be installed in the manufacturer's sales department, at a wholesaler, or in a dedicated data processing center.

0019

The price determination part 22 determines a reference retail price for the item based on the amount of inventory for each sales item and the number of units sold during the unit period, as stored in the merchandise distribution management server 10. For example, if the number of units sold during the unit period is favorable to the sales volume target, the price determination part 22 takes a strong attitude toward the reference retail price, and if the number of units sold during the unit period is unfavorable, it takes a weak attitude toward the reference retail price or plans a sales promotion strategy. The

reference retail price set by the price determination part 22 allows the manufacturer or other merchandise entity to announce to retailers and consumers the current market value of the item for sale, considering the amount of inventory and sales speed (number of units sold in a unit period) of the merchandise, and with reference to the merchandise's distribution market.

0020

The allocation quantity calculation part 24 calculates the allocation quantity of the item for each retailer. In principle, the quantity to be allocated is determined based on the actual sales of each item sold by each retailer as stored in the merchandise distribution management server 10, but regional factors and customer base are also taken into consideration. For example, a 10% increase is determined based on regional factors, and a further 5% increase is determined based on the customer base. As a result, each retailer will, in principle, purchase merchandise in accordance with the allocation determined by the allocation calculation part 24. The incentive for retailers is to purchase more merchandise if they find that the merchandise is a strong seller. However, since the number of orders placed by retailers is not accepted for the allocated merchandise, retailers need to constantly improve their sales performance and ensure that the figures stored in the merchandise distribution management server 10 are good.

0021

The allocated buying price calculation part 26 calculates the allocated buying price to each retailer based on the allocation quantity of the item in question calculated by the allocation quantity calculation part 24. The allocated buying price is the price that the retailer should pay to the merchandise entity for the allocated merchandise provided by the merchandise entity when buying the merchandise. The allocated buying price is based on the reference retail price in the price determination part 22, multiplied by a certain multiplying factor (e.g., 20% of the reference retail price) that covers procurement costs, such as the factory production price, plus logistics costs. The entity operating the retail store pays the allocated buying price to the merchandise planning entity within a certain period (e.g., within one month) from the time the goods are allocated and the allocated goods are delivered from the merchandise planning entity. From the perspective of the merchandise planning entity, the allocated buying price is in character a deposit for placing the allocated merchandise with the retailer.

0022

The purchase price calculation part 28 calculates the sold purchase price based on the reference retail price at the stage when the relevant item purchased based on the allocation quantity is sold by the retailers. The sold purchase price is determined according to the buying prices for the retailers at the point of sale by multiplying a certain multiplying factor (e.g., 60% of the reference retail price) based on the reference retail price in the price determination part 22. The sold buying price is linked to the reference retail price, which is determined flexibly by the price determination part 22 and differs from the allocated buying price by the amount of the change between the reference retail price and the multiplying factor. Therefore, the retailer determines the purchase price of the allocated merchandise from the merchandise entity by multiplying the allocated merchandise from the merchandise entity by the sold purchase price.

0023

The returns settlement amount calculation part 29 calculates the returned merchandise settlement amount based on the unsold quantity of the items purchased by retailers based on the allocation quantity and the restocking fee. When an allocated item from a merchandise entity is returned, a predetermined return fee is paid to the merchandise entity after a predetermined settlement period (3 to 6 months) for each allocated item. The restocking fee comprises, for example, the transportation costs associated with returning the merchandise to the merchandise entity. This prevents retailers from taking up valuable retail space with allocated merchandise that have no known sale date. The merchandising entity must bear only the procurement and transportation costs to the retailer and has the opportunity to earn a profit by keeping the merchandise on the retailer's shelves for a certain period. If the retailer has already paid the allocated buying price to the merchandising entity, the merchandising entity reimburses the retailer for the allocated buying price which has been paid.

