Rai Technology University

Merchandising

CONTENTS

Chapter 1
Fashion Merchandising

Introduction

Fashion merchandising is the combination of the processes that a new fashion item must go through to be available in mass quantities to the consumer after it is left the hands of the designer. Fashion merchandising often gets confused with fashion marketing and although they work together, they are two very different things. To understand fashion merchandising completely, it is important to examine the role that fashion merchandising plays in manufacturing, buying, promoting and selling fashion items.

In regards to manufacturing, a fashion merchandiser will have significant input on the types of fabrics used to make a piece of clothing. Having a strong historical and socio-cultural understanding of the fabrics, help change a designer's vision into reality. By applying their knowledge about fabric and clothing construction, a fashion merchandiser will take a designer's piece and find the best way to manufacture the item while taking things like price and target market into consideration.

Buying becomes part of fashion merchandising when a merchandiser buys fashion items to be presented in a store. A fashion merchandiser must be aware of the target market for the fashion item and also very well-versed in fashion trend analysis and forecasting. This allows for more accurate ordering. A fashion merchandiser working with a designer will once again offer expertise to the designer on textiles and fabrics.

In the event that a fashion merchandiser is working for the designer, promoting the designer's product to stores that may want to buy large quantities is a number one priority. Not only is a fashion merchandiser required to have a creative mind and strong visual merchandising skills, production skills must be sharp as well. Fashion merchandising promotes a designer's items through the use of fashion shows where creativity and visual effects must run wild to capture the attention of potential buyers. Additionally, fashion merchandisers seek out the target market for a designer's clothing, such as children's clothing stores, department stores or discount retailers.

The final component of fashion merchandising is selling. A fashion merchandiser that works with a designer is responsible for selling fashion items to stores, who then sells to consumers. Again the merchandiser must have an idea about forecasting and market trends so they may give

their recommendation regarding production of the item. Creativity is important, because a merchandiser must offer suggestions on how to display the items within the store. When a fashion merchandiser works for a retail store, responsibilities include buying and presenting fashion items within the store.

Role of Merchandiser

A fashion merchandiser (also referred to as a buyer or merchant) plays an important role in any retail organization. A merchandiser occupies both creative and financial roles. Although different companies may assign different types of responsibilities to a merchandiser, certain components are part of a fashion merchandiser's job, no matter the size of company or type of fashion product bought.

Merchandise department

The fashion buyer needs the commercial flair to buy a range, whilst the merchandiser needs the commercial acumen to enable the range to work successfully. Merchandisers interact very regularly with buyers, and are responsible for setting the financial parameters of a garment range. This can include creating a framework for the buying budget, defining the number of product types and determining the number of lines within a range. In effect merchandisers give buyers a shopping list of products in terms of prices (entry, mid or high) and the length of time which they are expected to be in store. Nick Atkinson, menswear accessories merchandiser at River Island, describes how his role works in practice: I sit side-by-side with the buyer and the rest of the team: working closely with an assistant merchandiser, allocator and senior allocator. My main responsibilities are minimising risk, maximising potential and planning a balanced range. We have a target of how much profit to make for the season and how much markdown we're allowed. Merchandisers need good computer skills and as the job is very numerical and analytical, being able to read figures and pull out the information is essential. Communication is also very important between the design, buying and merchandising teams. Merchandisers have a major role to play in many of the key meetings and processes within the buying cycle (see Chapter 3). They advise buyers on target margins for the range – which may differ for certain garments depending on the country of origin, the flexibility and lead time of the supplier, and the balance of the margin across the whole range. If a product makes a lower margin than the target

which has been set, it may still be approved if other products in the range make a higher margin to compensate for it. This is referred to as 'marrying' margins, and is usually acceptable if the average margin across the whole range equals or exceeds the target. Merchandisers liaise frequently with buyers and suppliers to place initial and repeat orders. This involves regular meetings with buyers to assess the progress of each style

Buying

A fashion merchandiser is responsible for selecting the merchandise that will sell in stores. This merchandise must be in alignment with the company's brand image. The merchant must choose trend-right merchandise that is also appropriate for the target customer's fashion level. This requires knowledge of current and future fashion trends -- both high-fashion from the runway and mass-market trends.

Financial Accountability

Meeting financial objectives is the primary component of a fashion merchandiser's job. The merchandiser must maintain profitability by meeting certain financial plans set for each season. All merchandise bought must be appropriate for the customer and offered at a reasonable yet profitable price. A merchandiser's performance review will be partially based on the profit margin reached, rates of merchandise turnover and sales volume.

Customer Knowledge

In order to offer an appealing assortment, a merchant must be intimately familiar with the needs and wants of the target customer. This is accomplished by spending time in stores, even working full shifts in them. A merchandiser should research fashion trends, read trade newspapers, and follow the semi-annual runway shows. A merchandiser should also spend time in competitors' stores, study other retailers' merchandise and track when they deliver new assortments.

Visual Merchandising

Visual merchandising refers to the display of items in stores, including signage and marketing materials. When buying goods, a merchandiser must always think of how items will be shown. This involves determining which types of fixtures and folding methods will be necessary to

properly house merchandise. Visual merchandising is important because sales can be negatively affected if items are not displayed correctly.

Administration

Administrative work isn't the most exciting of tasks that a merchandiser must perform, but it is essential. A great deal of paperwork is necessary to take a product from its initial concept to arrival in the store. A buyer may file buy sheets, purchase orders, price ticket info and marketing materials. All must be completed with an extreme attention to detail.

Merchant

A merchant is a businessperson who trades in commodities produced by others, in order to earn a profit.

Types of merchant

There are two types of merchant.

•   A wholesale merchant operates in the chain between producer and retail merchant, typically dealing in large quantities of goods.[1] Some wholesale merchants only organize the movement of goods rather than move the goods themselves.

•   A retail merchant or retailer, sells commodities to consumers (including businesses), usually in small quantities. A shop owner is a retail merchant.

Chapter 2
Fashion Buyer

In the retail industry, a buyer is an individual who selects what items will be stocked in a store, based on his or her predictions about what will be popular with shoppers. Retail buyers usually work closely with designers and their designated sales representatives and attend trade fairs, wholesale showrooms and fashion shows to observe trends. They may work for large department stores, chain stores or smaller boutiques. For smaller independent stores, a buyer may participate in sales as well as promotion, whereas in a major fashion store there may be different levels of seniority such as trainee buyers, assistant buyers, senior buyers and buying managers, and buying directors. Decisions about what to stock can greatly affect fashion businesses.

A buyer is any person who contracts to acquire an asset in return for some form of consideration. When someone gets characterized by their role as buyer of certain assets, the term "buyer" gets new meaning:

A "buyer" or merchandiser is a person who purchases finished goods, typically for resale, for a firm, government, or organization. (A person who purchases material used to make goods is sometimes called a purchasing agent.)

In product management, buyer is the entity that decides to obtain the product.

A buyer's primary responsibility is obtaining the highest quality goods at the lowest cost. This usually requires research, writing requests for bids, proposals or quotes, and evaluating information received.

Background

According to "The Role of the Fashion Buyer," buyers typically specialize in one type of merchandise such as women's dresses. However, in a smaller retailer, a buyer may buy for a larger, less specialized range such as women's casual wear which may include shirts, skirts, pants, and jackets. The larger the retailer, the more specific the product area is for a buyer. Large companies that have a broad range of products will often have separate buying departments for menswear, women's wear, and children's wear. A buyer at a smaller retailer may buy name brand products while a large company buyer may have the opportunity to be involved in the

design and development of the products. A buyer with experience will travel to learn new fashion trends and to visit clothing suppliers.

Assistant buyers play a smaller role in the selection of merchandise since they are still gaining experience. They may help senior buyers with basic aspects of retailing. Assistant buyers may also be in charge of orders and shipments, supervise sales personnel, keeping records, and dealing with customers who are returning or exchanging merchandise.

Buying Team

Buyers work alongside their buyer colleagues because they receive helpful advice from one another. A buyer can have frequent meetings with the buying manager to discuss the development of the range of garments. Buyers also interact often with the merchandising, design, quality control, and fabric technology departments. A buyer will meet with the finance, marketing, and retail sales personnel on a less frequent basis.

Some buyers meet regularly to update each other about price ranges as well as to receive or give advice. Buyers will often travel together so that they can advise one another on ranges and to coordinate ranges. For instance, a buyer for women's jackets will coordinate with the buyer for women's blouses since the two garments are frequently worn and purchased together.

Negotiation

"The Role of the Fashion Buyer" states that one part of a buyer's job is to negotiate prices and details of delivery with the supplier. Since this is an important aspect of a buyer's job, some retailers provide their buyers with negotiation training courses. When the buyer meets with the supplier, the sales executive of the garment manufacturer will submit a "cost price" for a garment. Then the buyer calculates the price that the garment will need to be sold for in order to reach the retailer's mark-up price. The markup price is the difference between the selling price and the manufacturer's cost price. The retail selling price is typically 2.5 or 3 times the price of the manufacturer's cost price. While it may seem like a retailer is making a large profit from this markup, the proceeds are used to cover many costs such as the buyer's salary, store rent, utility bills, and office costs. The markup must be high enough to cover the retailer's expense of "housing" a garment on a rack or a shelf for anywhere from a few days to an entire season, plus the risk that some garments will inevitably have to be marked down to cost to get them out of the store.

Based on how much consumers are willing to pay, buyers can determine the optimum cost price which they should expect to pay. Suppliers take a different approach to the optimum cost price. The suppliers determine the price based on how much it will cost them to produce the garment. The manufacturer's salesperson are typically able to accurately anticipate the price that buyers will expect to pay.

Buyers and suppliers both want to make the largest profits for their companies. The buyers want to buy the garments at the lowest possible price and suppliers want to sell the garments at a high price. Suppliers and buyers must agree on a price and/ financing terms and in some cases they may not agree. If the two cannot agree and the buyer cannot reach a price within the retailer's target margin, the buyer may ask the buying manager for permission to buy the garment at a higher price or else the style may be dropped.

Negotiation with suppliers

One of the main roles of a buyer is to negotiate with the clothing suppliers. Buyers may negotiate with suppliers on a regular, sometimes daily, basis. It is important for a buyer to establish a strong relationship with the suppliers since it will be beneficial to both parties. Suppliers and buyers have the same goal which is to sell as many garments as possible to customers so they must work together to achieve this goal. Buyers rely heavily on suppliers to "enable ranges to be bought successfully". The buyer must remember that the retailer and manufacturer share similar goals and that the two need to form an honest relationship based on respect and integrity. Buyers not only select clothing, but are also involved in the ordering and delivering of garments. In some cases, the buyers may also be involved in the product development and display processes.

Forecasting

According to Peter Vogt, buyers predict months and in some cases years in advance what accessories and apparel will sell and at what prices. The buyers need to stay current with the fashion industry. Depending upon the item and season, buyers will purchase merchandise 6 months before it sold in stores. Therefore they must be able to anticipate fashion trends and consumer needs. In order for buyers to anticipate future trends, they familiarize themselves with current merchandise in catalogs and line sheets. and travel to seasonal fashion weeks and shows to view new styles. Companies such as Zara have drastically shortened the buying and

production time lines. It is also necessary for a buyer to know his/her customers. They can achieve this by viewing sales records and by spending time on the selling floors.

Interaction with internal departments

Fashion buyers interact frequently with other departments within the company to get advice. It is important to have a large fashion range and to achieve that requires team effort. Buyers will coordinate and discuss ideas with the merchandising, marketing, and quality control departments. The internal departments are dependent of one another and they need to work together if the company is to be successful.

Qualities of a successful buyer

There are many qualities that are necessary to be a successful buyer. A few of the qualities are enthusiasm, creativity, imagination, decisiveness, good judgment, and strong analytical skills. Some of these qualities can be obtained from experience and others cannot be taught. The most important qualities that cannot be taught are enthusiasm and self-motivation, all else can be taught on the job. A buyer needs to be flexible because they may be working in the office one day and traveling to another country at short notice. A buyer also needs to be analytical and computer-savvy. Buyers must possess a strong analytical ability because they will have to study past and present fashion trends in order to forecast future trends. Buyers must also be able to work under pressure since they will often find themselves in high pressure situations. If one has some of the above qualities and is willing to learn the rest, they have the potential to become a successful buyer.

Education

A Bachelor's degree in retail, buy, marketing, fashion, business, or related field is preferred for a buyer position. One's major does not necessarily matter if the person is familiar with the fashion industry. It is beneficial if one has retail experience such as the executive training program or a previous sales associate position since it is helpful to have an understanding of the selling floor. The executive training program is sometimes offered by larger retailers and it prepares participants for jobs as assistant buyers and eventually buyers for the company.

Typical Buyer Salaries

A buyer's salary can range from $30,000 to $100,000 depending on one's location, position, experience, and company. According to the Bureau of Labor Statistics, in 2004 the average income for a buyer was $42,230.

Advancement in a company depends mainly on performance. Therefore an assistant buyer can easily work their way up to senior buyer within 3–5 years. Higher levels of management in a company will usually require a graduate degree in business.

