

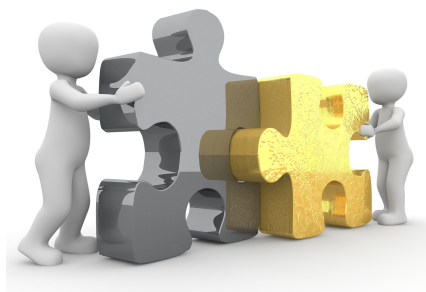
## 7.2: Supplier and Retailer Coordination

### Learning Objectives

- Summarize the benefits of a coordinated effort between suppliers and retailers

Vendors and retailers can coordinate their efforts in several ways. They can coordinate in planning sales and inventory levels, as well as in planning promotions and by sharing real-time sales data.

Retailers have a variety of methods to plan their business. One of the most common is to predict future sales based on prior years' performance. Through the use of "sales history", a retailer has an empirical basis on which to plan future expected revenue. Once revenue is estimated, the business can then plan several important other factors in order to execute their business plan. How much inventory will be needed to achieve the expected sales? What marketing/promotional support should be in place to support the planned sales?



It is easy to see that having close vendor partnerships is crucial for successful retail performance, since suppliers will need to have their products available for the retailers to sell. Often, retailers will solicit vendor support for key promotions as both will benefit from successful mutual marketing campaigns with increased business.

With cooperative planning, both retailer and vendor will realize not only predictable revenue, but revenue that maximizes profit due to efficiencies and economies of scale. Consumers will also benefit due to the same factors- more product quality due to better sourcing, lower costs due to larger buys, etc.

### Video - NEC's C-Store Retail Solution Delivers Sales Data Visibility



### Practice Questions

<https://assessments.lumenlearning.co...sessments/9208>

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