0024

Following is a description of the flow of merchandising transactions in the sales management system thus configured. Fig. 2 is a flowchart describing the sales management method. First, the inventory quantity for each item of the sold merchandise and the number of units sold during the unit period are stored in the merchandise distribution management server 10 (S100), as well as the retailer identification information of the sold merchandise. Additionally, the merchandise distribution management server 10 also stores information related to each item of sold merchandise, such as the item number, allocated buying price, reference retail price, sold purchase amount, and returned goods settlement amount. Such information related to each item of merchandise sold may be identified and managed, for example, by means of tags attached to the merchandise sold.

0025

Next, the price determination part 22 sets a reference retail price based on the inventory quantity of the item in question and the number of units sold during the unit period as stored in the merchandise distribution management server 10 (S102). The allocation quantity calculation unit 24 then calculates the allocation quantity of the item to the retailers (S104). The allocation buying price calculation unit 26 calculates the allocation buying price for each retailer based on the quota quantity of the item in question (S106). The retailers pay to the merchandise entity an amount equivalent to the allocation buying price which is based on the allocation buying price and the allocation quantity of the item.

0026

Next, the time-of-sale purchase-price calculation unit 28 calculates the sold purchase price, based on the reference retail price, at the stage when the item purchased based on the allocation quantity is sold at each retail store (S108). Each time the item is sold, at each retail store, sales information is transmitted from the POS terminal to the sales management system 20 and the merchandise distribution management server 10.

0027

The returned merchandise settlement calculation part 29 calculates the returned merchandise settlement amount based on the unsold quantity and return fees for items which have been purchased by each retailer based on the allocation quantity (S110). For items that cannot be sold after a certain sales period, the retailer determines that the items are unsold, performs return and settlement processing with the merchandise planning entity according to the return settlement amount determined by the return settlement amount calculation part 29.

0028

The following is a description of the retailers handle the reference retail price posted by the merchandise entity in the price determination part 22. Retailers can view the reference retail price by going to the price determination part 22 on the retailer's information terminal. Retailers are not obligated to use this reference market price, but the quotient (the ratio of buying cost to sales price) is predetermined, and the following actions are taken:

- (i) If the merchandise is sold at the reference retail price, the merchandise will be sold in average condition, and both the retailer and the merchandise entity will earn a reasonable profit.
- (ii) If the merchandise is sold at or below the reference retail price, the conditions of merchandise sales will be good, but the retailer's profit margin will improve overall only if the decrease in profit per item can be compensated for by an increase in sales volume. The profit margin of the merchandising entity will remain firm as the sales volume of the merchandise increases.
- (iii) If the merchandise is sold at or above the reference retail price, since the merchandise will not sell well, the profit margins of the retailer and the merchandise entity will increase only if the increase in the unit price can compensate for the decrease in sales volume.

0029

The reference market price of the merchandise planning entity is thus used as the basis for setting the buying cost of the merchandise at the time of sale. The retailer's profit will be reduced if the retailer sells the merchandise at a price lower than the reference market price. On the other hand, if the retailer

sells the merchandise at a price which is higher than the reference market price, only the retailer's profit will be higher.

0030

The quantity allocated by the quantity allocation calculation part 24 includes merchandise sent into the retailers and does not as a rule include merchandise ordered by retailers. In this case, inbound merchandise is merchandise sent by a manufacturer or other merchandise planning entity in the absence of a request from the retailer, and the retailer is free to return the merchandise. Typical quantities of merchandise sent in his merchandise which is intended for display in a retail store as merchandise samples in addition to the target sales quantity for a certain period (e.g., one week in the case of clothing). Within the range of the allotted quantity, even retailer-ordered merchandise may be returned even if they have been ordered by the retailer. For instance, this situation effectively corresponds to a strategy in which the initial merchandise sales are strong while the amount of inbound merchandise is not adequate, so the merchandise is bought as retailer-ordered merchandise. Later, however, as sales become sluggish, the retailer-ordered merchandise is replaced with the target sales quantity of inbound merchandise for the next sales period. In this case, the buying price allocated in the buying price calculation part 26 is the procurement cost plus distribution costs as the retailer's buying price for the merchandise to be sent. Moreover, the retailer's buying price for merchandise which the retailer has ordered should be a fixed percentage of the initial sales price.