BUYER RIGHTS

Buyer rights refers to the right that a person has to take a percentage of goods that have been bought for another person. This percentage is typically 10%, however, it can increase if the buyer has to travel far to retrieve the goods.

Qualities of a successful buyer

A fashion buyer needs to be versatile and flexible as the buying schedule may include sitting behind a desk one day writing reports and communicating by phone or email, travelling to Paris to identify forthcoming trends the next week, then flying to the Far East the following month to meet and negotiate with suppliers. A good buyer needs stamina but should also be enthusiastic, conscientious, professional, decisive, numerate, creative, imaginative and well motivated. To succeed in this career buyers need to have foresight and develop skills in people management and time management. It is rare to find someone with an equal balance between these qualities and skills and many buyers will excel in some while being only adequate in others. Although this list appears to be daunting, most of the skills are learnt within the job. Enthusiasm and self-motivation are possibly the most important elements as they cannot be taught; they are the main qualities that, together with experience or qualifications will help the buyer to obtain that all-important first job. It is very difficult to ascertain solely from CVs and interviews whether or not a person has the right qualities to be a buyer as most of these will only be developed by exposure to the fashion buying environment. If, however, you already have most of these qualities and the willingness to acquire the rest, you have the potential to be a successful buyer. Even with extensive skills and experience a buyer who is new to a company will require a certain period of training and readjustment to become familiar with different systems and terminology. Companies

that do not recognise and plan for this factor could lower their profits as a result when the new buyer's range is launched.

Chapter 3
Fashion Forecasting

Fashion forecasting is a global career that focuses on upcoming trends. A fashion forecaster predicts the colors, fabrics and styles that will be presented on the runway and in the stores for the upcoming seasons. The concept applies to not one, but all levels of the fashion industry including haute couture, ready-to-wear, mass market, and street wear. Trend forecasting is an overall process that focuses on other industries such as automobiles, medicine, food and beverages, literature, and home furnishings. Fashion forecasters are responsible for attracting consumers and helping retail businesses and designers sell their brands. Today, fashion industry workers rely on the Internet to retrieve information on new looks, hot colors, celebrity wardrobes, and designer collections.

Long-term forecasting

Long-term forecasting is the process of analyzing and evaluating trends that can be identified by scanning a variety of sources for information. It is a fashion which lasts over 2 years. When scanning the market and the consumers, fashion forecasters must follow demographics of certain areas, both urban and suburban, as well as examine the impact on retail and its consumers due to the economy, political system, environment, and culture. Long-term forecasting seeks to identify: major changes in international and domestic demographics, shifts in the fashion industry along with market structures, consumer expectations, values, and impulsion to buy, new developments in technology and science, and shifts in the economic, political, and cultural alliances between certain countries. There are many specialized marketing consultants that focus on long-term forecasting and attend trade shows and other events that notify the industry on what is to come. Any changes in demographics and psychographics that are to affect the consumers needs and which will influence a company's business and particular [niche market] are determined.

Short-term forecasting

Short-term forecasting focuses on current events both domestically and internationally as well as pop culture in order to identify possible trends that can be communicated to the customer through the seasonal color palette, fabric, and silhouette stories. It gives fashion a modern twist

to a classic look that intrigues our eyes. Some important areas to follow when scanning the environment are: current events, art, sports, science and technology.

Responsibility for trend forecasting

Each retailers trend forecasting varies and is mainly dependent upon whether the company is a wholesale brand or private label developer. Larger companies such as Forever 21, have their own trend departments where they follow the styles, fabrics, and colors for the upcoming seasons. This can also be referred to as vertical integration. A company with its own trend department has a better advantage to those who do not because its developers are able to work together to create a unified look for their sales floor. Each seasonal collection offered by a product developer is the result of trend research focused on the target market it has defined for itself. Product developers may offer anywhere from two to six seasonal collections per year, depending on the impact of fashion trends in a particular product category and price point. Women's wear companies are more sensitive to the whims of fashion and may produce four to six lines a year. Men's wear companies present two to four lines a year, and children's wear firms typically present three to four seasonal collections. For each season a collection is designed by the product developers and is based on a specific theme, which is linked to the color and fabric story. A merchandiser also plays a key role in the direction of upcoming trends. Different from developers, merchandisers have much more experience in buying and are knowledgeable in what consumers will be looking for. The designer takes the particular trends and then determines the styles, silhouette's, and colors for the line and garments while creating an overall theme for the particular season.

FORECASTING FASHION TRENDS

Fashion trend forecasters predict what's next — what colors, fabrics and styles consumers will be wearing a year from now. That information is valuable to the people who make and sell clothes. It's the business of betting on what will make shoppers spend money. As part of Morning Edition's series on the fashion industry, NPR's Elizabeth Blair reports.

At a recent presentation in midtown Manhattan, trend forecaster David Wolfe of The Doneger Group, had this advice for dozens of fashion professionals on hand: "Old is good. Old is better than it's ever been before — believe it. The boomers control $7 trillion. The fashion industry

ignores them. They're only dying to buy something and the stores are full of nothing they want to buy."

Wolfe attends fashion shows, reads magazines and makes regular visits to fashion-forward Europe and Japan. He says his radar is up all the time. "When I ride the subway to work, I'm doing research. I never stop..."

Wolfe's clients include retailers, apparel companies and even cosmetics firms. At Wolfe client Saks Fifth Avenue, Fashion Director Jaqui Lividini says she listens to a number of forecasters — and her own staff's predictions — to stay one step ahead of the shopper.

"You want to have what she wants before she knows she wants it," Lividini says. "If you're behind her, you've lost her. If you're in step, she's not excited. We try to be one step ahead. If you're two steps ahead, she's not interested in it."

So what are some of the trends fornext fall? "Wolfe says the new black is gray. Purple violets and browns will be popular, as will 'bright, eye-popping colors,'" Blair reports.

In fact, Wolfe is done with black. He says women might think it makes them look slimmer and more chic, but it also makes them look older.

Designer Nanette Lepore's clothes are sold in Bloomingdales, Nordstrom and boutiques around the country. She says she respects trend forecasters, but doesn't use them.

"It's not as exciting as working it out in the trenches...," Lepore says. "A lot of times we'll make something we'll think is going to be cute and it comes off the machine and it's really nasty. And I'll be here till nine at night with the dress on the dummy trying to figure out what went wrong and how to fix it. That's the creative part."

Saks' Lividini agrees that despite all the advice about trends, there's still room for creativity. "No matter how much forecasting we do, the most thrilling moment is sitting in a show and you see something that you've never seen, something surprising, amusing. And that's what fashion is about — that moment of excitement, of fantasy. That's what we're after."

FASHION FORECASTING AND TREND RESOURCES

What fabrics and styles will be popular in future years?   Fashion forecasting resources help predict trends in the fashion industry.   The fashion forecaster must combine his/her own knowledge of fashion design and history with consumer business information.   Design firms and retail markets utilize forecasting services to predict trends in color and fashion.   DAAP Library provides access to many sources to assist the fashion design student in this area.

Where to look:

Books

Books will provide limited information on forecasting. However, you may find general fashion merchandising and history books can provide an overview of fashion history and trends, and thus provide you with a foundation in this area. Search the Library Catalog for books on forecasting, color and trend information. The best way to start is a keyword search using keywords such as fashion and forecasting. However, it is important to keep in mind, since forecasting is a "current" topic, much better sources of information are the periodicals and forecasting services.

Women's Color Forecast

These color forecasts are presented on large (12"X 22") swatched charts. A committee of eight working professionals selects each color on each forecast. Fashion color forecasts are issued to members in September and in March, 22 months ahead of a selling season. And as the Web site states, "Do you need to pinpoint hot shades? Do you need to know whether a particular season will be predominantly pastel or bright or dark?

Collections (Prêt-a-Porter)

While not a true "forecasting" resource, this publication provides a visual review of major design collections from the fashion capitols of New York, London, Milan, Paris, Madrid, Barcelona and Tokyo, and as a result does record the fashion trends of the world.

DNR - First in Men's Wear News and Trends (Daily News Record)

This trade publication provides information on the retail as well as the design market. Includes trends in new textiles as well as articles on individual men's wear manufacturers.

MARKET REPORTS

There are many specialized indexes and databases that cover industry information. For a complete listing of resources consult the Business Subject Pages.

Listed below are some of the most useful.

Mintel Market Research Reports

Market research reports for U.S. and international. Reports cover a variety of sectors including beauty and personal, health and medical, electronic, consumer goods, lifestyles, travel and tourism, financial industry, internet industry, retail, and food & drink. Reports discuss market drivers, market size & trends, market segmentation, supply structure, advertising and promotion, retail distribution, consumer characteristics, and future and forecasts. Users will need to click on "I Agree" with the "Conditions of use" statement - each time they enter the database, and to establish and login into a profile with a UC e-mail address. Examples of the reports you can retrieve include: men's clothing, character merchandising, women's wear retailing, children's clothing, fitness clothing, handbags, bridal wear, women's outerwear, hosiery, nail color and care, sleepwear, etc…   Not only is market information such as forecasts and market segmentation included, but updated news from sources such as the New York Times and trade publications.

Chapter 4

Visual Merchandising

Visual merchandising is the activity and profession of developing the floor plans and three-dimensional displays in order to maximize sales.

Both goods and services can be displayed to highlight their features and benefits. The purpose of such visual merchandising is to attract, engage, and motivate the customer towards making a purchase.

Visual merchandising commonly occurs in retail spaces such as retail stores and trade shows.

History

When the giant nineteenth century dry goods establishments like Marshall Field & Co. shifted their business from wholesale to retail, the visual display of goods became necessary to attract the general consumers. The store windows were often used to attractively display the store's merchandise. Over time, the design aesthetic used in window displays moved indoors and became part of the overall interior store design, eventually reducing the use of display windows in many suburban malls.

In the twentieth century, well-known artists such as Salvador Dalí and Andy Warhol created window displays.

Principles

The purpose of visual merchandising is to:

*   Make it easier for the customer to locate the desired category and merchandise.

*   Make it easier for the customer to self-select.

*   Make it possible for the shopper to co-ordinate and accessorise.

*   Recommend, highlight and demonstrate particular products at strategic locations.

*   Educate the customer about the product in an effective & creative way.

*   Make proper arrangements in such a way to increase the sale of unsought goods.

Techniques:

Visual merchandising builds upon or augments the retail design of a store. It is one of the final stages in setting out a store in a way customers find attractive and appealing.

Many elements can be used by visual merchandisers in creating displays including color, lighting, space, product information, sensory inputs (such as smell, touch, and sound), as well as technologies such as digital displays and interactive installations.

Tools

A planogram allows visual merchandisers to plan the arrangement of merchandise by style, type, size, price or some other category. It also enables a chain of stores to have the same merchandise displayed in a coherent and similar manner across the chain.

Window displays

Window displays can communicate style, content, and price.

Display windows may also be used to advertise seasonal sales or inform passers-by of other current promotions.

Food merchandising

Restaurants, grocery stores, convenience stores, etc. use visual merchandising as a tool to differentiate themselves in a saturated market.

WINDIW DISPLAY

A display window, most commonly called shop window (British English) or store window(American English), is a window in a shop displaying items for sale or otherwise designed to attract customers to the store. Usually, the term refers to larger windows in the front façade of the shop. Such windows were invented about 1780. Display windows at boutiques usually have dressed-up mannequins in them.

Putting a window display of merchandise in a store's window is called "window dressing", which is also used to describe the items displayed themselves. As a figure of speech, "window dressing" means something done to make a better impression, and sometimes implies something dishonest or deceptive.

Window dresser

Window dressers arrange displays of goods in shop windows or within a shop itself. They may work for design companies contracted to work for clients or for department stores, independent retailers, airport or hotel shops.

Alone or in consultation with product manufacturers or shop managers they artistically design and arrange the displays and may put clothes on mannequins and display the prices on the products.

They may hire joiners and lighting engineers to augment their displays. When new displays are required they have to dismantle the existing ones, and they may have to maintain displays during their lifetimes. Some window dressers hold formal display design qualifications.

Famous Window Dressers

• Raymond Loewy Early in his career he dressed windows for Macy's in New York.

• Gene Moore was a leading 20th century window dresser.

• Giorgio Armani the fashion designer once worked as a window dresser.

• Molina, one of the principal characters of Manuel Puig's novel Kiss of the Spider Woman, was a window dresser prior to his incarceration.

• Roseanne Barr worked as a waitress and a window dresser in Denver prior to her showbiz career.

• Simon Doonan. Window dresser for Barneys department store and columnist for Slate.

• Rhoda Morgenstern, a fictional character from The Mary Tyler Moore Show and its spinoff Rhoda, makes her living as a window dresser in Minneapolis and New York.

Shelves in the clothes visual mercandising.

The front hanging bar, side hanging bar, tables and shelves are currently used to hanging and displays in visual merchandising. Each of the elements of trading equipment is preferred as dependent on the fashion and commercial potential of research carried out in each period. So the value of tables increases and the importance of the shelves reduces. It is confirmed by experimental studies conducted by the author. Let's consider the main reasons why it happens.

