

# BOUTIQUE MANAGEMENT

## I INTRODUCTION

A **boutique** is a small retail store selling fashionable clothes, gifts, and accessories. *She launched her first **boutique** selling her own designs after taking a fashion course in Paris.*

Store- a building or room where things are sold. : a large building in which something is kept for future use. : a large amount or supply of something that is kept for future use.

Shop - An establishment that sells goods or services to the public; originally a physical location, but now a virtual establishment as well.

### Features of Boutique

#### 1. Flourishing Brand Loyalty

The best brands that thrive – season after season – are the ones that create connections with their customers through consistent brand touchpoints. Brand touchpoints can cover social channels, pop-up shops, event marketing and both print and digital paid marketing.

#### 2. Slow and Steady Distribution

Drop shipment and consignment can make it easy to be in many retailers at once, but this won't pay the bills. Deliberate distribution can be the difference between having the cash flow to continue production season after season or running out of funds.

#### 3. Strong Leadership

There are so many decisions that need to be made when running a business. Without a competent leader, there is no head to the ship and responsibilities can be deflected very quickly. Businesses that have multiple founders need to be very careful. It's important not to have too many redundancies in core competencies. While you all may want to chime in on a particular decision, someone eventually needs to make it and they need to be empowered to do so.

#### 4. Organized, Strategic Operations

Have your shipping and logistics on lockdown. Brands that sell know how to ship. To scale up orders and get repeat customers make sure your packaging is on point and you have a distribution center set up. Don't prematurely move to a 3PL (third party logistics) provider until you have a sales/marketing/PR strategy in place (so you know'll when to anticipate sales).

#### 5. End Game Aware

Do you want to sell the brand? Will you always be the head of creative? Understanding where you want to take your business will help you make the right decisions. Brands that

want to sell to national department stores versus boutiques take different steps to get there. In order to be a brand that sells and is successful, you have to know the end game so you can make it happen.

#### 6. Consistent Messaging

Yes, there are lots of things your brand could be, but stick to the main message. If you are focusing in the environmental sector be clear about what that means to the brand. Your brand story should be able to hold the collection and marketing for seasons to come. Create a brand bible and reference it as often as you need to get to know the difference between your preferences and how the brand develops its own identity.

#### 7. Money Smart

You don't need to be a CPA to know that money in the retail industry is funny. It's funny because wholesalers always ask for discounts, they don't always pay on time, they sometimes cancel orders and you have to invest money into production of samples and production way before you see a penny of sales. E-commerce money is also very risky; you are placing your own buys against sales on your site, so you've got to have a plan to get those sales. Do it right and you may see a 70% full price sell-through, do it wrong and you may need to have a steep markdown season to clear out merchandise.

## II BUSINESS PLAN

### Market survey

A key part of any business plan is market analysis. This section needs to demonstrate both your expertise in your particular market and the attractiveness of the market from a financial standpoint.

A market analysis is a quantitative and qualitative assessment of a market. It looks into the size of the market both in volume and in value, the various customer segments and buying patterns, the competition, and the economic environment in terms of barriers to entry and regulation.

Survey the local retail boutique market and conduct a market analysis of your area. The survey and analysis evaluate your market to identify potential customers and the type of marketing done by other retail boutiques in the area. The information collected helps identify the age of your target shoppers and the type of retail products attracting these customers.

### Goal

Explain your **boutique's** target market, or the customers that you intend to capture. Describe the customer demographic and their location to the **boutique**. Describe how you will advertise your **business**, list your payment options and credit policies, and explain how you will maintain those customers on a long-term basis.

### Budget planning

A **boutique budget** is a spending **plan** for your **business** based on your income and expenses. It identifies your available capital, estimates your spending, and helps you predict revenue. A **budget** can help you **plan** your **business** activities and can act as a yardstick for setting up financial goals.

Since budgeting allows you to create a spending plan for your money, **it ensures that you will always have enough money for the things you need** and the things that are important to you. Following a budget or spending plan will also keep you out of debt or help you work your way out of debt if you are currently in debt.

### Sourcing

A basic decision in sourcing either materials or production is to whether to make or buy the desired product. In this paper the importance of sourcing types and its various dimensions are

discussed and the relationships of key business functions to material sourcing are also discussed.

### ***Make-Or-Buy Decisions***

Making involves manufacturing their own raw materials and/or finished products in the firms own production facilities and buying involves sourcing from vendors. So the decision to make a product involves the capacity available in-house of the manufacturer and desire to reduce costs, availability of technology and unsatisfactory supplier or vendor performance. The decision to buy a product from the vendors arise when there is availability of a product at a cheaper cost, non availability of latest technology and inability to manufacture such volumes in in-house facility.

Whether to make or buy a product is based on the four important parameters like

- cost
- production capacity
- quality and
- timing

The below chart gives the relationship of key business function to material and production sourcing. Merchandise plan determines the number of styles, sizes and colors that are appropriate according to sales forecasts and other data. Production capacity planning are translations of merchandise plans into numbers and types of plants, machines and operators required to produce the line. The combination of sales forecast, merchandise plans, production specifications and production capacity estimates provided a basis for developing an effective materials and production sourcing network.