Embodiment 2

0031

Fig. 3 is a block diagram of the general configuration of a sales management system which illustrates a second embodiment of the invention. This embodiment shows a situation in which merchandise is allocated not only by a merchandise planning entity such as a manufacturer, but also merchandise which is purchased by retailers that are handled as a group. In the figure, the sales management system 20 is connected to the merchandise distribution management server 10, to the POS terminals installed in each retail store, and to a network, as well as to the supervisor part 40 and to the sales rep part 50. The sales management system 20 is designed to handle both merchandise allocated by a merchandise handling entity such as a manufacturer and merchandise which is purchased by retailers, and in addition to the value determination part 22, the allocation quantity calculation part 24, the allocation purchase price calculation part 26, the purchase price at time of sale calculation part 28, and the returned goods settlement amount calculation part 29 as described in Embodiment 1, the system also includes purchased merchandise quantity receiver part 32 and a purchased buying price calculation part 34.

0032

The purchased merchandise quantity receiver part 32 receives each retailer's purchased merchandise quantity, which is set independently of the allocated merchandise quantity by the manufacturer or other merchandise planning entity. Retailers may purchase merchandise from merchandising entities on a voluntary basis to the extent of their creditworthiness, as long as such merchandise is bought outright. However, retailers cannot make these purchases without engaging in marketing efforts in advance (e.g., advance reservations by customers) to support their merchandise purchasing action. This is because the retailers themselves will have to search for ways to liquidate unsold purchased merchandise, and the value of the purchased merchandise will be close to a loss.

0033

The purchased buying price calculation part 34 calculates purchased buying prices based on the reference retail price for each retailer based on the quantity of merchandise purchased by the manufacturer or other merchandise planning entity for the merchandise line. The retailer obliged to pay the manufacturer (wholesaler) or other merchandise planning entity the cost of buying plus shipping costs based on the multiplier within a certain period from the time the merchandise is sent. The retailer bears inventory risk from the time the retailer buys the merchandise, thereby ensuring that the amount of merchandise available is greater than or equal to the quantity allocated by the quota calculation part 24. Retailers are not allowed to return purchased merchandise to the merchandise planning entity and

must pay a settlement price at the time of delivery.

0034

The supervisor part 40 is authorized to manage the sales of merchandise purchased by the retailers based on the allocation quantities of the merchandise as set by the merchandise planning entity, and to manage the return of merchandise purchased by the retailers based on the allocation quantities using, for example, computers or information processing terminals which are connected to a communications network. The supervisor part 40 is connected to a number of sales rep parts 50 within the scope of its management and can adjust the quantity of merchandise allocated to the retailers by the merchandise planning entity at any time based on information from the merchandise distribution management server 10 about the merchandise in question. The supervisor used by the supervisor part 40 is responsible for the sale of merchandise sent in by the merchandising entity; however, it is not responsible for sales performance of unsold merchandise ordered by retailers as merchandise which they have purchased. The supervisor's authority to transfer merchandise between retailers is underpinned by the fact that the allocation quantity of merchandise can be returned to the merchandising entity. In other words, the supervisor also has the authority to approve a retailer's request to return an allocated quantity of merchandise to the merchandising entity.

0035

The sales rep part 50 manages the sales progress rate for each retailer with respect to the items between a predetermined number of retailers based on the allocation quantity. The sales rep part 50 has the authority to transfer items from a retailer with a low sales progress rate in relation to the allocation quantity to retailers with a high sales progress rate. A computer or information processing terminal connected to a communication line network may, for example be used. Sales reps (sales managers) who use the sales rep part 50 have a shared incentive to maximize sales within a group of merchandise among retailers and merchandise planning entities. For example, sales reps are assigned to a certain area by region, and if a certain product is not selling well at certain retailers within their area, they have the authority to transfer the merchandise to another retail store under their jurisdiction.