In order to evaluate the product thoroughly it is necessary to deploy the folded product. Besides, it takes time to expand the A 4 format formed product. In addition, there is a psychological fear among customers to release the product as an indication of breaking the order, especially if there

is a paper gasket in the folded product. The dignity of the latter are undeniable while comparing this procedure with a similar, but applicable to the product represented on the rack.

Paradoxically, this is not the main cause of inefficiency of the shelves. The same or a similar method of presentation that runs on a different type of equipment, such as tables, increases effective implementation of the product in the order. Perhaps the reason is different levels of functional placement of products on shelves and tables. Thus, the most ergonomic level of the wall display placements of products, typically used for products are presented in the frontal and side planes, as it have the greatest visual efficiency. The remaining shelf spaces of wall displays are on the borders of the levels of functionality. They attract the attention of consumers in the least. In comparison, the height of desks trading floor ranged from 50 to 90 cm, which was not intended to either reach or bend much, nor crouch to view products.

Another reason lies in the composition of placing folded items on shelves in the wall display and tables. Products placed in a stack on a shelf are perceived in terms of priority as a last resort. The size of the color patch of these products is minimal compared to the products on the front and profile racks of the same display. The table is an independent part of the floor equipment, the consumer's attention is not dispelled by other volumes and configuration. In addition, the tables suggest the possibility of submitting articles to the unfolded form. It should be noted that the products stacked on shelves allow you to increase the store capacity, it is possible to use the trade area, but the items in the stacks will be no element of active sales but inventory . In accordance with it, the concepts of fashion brands that claim to a wider range than the base, are not used the shelves for the presentation of clothes in the retail store concept.

An example of a concept store that uses the presentation of products on the shelves.

Color Combinations intheClothesVisual Merchandising

Man takes up to 80% of the information with color. This feature of human perception is used to stimulate consumption, tomotive a spontaneous emotional purchase in the visual merchandising. Grouping items by color is more typical for women'sassortment, as color scale of women's collections is greater due to the specific consumption in turn. It is necessary to collect the groups of clothes models of the same color within the same style for realization the color grouping during the implementation of the whole pre-sale preparation. Then it is necessary to make a decision whether to mix the colors among themselves or not and what color combinations to use.

Creation of one model in several colors is typical for the market of mass consumption, which may serve as a clue in deciding on color combinations.

All the colors and combinations can be divided into two main groups:

A. Simple, clean, bright colors. Contrasting combinations;

B. Complex, unsaturated colors. Nuance combinations.

A-colors affect as a strong, active irritants in terms of physiological effects. They satisfy the needs of people with a healthy,unwearied nervous system. These include, for example, a combination of red, white and black. It is basic, i.e. mostly repeated incollections from season to season. B-colors are rather calm than excite, they cause complex, ambiguous emotions. It takes a longercontemplation for its perception and suits the needs for fine and dainty senses. The capsule system or the system of color themes is used in the planning of assortment currently. It consists not in a display of assortment uncoordinated in style, color and purpose butin a complex proposal ready for the buyer, where the presentation is a speechless seller actually. The color combination is determined at the design stage under these conditions. The task of the visual merchandising is to accept this recommendation to act or to correct it. This article illustrates the results of the experiment for using more than three A-colors in combination which is not of the baseline.

The essence of the experiment is that the garments belonging to the same color and style theme are presented by light combinations of A and. In this case, A-combinations are not basic. Photographs of displays were evaluated by a group of respondents which included the consumers and specialists in the visual merchandising.

Chapter 5

Retail

Retail is the sale of something in general.

Retail is the sale of goods and services from individuals or businesses to the end-user. Retailers are part of an integrated system called the supply chain. A retailer purchases goods or products in large quantities from manufacturers directly or through a wholesale, and then sells smaller quantities to the consumer for a profit. Retailing can be done in either fixed locations like stores or markets, door-to-door or by delivery. Retailing includes subordinated services, such as delivery. The term "retailer" is also applied where a service provider services the needs of a large number of individuals, such as for the public. Shops may be on residential streets, streets with few or no houses or in a shopping mall. Shopping streets may be for pedestrians only. Sometimes a shopping street has a partial or fullroof to protect customers from precipitation. Online retailing, a type of electronic commerce used for business-to-consumer (B2C) transactions and mail order, are forms of non-shop retailing.

Shopping generally refers to the act of buying products. Sometimes this is done to obtain necessities such as food and clothing; sometimes it is done as a recreational activity. Recreational shopping often involves window shopping (just looking, not buying) and browsing and does not always result in a purchase.

Etymology

Retail comes from the Old French word tailler, which means "to cut off, clip, pare, divide" in terms of tailoring (1365). It was first recorded as a noun with the meaning of a "sale in small quantities" in 1433 (from the Middle French retail, "piece cut off, shred, scrap, paring").[1] Like in French, the word retail in both Dutch and German also refers to the sale of small quantities of items.

Types of retail outlets

A marketplace is a location where goods and services are exchanged. The traditional market square is a city square where traders set up stalls and buyers browse the stores. This kind of market is very old, and countless such markets are still in operation around the whole world.

In some parts of the world, the retail business is still dominated by small family-run stores, but this market is increasingly being taken over by large retail chains.Most of these stores are called high street stores. Gradually high street stores are being re-grouped at one location called Malls. These are more defined and planned spaces for retail stores and Brands.

Types by products

Retail is usually classified by type of products as follows:

- Food products — typically require cold storage facilities.
- Hard goods or durable goods ("hardline retailers") — appliances, electronics, furniture, sporting goods, etc. Goods that do not quickly wear out and provide utility over time.
- Soft goods or consumables — clothing, apparel, and other fabrics. Goods that are consumed after one use or have a limited period (typically under three years) in which you may use them.

Types by marketing strategy

There are the following types of retailers by marketing strategy:

- Department stores — very large stores offering a huge assortment of "soft" and "hard goods; often bear a resemblance to a collection of specialty stores. A retailer of such store carries variety of categories and has broad assortment at average price. They offer considerable customer service.
- Discount stores — tend to offer a wide array of products and services, but they compete mainly on price offers extensive assortment of merchandise at affordable and cut-rate prices. Normally, retailers sell less fashion-oriented brands.
- Warehouse stores — warehouses that offer low-cost, often high-quantity goods piled on pallets or steel shelves; warehouse clubs charge a membership fee;
- Variety stores — these offer extremely low-cost goods, with limited selection;
- Demographic — retailers that aim at one particular segment (e.g., high-end retailers focusing on wealthy individuals).
- Mom-And-Pop — a small retail outlet owned and operated by an individual or family. Focuses on a relatively limited and selective set of products.

• Specialty stores — a typical speciality store gives attention to a particular category and provides high level of service to the customers. A pet store that specializes in selling dog food would be regarded as a specialty store. However, branded stores also come under this format. For example if a customer visits a Reebok or Gap store then they find just Reebok and Gap products in the respective stores.

• Boutiques or Concept stores — similar to specialty stores. Concept stores are very small in size, and only ever stock one brand. They are run by the brand that controls them. An example of brand that distributes largely through their own widely distributed concept stores is L'OCCITANE en Provence. The limited size and offering of L'OCCITANE's stores are too small to be considered a specialty store proper.

• General store — a rural store that supplies the main needs for the local community;

• Convenience stores — essentially found in residential areas. They provide limited amount of merchandise at more than average prices with a speedy checkout. This store is ideal for emergency and immediate purchases as it often works with extended hours, stocking everyday;

• Hypermarkets — provides variety and huge volumes of exclusive merchandise at low margins. The operating cost is comparatively less than other retail formats.

• Supermarkets — a self-service store consisting mainly of grocery and limited products on non food items. They may adopt a Hi-Lo or an EDLP strategy for pricing. The supermarkets can be anywhere between 20,000 and 40,000 square feet (3,700 m2). Example: SPAR supermarket.

• Malls — has a range of retail shops at a single outlet. They endow with products, food and entertainment under a roof.

• Category killers or Category Specialist — by supplying wide assortment in a single category for lower prices a retailer can "kill" that category for other retailers. For few categories, such as electronics, the products are displayed at the centre of the store and sales person will be available to address customer queries and give suggestions when required. Other retail format stores are forced to reduce the prices if a category specialist retail store is present in the vicinity.

• E-tailers — the customer can shop and order through internet and the merchandise are dropped at the customer's doorstep. Here the retailers use drop shipping technique. They accept the payment for the product but the customer receives the product directly from the manufacturer or a wholesaler. This format is ideal for customers who do not want to travel to retail stores and

are interested in home shopping. However, it is important for the customer to be wary about defective products and non secure credit card transaction. Examples include Amazon.com, Pennyful, and eBay.

•   Vending Machines — this is an automated piece of equipment wherein customers can drop the money in the machine and acquire the products.

Some stores take a no frills approach, while others are "mid-range" or "high end", depending on what income level they target.

Other types

Other types of retail store include:

•   Automated Retail stores — self-service, robotic kiosks located in airports, malls and grocery stores. The stores accept credit cards and are usually open 24/7. Examples include ZoomShops and Redbox.

•   Big-box stores — encompass larger department, discount, general merchandise, and warehouse stores.

Retailers can opt for a format as each provides different retail mix to its customers based on their customer demographics, lifestyle and purchase behaviour. A good format will lend a hand to display products well and entice the target customers to spawn sales.

Global top five retailers

Worldwide Top Five Retailers

Worldwide Top Five Retailers			
Retail Sales Rank	Company	Country of Origin	2010 group revenue (US $mil)
1	Walmart	US	$421,849
2	Carrefour	France	$121,519

3	Tesco	UK	$94,244
4	Metro AG	Germany	$89,311
5	Kroger	US	$82,189

Retail pricing

The pricing technique used by most retailers is cost-plus pricing. This involves adding a markup amount (or percentage) to the retailer's cost. Another common technique is suggested retail pricing. This simply involves charging the amount suggested by the manufacturer and usually printed on the product by the manufacturer.

In Western countries, retail prices are often called psychological prices or odd prices. Often prices are fixed and displayed on signs or labels. Alternatively, when prices are not clearly displayed, there can be price discrimination, where the sale price is dependent upon who the customer is. For example, a customer may have to pay more if the seller determines that he or she is willing and/or able to. Another example would be the practice of discounting for youths, students, or senior citizens.

Second-hand retail

Some shops sell second-hand goods. In the case of a nonprofit shop, the public donates goods to the shop to be sold. In give-away shops goods can be taken for free.

Another form is the pawnshop, in which goods are sold that were used as collateral for loans. There are also "consignment" shops, which are where a person can place an item in a store and if it sells, the person gives the shop owner a percentage of the sale price. The advantage of selling an item this way is that the established shop gives the item exposure to more potential buyers

Sales techniques

Behind the scenes at retail, there is another factor at work. Corporations and independent store owners alike are always trying to get the edge on their competitors. One way to do this is to hire a merchandising solutions company to design custom store displays that will attract more customers in a certain demographic. The nation's largest retailers spend millions every year on in-store marketingprograms that correspond to seasonal and promotional changes. As products change, so will a retail landscape. Retailers can also usefacing techniques to create the look of a perfectly stocked store, even when it is not.

A destination store is one that customers will initiate a trip specifically to visit, sometimes over a large area. These stores are often used to "anchor" a shopping mall or plaza, generating foot traffic, which is capitalized upon by smaller retailers.

Customer service

Customer service is the "sum of acts and elements that allow consumers to receive what they need or desire from your retail establishment." It is important for a sales associate to greet the customer and make himself available to help the customer find whatever he needs. When a customer enters the store, it is important that the sales associate does everything in his power to make the customer feel welcomed, important, and make sure he leaves the store satisfied. Giving the customer full, undivided attention and helping him find what he is looking for will contribute to the customer's satisfaction.[4] For retail store owners, it is extremely important to train yourself and your staff to provide excellent customer service skills. By providing excellent customer service, you build a good relationship with the customer and eventually will attract more new customers and turn them into regular customers. Looking at long term perspectives,

excellent customer skills give your retail business a good ongoing reputation and competitive advantage.

Chapter 6
Consumer Behavior

Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behaviour is difficult to predict, even for experts in the field. Relationship marketing is an influential asset for customer behaviour analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalisation, customization and one-to-one marketing. Social functions can be categorized into social choice and welfare functions.

Each method for vote counting is assumed as social function but if Arrow's possibility theorem is used for a social function, social welfare function is achieved. Some specifications of the social functions are decisiveness, neutrality, anonymity, monotonicity, unanimity, homogeneity and weak and strong Pareto optimality. No social choice function meets these requirements in an ordinal scale simultaneously. The most important characteristic of a social function is identification of the interactive effect of alternatives and creating a logical relation with the ranks. Marketing provides services in order to satisfy customers. With that in mind the productive system is considered from its beginning at the production level, to the end of the cycle, the consumer (Kioumarsi et al., 2009)

Black box model

The black box model shows the interaction of stimuli, consumer characteristics, decision process and consumer responses. It can be distinguished between interpersonal stimuli (between people) or intrapersonal stimuli (within people). The black box model is related to the black box theory of behaviorism, where the focus is not set on the processes inside a consumer, but the relation between the stimuli and the response of the consumer. The marketing stimuli are planned and processed by the companies, whereas the environmental stimulus is given by social factors, based on the economical, political and cultural circumstances of a society. The buyer's black box contains the buyer characteristics and the decision process, which determines the buyer's response.