### ***Material Sourcing Responsibilities***

The people responsible for acquisition or procurement of materials may include buyers, designers, merchandisers, sourcing specialists or purchasing agents. The responsibilities of persons responsible for sourcing are given below.

- Provide an uninterrupted flow of materials and services necessary for maximizing the efficiency of the manufacturing process.
- Source the materials that are suitable to the purpose at the best possible prices.
- Minimize inventory investment.
- Minimize inventory shrinkage and losses caused by theft, damaged and obsolete materials.
- Develop good vendor relationship.
- Develop reliable alternate source of supply.

- Develop personnel and execute policies and procedures that provide materials at the lowest possible prices.

### ***Retail Buyers versus Material Buyers***

Retail buyers are usually involved in consumer goods wholesale markets. The chief responsibility of the retail buyer is to form a select assortment of finished goods to offer the stores customers. Fashion shows help the retail buyers to understand fashion trends, silhouettes and color systems.

Material buyers are usually involved in purchasing producer goods in primary markets at the mill level. They tend to purchase in high volumes from few suppliers than retail buyers.

Both the retail and material buyer are limited by budgets, contract terms and inventory space.

### ***Purchasing Criteria***

The materials to be sourced are checked for the following criteria:

1. ***Samples:*** The materials intended for purchase are assessed by the samples received from the vendors. The samples should be accompanied with its specifications
2. ***Certifications:*** Some vendors provide certification of product quality. It is intended to provide assurance to the buyer of the quality of goods shipped and eliminate the need for receiving inspection. The certification may include the following,
  - Documentation of flaws and their locations.
  - Test reports
  - Date of testing and the laboratory details
3. ***Order minimum:*** The decision to source a material from a particular vendor is decided on the order minimum which is nothing but the minimum or smallest quantity a vendor shall supply on a single purchase order. Import goods may require longer lead time but often have low minimums when compared to domestic suppliers. Minimums also relate to availability, order processing, packaging and shipping costs.
4. ***Mode of Packing:*** The mode of packing is also important when a material is sourced from the vendor. If for example a firm wish to purchase woven fabrics it will be supplied in rolled full width on a cardboard tube. The buyer should source goods based on the mode of packing so that the goods are not damaged in transit.

5. ***Delivery and Payment Terms:*** The buyer should clearly define the mode of payment and the delivery conditions so that there is no misunderstanding between the vendor and the buyer.
6. ***Professional Credibility of the Vendors:*** A vendors reputation in the trade is often a strong factor in determining whether the materials can be sourced from him. The buyer may check with the vendors client list and enquire about his quality of service and timing of delivery.

## **Location**

1. Identify your target market. ...
2. Visit downtown areas, shopping malls and outlets to determine the type of area in which to open a fashion **boutique**. ...
3. Compare foot traffic at different times during the day to determine which **locations** provide you with the most potential customers.
  4. Your stores location will ultimately influence the consumers view of your company [brand]. Opening a store in the wrong location will cause your shop to stick out in a bad way. Think wearing a tank top to a black tie event. Consumers will be confused if the store seems out of place and ultimately not shop.
  5. Studying customer foot traffic, walkways and outside factors all come into play when selecting a store location. Having consistent walk by foot traffic will cost more in monthly rent. If you are selling impulse purchase items this is a big benefit. Opting for a second or third floor location will save you money on rent and provide privacy. Stores planning on doing extensive marketing would benefit from the cheaper monthly rent.
  6. In a mall, designers use elevators and escalators to encourage movement around the mall and impulse purchases

## **Manpower**

It is ok if you do not have employees. Many business owners start on their own, doing everything themselves till they start making a profit.

But everyone needs a backup. You will have to hire someone at some point of time at least temporarily. You need staff to clean the space, manage the cash , as sales persons. Managing everything yourself may burn you out before soon.

Ensure the employees you hire follow all the operational policies in your store. Do not compromise in this; if the owner is slack about rules expect the employees to throw the rules down the drain.

## **Publicity**

Run different promotions through out the year ( 25% this Valentine's day for buying a couple mug etc) and communicate this to your customer database. Customers love discounts and they will come and buy non discounted items too.

Small sales every month or so for selected items can clear up space in your shop.

Every season a major sale ( end of season sale) can also clear your inventory and infuse a freshness to your store .

**Social media marketing** is a very important element in your marketing plan; Radio and TV ads, print ads, blogging are all marketing tactics you could try to promote your store.

You need to invest in your customers; promote to them ; they will come again and again and promote your store to their acquaintances. So make sure that you note down all the contact info of your customers and sell to them again and again.

*A customer is gained for life and make them your best marketing tool.*

**A website with a blog** can be used as a marketing tool that will attract more customers.

### III MARKET SURVEY

There are 5 factors that depict the importance of a market survey.