0036

The following is a description of how each retailer handles the reference retail price indicated in the pricing part 22. Retailers can view the reference retail price by going to the price determination part 22 on the retailer's information terminal. Retailers are not required to adhere to the reference market price, but the quotient ratio (the ratio of wholesale to retail prices) is predetermined, and the following actions are taken:

- (i) If the merchandise is sold at the reference retail price, the merchandise will be sold in average status, and the retailer, sales rep, and merchandise planning entity will each receive an appropriate profit.
- (ii) When the merchandise is sold at or below the reference retail price, the sales situation for the merchandise is favorable, but the overall profit margin for retailers and sales reps will improve when the decrease in profit per item can be made up for by an increase in sales volume. The profit margin of the merchandising entity will hold steady as the sales volume of the merchandise increases.
- (iii) If the merchandise is sold at or above the reference retail price, the merchandise will not sell well, and the amount of profit for retailers, sales reps, and merchandise planning entities will increase only if the increase in the unit price can compensate for the decrease in sales volume.

0037

A merchandise sales information management system can be built in which the merchandise planning entity can provide IC tags with barcodes, printed barcodes, or barcode stickers on the merchandise that it sends to the retailers so that a distinction between the allocation merchandise by the merchandise planning entity and the merchandise purchased by the retailers can be made. As apparel products, for example, to enable management by individual item and by individual store. This will enable merchandise planning entities to accurately grasp the needs of consumers, thus bringing them closer to a "one-to-one" marketing. Barcodes are fully functional for single-item management at retail stores.

When IC tags are affixed to merchandise items such as apparel, it becomes possible to manage each item and each store. This way the merchandise planning entity will be able to make an accurate assessment of consumer needs, thus bringing them closer to one-to-one marketing. Barcodes are sufficient for single item management at retail stores.

0038

Moreover, IC tags having the ability to store large volumes of information to facilitate consolidated merchandise distribution information management, not only at the retail level, but also at production plants, warehouses, on shipping vehicles, and the like, making merchandise distribution management easier for merchandise planning entities. Thus, even for apparel and other such merchandise which is treated as the same merchandise (product number, color, pattern, size), it becomes possible to distinguish between “allocated merchandise” and “off-the-shelf merchandise” to determine whether merchandise can or cannot be returned. Additionally, with this system it is possible to check the movement of unsold merchandise and to understand why this merchandise did not sell as well in comparison to other identical merchandise.

0039

Under the sales management system and method of the present invention, retailers are allowed to return merchandise allocated by merchandise planning entities, and the sold purchase price is calculated by the purchase price calculation part 28 based on the reference retail price at the stage when each retailer has sold the item purchased based on the allocated quantity. This system offers the following advantages for each entity involved in merchandise distribution, including merchandise planning entities and retailers.

0040

(1) Clarification of rules for merchandise distribution, such as pre-determination of quotations rates and return fees, will eliminate the situation where provisional demand and excess demand occur in demand forecasts between merchandise planning entities such as manufacturers, wholesalers, and retailers, and enables demand forecasting which is based on scientific, rational, and empirical marketing. As a result, retailers will be freed from the risk of excess inventory that they used to bear due to the uncertainty of demand forecasts.

0041

(2) For manufacturers as well, products are more easily seen by consumers and overall product sales increase because products are placed on the shelves of retail stores more than the manufacturer's own demand forecast. In addition, if an individual identification medium with a large storage capacity, such as an IC tag, is attached to a product item, such as an apparel product, for example, and managed as individual items and in individual stores and stored in the merchandise distribution management server 10, the merchandise planning entity can directly assess consumer needs and quickly produce merchandise consonant with those needs. This enables merchandise planning entities to directly identify consumer needs and quickly produce merchandise that will meet those needs. In addition, since there will be fewer returns, costs associated with cross-shipment (transportation) will be reduced, and the administrative complexity of processing vouchers, etc. can be avoided.

0042

(3) The system also makes it be possible to send the latest selling price information of retailers near the consumers' current location (nearest store) to consumers' cell phones, PDAs, or other communications devices, allowing consumers to purchase merchandise at lower prices that meets their needs and preferences.

