

UNIT 3 BASICS OF MERCHANDISING

Meaning of Merchandising

- The word „Merchandise“ means goods bought and sale for profit. It originates from the French word „merchant“ which leads to merchandise.
- According to business dictionary, „merchandise“ refers to goods and commodities sold at business level.
- „Merchandising“ is the buying, presenting and selling of merchandise. This includes all related activities such as advertising, display, and promotion of merchandise involving retail customers.

The term “**Merchandiser**” defined as a ‘**Person who do buying and selling of goods for the purpose of making a profit.**’ In fashion industry there are different types of merchandising profiles which are meant to perform different types of functions all together at different stages of fashion industry. Over the years of the growth of merchandising as a discipline in the fashion industry, there have been many changes in the job profile of the merchandiser. It has charges from a simple to a much more complex job transcending almost all functions in fashion industry. This has led to a change in the skillsrequired for the job and evolution of the discipline of fashion merchandising.

The role of merchandiser is very crucial and demanding in fashion industry. The development of design, production execution and sourcing, selling the merchandise to customer and displaying the merchandise at retail shop, these are the functions of fashion merchandiser at different level of industry. The skills requirement of fashion merchandising tuning with current trends in market, forecasting of upcoming fashion trends, technical parameters like fabric and trim details, garment quality, deciding the sourcing strategy, communication and coordination along with concern people in the industry. Fashion merchandiser takes design or sketch from designer and develops it in such a way that it will be market feasible, production feasible, and meets customer demands.

Visual merchandisers – Fashion merchandising can be defined as the planning and promotion of sales by presenting a product to the right market at the proper time, by carrying out organized, skillful advertising, using attractive displays, etc. Merchandising, within

fashion retail, refers specifically to the stock planning, management, and control process. Fashion Merchandising is a job that is done world- wide. This position requires well-developed quantitative skills, and natural ability to discover trends, meaning relationships and interrelationships among standard sales and stock figures. In the fashion industry, there are two different merchandising teams: the visual merchandising team, and the fashion merchandising team.

The visual merchandising team are the people in charge of designing the layout, floor plan, and the displays of the store in order to increase sales.

The fashion merchandising team are the people who are involved in the production of fashion designs and distribution of final products to the end consumer. Fashion merchandisers work with designers to ensure that designs will be affordable and desired by the target market. Fashion merchandising involves apparel, accessories, beauty, and housewares. The end goal of fashion merchandising in any of these departments is to earn a profit. Fashion merchandisers' decisions can considerably impact the success of the manufacturer, designer, or retailer for which they work.

Fashion Designer - A fashion designer is responsible for creating the specific look of individual garments-including a garment's shape, color, fabric, trimmings, and other aspects of the whole. The fashion designer begins with an idea of how a garment should look, turns that idea into a design (such as a sketch), and specifies how that design should be made into an actual piece of clothing by other workers (from patternmakers to finishers). The category of fashion designer includes people at different levels of the fashion business, from well-known couturiers, to anonymous designers working for commercial ready-to-wear houses, to stylists who might make only small modifications in existing designs. Fashion designers hold a special place in the world. Their talent and vision not only play a major role in how people look, but they have also made important contributions to the cultural and social environment.

Fashion Forecasting n- Fashion forecasting is a global career that focuses on upcoming [trends](#). A [fashion](#) forecaster predicts the colors, fabrics, textures, materials, prints, graphics, beauty/grooming, accessories, footwear, [street style](#), and other styles that will be presented on the [runway](#) and in the stores

for the upcoming seasons.^[1] The concept applies to not one, but all levels of the fashion industry including [haute couture](#), [ready-to-wear](#), [mass market](#), and street wear. Today, fashion industry workers rely on the Internet to retrieve information on new looks, colors, celebrity wardrobes, and designer collections.

The fashion forecasting process includes the basic steps of understanding the vision of the business and profile of target customers, collecting information about available merchandise, preparing information, determining trends, and choosing merchandise appropriate for the company and target customer.^[1] Color and style are two of the important objects to forecast for most buyers and merchandisers.

Fashion forecasting is the resource that helps in predicting trends in the fashion industry. The fashion forecaster must bring together his or her own knowledge of [fashion design](#) and history with consumer business information. Design firms and retail markets use forecasting services to predict trends in color and fashion.

Identifying a trend is a continuous effort of compiling observations.