Environmental factors		Buyer's black box		Buyer's response
Marketing Stimuli	**Environmental Stimuli**	**Buyer Characteristics**	**Decision Process**	
Product Price Place Promotion	Economic Technological Political Cultural Demographic Natural	Attitudes Motivation Perceptions Personality Lifestyle Knowledge	Problem recognition Information search Alternative evaluation Purchase decision Post-purchase behaviour	Product choice Brand choice Dealer choice Purchase timing Purchase amount

The black box model considers the buyer's response as a result of a conscious, rational decision process, in which it is assumed that the buyer has recognized the problem. However, in reality many decisions are not made in awareness of a determined problem by the consumer.

Information search

Once the consumer has recognized a problem, they search for information on products and services that can solve that problem. Belch and Belch (2007) explain that consumers undertake both an internal (memory) and an external search. Sources of information include personal sources and experience, and commercial and public sources.

The relevant internal psychological process associated with information search is perception, which can be defined as "the process by which an individual receives, selects, organises, and interprets information to create a meaningful picture of the world". Consumers' tendency to search for information on goods and services makes it possible for researchers to forecast the purchasing plans of consumers using brief descriptions of the products of interest.

The selective perception process can be divided into:-

- Selective exposure: consumers select which promotional messages they will expose themselves to.

- Selective attention: consumers select which promotional messages they will pay attention to.

- Selective comprehension: consumer interpret messages in line with their beliefs, attitudes, motives and experiences.

- Selective retention: consumers remember messages that are more meaningful or important to them.

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The implications of this process help to develop an effective promotional strategy, and suggest which sources of information are more effective for the brand.

Evaluation of alternatives

At this time the consumer compares the brands and products that are in their evoked set. The evoked set refers to the number of alternatives that are considered by consumers during the problem-solving process. Sometimes also known as consideration, this set tends to be small relative to the total number of options available. How can the marketing organisation increase the likelihood that their brand is part of the consumer's evoked set? Consumers evaluate alternatives in terms of the functional and psychological benefits that they offer. The marketing organisation needs to understand what benefits consumers are seeking and therefore which

attributes are most important in terms of making a decision. It also needs to check other brands of the customer's consideration set to prepare the right plan for its own brand.

Purchase decision

Once the alternatives have been evaluated, the consumer is ready to make a purchase decision. Sometimes purchase intention does not result in an actual purchase. The marketing organisation must facilitate the consumer to act on their purchase intention. The organisation can use a variety of techniques to achieve this. The provision of credit or payment terms may encourage purchase, or a sales promotion such as the opportunity to receive a premium or enter a competition may provide an incentive to buy now. The relevant internal psychological process that is associated with purchase decision is integration. Once the integration is achieved, the organisation can influence the purchase decisions much more easily.

There are 5 stages of a consumer buying process they are: The problem recognition stage, meaning the identification of something a consumer needs. The search for information, which means you search your knowledge bases or external knowledge sources for information on the product. The possibility of alternative options, meaning whether there is another better or cheaper product available. The choice to purchase the product and then finally the actual purchase of the product. This shows the complete process that a consumer will most likely, whether recognizably or not, go through when they go to buy a product.

Post purchase evaluation

The EKB (Engel, Kollat, Blackwell) model was further developed by Rice (1993) which suggested there should be a feedback loop, Foxall (2005) further suggests the importance of the post purchase evaluation and that it is key because of its influences on future purchase patterns.

Other influences

Consumer behaviour is influenced by internal conditions such as demographics, psychographics (lifestyle), personality, motivation, knowledge, attitudes, beliefs, and feelings. Psychological factors include an individuals motivation, perception, attitude and belief, while personal factors include income level, personality, age, occupation and lifestyle.

Congruence between personality and the way a persuasive message is framed (i.e., aligning the message framing with the recipient's personality profile) may play an important role in ensuring

the success of that message. In a recent experiment, five advertisements (each designed to target one of the five major trait domains of human personality) were constructed for a single product. The results demonstrated that advertisements were evaluated more positively the more they cohered with participants' dispositional motives. Tailoring persuasive messages to the personality traits of the targeted audience can be an effective way of enhancing the messages' impact.

Behaviour can also be affected by external influences, such as culture, sub-culture, locality, royalty, ethnicity, family, social class, past experience reference groups, lifestyle, market mix factors. For example: In India, most online consumers shop during their lunch hours, and when they are at work. This could be because of not adequate Internet Connectivity at homes

Buyer decision processes

Buyer decision process are the decision making processes undertaken by consumers in regard to a potential market transaction before, during, and after the purchase of a product or service.

More generally, decision making is the cognitive process of selecting a course of action from among multiple alternatives. Common examples include shopping and deciding what to eat. Decision making is said to be a psychological construct. This means that although we can never "see" a decision, we can infer from observable behaviour that a decision has been made. Therefore we conclude that a psychological event that we call "decision making" has occurred. It is a construction that imputes commitment to action. That is, based on observable actions, we assume that people have made a commitment to effect the action.

In general there are three ways of analysing consumer buying decisions. They are:

• Economic models - These models are largely quantitative and are based on the assumptions of rationality and near perfect knowledge. The consumer is seen to maximize their utility. See consumer theory. Game theory can also be used in some circumstances.

• Psychological models - These models concentrate on psychological and cognitive processes such as motivation and need recognition. They are qualitative rather than quantitative and build on sociological factors like cultural influences and family influences.

• Consumer behaviour models - These are practical models used by marketers. They typically blend both economic and psychological models.

Neuroscience has become both a useful tool and a source of theory development and testing in buyer decision-making research, and using neuro imaging devices in order to investigate consumer behavior developed under the name of Neuro marketing. What is going on inside the head of the consumer as measured by various neuro imaging and biological correlates like genes and hormones can provide new insights and new ways to test theory, so this is a great opportunity for the decision-making researcher.[1]

There are 5 stages which a consumer often goes through when he/she around their Purchase. These stages also exist because of normal human psychology.

These 5 stages are :

•   Problem/Need Recognition- This is in general the first stage in which the consumer recognizes that what essentially is the problem or need and hence accordingly a consumer can identify the product or kind of product which would be required by the consumer. Page text. Information Search- In information search, the consumer searches about the product which would satisfy the need which has been recognized by the consumer in the stage previous to this one. Evaluation of Alternatives - In this stage, the consumer evaluates the different alternatives which the consumer comes across, when the consumer was searching for information. Generally in the information search the consumer comes across quite a few products and thus now the consumer has to evaluate and understand which product would be properly suited for the consumer.

•   Purchase-After the consumer has evaluated all the options and would be having the intention to buy any product, there could be now only two things which might just change the decision of the consumer of buying the product that is what the other peers of the consumer think of the product and any unforeseen circumstances. Unforeseen circumstances for example in this case could be financial losses which led to not buying of the product.

•   Post Purchase Behavior-After the purchase the consumer might just go through post purchase dissonance in which the consumer feels that buying the other product would be better. But a company should really take care of it, taking care of post purchase dissonance doesn't only spread good words for the product but also increases the chance of frequent repurchase

•   Nobel laureate Herbert A. Simon sees economic decision making as a vain attempt to be rational. He claims (in 1947 and 1957) that if a complete analysis is to be done, a decision will be immensely complex. He also says that peoples' information processing ability is very limited.

The assumption of a perfectly rational economic actor is unrealistic. Often we are influenced by emotional and non-rational considerations. When we try to be rational we are at best only partially successful.

Chapter 7
Fashion Industry

FASHION

Fashion is a general term for a popular style or practice, especially in clothing, footwear, accessories, makeup, body piercing, or furniture. Fashion refers to a distinctive and often habitual trend in the style in which a person dresses or to prevailing styles in behavior. Fashion also refers to the newest creations of textile designers. The more technical term costume has become so linked to the term "fashion" that the use of the former has been relegated to special senses like fancy dress or masquerade wear, while "fashion" means clothing more generally, including the study of it. Although aspects of fashion can be feminine or masculine, some trends are androgynous

Fashion industry

The fashion industry is a product of the modern age. Prior to the mid-19th century, most clothing was custom made. It was handmade for individuals, either as home production or on order from dressmakers and tailors. By the beginning of the 20th century—with the rise of new technologies such as the sewing machine, the rise of global capitalism and the development of the factory system of production, and the proliferation of retail outlets such as department stores—clothing had increasingly come to be mass-produced in standard sizes and sold at fixed prices. Although the fashion industry developed first in Europe and America, today it is an international and highly globalized industry, with clothing often designed in one country, manufactured in another, and sold world-wide. For example, an American fashion company might source fabric in China and have the clothes manufactured in Vietnam, finished in Italy, and shipped to a warehouse in the United States for distribution to retail outlets internationally. The fashion industry has long been one of the largest employers in the United States, and it remains so in the 21st century. However, employment declined considerably as production increasingly moved overseas, especially to China. Because data on the fashion industry typically are reported for national economies and expressed in terms of the industry's many separate sectors, aggregate figures for world production of textiles and clothing are difficult to obtain. However, by any measure, the industry accounts for a significant share of world economic output.

The fashion industry consists of four levels: the production of raw materials, principally fibers and textiles but also leather and fur; the production of fashion goods by designers, manufacturers, contractors, and others; retail sales; and various forms of advertising and promotion. These levels consist of many separate but interdependent sectors, all of which are devoted to the goal of satisfying consumer demand for apparel under conditions that enable participants in the industry to operate at a profit.

Ethnic fashion

"Ethnic Fashion" is defined as the fashion of multicultural groups such as African-Americans, Latinos, Asians, etc. Examples of ethnic designers are Baby Phat, FUBU, Phat Farm, and Sean John. It is estimated that Ethnic Fashion has contributed over $25 billion in revenues, thus making it an important part of the fashion industry

Social media in the fashion industry

This refers to how brands in the named sector connect with their target market through social mediaoutlets such as Facebook, Twitter, and YouTube. According to Macala Wright Lee, CEO of Fashionably Marketing. Me, "Until recently, the fashion industry has been fashionably late to the social media party, refusing to adopt it at all, or merely adopting one-way communication via social networks and RSS feeds for sales and promotions." Many brands initially believed social networking would weaken the relationship with consumers, but for most it has turned into a "genuine interaction between brand and client.". These brands use social media as a contemporary platform to connect with younger demographics.

Becoming a part of the social media network allows companies in the fashion industry to capture a large audience. According to Macala Wright Lee, "The Fashion Industry has adopted social media as a marketing platform to reach their customers online and reignite brand passion and customer loyalty." The easily accessible, conversational nature of social media makes it an ideal platform for building consumer trust and loyalty - crucial components of fashion marketing. Brands attempt to distinguish themselves in social media by offering promotions, perks, and discounts.

How organizations use social media

Fashion brands have taken the opportunity to utilize social media in several ways, the most prevalent being advertising. The other uses include reporting news, updates, announcements, events, promotions, and customer service. This allows outsiders an inside look to what goes on. For example, organizations can use Facebook to promote events and give full news stories. They can use Twitter for shorter updates and announcements. Both social media sites have the ability to promote the brand. The company decides which sites to use and controls how these sites display their image.

Avoiding the use of social media platforms has been seen as detrimental to a brand's success. Companies' awareness of society's dependence on technology drives them to delve into social media. In order to maintain their customer base, brands must be fully immersed in these technological trends. A study by Morgan Stanley shows mobile internet use will surpass that of desktop internet use by 2015. Social media has enabled consumers to feel more "connected" to companies. It has also proven to give more exposure to individual brands.

Engagement ads

Facebook developed engagement ads that allow more communication between the advertisers and the Facebook users. The most common form is a fan page where users can receive automatic updates, comment on ads, and RSVP to events. Fashion brands like American Apparel and Victoria's Secret PINK take it a step further and include contests to further engage users. These small interactions of commenting, voting and "liking" activities allow brands to see what consumers like and dislike. The page's fan base allows companies to pinpoint their actual target market.

Facebook has created a way to measure viral marketing by allowing page admins to track how often content is shared and how much has spread throughout the site. The brands benefit from being able to see which fans are sharing their material and it gives them a way to see their return on investment (ROI).

Here are some terms Facebook provides to help advertisers know how engaging their ads are:

•   Interactions: Total number of comments, Wall posts, and likes.

•   Interactions Per Post: Average number of comments, Wall posts, and likes generated by each piece of content you post.

• Post Quality: Score measuring how engaging your content is to Facebook users. A higher Post Quality indicates material that better engages users.

• Posts: Number of posts your Page has made either on the Wall or in video.

• Page Views: Number of times your Page has been viewed by Facebook users.