0043

Brief Description of the Drawings

Fig. 1 Block diagram of the overall configuration of the sales management system illustrating a first embodiment of the invention.

Fig. 2 Flow chart explaining the sales management method of the present invention

Fig. 3 Block diagram of a sales management system having a second embodiment of the invention

Symbols

0044

- 10 Merchandise distribution management server
- 20 Sales management system
- 22 Price determination part
- 24 Allocation quantity calculation part
- 26 Allocation buying price calculation part
- 28 Buying price at time of sale calculation part
- 29 Returns settlement amount calculation part
- 32 Purchased merchandise quantity receiver part
- 34 Purchased buying price calculation part
- 40 Supervisor part
- 50 Sales rep part

Fig. 1

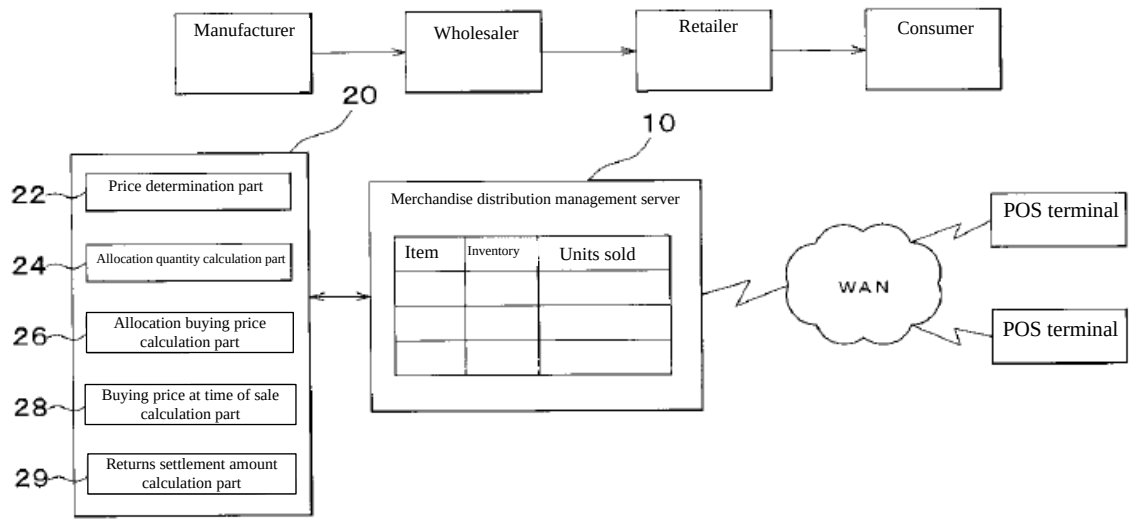


Fig. 2

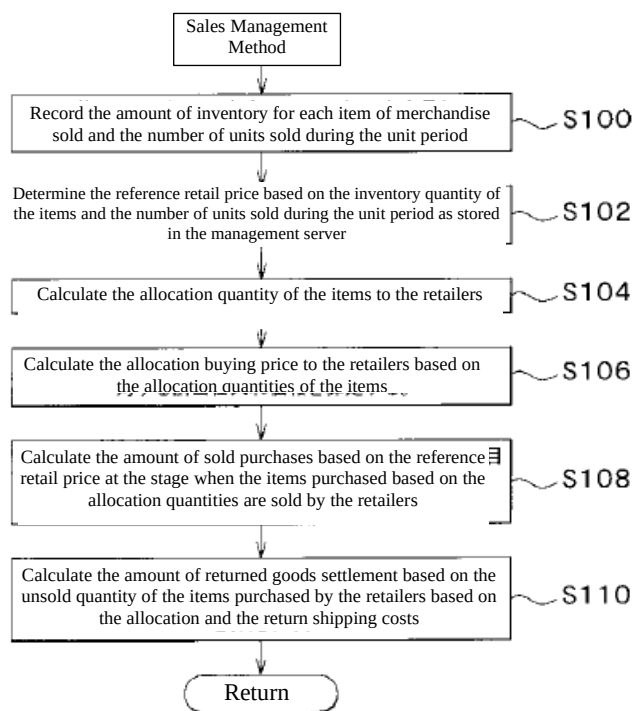
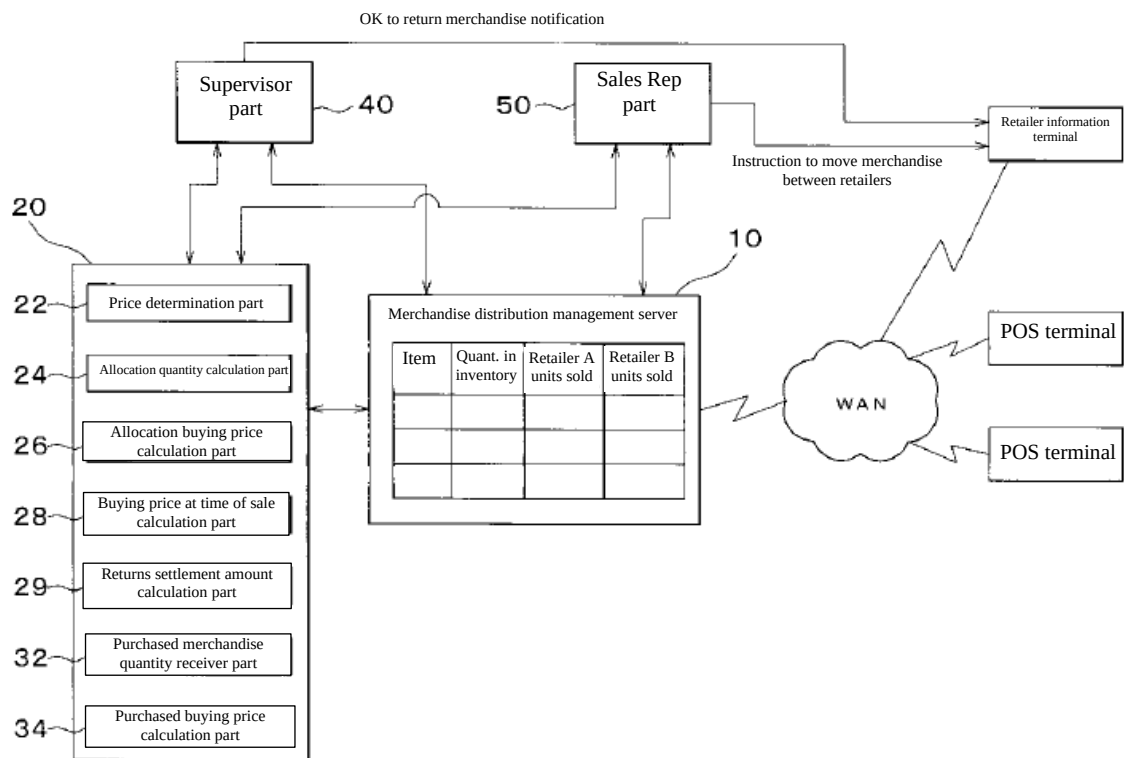


Fig. 3





March 21, 2023

Certification

Welocalize Translations

TRANSLATOR'S DECLARATION:

I, Seongweon Park, hereby declare:

1. I am a translator for Welocalize Translations, a professional translation company incorporated globally with its principal office located in New York.
2. I am competent to translate between the Japanese and English languages.
3. At the request of Groombridge, Wu, Baughman & Stone LLP, I reviewed JP2005332346A_Original from Japanese to English.
4. To the best of my knowledge and belief, the attached English language document is a true, complete, and correct translation of JP2005332346A_Original.
5. I make this declaration of my own personal knowledge. If called to testify as to the truth of the matters stated herein, I could and would testify competently.
6. I declare under penalty of perjury that the foregoing is true and correct.
7. Declarant has been warned that willful false statements and the like are punishable by find or imprisonment.

Executed this 20th day of March, 2023, at Corvallis, OR.

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