2. 4”R”S OF MERCHANDISING

Right Merchandising It can be defined as planning of displaying the right merchandise at the right place, at the right time, in the right quantity, and at the right price to attract more and more customers. The merchandising techniques are highly influenced by the season, culture, and climate.

The Right Product - To ensure supply chain success, having the right product on the market is the first right to merchandising. The Boston Consulting Group in cooperation with the Wharton School of Business notes that collaboration and coordination are essential elements to making this happen. Extensive research is required to ensure that demand for the product exists and that all departments are focused on successfully bringing this product to market.

The Right Time - Fashion merchandisers introduce their product lines many months in advance to gauge buyer interest and to expedite orders. Extensive lead time is needed to work with suppliers who will take existing designers and develop output based on anticipated demand. Products are placed on display at stores several months before demand reaches its peak. For example, stores will often have seasonal merchandise on display months ahead of a holiday, such as Christmas. This allows retailers to increase its orders if early demand proves strong or limit future demand if inventory languishes.

The Right Place - Merchandisers need to have a place to put their items on display for consumer review. This may include a store window, a retail floor display and online through the company's website. Product placement in movies and on television is another way for you to market your wares.

Right Price - Finding the right price point can spell the difference between making a profit on an item or taking a loss. One of the easiest ways to set a price is to employ a cost-plus pricing strategy. Under this arrangement, the merchandiser considers her cost for the item and then adds a profit margin or mark up to determine the selling price. Variations of this strategy can also include fixed and variable costs with some flexibility to adjust pricing if demand is not strong enough to support a higher, initial price.

Merchandising is the sequence of various activities performed by the retailer such as planning, buying, and selling of products to the customers for their use. It is an integral part of handling store operations and e-commerce of retailing.

Right Selling Staff - Salesmanship is seller-initiated effort that provides prospective buyers with information and motivates or persuades them to make favourable buying

decisions concerning the seller's products or service. The salesman of today has to react and interact in any different ways to many different people.

Apart from the knowledge of the product, a salesperson has to be a psychologist with one prospect, a human computer with another, an adviser with another, and at the same time a friend with some buyers. Salespersons must adjust their personalities on every call. Salesmanship may be implemented not only through personal selling but through advertising. Thus, advertising has been described as "salesmanship in print."

Some definitions emphasize that salesmanship is the art of influencing or persuading people to do what sales representative wants them to do. For instance, contractors, teachers, ministers, authors, politicians, industrial engineers etc., practice the art of influencing others to do what they want them to do. Every man is a salesman in his own walks of life.

3.FASHION MERCHANDISER

Role in fashion and Readymade Industry

Fashion forecasters predict which silhouettes colours, textures, fabrics, graphics, prints, footwear, accessories, etc. will be the forthcoming trends on the runway and in retail stores from season to season.

They do this by examining new and emerging trends across all industries, to see how they may influence future fashion trends. This includes new developments across the creative industries. Of course, they'll also take into consideration what's happening in the world and any cultural shifts.

There are two types of fashion forecasting: short- and long-term. Short-term forecasting, known as fad forecasting, focuses on what trends will emerge across the next 1-2 years, while long-term forecasting looks much further into the future (typically 5-10 years). The latter also contributes to development of the fashion businesses' strategies, brand image, extending products lines and securing new business.

The internet plays a big role in fashion forecasting. Forecasters will research upcoming designer and celebrity collections and new looks popular on sites like Instagram. Ultimately, a fashion

forecasters' responsibility lies in assisting designers and retailers to attract more customers and sell their brands.

Forecasters reflect the earliest views on trends some eighteen months in advance of the season

Fashion forecasting involves the following activities such as studying market conditions, noting the life style of the people, researching sales statistics, evaluating popular designer collections, surveying fashion publications, observing street fashions etc.

Fashion forecasters provide their findings to fashion retailers, fashion buyers, apparel and textile design firms, designers, advertising agencies, magazine, and other media entities. Fashion forecasters may work directly with retail companies, apparel and textile firms or designers. They may also work for consulting firms, for independent fashion forecasting firms, or independently.

Career Opportunities

a) Trend forecasting businesses - French companies based in Paris have traditionally dominated fashion forecasting. Although a number of larger ones are still based in Paris, many with satellite offices around the world, a number of new niche forecasters have emerged offering their own specialties of product and services.

b) Consumer research - Manufacturers and retailers may ask consumers directly about their buying preferences. Consumer reactions are compiled and tabulated to find preferences for certain garments or accessories, colors or sizes and so on ,or products to fit specific consumer tastes.