• Stream CTR / ETR: This graph is a measure of the Click Through Rate and Engagement Rate for your content appearing in the Facebook News Feed. If a user clicks on one of your posts, that will be counted as Stream CTR. If a user likes or comments on one of your posts, that will be counted in the Stream ETR. Please note that Stream data is based on a sample and therefore is an estimate of your Stream CTR and ETR. (Coming soon)

• Media Consumption: This graph tracks how many photo views, audio plays, and video plays your content have received.

• Discussion Posts: Total number of discussion posts written by fans.

• Reviews: Number of times your Page has been rated in the Reviews application.

Advertising through apps

Mobile apps, on improved smartphones such as the iPhone, allow users to shop brand sales, receive style tips, and customize fashion trend news feeds. Geo-location technology provides a meaningful way for brands to connect with shoppers at the point of purchase, giving them the ability to check-in and find tips, recommendations, offers and prizes, resulting in stronger brand loyalty and spread through word of mouth.

Companies have found ways to utilize apps on both social networking sites and mobile phones.

Gilt Groupe, a private discounted site for luxury clothing, created Android apps to promote their products. According to the Vice President of Product Management for Gilt, "The Gilt for Android App was specifically designed for Android-powered devices. Android users can now shop Gilt sales, preview upcoming sales, and invite friends from anywhere via multiple messaging channels, including sharing the app via QR code. In addition, unique to Android devices is the Gilt widget, which is always viewable on the phone so that Android users can see today's sales even if they don't have the Gilt app open." Gilt has found multiple ways to market itself through just one custom-made app.

Gilt Groupe earns about 4% of its revenue from purchases made from the iPad. Shoppers using the device are increasing their spend at a higher rate than consumers using other devices. The

retailer, says 177,000 consumers have downloaded its iPad app. And the average order value for a purchase made from an iPad is about 30% higher than for purchases made from an iPhone. Facebook allows independent developers to create apps that market for several brands, or custom-develop an app for one brand. The widespread use of these applications is Facebook commerce. Target released an application that allows users to virtually play with the clothing by mixing and matching outfits while trying them on. The merchandise displayed in the game constantly changes to reflect only what is being sold in Target stores. It also increases traffic[citation needed] by linking users to that same item on their website.

Successful campaigns

Charlotte Russe

Charlotte Russe has a successful social media campaign with a strong following on Twitter, Facebook and YouTube. Their social media campaign is focused on "user-generated content and social engagement. Charlotte Russe has a weekly trivia contest on Twitter, which compels consumers to visit their website. According to Wright Lee, "Charlotte Russe is running 'Be The Next Charlotte Russe Design Star' a t-shirt design contest where the winner will have his or her shirt produced and sold online."

Diane von Furstenberg

Diane von Furstenberg is one of the most popular designers on Twitter. According to Hitha Prabhakar, a retail industry expert and principal of The Style File Group, "Within the last year of having a major online and social media presence, von Furstenberg's online traffic has increased by 13%." The brand uses the re-tweeting capability on Twitter to capture the attention of their target market.

Louis Vuitton

Louis Vuitton is a late adopter of social media sites, but that has not stopped them from building an advantageous campaign. According to Dana Gers, who specializes in marketing communications for luxury company's, "Louis Vuitton broadcasts its spring 2010 ready-to-wear show live exclusively to Facebook followers, offering a big incentive for recruiting new fans and a reward to its most passionate customers."

Topshop

In 2012 Topshop partnered with Facebook to achieve the largest online audience of a live-stream London fashion show. Over 200 million people were exposed to images and content form the runway. A direct impact was seen by Topshop as customers were able to immediately purchase the looks form the runway, with the first dress on the catwalk sold out before the end of the show.

Chapter 8
Fast Fashion

Fast fashion is a contemporary term used by fashion retailers to express that designs move from catwalk quickly in order to capture current fashion trends. Fast fashion clothing collections are based on the most recent fashion trends presented at Fashion Week in both the spring and the autumn of every year. These trends are designed and manufactured quickly and cheaply to allow the mainstream consumer to take advantage of current clothing styles at a lower price. This philosophy of quick manufacturing at an affordable price is used in large retailers such as H&M, Zara, Peacocks, and Top shop. It particularly came to the fore during the vogue for "boho chic" in the mid-2000s.

This has developed from a product-driven concept based on a manufacturing model referred to as "quick response" developed in the U.S. in the 1980s and moved to a market-based model of "fast fashion" in the late 1990s and first part of the 21st century. Zara has been at the forefront of this fashion retail revolution and their brand has almost become synonymous with the term, but there were other retailers who worked with the concept before the label was applied, such as Benetton. Fast fashion has also become associated with disposable fashion because it has delivered designer product to a mass market at relatively low prices. The slow fashionmovement has arisen in opposition to fast fashion, blaming it for pollution (both in the production of clothes and in the decay of synthetic fabrics), shoddy workmanship, and emphasizing very brief trends over classic style.

Category management

The primary objective of the fast fashion is to quickly produce a product in a cost efficient manner. This efficiency is achieved through the retailers' understanding of the target market's wants, which is a high fashion looking garment at a price at the lower end of the clothing sector. Primarily, the concept of category management has been used to align the retail buyer and the manufacturer in a more collaborative relationship. Category management is defined as "the strategic management of product groups through trade partnerships, which aims to maximize sales and profits by satisfying customer needs". This collaboration occurs as many companies'

resources are pooled to increase the market's total profit. The fast fashion market utilizes this by uniting with foreign manufacturers to keep prices at a minimum.

Quick response method

Quick Response (QR) was developed to improve manufacturing processes in the textile industry with the aim of removing time from the production system. The U.S. Apparel Manufacturing Association initiated the project in the early 1980s to address a competitive threat to its own textile manufactures from imported textiles in low labour cost countries. During the project lead times in the manufacturing process were halved; the U.S. industry became more competitive for a time, and imports were lowered as a result. The QR initiative was viewed by many as a protection mechanism for the American textile industry with the aim of improving manufacturing efficiencies.

The concept of quick response (QR) is now used to support "fast fashion", creating new, fresh products while also drawing consumers back to the retail experience for consecutive visits. Quick response also makes it possible for new technologies to increase production and efficiency, typified by the introduction of the complementary concept of Fast Fit. The Spanish mega chain Zara has become the global model for how to decrease the time between design and production. This production short cut enables Zara to manufacture over 30,000 units of product every year to nearly 1,600 stores in 58 countries. New items are delivered twice a week to the stores, reducing the time between initial sale and replenishment. As a result, the shortened time period improves consumer's garment choices and product availability. In the case of Renner, a Brazilian chain, a new mini-collection is released every two months. New technologies are constantly being pioneered to accelerate quick response. Recently, the continuous inkjet printing process was introduced from the combined effort of Dutch printing company Osiris, and the French inkjet specialist Imaje. The process uses image editing software to convert screen printing into continuous digital printing. The digital printing continuously recirculates the unused ink back into the system instead of the stop start method used by the traditional screen printing method. As a result, the recirculation results in a reduction of preparation time and a reduction in ink costs because of fewer waste products.

Marketing

Marketing is the key driver of fast fashion. Marketing creates the desire for consumption of new designs as close as possible to the point of creation. This is achieved by promoting fashion consumption as something fast, low price and disposable. The fast fashion business model is based on reducing the time cycles from production to consumption such that consumers engage in more cycles in any time period. For example, the traditional fashion seasons followed the annual cycle of summer, autumn, winter and spring but in fast fashion cycles have compressed into shorter periods of 4–6 weeks and in some cases less than this. Marketers have thus created more buying seasons in the same time-space. Two approaches are currently being used by companies as market strategies; the difference is the amount of financial capital spent on advertisements. While some companies invest in advertising, fast fashion mega firm Primark operates with no advertising. Primark instead invests in store layout, shopfit and visual merchandising to create an instant hook. The instant hook creates an enjoyable shopping experience, resulting in the continuous return of customers. Research shows that seventy five percent of consumer's decisions are made in front of the fixture within three seconds. The alternative spending of Primark also "allows the retailer to pass the benefits of a cost saving back to the consumer and maintain the company's price structure of producing garments at a lower cost".

Production
"Supermarket" market
The consumer in the fast fashion market thrives on constant change and the frequent availability of new products. Fast fashion is considered to be a "supermarket" segment within the larger sense of the fashion market. This term refers to fast fashion's nature to "race to make apparel an even smarter and quicker cash generator". Three crucial factors exist within fast fashion consumption: market timing, cost, and the buying cycle. Timing's objective is to create the shortest production time possible. The quick turnover has increased the demand for the number of seasons presented in the stores. This demand also increases shipping and restocking time periods. Cost is still the consumer's primary buying decision. Costs are largely reduced by taking advantage of lower prices in markets in developing countries. In 2004 developing countries accounted for nearly seventy five percent of all clothing exports and the removal of several import quotas has allowed companies to take advantage of the even lower cost of resources. The

buying cycle is the final factor that affects the consumer. Traditionally, fashion buying cycles are based around long term forecasts that occur one year to six months before the season. Yet, in the fast fashion market the quick response philosophy can result in higher forecast accuracy because the time period is significantly shortened. A higher sell-through for the goods produced is also a result of the shortened production period.

Supply chain, vendor Relationships and internal relationships

Supply chain

Supply chains are central to the creation of fast fashion. Supply chain systems are designed to add value and reduce cost in the process of moving goods from design concept to retail stores and finally through to consumption. Efficient supply chains are critical to delivering the retail customer promise of fast fashion. The selection of a merchandising vendor is a key part in the process. Inefficiency primarily occurs when suppliers can't respond quickly enough, and clothing ends up bottlenecked and in back stock. Two kinds of supply chains exist, agile and lean. In an agile supply chain the principal characteristics include the sharing of information and technology. The collaboration results in the reduction in the amount of stock in the megastores. A lean supply chain is characterized as the correct appropriation of the commodity for the product. The combination of the two supply chains is called "leagile".

Vendor relationships

The companies in the fast fashion market also utilize a range of relationships with the suppliers. The product is first classified as "core" or "fashion". Suppliers close to the market are used for products that are produced in the middle of a season, meaning trendy, "fashion" items. In comparison, long-distance suppliers are utilized for cheap, "core" items that are used in collections every season and have a stable forecast.

Internal relationships

Productive internal relationships within the fast fashion companies are as important as the company's relationships with external suppliers, especially when it comes to the company's buyers. Traditionally with a "supermarket" market the buying is divided into multi-functional departments. The buying team uses the bottom-up approach when trend information is involved,

meaning the information is only shared with the company's fifteen top suppliers. On the other hand, information about future aims, and strategies of production are shared downward within the buyer hierarchy so the team can consider lower cost production options. The buyers also interact closely with merchandising and design departments of the company because of the buyer's focus on style and color. The buyer must also consult with the overall design team to understand the cohesion between trend forecasting and consumer's wants. The close relationships result in flexibility within the company and an accelerated response speed to the demands of the market

Design lawsuits and legislation

Lawsuits & Proposed Legislation in the U.S.

Recently "Forever 21", one of the larger fast fashion retailers has been involved in several lawsuits over alleged violations of Intellectual Property rights. The lawsuits contend that certain pieces of merchandise at the retailer can effectively be considered knockoffs of designs from Diane von Furstenberg, Anna Sui and Gwen Stefani's Harajuku Lovers line as well as many other well-known designers.Forever 21 has not commented on the state of the litigation but initially said it was "taking steps to organize itself to prevent intellectual property violations".

H.R. 5055

H.R. 5055, or Design Piracy Prohibition Act, was a bill proposed to protect the copyright of fashion designers in the United States.The bill was introduced into the United States House of Representatives on March 30, 2006. Under the bill designers would submit fashion sketches and/or photos to the U.S. Copyright Office within three months of the products' "publication". This publication includes everything from magazine advertisements to the garment's first public runway appearances. The bill as a result, would protect the designs for three years after the initial publication. If infringement of copyright was to occur the infringer would be fined $250,000, or $5 per copy, whichever is a larger lump sum. The bill was suspended after the House of Representatives session concluded in 2006, this resulted in H.R. 5055 being cleared from the agenda.

H.R. 2033

The Design Piracy Prohibition Act was reintroduced as H.R. 2033 during the first session of the 110th Congress on April 25, 2007. It had goals similar to H.R. 5055, as the bill proposed to protect certain types of apparel design through copyright protection of fashion design. The bill would grant fashion designs a three-year term of protection, based on registration with the U.S. Copyright Office. The fines of copyright infringement would continue to be $250,000 total or $5 per copied merchandise.

List of fast fashion brands

- Zara
- Peacocks
- H&M
- Deb Shops
- Bershka
- NewYorker
- Pull & Bear
- Topshop
- Uniqlo
- Armani Exchange
- Forever 21
- Urban Outfitters
- Shasa
- Comme ça ism
- C&A
- United Colors of Benetton
- Next
- rue21
- Wet Seal
- Charlotte Russe
- Bestseller

Chapter 9
Target Market

A target market is a group of customers that the business has decided to aim its marketing efforts and ultimately its merchandise towards. A well-defined target market is the first element to a marketing strategy. The marketing mix variables of product, place (distribution),promotion and price are the four elements of a marketing mix strategy that determine the success of a product in the marketplace.