**1. Understanding the demand and supply chain of the target market:** A product is most likely to be successful if it is developed by keeping in mind the demand and supply of the target market. This way, marketers can obtain insights about market capabilities to absorb new products and concepts to develop customer-centric products and features.

**2. Developing well-thought marketing plans:** The World is a target market for an organization, especially a well-established one. Getting data from the target market through thorough market research using market surveys and segmentation can be a source of creating concrete and long-term marketing plans.

**3. Figure** market surveys to gather feedback from their target audience regularly, using customer satisfaction tools such as Net Promoter Score, Customer Effort Score, Customer Satisfaction Score (CSAT) etc. Organizations can analyze customer feedback to measure customer experience, satisfaction, expectations etc.

**4. Accurate launch of new products:** Market surveys are influential in understanding where to test new products or services. Market surveys provide marketers a platform to analyze the scope of success of upcoming products and make changes in strategizing the product according to the feedback they receive.

**5. Obtain information about customer demographics:** Customer demographics form the core of any business and market surveys can be used to obtain intricate and sensitive details about customer demographics such as race, ethnicity or family income



## **IV BUDGET PLANNING**

A business budget is a spending plan for your business based on your income and expenses. It identifies your available capital, estimates your spending, and helps you predict revenue.

A budget can help you plan your business activities and can act as a yardstick for setting up financial goals. It can help you tackle both short-term obstacles and long-term planning.

### **How to Create a Budget?**

There are so many articles written on how to create a perfect business budget, but most of them narrow down to these 5 simple things:

- Evaluate your sources of income. You have to find out how much money your business brings on a daily basis in order to understand how much money you can afford to invest and spend.
- Make a list of your fixed expenses. These ones repeat every month and their amount doesn't change. Some people forget to exclude the sum needed to cover these expenses from the monthly income, but it's important to do so in order to get a clear understanding of your budget.
- Don't forget about variable expenses. These ones don't have a fixed price but still have to be paid every month. Come up with an approximate sum you'll have to pay and include it in your budget.
- Predict your one-time expenses. Every business needs them from time to time, but if you plan your budget forgetting about these expenses, spending money on them could affect it greatly and not in a positive way.
- When you list all the income and expense sources, it's time to pull them all together. Evaluate how much money you'll have each month after you cover all these expenses. Then think of what part of that sum you could afford to invest into something.

While a whole process of budget creation might seem too complicated, you still should find time to do it. It's totally worth the effort – moreover, such a plan could help you not only throughout the next month but also throughout the next year (if your expense and income sources won't change much).

Of course, it's still important to review it from time to time, making changes when necessary. However, the review process won't be as complicated as the creation of a budget plan from scratch.

1. Place – decide the place you want to start your business. It may be rental or purchased if you have sufficient amount of money. The intensive research is needed for the site selection, as it will directly affect the whole business profit. Without a convenient, prominent location, you may struggle to bring in new customers. When you're looking for a boutique location, make sure that you're choosing a building that is visible from nearby roads and isn't difficult to find. You'll increase the likelihood that people see your store and decide to visit.

2. Infrastructure- We are embraced with huge and specious area equipped with the technologically advanced machinery. Our skilled team is highly dedicated towards work and is capable of completing tasks with brilliance and on time. We have divided our work force in various departments for hassle free work flow with minimum discrepancy. Apart from this, we have also established research and development unit to study newer technological advancements. We have highly advanced and well equipped quality testing units to ensure the quality and reliability of products with no manufacture defects.

**Our infrastructure is divided into various sub classifications such as:**

- Design unit
- Manufacturing facility
- Spacious warehouse
- Packaging and logistics
- Research and development wing

### 3. Equipment and Machinery-

Eleven Types of Retail Equipments for Business

1. Point of Sale (POS) System
  2. Signs
  3. Hangers
  4. Shelves
  5. Racks
  6. Mirrors
  7. Shopping Baskets or Carts
  8. Seating
  9. Mannequins
  10. Bags
  11. Security Cameras
4. Salary - a separate head should be kept for salary of the staff. As it is a regular expenditure and should be meet on time for the smooth functioning of the boutique.
  5. Advertisement –

- a. Advertising quickens the turnover, reduces risk on dead stock and can result in proportionate reduction of overhead expenses.
  - b. The retailer is generally afraid of fluctuations in prices. Advertising stabilizes the price and thus avoids losses to the retailer through change in the price.
  - c. In case of many .well-advertised articles, the manufacturer himself controls the price and thus unfair competition and “price wars” are avoided.
  - d. The retailer can also easily anticipate the actual sales and plan his stock accordingly.
  - e. By creating new demands and inducing the public to spend more money on the goods, advertising increases the sales which benefits the retailer by reducing the percentage of overhead expenses.
  - f. By advertising, the retailer can himself inform the public of his existence and the product he sells.
  - g. The normal retailer has no salesmen who go out to get orders. Advertising goes out on his behalf right into the market and draws the customers towards his shop. Although attractive window display also helps, it can only attract those who pass by the shop.
6. Daily operational and maintenance- A separate amount will be kept for the routine expenditure like:
- a. Electricity bill
  - b. Water bill
  - c. Licence renewal
  - d. Insurance
  - e. Repair and maintenance of machines
  - f. Emergency purchase funds
  - g. Advances for raw material etc.