Surveys, by telephone or mail are conducted by publication and market research companies for manufacturers and retailers. These surveys include questions about income, life-style, fashion preference and shopping habits. Customers are usually

selected by the market research firm to meet with manufacturers or retailers. In-store informal interview can help researchers obtain information by simply asking customers what they would like to buy, what styles they like that are currently available and what merchandise they want, but cannot find. Because of their close contact with their customers, owners of small stores can often do this most effectively.

The apparel supply chain has one purpose, i.e. to provide an appealing and desirable product to satisfy customer needs, wants or aspirations. When successful, the connection results in a sale, because this connection is the purpose of the process. Every forecast begins with the customer, by observing the customer's adjustments to the marketplace and in the unexpected ways the customer adjusts the marketplace to his lifestyle and preferences. Consumer research figures are important in decisions about product development, brand marketing and retailing.

c) Colour Forecasting - Stimulating sales is the driving force behind [color forecasting](#). Color grabs the customers' attention, makes an emotional connection and leads them to the product. Even when the basic product stays the same, changing the color gives a sense of something new. Color consultants help companies decide on the right color story to sell the product. Some consultants specialize in advising on color. Others develop color forecasts as part of their overall product development function. Some large companies have departments dedicated to setting color directions for multiple lines. Professional color organizations bring together experts to collaborate on forecasts for industries like women's wear, men's wear, children's wear and residential and non-residential interiors.

d) Textile Development - Frequently, the development of a completely new product is the result of a particular functional need, but often it is driven by the benefits offered by a new fabric. Specialist forecasters make the point that the technology is changing the range of product, as through the ranges of benefits that designers can build into garment product through the textiles used in construction. Newness in fabrics comes from the introduction of new fibers, the manipulation of yarn and fabric structures, variation in pattern and prints and [innovative finishing](#)

[processes](#). These innovations are introduced in trade shows and exhibitions held in the fashion capitals of the world.

e) The Range of shows - The fashion shows: The word here is its widest possible interpretation to refer to the range of organised textile and fashion garment trade shows, operating over the 16 months preceding season. Trade shows, whether yarn, fabric or product have a basic function, which is to sell products.

Visitors vary according to the nature of the show. A yarn show will attract a range of people including fabric manufacturers, some retail buyers and designers. The fabric show performs a more balanced role with great emphasis on then sales of the fabric, but with more retail designers and buyers attending, as the product on the show has a greater relevance to garment design. Garment design shows are much more diverse, ranging from the products trade shows through to the high profile Ready -to-wear Designer shows like London Fashion week and then the exclusive Couture shows.

Continuing this sequence, specialist product trade shows are held after the fabric shows. These shows are segmented according to broad sector like men's wear or women's wear, and by specialist product categories, like sports wear or lingerie. These shows are a good indicator of color, fabric, styling and new products.

f) Sales Forecasting - Forecasting is relatively easy, straightforward and accurate for products with long lifetime and steady sales. However, the fashion apparel business is one of the most volatile, because it creates products that are new, highly seasonal or have short lifetimes. In such situations forecasts become increasingly inaccurate. Errors in sales forecasting result in two kinds of losses:

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Introducing Innovation - While attention is showered on the most exciting and extreme runway fashions, the mechanisms of fashion change work in the background to create patterns familiar to the most experienced fashion watchers. When an innovation arrives on the scene, individuals consider it for adoption. The

cumulative effect of those decisions can be tracked in sales and visually on the street. In fashion terms, the innovation may be the invention of a new fiber or a new finish.

g) Cultural Indicators - In the apparel field, companies need an early warning system so that specific product categories can be fine-tuned to trends within a market segment. While timing is important, an agile and responsive company will be able to capitalize on trends whenever they are spotted; sometimes just as a glimmer far in the future and sometimes as a phenomenon in the building stage. Waning trends are another signal. When some avocation, interest or lifestyle loses cultural power, it is a good time to survey the information landscape for the next big thing.

h) Final Stage of fore casters - The 'Fashion look' for the season is therefore the result of a process of development that combines the evolved views of textiles and product trade show, forecasters, designers buyers and ready to wear shows. Like collage, the final picture emerges after various layers have come together. Even though these shows have an impact on some last minute high street fashion buys, their major impact is mainly on reflecting the final views on trends close to the season. Crucially, the [media coverage](#) of the shows is another important dimension in the trend development process, as it [highlights fashion trends](#) that fashion editors believe will be strong for the forth coming season. Such 'authoritative' coverage of the media, focusing attention on aspects of fashion, including the 'must-have' looks, colors and products influences the consumers' acceptance of hot trends for a season.