Target Markets

Target markets are groups of individuals that are separated by distinguishable and noticeable aspects. Target markets can be separated by the following aspects:

• Geographic segmentations, addresses (their location climate region)

• demographic/socioeconomic segmentation (gender, age, income, occupation, education, household size, and stage in the family life cycle)

• psychographic segmentation (similar attitudes, values, and lifestyles)

• behavioral segmentation (occasions, degree of loyalty)

• product-related segmentation (relationship to a product)[2]

In addition to the above segmentations, market researchers have advocated a needs-based market segmentation approach to identify smaller and better defined target groups. A seven step approach proposed by Roger Best is as follows:

• Select the target audience– the customers are grouped based on similar needs and benefits sought by them on purchase of a product.

• Identify clusters of similar needs- demographics, lifestyle, usage behaviour and pattern used to differentiate between segments.

• Apply a valuation approach- market growth, barriers to entry, market access, switching, etc. are used.

• Test the segments- A segment storyboard is to be created to test the attractiveness of each segment's positioning strategy.

• Modify marketing mix- expanding segment positioning strategy to include all aspects of marketing mix.

Strategies for Reaching Target Markets

Marketers have outlined four basic strategies to satisfy target markets: undifferentiated marketing or mass marketing, differentiated marketing, concentrated marketing, and micromarketing/ niche marketing.

Mass marketing is a market coverage strategy in which a firm decides to ignore market segment differences and go after the whole market with one offer. It is the type of marketing (or attempting to sell through persuasion) of a product to a wide audience. The idea is to broadcast a message that will reach the largest number of people possible. Traditionally mass marketing has focused on radio, television and newspapers as the medium used to reach this broad audience.

A differentiated marketing strategy is one where the company decides to provide separate offerings to each different market segment that it targets. It is also called multi segment marketing and as is clearly seen that it tries to appeal to multiple segments in the market. Each segment is targeted uniquely as the company provides unique benefits to different segments. It increases the total sales but at the expense of increase in the cost of investing in the business.

Concentrated marketing is a strategy which targets very defined and specific segments of the consumer population. It is particularly effective for small companies with limited resources as it does not believe in the use of mass production, mass distribution and mass advertising. There is no increase in the total Profits of the sales as it targets just one segment of the market.

For sales teams, one way to reach out to target markets is through direct marketing. This is doneby buying consumer database based on the segmentation profiles you have defined. These database usually comes with consumer contacts (e.g. email, mobile no., home no., etc.). Caution is recommended when undertaking direct marketing efforts — check the targeted country's direct marketing laws.

The psychology of target marketing

A principal concept in target marketing is that those who are targeted show a strong affinity or brand loyalty to that particular brand. Target Marketing allows the marketer / sales team to customize their message to the targeted group of consumers in a more focused manner.

Research has shown that racial similarity, role congruence, labeling intensity of ethnic identification, shared knowledge and ethnic salience all promote positive effects on the target market. Research has generally shown that target marketing strategies are constructed from consumer inferences of similarities between some aspects of the advertisement (e.g., source

pictured, language used, lifestyle represented) and characteristics of the consumer (e.g. reality or desire of having the represented style). Consumers are persuaded by the characteristics in the advertisement and those of the consumer.[3]

A demographic or demographic profile is a term used in marketing and broadcasting, to describe a demographic grouping or a market segment. This typically involves age bands (as teenagers do not wish to purchase denture fixant), social class bands (as the rich may want different products than middle and lower classes and may be willing to pay more) and gender (partially because different physical attributes require different hygiene and clothing products, and partially because of the male/female mindsets).

A demographic profile can be used to determine when and where advertising should be placed so as to achieve maximum results. In all such cases, it is important that the advertiser get the most results for their money, and so careful research is done to match the demographic profile of the target market to the demographic profile of the advertising medium. For instance, shortly after the cancellation of Star Trek in 1969, NBC's marketing department complained that was premature. They explained that their newly instituted demographic audience profiling techniques indicated that the series' main young urban audience was highly desirable for advertisers. In 1971, CBS acted on their own marketing department's demographic findings about their television network's programming and canceled several series that appealed primarily to older and rural audiences in a move nicknamed the rural purge.

A tool for determining a demographic profile is the use of demographic partitions. Demographic partitions (verb: Demographic Partitioning) refer to the multitude of advanced segmentations of user groups. The segmentation structure is determined through the analysis of large data collections where the conclusions drawn are specific to an underlying set(s) of initiatives. Data retrieval in this instance occurs on a per-asset basis utilizing and determining the varying KPI's. The rapid compilation of user demographic data across digital mediums (such as social media) has allowed the continued enhancement of predictive modeling, providing business intelligence to growing markets such as digital advertising and conversion rates.

In more recent years, such demographic marketing considerations does not always dictate such drastic programming decisions with the rise of numerous cable channels. For instance, on the channel, The Hub, it was discovered that their original animated series, My Little Pony: Friendship is Magic, was not only attracting good ratings with its intended young girl

demographic, but also a significant teen and adult male and female audience as well. Although this cross-demographic appeal was entirely unexpected by the network's executives, the franchise owner, Hasbro, decided to take advantage of this opportunity with some considerations for this fandom in the series' writing and marketing and the decision produced favorable results with the series attracting the highest ratings in the network's history.

A good way to figure out the intended demographic of a television show, TV channel, or magazine is to study the ads that accompany it. For example, in the United States the television program The Price is Right most frequently airs from 11 a.m. to Noon. The commercials on it (besides the use of product placement in the show itself) are often for things like arthritis pain relievers and diapers. This indicates that the target demographics are senior citizens and parents with young children, both of whom would be home at that time of day and see that show. Another example would be MTV, for it has many ads with digital audio players indicating that the channel is targeted to young adults and teenagers and/or fans of music.

Mass Marketing

Mass marketing is a market coverage strategy in which a firm decides to ignore market segment differences and appeal the whole market with one offer or one strategy. The idea is to broadcast a message that will reach the largest number of people possible. Traditionally mass marketing has focused on radio, television and newspapers as the media used to reach this broad audience. By reaching the largest audience possible exposure to the product is maximized. In theory this would directly correlate with a larger number of sales or buys into the product.

Mass marketing is the opposite to Niche marketing as it focuses on high sales and low prices. Mass Marketing aims to provide products and services that will appeal to the whole market. Niche marketing targets a very specific segment of market for example specialized services or goods with few or no competitors

Background

Mass marketing or undifferentiated marketing has its origins in the 1920s with the inception of mass radio use. This gave corporations an opportunity to appeal to a wide variety of potential customers. Due to this, variety marketing had to be changed in order to persuade a wide audience with different needs into buying the same thing. It has developed over the years into a worldwide

multi-billion dollar industry. Although sagging in the Great Depression it regained popularity and continued to expand through the 40s and 50s. It slowed during the anti-capitalist movements of the 60's and 70's before coming back stronger than before in the 80's, 90's and today. These trends are due to corresponding upswings in mass media, the parent of mass marketing. For most of the twentieth century, major consumer-products companies held fast to mass marketing- mass-producing, mass distributing and mass promoting about the same product in about the same way to all consumers. Mass marketing creates the largest potential market, which leads to lowered costs. It is also called overall marketing

Shotgun Approach

The shotgun theory is an approach of mass marketing. It involves reaching as many people as you can through television, cable and radio. On the Web, it refers to a lot of advertising done through banners to text ads in as many websites as you can, in order to get enough eyeballs that will hopefully turn into sales. An example of shotgun marketing would be to simply place an ad on primetime television, without focusing on any specific group of audience. A shotgun approach increases the odds of hitting a target when it is more difficult to focus.

Strategy

All things to all people

It is the technique of trying to spread our marketing message to anyone and everyone who are willing to listen. A truckload of general advertising is done to the mass market in the hope that some of them will hit a target. It enables us to reach a wide range of services to take any job that comes on our way; and ultimately we become a "jack of all trades and a master of none".

Use and Products Sold

Mass marketing is used to effect attitude change to as wide an audience as possible. Often this would take the form of selling a product like toothpaste. Toothpaste isn't made specially for one consumer and it is sold in huge quantities. A company or individual who manufactures toothpaste wishes to get more people to buy their particular brand over another. The goal is when a consumer has the option to select a tube of toothpaste that the consumer would remember the product which was marketed. Mass marketing is the opposite of niche marketing, where a

product is made specially for one person or a group of persons. Other products of mass marketing are furniture, artwork, automobiles, residential communities, fizzy drinks and personal computers. Typically, things which are perceived to be necessary/essential to the consumer are subject to mass marketing. Resources of mass marketing provide cost-effective marketing solutions for small and micro businesses, including start-ups.

Even "products" like politicians and services from professions such as law, chiropractic and medicine, are subject to mass marketing.

Questions of quality

To further increase profits, mass marketed products touted as "durable goods" are often made of substandard material, so that they deteriorate prematurely. This practice is called planned obsolescence. Not only does this lower production costs, but it ensures future sales opportunities by preventing the market from becoming saturated with high-quality, long-lasting goods. The forces of a free market tend to preclude the sale of substandard staples, while disposability, technological innovations, and a culture of collection all facilitate planned obsolescence.

Many mass marketed items are considered staples. These are items people are accustomed to buying new when their old ones wear out (or are used up). Cheaper versions of durable goods are often marketed as staples with the understanding that they will wear out sooner than more expensive goods, but they are so cheap that the cost of regular replacement is easily affordable.

John Watson was a leading psychologist in mass marketing with his experiments in advertising.

Benefits of Mass Marketing

- Wide audience - Since the target audience is broad, the number of successful hits is high despite of the low probability of a single person turning up.
- Less risky - If all the efforts in one particular area goes in vain, still the eventual loss is less compared to a loss in the narrowly focused area.
- Production cost per unit are low on account of having one production run for homogeneous product.
- Marketing research cost and advertising cost are relatively low.
- Higher potentials of sales volume and efficiency of scale in a much larger market.

Chapter 10
Market Segmentation

Market segmentation is a marketing strategy that involves dividing a broad target market into subsets of consumers who have common needs, and then designing and implementing strategies to target their needs and desires using media channels and other touch-points that best allow reaching them.

Market segments allow companies to create product differentiation strategies to target them.

Target Marketing involves breaking a market into segments and then concentrating your marketing efforts on one or a few key segments. It can be the key to a small business's success.

The beauty of target marketing is that it makes the promotion, pricing and distribution of your products and/or services easier and more cost-effective. It provides a focus to all of your marketing activities.

Criteria for segmenting

An ideal market segment meets all of the following criteria:

- It is possible to measure.
- It must be large enough to earn profit.
- It must be stable enough that it does not vanish after some time.
- It is possible to reach potential customers via the organization's promotion and distribution channel.
- It is internally homogeneous (potential customers in the same segment prefer the same product qualities).
- It is externally heterogeneous, that is, potential customers from different segments have different quality preferences.
- It responds consistently to a given market stimulus.
- It can be reached by market intervention in a cost-effective manner.
- It is useful in deciding on the marketing mix.

Methods for segmenting consumer markets
Geographic segmentation

Marketers can segment according to geographic criteria—nations, states, regions, countries, cities, neighbourhoods, or postal codes. The geo-cluster approach combines demographic data with geographic data to create a more accurate or specific profile.[1] With respect to region, in rainy regions merchants can sell things like raincoats, umbrellas and gumboots. In hot regions, one can sell summer wear. In cold regions, someone can sell warm clothes. A small business commodity store may target only customers from the local neighborhood, while a larger department store can target its marketing towards several neighborhoods in a larger city or area, while ignoring customers in other continents.

Behavioural segmentation

Behavioural segmentation divides consumers into groups according to their knowledge of, attitude towards, usage rate or response to a product

Segmentation by occasions

Segmentation according to occasions relies on the special needs and desires of consumers on various occasions - for example, for products for use in relation with a certain holiday. Products such as Christmas decorations or Diwali lamps are marketed almost exclusively in the time leading up to the related event, and will not generally be available all year round. Another type of occasional market segments are people preparing for a wedding or a funeral, occasions which only occur a few times in a person's lifetime, but which happen so often in a large population that ongoing general demand makes for a worthwhile market segment.

Segmentation by benefits

Segmentation can take place according to benefits sought by the consumer[3] or according to perceived benefits which a product/service may provide.

Using segmentation in customer retention

The basic approach to retention-based segmentation is that a company tags each of its active customers with three values:

Is this customer at high risk of canceling the company's service?

One of the most common indicators of high-risk customers is a drop off in usage of the company's service. For example, in the credit card industry this could be signaled through a customer's decline in spending on his or her card.

Is this customer worth retaining?

This determination boils down to whether the post-retention profit generated from the customer is predicted to be greater than the cost incurred to retain the customer.

What retention tactics should be used to retain this customer?

For customers who are deemed worthy of saving, it is essential for the company to know which save tactics are most likely to be successful. Tactics commonly used range from providing special customer discounts to sending customers communications that reinforce the value proposition of the given service.