## **V FINANCE**

Women Entrepreneurs can be seen everywhere in the startup-up ecosystem of India. Women too are seen leaving their high-profile jobs as well as some stepping out of the four walls of their homes and joining the pool of Entrepreneurship in India. The major factor to jumpstart the entrepreneurial journey is capital and various banks offer specialized loans for women entrepreneurs that have slightly different and more flexible set of terms and conditions pertaining to collateral security, interest rates, etc.

Here is a list of various schemes and loans exclusively for women that aim at promoting and easing out the process for them –

### **1. Annapurna Scheme**

This scheme is offered by the State Bank of Mysore for those women entrepreneurs who are setting up food catering industry in order to sell packed meals, snacks, etc. The amount granted as a loan under this scheme can be used to fulfill the working capital needs of the business like buying utensils and other kitchen tools and equipment.

Under this loan, a guarantor is required along with the assets of the business being pledged as collateral security. Further, the maximum amount of money that is granted is ₹50,000 which has to be repaid in monthly installments for 36 months, however, after the loan is sanctioned, the lender doesn't have to pay the EMI for the first month. The interest rate is determined depending upon the market rate.

### **2. Stree Shakti Package For Women Entrepreneurs**

This scheme is offered by most of the SBI branches to women who have 50% share in the ownership of a firm or business and have taken part in the state agencies run Entrepreneurship Development Programmes (EDP).

The scheme also offers a discounted rate of interest by 0.50% in case the amount of loan is more than ₹2 lakhs.

### **3. Bharatiya Mahila Bank Business Loan**

This loan is a support system for budding women entrepreneurs looking to start new ventures in the fields of the retail sector, loan against property, MICRO loans, and SME loans.

The maximum loan amount under this loan goes up to ₹20 crores in case of manufacturing industries and also a concession is available to the extent of 0.25% on the interest rate and interest rates usually range from 10.15% and higher.

Additionally, under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), there is no requirement of collateral security for a loan of up to ₹1 crore.

#### **4. Dena Shakti Scheme**

This scheme is provided by Dena bank to those women entrepreneurs in the fields of agriculture, manufacturing, micro-credit, retail stores, or small enterprises; who are in need of financial assistance. The interest rate is also decreased by 0.25% along with the maximum loan amount being ₹20 lakhs for retail trade; education and housing whereas ₹50,000 under the microcredit.

#### **5. Udyogini Scheme**

This scheme is offered by Punjab and Sind Bank so as to provide women entrepreneurs involved in Agriculture, retail and small business enterprises to get loans for business at flexible terms and concessional interest rates. The maximum amount of loan under this scheme for women between the age bracket of 18-45 years is ₹1 lakhs but your family income is also taken into consideration and is set at ₹45,000 per annum for SC/ST women.

#### **6. Cent Kalyani Scheme**

This scheme is offered by the Central Bank of India with the aim of supporting women in starting a new venture or expanding or modifying an existing enterprise. This loan can be availed by women who are involved in village and cottage industries, micro, small and medium enterprises, self-employed women, agriculture and allied activities, retail trade, and government-sponsored programs.

This scheme requires no collateral security or guarantor and charges no processing fees. And the maximum amount that can be granted under the scheme is Rs. 100 lakhs.

#### **7. Mahila Udyam Nidhi Scheme**

This scheme is launched by Punjab National Bank and aims at supporting the women entrepreneurs involved in the small scale industries by granting them soft loans that can be repaid over a period of 10 years. Under this scheme there are different plans for beauty parlors, day care centres, purchase of auto rickshaws, two-wheelers, cars, etc. the maximum amount granted under this scheme is ₹10 lakhs and the interest depends upon the market rates.

#### **8. Mudra Yojana Scheme For Women**

This scheme has been launched by the Govt. of India for individual women wanting to start small new enterprises and businesses like beauty parlors, tailoring units, tuition centres, etc. as well as a group of women wanting to start a venture together. The loan doesn't require any collateral security and can be availed as per 3 schemes –

i. Shishu – loan amount is limited to ₹50,000 and can be availed by those businesses that are in their initial stages.

ii. Kishor – loan amount ranges between ₹50,000 and ₹5 lakhs and can be availed by those who have a well-established enterprise.

iii. Tarun – loan amount is ₹10 lakhs and can be availed by those businesses that are well established but require further funds for the purpose of expansion

If the loan is granted, a Mudra card will be given to you which functions the same way as a credit card however the funds available are limited to 10% of the loan amount granted to you.

