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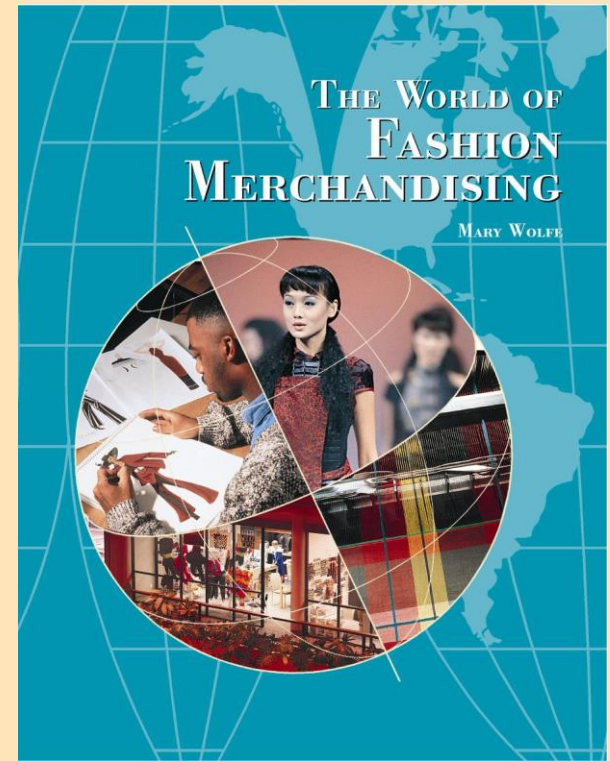
# THE WORLD OF FASHION MERCHANDISING

By

Vicki Shaffer-White



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# *PART 4: RETAIL BUSINESS FUNDAMENTALS*



Chapter 12

the Retail Segment

# *Objectives:*

- ▣ List the functional areas of retail firms
- ▣ Explain the main types of apparel retailers
- ▣ Describe store ownership groups
- ▣ Summarize retail trade information



# Basic Steps of Retailing

- ▣ Plan the styles and quantities of goods
- ▣ Buy goods from suppliers (vendors)
- ▣ Receive goods
- ▣ Arrange goods for sale
- ▣ Sell goods to consumers



# Functional Areas of Fashion Retail Firms

- ▣ Merchandising
  - Plan, buy, arrange, and sell goods
- ▣ Financial control
  - Budget, oversee spending, pay bills
- ▣ Store operations
  - Managing and maintaining store, receiving, marking, security, services



# Functional Areas of Retail Firms (cont.)



- ▣ Personnel
  - Hire, train, schedule, reward, transfer, and dismiss employees
- ▣ Sales promotion
  - Advertising, display, public relations, and special events

# Apparel Retailers

- ▣ General merchandisers
  - Market all types of goods at various price levels to satisfy broad range of customers
- ▣ Specialized merchandisers
  - Offer limited lines of goods targeted to more defined customers



**Both still have the same retail goal...to sell merchandise.**

# Types of Retail Stores



- ▣ Department stores
  - Branch, flagship, and junior department stores
- ▣ Chain stores
- ▣ Discount stores
  - Off-price discounters
    - ▣ Factory outlets
    - ▣ Wholesale warehouse clubs
    - ▣ Hypermarkets
- ▣ Specialty stores
  - Specialty chains
    - ▣ Boutiques
    - ▣ Licensed merchandise stores



# Non-Store Retailers

- ▣ Mail-order
  - Direct mail marketing
  - Catalogs
- ▣ Telecommunication retailing
  - Television
    - ▣ Phone orders
  - Computer (e-tailing)
    - ▣ E-mail orders
- ▣ Personal selling
  - Door-to-door sales or selling parties

# Other Types of Fashion Retailing



- ▣ Variety stores
  - Few items in many classifications at lower prices
- ▣ Kiosks and carts
- ▣ Catalog showrooms
  - Sample items from their catalogs
- ▣ Leased departments
  - A department within a store, operated by an outside firm

# Match the Store to the Type of Retailer

1. Department
  2. Variety
  3. Off-price
  4. Boutique
  5. Specialty
  6. Factory outlet
  7. Discount
- a. VanHeusen
  - b. Armani
  - c. Macy's
  - d. Kmart
  - e. TJ Maxx
  - f. Victoria's Secret
  - g. Ben Franklin

# Answers

1. c Macy's
2. g Ben Franklin
3. e TJ Maxx
4. b Armani
5. f Victoria's Secret
6. a VanHeusen
7. d Kmart



# Store Ownership Groups

- ▣ Retail corporate ownership groups
  - Formed by individual stores joining together
  - Horizontal integration
- ▣ Most stores today owned by a corporation, not independent



# Retail Trade Associations and Publications



- ▣ National Retail Federation
- ▣ International Mass Retail Association
- ▣ Direct Marketing Association
- ▣ *Discount Store News*
- ▣ *Apparel Merchandising*
- ▣ *Chain Store Age*
- ▣ *Retail Newsletter*

# Do You Know ...

- ▣ What is a flagship store?
- ▣ Why do independent stores have a hard time competing with superstores?
- ▣ What type of consumers are targeted by hypermarkets?