Price discrimination

Where a monopoly exists, the price of a product is likely to be higher than in a competitive market and the quantity sold less, generating monopoly profits for the seller. These profits can be increased further if the market can be segmented with different prices charged to different segments charging higher prices to those segments willing and able to pay more and charging less to those whose demand is price elastic. The price discriminator might need to create rate fences that will prevent members of a higher price segment from purchasing at the prices available to members of a lower price segment. This behavior is rational on the part of the monopolist, but is often seen by competition authorities as an abuse of a monopoly position, whether or not the monopoly itself is sanctioned. Areas in which this price discrimination is seen range from transportation to pharmaceuticals.

Algorithms and approaches

Any existing discrete variable is a segmentation - this is called "a priori" segmentation, as opposed to "post-hoc" segmentation resulting from a research project commissioned to collect data on many customer attributes. Customers can be segmented by gender ('Male' or 'Female') or attitudes ('progressive' or 'conservative'), but also by discretized numeric variables, such as by age ("<30" or ">=30") or income ("The 99% (AGI<US $300,000)" vs "The 1% (AGI >= US $300,000)").

Common statistical techniques for segmentation analysis include:

* Clustering algorithms such as K-means or other Cluster analysis
* Statistical mixture models such as Latent Class Analysis
* Ensemble approaches such as Random Forests

Psychographic

Psychographics is the study of personality, values, attitudes, interests, and lifestyles. Because this area of research focuses on interests, activities, and opinions, psychographic factors are also called IAO variables. Psychographic studies of individuals or communities can be valuable in the fields of marketing, demographics, opinion research, futuring, and social research in general. They can be contrasted with demographic variables (such as age and gender), behavioral variables (such as usage rate or loyalty), and organizational demographics variables (sometimes called firmographic variables), such as industry, number of employees, and functional area.

Psychographics should not be confused with demographics, for example, historical generations may be defined both by demographics, such as the years in which a particular generation is born or even the fertility rates of that generation's parents, but also by psychographic variables like attitudes, personality formation, and cultural touchstones. For example, the traditional approaches to defining the Baby Boom Generation or Generation X or Millennials have relied on both demographic variables (classifying individuals based on birth years) and psychographic variables (such as beliefs, attitudes, values and behaviors).

When a relatively complete profile of a person or group's psychographic make-up is constructed, this is called a "psychographic profile". Psychographic profiles are used in market segmentation as well as in advertising. Some categories of psychographic factors used in market segmentation include:

• activity, interest, opinion (AIOs)
• attitudes
• values
• behavior

Psychographics can also be seen as an equivalent of the concept of "culture" when it is used for segmentation at a national level.

Industrial market segmentation

Industrial market segmentation is a scheme for categorizing industrial and business customers to guide strategic and tactical decision-making, especially in sales and marketing. While government agencies and industry associations use standardized segmentation schemes for

statistical surveys, most businesses create their own segmentation scheme to meet their particular needs.

While similar to consumer market segmentation, segmenting industrial markets is different and more challenging because of greater complexity in buying processes, buying criteria, and the complexity of industrial products and services themselves. Further complications include role of financing, contracting, and complementary products/services.

The goal for every industrial market segmentation scheme is to identify the most significant differences among current and potential customers that will influence their purchase decisions or buying behavior, while keeping the scheme as simple as possible (Occam's Razor). This will allow the industrial marketer to differentiate their prices, programs, or solutions for maximum competitive advantage.

Webster describes segmentation variables as "customer characteristics that relate to some important difference in customer response to marketing effort". (Webster, 2003) He recommends the following three criteria:

1.   Measurability, "otherwise the scheme will not be operational" according to Webster. While this would be an absolute ideal, its implementation can be next to impossible in some markets. The first barrier is, it often necessitates field research, which is expensive and time-consuming. Second, it is impossible to get accurate strategic data on a large number of customers. Third, if gathered, the analysis of the data can be daunting task. These barriers lead most companies to use more qualitative and intuitive methods in measuring customer data, and more persuasive methods while selling, hoping to compensate for the gap of accurate data measurement.

2.   Substantiality, i.e. "the variable should be relevant to a substantial group of customers". The challenge here is finding the right size or balance. If the group gets too large, there is a risk of diluting effectiveness; and if the group becomes too small, the company will lose the benefits of economies of scale. Also, as Webster rightly states, there are often very large customers that provide a large portion of a suppliers business. These single customers are sometimes distinctive enough to justify constituting a segment on their own. This scenario is often observed in industries which are dominated by a small number of large companies, e.g. aircraft manufacturing, automotive, turbines, printing machines and paper machines.

3.   Operational relevance to marketing strategy. Segmentation should enable a company to offer the suitable operational offering to the chosen segment, e.g. faster delivery service, credit-card payment facility, 24-hour technical service, etc. This can only be applied by companies with sufficient operational resources. For example, just-in-time delivery requires highly efficient and sizeable logistics operations, whereas supply-on-demand would need large inventories, tying down the supplier's capital. Combining the two within the same company - e.g. for two different segments - would stretch the company's resources.

Nevertheless, academics as well as practitioners use various segmentation principles and models in their attempt to bring some sort of structure. Here, we discuss a few of the most common approaches

Supplier Segmentation

In the area of marketing, industrial market segmentation usually refers to the demand side of the market, the goal being for companies to segment groups of potential customers with similar wants and demands that may respond to a particular marketing mix. When companies also work with potentially different suppliers, segmenting the supply side of the market can be very valuable as well. There are many supplier segmentation approaches in the literature: Parasuraman (1980), Kraljic (1983), Dyer et al. (1998), Olsen and Ellram (1997), Bensaou (1999), Kaufman et al. (2000), van Weele (2000), Hallikas et al. (2005), Rezaei and Ortt (2012). Parasuraman (1980) proposed a stepwise procedure to implement this approach: Step 1: Identify the key features of customer segments Step 2: Identify the critical supplier characteristics Step 3: Select the relevant variables for supplier segmentation, and Step 4: Identify the supplier segments.

Kraljic (1983) considered two variables: profit impact and supply risk. The profit impact of a given supply item can be defined in terms of the volume purchased, the percentage of total purchase cost or the impact on product quality or business growth. Supply risk is assessed in terms of the availability and number of suppliers, competitive demand, make-or-buy opportunities, storage risks and substitution possibilities. Based on these two variables, materials or components can be divided into four supply categories: (1) non-critical items (supply risk: low; profit impact: low), (2) leverage items, (supply risk: low; profit impact: high), (3)

bottleneck items (supply risk: high; profit impact: low), and (4) strategic items (supply risk: high; profit impact: high). Each category requires a specific supplier strategy.

To see the theoretical bases of, and to review, different supplier segmentation approaches see Day et al. (2010), and Rezaei and Ortt (2012).

Rezaei and Ortt (2012) considering two dimensions "supplier willingness" and "supplier capabilities" defined supplier segmentation as follows.

"Supplier segmentation is the identification of the capabilities and willingness of suppliers by a particular buyer in order for the buyer to engage in a strategic and effective partnership with the suppliers with regard to a set of evolving business functions and activities in the supply chain management".

Considering two levels low and high for the two dimensions, suppliers are segmented to four segments.

Chapter 11
Product Lifecycle

Product life cycle is a business analysis that attempts to identify a set of common stages in the life of commercial products. In other words the 'Product Life cycle' PLC is used to map the lifespan of the product such as the stages through which a product goes during its lifespan

Stages

The stages of a product's life cycle can be classified as follows:

1.   INTRODUCTION

•   Low and slow stage: The product sales are the lowest and move up very slowly at snail's pace

•   Highest promotional Stage: During this period of introduction or the development, promotional expenses bear the highest proportion of sales."The product's costs rise sharply as the heavy expense of advertising and marketing any new product begins to take its toll." Highest Product prices:Lower input and sales absorbing fixed costs.

2.   GROWTH

Once the market has accepted the product,sales begin to rise.This is most crucial stage and help the brand to establish in the market.

3.   MATURITY

Market becomes saturated because, the house hold demand is satisfied and distribution channels are full.By now the product is widely accepted and growth slows down. Before long, however, a successful product in this phase will come under pressure from competitors. The producer will have to start spending again in order to defend the product's market position.

4.   DECLINE

Sooner or later actual sales begin to fall under the impact of new product competition and changing consumer tastes and preferences.

A company will no longer be able to fend off the competition, or a change in consumer tastes or lifestyle will render the product #:redundant. At this point the company has to decide how to bring the product's life to an end.

The product life cycle is an important concept in marketing. It includes four stages that a product goes through from when it was first #:thought of until it is eliminated from the industry. Not all products reach this final stage. Some continue to grow and others rise and fall.

Stages of Product Life Cycle Can Vary in Length:

"Branded product life cycles vary in length and shape. Product category and product form life cycles also possess degrees of variability, depending on the type of product under consideration. One extreme is the very short life cycle associated with the product fad. Fads move almost immediately into the growth stage of the PLC. Some fads possess significant residual markets that keep them around for a while, but even these products move fairly rapidly into and through decline." Fads: "A temporary fashion with a short life cycle (Hula Hoop, Frisbee, Wristbands) Some products can have extremely long maturity phases, but others may have very long introductory phases. It may take some products a substantial amount of time to catch on in the market before they enter their growth phases. These products have been referred to as "high learning products." These products often are complex to understand or use, may be extremely expensive, may not be easy to sample before committing to purchase, or may not be compatible with existing social values."[6] (courcesunt.edu). "There are five different product adoption groups during the product's life cycle 1.Innovators-well-informed customers who are able to try unproven product 2.Early adopters-usually educated opinion leaders 3.Early majority-careful consumers, who tend to avoid risk 4.Late majority-somewhat skeptical customers 5.Laggards-those who avoid change The rate of adoption depends on many factors and correlated with the product life cycle."

Introduction

The establishment stage is characterized by low growth rate of sales as the product is newly launched in the market. Monopoly can be created, depending upon the efficiency and need of the product to the customers. Firms usually incur losses rather than profit turning this stage. If the product is in the new product class, the users may not be aware of its true potential. In order to achieve that place in the market, extra information about the product should be transferred to consumers through various media.The stage has the following characteristics:

1. Low competition.

2. Firm mostly incurs losses and not profit.

3. Promotion goes highs.

When a new product is introduced, market gain tends to be very slight. Marketing costs may be high, and it is unlikely that there are any profits.

Growth

The Growth stage is where your product starts to grow. In this stage a very large amount of money is spent on advertising. You want to concentrate on telling the consumer how much better your product is than your competitors' products. Growth comes with the acceptance of the innovation in the market and profit starts to flow. If the monopoly exists, companies can experiment with new ideas and innovation in order to maintain the sales growth. The growth stage exhibits a rapid increase in both sales and profits, and this is the time to try and increase your product's market share.

Maturity

The third stage in the Product Life Cycle is the maturity stage. If your product completes the Introduction and Growth stages then it will spend a great deal of time in the Maturity stage. During this stage sales grow at a very fast rate and then gradually begin to stabilize. The key to surviving this stage is differentiating your product from the similar products offered by your competitors. Due to the fact that sales are beginning to stabilize you must make your product stand out among the rest. Aggressive competition in the market results in profits decreasing at the end of the growth stage thus beginning the maturity stage. In addition to this, the maturity stage of the development process is the most vital.

Decline

The decline stage is where most of the product class usually dies due to low growth rate in sales. A number of companies share the same market, making it difficult for all entrants to maintain sustainable sales levels. Not only is the efficiency of the company an important factor in the decline, but also the product category itself becomes a factor, as the market may perceive the product as "old" and may not be in demand. It is not always necessary that a product should go through these stages. it depends on the type of product, its competitors, scope of the product, etc. and free from tax perks.

The duration of each life cycle phase can be controlled, to some extent. The phase that can be controlled in particular is the maturity phase, in which steps can be taken to ensure that it lasts longer than what it initially was going to. Some of the known tactics used in extending the maturity phase are: • by adding or updating the features of a particular product. • by using different pricing approaches to attract consumers that use a different brand. • by advertising to

encourage people that have never used a product in the category to try it and therefore gain new customers.

Product management

Product management is an organizational lifecycle function within a company dealing with the planning, forecasting, or marketing of a product or products at all stages of the product lifecycle. The role consists of product development and product marketing, which are different (yet complementary) efforts, with the objective of maximizing sales revenues, market share, and profit margins. The product manager is often responsible for analyzing market conditions and defining features or functions of a product. The role of product management spans many activities from strategic to tactical and varies based on the organizational structure of the company. Product management can be a function separate on its own, or a member of marketing or engineering.

While involved with the entire product lifecycle, the product management's main focus is on driving new product development. According to the Product Development and Management Association (PDMA), superior and differentiated new products — ones that deliver unique benefits and superior value to the customer — are the number one driver of success and product profitability.

Depending on the company size and history, product management has a variety of functions and roles. Sometimes there is a product manager, and sometimes the role of product manager is shared by other roles. Frequently there is Profit and Loss (P&L) responsibility as a key metric for evaluating product manager performance. In some companies, the product management function is the hub of many other activities around the product. In others, it is one of many things that need to happen to bring a product to market and actively monitor and manage it in-market.