4. VISUAL MERCHANDISER

Interior Display

Interior display is related to all the things inside a retail store. All the visual merchandising inside the store is performed to grab the attention of customers while they are inside the store and to make them feel pleasant and comfortable while they shop in the store.

Interior display of a store consist of various factors such as item display, design of the store, the layout of the store, Point of purchase displays, assortment display, lighting, music, color, and signage in the store makes the interior visualization of a store.

An excellent interior display can not only provide a positive ambiance to customers while they are inside the store but also encourage them to spend more. Let us learn about all of the factors involved in the interior display visual merchandising.

1. The layout of the store - The design of a store plays a vital role in visual merchandising as it can help in boosting sales and attracting customers. A well-designed layout of a store compels customers to browse the whole store and shop more while doing this.

However, the design of a store can be picked randomly. It is selected based on the size of the store, type of the store, and the nature of goods sold in the store. Grid layout, free form layout, and racetrack layout are a few common examples of store layout. Each design has a different purpose.

For instance, in the racetrack layout, a customer follows only one path while browsing a store. That means the customer is more likely to see all the products placed on all shelves. This store layout has both advantages and disadvantages. The advantage is if customers are more likely to stuff that they don't need but have a good deal on it whereas downside is customers feel annoyed to walk too much to get to things that they come to buy.

The racetrack layout is not liked by customers who come for shopping in a hurry. On the other hand, free form layout is the opposite of the racetrack layout. Customers can move freely in any direction and can spend time in-store as they desire.

They can enter the store and buy the things they come to buy and leave or can stay in the store and browse for as long as they want. The disadvantage of free form layout is that it encourages customers to spend less time in-store.

2. Display of Point of purchase- How you display goods in-store also impacts the decisions of customers. Products must be placed in an organized manner, easily accessible, and different choices should be provided to customers to choose from. All of these things matter a lot.

The place of goods on the shelf of the store matters a lot in its sales. For example, the products that are displayed at eye level are more likely to be viewed by customers than the goods placed at the top of the shelf.

An adequately organized store allows customers not only to see products but also to hold them and establish a physical connection with them. Moreover, a store must keep a wide variety of goods in the store that gives an option to customers.

But keep in mind that too many choices can also confuse customers and can make the shopping experience of the customers very stressful. According to a study, customers make a shopping decision quickly and shop more when they are provided with limited product selection as opposed to when supplied with a large variety of goods.

3. Mannequins- Mannequins are used by apparel stores to display clothes that they are selling in the store. These are an essential part of visual merchandising. Dummies are used to display clothes in the stores so that customers can look at them and can get an idea of how they will look on them.

Moreover, mannequins are also used to decorate the store. Many stores place mannequins right in front of the entrance gate of the store or in the windows to attract passing by people.

Mannequins are styled with clothes and accessories which are in trend so that customers can know what they can find in the store. Mannequins are so important and impact the buying decision of customers that marketers are working to create more and more realistic mannequins.

For example, dummies are designed not in ideal shape and unrealistic shapes but realistic body shapes of people, and nowadays, more and more stores are displaying headless mannequins as people can't relate with the faces of mannequins.

4. Lighting in Store - Light in the store is essential. Brightness in stores is adjusted in such a way that people inside the store don't realize what time it is outside. The lighting in the store is used in different ways, such as to highlight an object or to highlight a specific area in the store.

Bright light in the store creates a positive and happy ambiance, and due to which customers get attracted to enter the store and spend more time in-store.

5. Atmospheric - Atmospheric consists of all the factors involved in creating a positive environment in the store. All elements like music, light, display, etc. must be coordinated with one another.

7. Bundling - Bundling refers to displaying and arranging goods in store in such a way that all the items that can be bought together should be placed side by side. For example, In an apparel store, tops and jackets are displayed together to encourage buyers to these items together. Moreover, mannequins are displayed wearing a complete outfit so that customers can learn what will suit with what.

This strategy of visual merchandising not only provides suggestions to customers but also helps in boosting the sales of the store as customers buy more than one product together.

8. Music: - A store without background music dull and seems boring place demand customers will not like to spend more time in such stores. If you want to make your customers spend a lot of time in the store and enjoy their shopping experience, then play gentle music in the background.