## **9. Orient Mahila Vikas Yojana Scheme**

This scheme is provided by Oriental Bank of Commerce to those women who hold a 51% share capital individually or jointly in a proprietary concern. No collateral security is required for loans of ₹10 lakhs up to ₹25 lakhs in case of small-scale industries and the period of repayment is 7 years. A concession on the interest rate of up to 2% is given.

## **VI SOURCING**

Basis of purchasing resources-

There are five rights that every management expects from their purchasing executives: •  
Right Quantity • Right quality • Right Time • Right Supplier • Right Cost

### **a. Starting Steps to Wholesale Merchandising**

Before you buy wholesale merchandise for your store, visit a competitor or a store selling a product line similar to yours. Browse the store's product selection and note the brands they carry. Try to determine what products are selling well and which are in the clearance bin. If you visit a similar store located too far away geographically to be a competitor, that retailer may be willing to share with you the source of their wholesale merchandise.

Retailers can often find products to sell in their stores by searching online, joining buying groups, using library resources, and attending trade shows or buyers' markets.

Once your store is open and doing business, it will be easier to find wholesale merchandise to sell because suppliers will solicit you rather than you having to seek them out. Customers can also play a large role in finding suppliers as they can recommend products they would like to see in your store. Building a relationship with customers and seeking their feedback is crucial to ensuring that you are meeting their needs.

### **b. Trade Shows as an Information Source**

A trade show is one of the best places to find a wholesaler. Retailers can find many suppliers serving the same markets with a range of product offerings. The biggest trade shows are held annually in Las Vegas and California, but there are local trade shows also.

Conduct an online search for tradeshow in your industry to find the nearest event. Websites like Trade Show News Network will have listings for shows happening in most states. However, trade shows are not open to the general public so be prepared to show proof that you are an established business. A resale certificate, tax id, business card, or some other form of license or permit should suffice.

### **c. Manufacturer Suppliers**

Some manufacturers will sell their products at wholesale prices directly to the retailer. If they do, they may sell their products in large quantities or at a high minimum order. If you have a particular product you want to sell, contact the manufacturer and ask if they sell directly to dealers. If not, ask what distributors they sell their products through so you know where to buy the items.

### **d. Buying From Importers**

Globalization has made importing products much easier. Retailers can purchase from importers or buy the products directly from a foreign company. Before using this type of supplier, do your homework. It is important to understand all the aspects of the paperwork, shipping time, product lifecycle, and all of the costs involved.

#### **e. Distributors as Suppliers**

A distributor generally sells a large variety of a certain classification of products. They must make a profit too, so their prices may be slightly higher than if the item was purchased directly from the manufacturer. Retailers can buy lower quantities with little or no minimum order. Some even offer free freight on orders over a certain amount.

#### **f. Wholesalers and Liquidators**

In searching for products at wholesale prices, you may find wholesalers that don't sell just one type of merchandise but many different products. Some wholesalers will act as liquidators and will sell closeouts, truckloads, and pallets of merchandise and even damaged goods. Before buying wholesale merchandise from this type of supplier, be sure you completely understand the condition, price, and terms of the sale.

#### **g. Buying at Auctions**

Retailers can find many bargains on eBay, the world's largest auction site. Just browse the Wholesale Lots category according to the type of store you have and you'll find tons of merchandise. Not all product prices on eBay are truly wholesale, but if you spend time watching the auctions and learn how to buy effectively, you are sure to find a deal. Don't miss out on live auctions for bargains on merchandise for resale.

#### **h. Choosing a Vendor**

Once you've located several sources of products, evaluate each vendor on a variety of factors. To offer the best merchandise to your customers, you'll need to buy from someone offering quality products, reliable delivery, and superior customer service. This information can be gathered through references, marketing materials, or by simply asking the sales representative how they conduct business.

#### **i. Price and Other Considerations**

One of your primary considerations, as you start your wholesale business, will center around price. Keep accurate records and review them regularly to track your costs and the prices you set to sell your goods. Stability exists when average prices are constant over time, or when they are rising at a very low and predictable rate. The retail price of a good or product is the cost when it is sold to the end-user for consumption and not for resale through a third-party distribution channel. While costs are a primary concern, there are other items you will need to consider as well.

#### **j. Location**

Consider the space you lease for the selling of goods to consumers. When it comes to business, retailers have one overall goal, to sell merchandise—hopefully at a profit. That's



why they focus on sales floor space, adequate parking for customers, and an overall image that draws in customers. Think about your hours of operation or business hours. This is the time of operation when the retail store is open to the public for the purchase of goods. Your hours of operation should match the buying habits of your customers.

#### **k. Shipping Options**

This is the cost to the consumer to deliver goods. Generally, retail outlets ship by FedEx, UPS, and USPS (the least expensive and least common). The cost varies by location, product size, and how quickly the consumer wants the product. Some upscale boutiques will messenger goods.

#### **l. Customer Payment and Conditions**

Consider how convenient your payment system is and if you need a policy for processing refunds and returns. Also, think about your any terms you may set for higher-priced items such as lay-away. These plans should be as clear to your customers as they are to you.