Product management often serves an inter-disciplinary role, bridging gaps within the company between teams of different expertise, most notably between engineering-oriented teams and commercially oriented teams. For example, product managers often translate business objectives set for a product by Marketing or Sales into engineering requirements. Conversely they may work to explain the capabilities and limitations of the finished product back to Marketing and Sales. Product Managers may also have one or more direct reports who manage operational tasks and/or a Change Manager who can oversee new initiatives.

Product Marketing

• Product Life Cycle considerations

• Product differentiation

• Product naming and branding

• Product positioning and outbound messaging

• Promoting the product externally with press, customers and partners

• Conducting customer feedback and enabling (pre-production, beta software)

• Launching new products to market

• Monitoring the competition

• Product Development

• Testing

• Identifying new product candidates

• Gathering the voice of customers

• Defining product requirements

• Determining business-case and feasibility

• Scoping and defining new products at high level

• Evangelizing new products within the company

• Building product roadmaps, particularly technology roadmaps

• Developing all products on schedule, working to a critical path

• Ensuring products are within optimal price margins and up to specifications

Inbound and Outbound Product Management

Many refer to inbound (product development) and outbound (product marketing) functions.

Inbound product management (aka inbound marketing) is the "radar" of the organization and involves absorbing information like customer research, competitive intelligence, industry analysis, trends, economic signals and competitive activity as well as documenting requirements and setting product strategy.

In comparison, outbound activities are focused on distributing or pushing messages, training sales people, go to market strategies and communicating messages through channels like advertising, PR and events.

In many organizations the inbound and outbound functions are performed by the same person.

Product Planning

It is the ongoing process of identifying and articulating market requirements that define a product's feature set. Product planning serves as the basis for decisions about price, distribution and promotion. Product planning is the process of creating a product idea and following through on it until the product is introduced to the market. Additionally, a small company must have an exit strategy for its product in case the product does not sell. Product planning entails managing the product throughout its life using various marketing strategies, including product extensions or improvements, increased distribution, price changes and promotions.

Phases of product planning

Developing the product concept

The first phase of product planning is developing the product concept. Marketing managers usually create ideas for new products by identifying certain problems that consumers must solve or various customer needs. For example, if we take a small computer retailer may see the need to create a computer repair division for the products it sells. After the product idea is conceived, managers will start planning the dimensions and features of the product. Some small companies will even develop a product mock-up or model.

Studying the market

The next step in the product planning process is studying the competition. Most small companies will order secondary research information from vendors such as the NPD Group and Forrester Research. Secondary research usually provides details on key competitors and their market share, which is the percent of total sales that they hold in the marketplace. Some companies may also do a SWOT analysis (strengths, weaknesses, opportunities and threats), according to NetMBA.com, which will help them compare their strengths and weaknesses against those of key competitors. The business can then determine places in which it has an advantage over the competition to identify areas of opportunity. For example, a small company with a high-quality image may be able to find additional markets for its products.

Market research

A small company should consider doing both qualitative and quantitative marketing research for its new product. Focus groups are an example of qualitative information. Focus groups allow companies to ask their consumers about their likes and dislike of a product in small groups. A

focus group allows the company to tweak the product concept before testing it through phone surveys—a more quantitative marketing research function. Phone surveys enables a company to test its product concept on a larger scale, the results of which are more predictable across the general population.

Product introduction

If the survey results prove favorable, the company may decide to sell the new product on a small scale or regional basis. During this time, the company will distribute the products in one or more cities. The company will run advertisements and sales promotions for the product, tracking sales results to determine the products potential success. If sales figures are favorable, the company will then expand distribution even further. Eventually, the company may be able to sell the product on a national basis.

Product life cycle

Product planning must also include managing the product through various stages of its product life cycle. These stages include the introduction, growth, maturity and decline stages. Sales are usually strong during the growth phase, while competition is low. However, continued success of the product will pique the interest of competitors, which will develop products of their own. The introduction of these competitive products may force a small company to lower its price. This low pricing strategy may help prevent the small company from losing market share. The company may also decide to better differentiate its product to keep its prices steady. For example, a small cell phone company may develop new, useful features on its cell phones that competitors do not have.

Chapter 12

Fashion Reflect Lifestyle

The term style of life (Lebensstil) was used by psychiatrist Alfred Adler as one of several constructs describing the dynamics of the personality.

It reflects the individual's unique, unconscious, and repetitive way of responding to (or avoiding) the main tasks of living: friendship, love, and work. This style, rooted in a childhood prototype, remains consistent throughout life, unless it is changed through depth psychotherapy

Goals and change

The style of life is reflected in the unity of an individual's way of thinking, feeling, and acting. The life style was increasingly seen by Adler as a product of the individual's own creative power, as well as being rooted in early childhood situations. Clues to the nature of the life style are provided by dreams, memories (real or constructed), and childhood/adolescent activities.

Often bending an individual away from the needs of others or of common sense, in favor of a private logic, movements are made to relieve inferiority feelings or to compensate for those feelings with an unconscious fictional final goal.

At its broadest, the life style includes self-concept, the self-ideal (or ego ideal), an ethical stance and a view of the wider world.

Classical Adlerian psychotherapy attempts to dissolve the archaic style of life and stimulate a more creative approach to living, using the standpoint of social usefulness as a benchmark for change.

Types of style

Adler felt he could distinguish four primary types of style. Three of them he said to be "mistaken styles."

These include:

1.   the ruling type - aggressive, dominating people who don't have much social interest or cultural perception;

2.   the getting type: dependent people who take rather than give;

3.   the avoiding type: people who try to escape life's problems and take little part in socially constructive activity.

The fourth life style considered by Adler is the socially useful type: people with a great deal of social interest and activity.

Religious interpretation

Adler used life style as a way of psychologising religion, seeing evil as a distortion in the style of life, driven by egocentrism, and grace as first the recognition of the faulty life style, and then its rectification by human help to rejoin the human community.

Wider influence

•   Wilhelm Stekel discussed the 'Life goals' (Lebensziele) set in childhood, and neurosis as their product, in what Henri Ellenbergerdescribed as "Adler's ideas expressed almost in his own words".Strongly influenced by Adler was the idea of a life script in Transactional analysis. Discussing the script as "an ongoing life plan formed in early childhood", Eric Berne wrote that "of all those who preceded transactional analysis, Alfred Adler comes the closest to talking as a script analyst. 'If I know the goal of a person I know in a general way what will happen...a long-prepared and long-meditated plan for which he alone is responsible'".

Lifestyle (sociology)

Lifestyle is the typical way of life of an individual, group, or culture. The term was originally used by Austrian psychologist Alfred Adler (1870-1937). The term was introduced in the 1950s as a derivative of that of style in modernist art. The term refers to a combination of determining intangible or tangible factors. Tangible factors relate specifically to demographic variables, i.e. an individuals demographic profile, whereas intangible factors concern the psychological aspects of an individual such as personal values, preferences, and outlooks.

A rural environment has different lifestyles compared to an urban metropolis. Location is important even within an urban scope. A particular neighborhood affects lifestyle due to varying degrees of affluence and proximity to open spaces. For example, in areas within a close proximity to the sea, a surf culture or lifestyle is often present. The concept of Lifestyle Management has developed as a result of the growing focus on lifestyle.

Style (visual arts)

In the visual arts, style is a "...distinctive manner which permits the grouping of works into related categoriesor "...any distinctive, and therefore recognizable, way in which an act is performed or an artifact made or ought to be performed and made." It refers to the visual appearance of a work of art that relates it to other works by the same artist or one from the same period, training, location, "school", art movement or archaeological culture: "The notion of style has long been the art historian's principal mode of classifying works of art. By style he selects and shapes the history of art".

Style is often divided into the general style of a period, country or cultural group, group of artists or art movement, and the individual style of the artist within that group style. Divisions within both types of styles are often made, such as between "early", "middle" or "late". In some artists, such as Picasso for example, these divisions may be marked and easy to see, in others they are more subtle. Style is seen as usually dynamic, in most periods always changing by a gradual process, though the speed of this varies greatly, between the very slow development in style typical of Prehistoric art or Ancient Egyptian art to the rapid changes in Modern art styles. Style often develops in a series of jumps, with relatively sudden changes followed by periods of slower development.

After dominating academic discussion in art history in the 19th and early 20th century, so-called "style art history" has come under increasing attack in recent decades, and many art historians now prefer to avoid stylistic classifications where they can.

Preppy

Preppy, preppie, or prep (all abbreviations of the word preparatory) refers to a modern, widespread subculture in the United States.

Preppy is both an American adjective and an American noun, while prep is only an American noun, traditionally used in relation to Northeastern private university-preparatory schools and denotes a person seen as characteristic of an attendee or alumnus of these schools.[1] The noun prep has become a colloquialism in the United States and has largely replaced the noun preppy. Characteristics of preps include a particular sub cultural speech, vocabulary, dress, mannerisms, etiquette, and accent reflective of an upper-class, Northeastern upbringing.

Definition

The term preppy derives from the expensive pre-college preparatory or prep schools that American upper-class and upper-middle-class children in the Northeastern states sometimes attend. The term is commonly associated with the Ivy League and oldest universities in the Northeast, since traditionally a primary goal in attending a prep school was admittance into one of these institutions. Lisa Birnbach's 1980 book Official Preppy Handbook, which was written to poke fun at the rich lives of privileged East Coast college students but ended up glamorizing the culture, portrays the preppy social group as well-educated, well-connected, and although exclusive, courteous to other social groups without fostering serious relationships with them. Being well-educated and well-connected reflects their upper-class status, a socioeconomic status which encourages attributes leading to higher education and professional success with a high income.

The term prep is particularly well-known amongst Americans, since most middle-class Americans are introduced to the subculture in high school. However, high school preps found in middle-class communities in the United States differ from traditional East Coast preps. The usage of prep and preppy in American high schools is used to refer to a fashion choice, rather than the preppy lifestyle associated with traditional, Northeastern preps. Unlike traditional Northeastern preps who come from upper-class families, high school preps are often from the middle-class and may or may not be from an upper-class background. Furthermore, high school preps are found throughout the United States, rather than being localized to the Northeast. Hollywood films of the 1980s, such as John Hughes'Sixteen Candles, Pretty in Pink, and The Breakfast Club, characterized high school preps of the 1980s, who are depicted as a shallow and transparent group primarily concerned with extrinsic things. It was in this same decade that the aforementioned Official Preppy Handbook was published, which focused more on the traditional preps.

Fashion

Preppy fashion started around 1912 to the late 1940s and 1950s as the Ivy League style of dress. J. Press represents the quintessential preppy clothing brand, stemming from the collegiate traditions which shaped the preppy subculture. In the mid-twentieth century J. Press and Brooks Brothers, both being pioneers in preppy fashion, had stores on Ivy League school campuses, including Harvard, Princeton, and Yale.

Some typical preppy styles also reflect traditional upper class New England leisure activities, such as equestrianism, sailing oryachting, hunting, rowing, lacrosse, tennis, golf, and rugby. Longtime New England outdoor outfitters, such as L.L. Bean and the recently-revived brand Madewell, became part of conventional preppy style. This can be seen in sport stripes and colours, equestrian clothing, plaid shirts, field jackets and nautical-themed accessories. Vacationing in Palm Beach, Florida, long popular with the East Coast upper class, led to the emergence of bright colour combinations in leisure wear seen in some brands such as Lilly Pulitzer. By the 1980s, other brands such as Lacoste, Izod and Dooney & Bourke became associated with preppy style.

For professional women, preppy-influenced fashions became dominant beginning in the 1960s, a trend led by designers such as Perry Ellis, and influenced by designers such as Oleg Cassini. The classic ensembles often seen worn by professional women in East Coast cities and elsewhere include tailored skirt suits, low heels, wrap dresses, shift dresses, silk or cotton blouses, and jewelry with a refined style. Such clothing often includes elements drawn from typical preppy style, such as nautical stripes, pastel colours, or equestrian details. Some "cultural icons" of preppy style for professional women include Audrey Hepburn, Grace Kelly, Jacqueline Kennedy Onassis, and 20th century New York socialites Gloria Guinness, Babe Paley, Slim Keith, and C. Z. Guest, all women whose style is often referenced by designers.

In recent years, newer outfitters such as Ralph Lauren, J. Crew, Vineyard Vines, and Elizabeth McKay are also frequently perceived as having preppy styles, with designers such as Marc Jacobs and Luella Bartley adding the preppy style into their clothes in the 1990s. New York City maintains itself as the headquarters for most preppy clothing lines, such as J. Press, Brooks Brothers, Daniel Cremieux,Ralph Lauren, and Kate Spade New York, underscoring preppy subculture as a reflection of Northeastern culture.

Examples of preppy attire include argyle sweaters, crewneck sweaters, grosgrain or woven leather belts, chinos, madras, Nantucket Reds, button down Oxford cloth shirts, seersucker cotton suiting, pearl necklaces and earrings, gold bangle or large chain bracelets, loafers and boat shoes.

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