Make sure that your music is not distracting that your customers focus more on music than focusing on browsing the store. Moreover, it is also necessary that your music matches the interior of your store and is in accord with the kind of goods you sell in your store. For example, hip hop music will not suit the ambiance of a luxury goods store.

9. **Scent** - The way your store smell also impacts the decision power of your customers. For example, if your store smells terrible, then people don't like to spend more time in the store, which means they will not browse all the goods displayed in the store.

Therefore, make sure that your store smells good all the time, and it is clean, and the products are well dusted all the time. You can use different scents to complement the type of goods you are selling in your store.

For example, Lavender scent creates a soothing and relaxing environment in the store, whereas vanilla scent creates a calming ambiance.

2. Exterior display - Exterior display refers to the presentation of all goods and things to attract customers to enter the store.

1. **Window display** - Window displays play an essential role in persuading customers to enter the store. By looking at windows display, customers get an idea of the kind of goods you sell in your store. Moreover, brands make use of window display to create an impression of the brand.

2. **Seasonal display**- Seasonal display refers to the presentation of goods as per the on-going season. For example, stores change the array of products and the types of goods sold in the store as per the weather season. Besides this, the store is decorated to mark the arrival of the festival season.

3. **Colour** - The color of the store is also part of the exterior display of a retail store. You can show your creativity and the kind of environment that you offer using proper colors to paint the walls of your store.

5. FASHION FORECASTING

Importance of Forecasting:

- Forecasting provides relevant and reliable information about the past and present events and the likely future events. This is necessary for sound planning.
- It gives confidence to the managers for making important decisions.
- It is the basis for making planning premises, and.
- It keeps managers active and alert to face the challenges of future events and the changes in the environment.
- Accurate forecasting makes it possible for the fashion industry segments to prepare for and meet consumer demand with products that will be accepted and purchased.
- Keen worldwide competition increases the importance.

6. FASHION DESIGNER

A designer could be working in an export house, buying house, a corporate retail company or could be an entrepreneur. He/she could be specialized in clothing for men, women or children. A fashion designer's career in the fashion industry specifically in an export house or buying house, initially begins as an assistant designer with a Head Designer who by virtue of experience and/or long association with the company understands the entire process and is in a position of authority within his/her own department. In an export house, a designer works as part of an extended team that includes a pattern-cutter, sample machinist, garment technologist and merchandiser.

The role of the designer is to undertake the following activities:

- To understand the vision and goal of the company, the company-product association in terms of customer perception and positioning in the market.
- To participate in brainstorming sessions with a team of seniors and colleagues for generating ideas and strategies rather than working in isolation.
- To synchronize individual design sensibility with that of other designers within the organization to contribute to a cohesive look of the brand.
- To understand that design is not merely a paper-pencil activity. Design decisions are not only about originality and creativity but are equally about commercial realities and financial constraints. Financial implications of details like selection of fabrics, cost and availability of trims, threads

,textilesurfacetreatments/embroideryetc. areequallyimportant

- To undertake sampling i.e. making the first sample prototype which incorporates the entire design process from sketch to final product. While the designer will conceptualize, oversee and present the prototype as part of the new collection, the feedback of other colleagues in design, production coordination, merchandising or marketing is also essential.

Role in fashion and readymade industry

- Managing design process from conception through to final styling.
- Conducting market research to identify new trends, fabrics and techniques, and seeking design inspiration.
- Collaborating with team members to select seasonal themes, make edits to line, and create new concepts.
- Ensuring product is in agreement with business strategy.
- Selecting fabrics and trims.
- Creating production sketches for development packages.
- Collaborating with technical designer to ensure development packages are accurate.
- Reviewing product for style and fit during presentation.
- Presenting story, mood, color boards, and samples to buyers.
- Study fashion trends and anticipate designs that will appeal to consumers
- Decide on a theme for a collection
- Use computer-aided design (CAD) programs to create designs
- Visit manufacturers or trade shows to get samples of fabric

- Present design ideas to creative directors or showcase their ideas in fashion or trade shows
- Market designs to clothing retailers or to consumers
- Oversee the final production of their designs
- **Research work** - Fashion designers in India need to research current fashion and also make predictions of future trends. They need to even study the past fashion trends so that they can easily understand the evolutions of fashion trends over the years. In order to be above the rest, it is important for a fashion designer to a lot of research work.
- **Drawing** - Fashion designers should be experts in bringing the creative ideas of their mind on a piece of paper or screen. They need to sketch on a paper or on the computer screen to have a visual presentation of their design ideas.