#### **m. Customer Service**

No two retail stores have identical customer service. To provide excellent customer service you need to get the desired item into the customer's hand, give them the tools they need to decide to purchase quickly and enable them to purchase without effort.

#### **n. Handling Returned Merchandise**

Some returned goods will be resold by the same retailer for the full cost, but many will not. More likely, they'll end up in the mark-down bin selling for a fraction of the cost. Try to avoid returns in the first place by doing everything you can to make sure the customer is satisfied. Provide as much information as you can upfront regarding your products.

#### **o. Good Planning Equals Good Results**

Don't get discouraged. It may take some time, research, and several vendor negotiations to find the best merchandise to sell in your retail store. Starting any business will not happen overnight, but nothing beats being an independent business person. Finally, as a new business person, be sure you have an understanding of the laws in your state for your type of retail business and also understand how to go about filing and paying your taxes on your merchandising storefront.

#### **Manpower arrangement**

Manpower planning is the first step towards manpower management. It refers to the process of using available assets for the implementation of the business plans. It also involves the process of coordinating and controlling various activities in the organization. An effective manpower planning requires a careful assessment of the future needs of the organization. It involves the development of strategies to match the requirement of employees and availability of positions at a regional as well as a national level. Those in charge of manpower

planning need to have a foresight about the business plans. They need to plan the activities for achieving business growth. They are required to estimate the business needs of the organization and plan for the resources needed to realize the business goals.

The steps in manpower planning are;

- Design job description and the job requirement
- Predict manpower plans
- Find adequate sources of recruitment
- Give boost to youngsters by appointment
- Best motivation for internal promotion
- Look after the expected losses due to retirement, transfer and other issues
- See for replacement due to accident, death, dismissals and promotion

## **VII PUBLICITY**

Publicity is any promotional communication regarding an organisation and/or its products where the message is not paid for by the organisation benefiting from it.”

### **Characteristics of Publicity:**

#### **1. Meaning:**

Publicity is not a paid form of mass communication that involves getting favourable response of buyers by placing commercially significant news in mass media. It involves obtaining favourable presentation upon radio, newspapers, television, or stage that is not paid for by the sponsor.

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#### **2. Non-paid Form:**

Publicity is not a paid form of communication. It is not directly paid by producer. However, it involves various indirect costs. For example, a firm needs some amount for arranging function, calling press conference, inviting outstanding personalities, decorating of stage, other related costs, etc.

#### **3. Various Media:**

Mostly, publicity can be carried via newspapers, magazines, radio, or television. For example, in case a product is launched by popular personality in a grand function, the mass media like newspapers, television, radio, magazines, etc., will definitely publicize the event.

#### **4. Objectives:**

Sales promotion is undertaken for a wide variety of purposes. They may include promotion of new product, pollution control, special achievements of employees, publicizing new policies, or increase in sales. It is primarily concerns with publishing or highlighting company's activities and products. It is targeted to build company's image. In a long run, it can contribute to increase sales.

#### **5. Control of Producer:**

Company has no control over publicity in terms of message, time, frequency, information, and medium. It comes through mass media like radio, newspapers, television, etc. It is given independently by the third party. It is presented as a news rather than propaganda.

#### **6. Credibility/Social Significance:**

Publicity has high degree of credibility or reliability as it comes from mass media independently. It is given as news for social interest. It has more social significance compared to other means of market promotion.

#### **7. Part of Public Relations:**

Publicity is a part of broad public relations efforts and activities. Public relations includes improving, establishing, and maintaining direct relations with all publics. Publicity can help improve public relations.

#### **8. Costs:**

Publicity can be done at much lower cost than advertising. Company needs to spend a little amount to get the event or function publicized.

**9. Effect:**

Publicity message is more likely to be read, viewed, heard, and reacted by audience. It has a high degree of believability as it is given by the third party.

**10. Repetition:**

Frequency or repetition of publicity in mass media depends upon its social significance or the values for news. Mostly, it appears only once.

**Importance of Publicity:**

Like advertising and sales promotion, sales can be increased by publicity, too. Publicity carries more credibility compared to advertisement. Publicity is cost free; it doesn't involve direct cost. Publicity offers a lot of benefits to the producers and distributors.

**publicity can be made clear from the below stated points:**

1. Publicity is an effective medium to disseminate message to the mass with more credibility. People have more trust on news given by publicity.
2. The credibility level of publicity is much higher than advertising and other means of market promotion. People express more trust on what the third party independently says. It appears directly through newspapers, magazines, television, or radio by the third party. It is free from bias.
3. It provides more information as the valuable information is free from space and time constraints. Similarly, publicity takes place immediately. No need to wait for time or space in mass media. It enjoys priority.
4. The firm is not required to pay for publicity. The indirect costs related to publicity are much lower than other means of promotion.
5. It is a part of public relations. It is free from exaggeration; it carries more factual information about company. It is more trustable. It helps establish public relations.
6. Generally, publicity covers the varied information. It normally involves name of company, its goods and services, history, outstanding achievements, and other similar issues. The knowledge is more complete compared to advertisement.
7. Publicity directly helps middlemen and sale persons. Their tasks become easy. Publicity speaks a lot about products on behalf of middlemen and salesmen. Sellers are not required to provide more information to convince the buyers.
8. It is suitable to those companies which cannot effort the expensive ways to promote the product.

