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# Merchandising in the Apparel Industry

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**Abstract:** *The garment industry is one of the major industries in India as it brings in foreign exchange to the tune of more than 50,000 crore rupees per annum. The evolution of the merchandising function in the industry is from its historic roots of two seasons, or product offerings, per year with minimal style changes and emphasis on production efficiency, to today's seasonless, consumer-driven, fashion-oriented, computerized, global environment.*

**Keywords:** *Apparel, Garments, Merchandising, Retail, Textile*

## I. INTRODUCTION

Merchandising may be defined as “Product Planning”. It includes internal planning needed to get the right product or service to the market at the right time, at the right place, and in proper colours, sizes and quantities. The term merchandising means simply to buy and sell commodities for a profit. In the fashion business, the role of merchandising may vary depending on whether it is performed in the retail or manufacturing context. In this paper we deal with aspects of merchandising techniques as practiced currently in the garment industry.

Fashion is change. Fashion is art. Fashion is also a high-stakes business. It requires talented executives with a keen sense of the market place and finely honed management skills that enable them to make the critical decisions needed to keep a company profitable. The driving and central force in today's apparel business is merchandising.

Due to various factors this industry is undergoing a tough phase.

- A. In spite of inflation in our country, buyers across the globe do not want to increase their selling price to their customers.
- B. The buyers do not want to compensate their profit margin at our inflation cost.
- C. Our neighbouring countries like Bangladesh and China is posing a major threat as their productivity is comparatively higher.

## II. MERCHANDISING

Merchandising is a specialised management function within the fashion industry. Merchandisers are responsible for selection of material, liaising with the production team and meeting market requirements. The job demands knowledge of fashion trends, textiles, materials and colours on the one hand and understanding of market demand in production processes on the other. It is one of the very important operations in a garment industry irrespective of the size and turnover of the unit concerned.

The term merchandising means simply ‘to buy and sell commodities for a profit’. In the fashion business, the role of merchandising may vary depending on whether it is performed in retail or manufacturing context. In the manufacturing environment, merchandising involves the conceptualization, development, procurement of raw materials, sourcing of production and delivery of product to retailers.

Scope

- A. Accepting an order at the right price for the right quality.
- B. Keeping a track on the progress of the order.
- C. Shipping the right quality, right quantity at the agreed delivery date.

## III. RESPONSIBILITY OF A MERCHANDISER

Merchandising just involves planning to have the right merchandise at the right time in the right quantity and at the right price to meet the needs of the company's target customers. It is also the manner in which a group or product line is presented to the public – the way the line will look in the stores.

The responsibility of the merchandiser starts as soon as the customer places an enquiry.

The merchandiser has to go through the enquiry and has to understand the requirement of the customer thoroughly.

- A. Based on his understanding, the merchandiser has to develop a sample of the right quality and agreed-to specifications.
- B. The merchandiser has to send the sample at the right time so that the customer gets it in time.
- C. Follow up with the customer for feedback on the price and the sample.

If the customer is happy with price and the quality of the initial sample, he will place an order. Now the merchandiser has to look immediately for the following.

- 1) Finance source
- 2) Production source
- 3) As an agreement for the placement of new order, the buyer will send an order sheet, which has to be thoroughly read by the merchandiser.
- 4) To accept the details on the new order, the pro-forma invoice has to be sent immediately to the buyer, which will enable the buyer to open the letter of credit.
- 5) Once the LC is received the merchandiser has to go through it word by word to ensure that the clauses are within acceptable terms.
- 6) Along with confirmation on the details of the LC, the merchandiser has to clarify the following.
  - a) Fabric quality
  - b) Styling details
  - c) Colourways/Ratio size
  - d) Accessories
  - e) Packing details
  - f) Approvals, quality control and testing
  - g) Shipment terms and payment terms

Since merchandising is a job acting as a bridge between the organisation and the customer, one has to act very responsibly. Customer satisfaction is ensured on how effective is the merchandising.

How to go about effective merchandising

- 7) Develop a practical Action Plan – or a PERT Chart.
  - 8) Divide the whole order into several activities.
  - 9) Create a link between the activities and find out.
  - 10) Identify those activities that can be started immediately and do not depend on other activities.
  - 11) If any activity is dependent on another activity – give a time deadline.
  - 12) Follow upon each and every activity on a daily basis, identify the critical activity and attack them.
  - 13) Proper communication is very, very essential. All the details have to be effectively transferred to the production and QAD department. Also ensure that the amendment reaches the concerned person without fail; it is very important that their amendments are reflected in the merchandise.
  - 14) Organise shipments carefully, taking care to follow up the documents until the merchandise reaches the customer and payments are received.
  - 15) Keep the file till the season is over so that repeat orders can be handled smoothly and effectively.
- It depends of each individual merchandiser, to create proper action plans to ensure a free flow of shipments. Apart from the above day-to-day functions, as described above, the merchandiser has to keep a close watch on the market not only with his national competitors but also with an eye on the international competitors.
- 16) Try to know more about the policy of those countries that we feel could be our competitors.
  - 17) We should inform ourselves about the various products that our competitor country is strong in and we should also see how the competitor makes this possible. This may include a study of the policy of the particular country.
  - 18) We must keep ourselves updated on market information, like the premium we may need to pay if we have to buy it from the market.
  - 19) We should try to know the limitations of our country, especially of the products that we can produce. This will help us to politely refuse styles that cannot be done at our end. In fact, the buyers will be happy to know of this and they will develop more confidence in us.
  - 20) We should have an overall view on the operations that our factory has limited scope for, as also the specialized operations available in our factory.

21) We should try to know the vessel movements to plan the deliveries. If the deliveries are late, we can plan quicker vessels to ensure that the goods reach the destination on time.

Apart from the above, the merchandiser should also be aware of sourcing. The merchandiser should be in touch with the market consultancy to know the latest designs and the fancy accessories that will be helpful to have value-added garments, which our competitors may be lacking in. S/he should have the pulse of the cheapest accessories available in the international market, including the import duty in our country and the lead time.

#### IV. CONCLUSION

Merchandising plays a very important and dominant role in the garment industry. A successful merchandiser is like a software engineer who becomes outdated if he does not keep himself updated to the market requirement. If the merchandiser keeps himself updated to the national as well as international market then s/he will be respected by customers as well as the industry.

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