9. Publicity increases credit or fame of the company. Publicity on company's assistance in relief operations during flood, earthquake, draught, and other natural calamities highlights its name and social contribution in mass media. People hold high esteem to this company.

10. Publicity can be used by non-commercial organisations/institutes like universities, hospitals, associations of blinds or handicaps, and other social and missionary organisations. They can publicize their noble works by the medium of publicity.

## **Types of publicity**

### **1. Mouth publicity**

**Definition:** An unpaid form of **promotion** in which satisfied customers tell other people how much they like a business, product or service. **Word-of-mouth advertising** is important for every business, as each happy customer can steer dozens of new ones your way.

### **2. Direct Mail:**

This is one of the oldest types of advertising media. Under this method message is sent to the prospective buyers by post. A mailing list is prepared for this purpose. Circular letters, folders, calendars, booklets and catalogues are sent under this type of advertising. In the sales letter an appeal is made to the buyers separately. It contains detailed information with regard to the product. The main aim of these letters is to create the reader's interest in the product. The letter should be attractive, interesting and convincing. Booklets and catalogues contain information regarding detailed description and prices of different varieties of products.

### **3. Newspapers and Magazines:**

These are the important forms of press advertising, newspapers are the most effective and powerful medium of advertising. Newspapers contain valuable information with regard to different current events. It may be referred to as 'a store house of information'. There are daily, bi-weekly and weekly newspapers. Newspapers have widest circulation and read by many people. The newspapers may be local, provincial or national. Secrecy cannot be maintained in this type of advertising. Another drawback of newspaper advertising is that they are in black and white prints. Coloured advertisements are not covered, which are more appealing and attractive.

**Magazines:**

Magazines or periodicals are other important media of communication. Magazines may be released weekly, monthly, quarterly, bi-annual or annual. These are read with more interest by the readers as compared to newspapers. Advertisements given in magazines are more descriptive and attractive. They are usually in coloured form which depicts the product nicely and gives lasting impression to the reader.

**4. Radio Advertising:**

Radio advertising is very popular these days. The advertisements are broadcasted from different stations of All India Radio. Radio advertising can be explained as “word of mouth advertising on a wholesale scale”. The advertising messages can be in different regional languages. Radio advertising suffers from shorter life, limited memory and short messages. Cost of advertising is higher. The message may not be listened properly by the listener. There is no secrecy. This is useful for those who possess radio sets. There is lesser flexibility and lack of personal touch.

**5. Television Advertising:**

This is the latest and the fast developing medium of advertising and is getting increased popularity these days. It is more effective as compared to radio as it has the advantages of sound and sight. On account of pictorial presentation, it is more effective and impressive and leaves ever lasting impression on the mind of the viewer.

It is a very costly medium which can be employed by big concerns only; it has a shorter life span and limited coverage. Back reference to the advertisement cannot be made after its presentation. The duration of the advertisement is very limited.

**6. Film Advertising:**

This is also known as cinema advertising. This also provides sight and hearing facilities like television. Short advertisement films are not prepared by big business houses which are sent to different cinema houses to be shown to the audience before the regular shows or during the

intermission. It has more repetitive value but not to the same viewers. Its coverage is limited which benefits the local population only.

It is a very costly medium involving higher distribution and film making costs. Only big organisations can afford to produce advertisement films. It ensures more flexibility at larger costs. Its effectiveness cannot be measured properly. Film making is a time consuming process.

### **7. Outdoor Advertising:**

This type of advertising include different media like posters, placards, electric displays or neon signs, sandwichmen, sky writing, bus, train and tram advertising. This is also known as 'Mural advertising'. The main aim of outdoor advertising is to catch the attention of passerby within twinkling of an eye. The posters also pasted on the back of buses, trains and trams which are greatly helpful in carrying the message throughout and outside the city. Painted displays are prepared by expert painters which carry attractive multi-coloured pictures also to impress upon the people.

### **8. Window Display:**

It is a common method which is usually undertaken by retailers who display their products in the shop windows in order to attract the customers. This is also known as exterior display.

It is the most effective and direct method of influencing the people. Window display has direct appeal to the onlookers. It is instrumental in arousing the desire to purchase in the prospective customers. It acts as a silent salesman.

### **9. Fairs and Exhibition:**

to the large number of people who visit the exhibition. The exhibition may A trade exhibition or a fair is organised on extensive scale which is attended by different manufacturers and traders along with their products to be sold be either organised on local, provincial or

international basis. The examples of some of the international exhibitions are EXPO 70 of JAPAN, ASIA 72 and recent trade fair at Delhi every year.

Different stalls or pavilions “are allotted to various traders who display their goods in these pavilions. The manufacturers also distribute the sales literature and sometimes free samples of goods to the people. Facilities of practical demonstration are also provided to the customers. The customers clearly understand the method of operation and use of the product



## VIII FOCUS AREAS

1. **Design:** it is the core of any boutique. It should be:

- a. Unique
- b. According to fashion
- c. According to the customer choice
- d. It should have full construction details

### 2. **Marketing and Merchandising:**

First impressions matter. When it comes to fashion, they matter the most. As a store owner it's up to you to ensure your merchandise is displayed in attractive, engaging manner in order to create a buzz and motivate customers to make a purchase. Visual Merchandising can be as simple or as complex as you want it to be. When executed correctly, it will help convey the image of your brand and reflect the target market that your store wants to attract.

Here are 4 quick merchandising tips to add to your *Visual Merchandising* checklist and make sure you're catching the attention of key customers:

- **Displaying the right product at the right time is key** – Merchandise for what you're customers are looking for in that moment. Fall product starts to arrive in stores in June, but that doesn't mean your customer is shopping for leggings and extra thick sweaters during a heat wave in July. Be prepared to change with the seasons, but also with the weather. Unscheduled storms provide a great opportunity to add a rain coat or an easily removable umbrella to a window display and let passers-by know that you have them covered in any emergency.
- **Don't be afraid of change** – Make it a point to change your displays weekly. Customers want to know what's fresh and rely on retailers displays to keep them in the know. If you're in a mall or on a busy street, remind yourself that the same people will be walking by your storefront multiple times a week. Entice them to come inside and shop by ensuring your latest and greatest merchandise is featured for them to see.
- **Use lighting to your advantage** – Lighting can make your product shine and bring colors to life. Accent lighting or spotlights will highlight a product and draw a customer's attention exactly where you want it to go. Are you featuring something new? Something unique? Something only your store carries? Keep these questions in mind and ensure you check the placement of all lights as you're setting up a new display.

- **Maximize the potential of cross selling and add-ons** – “*Eye Level is Buy Level*” when trying to encourage customers to pick up an accessory in line at the cash register or splurge on a gift for a friend, make sure what they spot out of the corner of their eye is accessible and easy to reach. Be sure items are merchandised on displays that are between eye and waist level. Inspire shoppers by layering all featured items on face-outs or mannequins with additional pieces they may not have considered on their own and be sure to accessorize with complementary pieces that pop and excite customers with visual interest.

3. **Manufacturing-** it is totally custom based. The samples were presented to the customer or his or her own design. Important points in manufacturing are-

- Maintaining good quality
- Order to be prepared on time
- Fabric must be appropriate
- Accessories used should be of good quality

4. **Inspection and Follow up** - It becomes necessary to maintain the quality right from the production stage in order to deliver a satisfactory final product to the consumer with the right quality which in turn results in getting continuous orders from the same customers.

## Types of Inspections

**Pre-Production Inspection:** This is done before production starts. It is done to crosscheck for final verification of Bulk fabric and trims materials, styling cutting way, manufacturing details and workmanship of the garment or pre-production sample as per the customer requirement.

**1<sup>st</sup> inline production inspection:** This inspection is done at the start of production when first production output of particular style of garments is inspected; to distinguish possible discrepancies or variation and to do necessary corrections to be made bulk production. This type of inspection is done at a preliminary stage of manufacturing of a style covering mainly style detail, general appearance, workmanship, measurements, fabric quality, Trims and components, Lot color, printing, embellishments and washing quality.

**2<sup>nd</sup> line Production Inspection:** This inspection is done during production to ensure initial discrepancies have been corrected and rectified. This inspection is a follow-up of the

1<sup>st</sup> inline production inspection and is generally carried out after 1<sup>st</sup> line inspection when discrepancies have been detected at that time.

**Final Random Inspection:** This inspection is carried out when the production of the total quantity of an order or partial delivery is completed. A sample lot will be selected from the order and a percentage of the garments will be inspected, this percentage usually being stipulated by the buyer. The AQL sampling inspection system as specified by the buyer.

### **Garment Defects Classification**

Once the samples are selected, each article is to be individually inspected. Defects detected during an inspection are buyer specific so therefore vary from one buyer to another. Defects are classified into the following categories:

- **Critical Defect:** A serious defect that can cause harm or injury to the user and/or result in a hazardous condition.
- **Major defects:** A defect that falls to meet the mandatory regulations directly affecting the usability, saleability, safety and value of the merchandise or as specified by customer buyer are considered as major defects and are generally not repairable for example fabric hole, shading among the panel, wrong measurement, foreign yarn, dye patches etc. The measurement tolerates level may vary from customer to customer.
- **Minor Defects:** A defect that does not adversely affect the usability of the product but does consists of a deviation from the original sample, and may affect the sale of the product. Some of these defects are due to workmanship and some can be repairable but still can deteriorate the serviceability of the merchandise for example stain, skip stitch, wavy bottom hem etc.