



# **FASHION MERCHANDISING & MARKETING**

## **UNIT – 1**

### **PART-A (TWO MARKS)**

#### **1. Define merchandising?**

A person who do buying and selling of good for the purpose of making a profit. Merchandise is a activity of selling and promoting goods. Merchandising is a person who intact with buyer and seller and also put effort into proper relation between buying officer, buying agent, seller and exporter in teams of executing and order

#### **2. What are the types of object of merchandiser?**

4R'S where the main object of merchandiser

- Right quantity
- Right quality
- Right cost
- Right time

#### **3. Write any two function of merchandiser?**

- Developing new sample executing new orders
- Raw material & accessories management

#### **4. What is T&A in merchandising calendar?**

T&A is prepared short by list down key process on the first column and planned date in the different next column. This planning sheet is known as T&A sheet.

#### **5. What are the three stages of 6 month plan?**

- Pre – planning stage
- Information collection
- Calculation

#### **6. Write any two 6-month merchandise plan?**

- Plan & evaluate flow of purchase
- Evaluate & gross margin

### **7. Write the full form of AQL?**

Acceptance quality level

### **8. Define bill of lading?**

It is a contract document between exporter and Transportation Company to move goods from the started point at the specified charge.

### **9. What are the responsibilities of merchandiser?**

- Analysis sales figures, customer reaction and market trend to anticipate product needs.
- Collaborating with buyers, supplier's distributors and analysts to negotiate price, quantities and time- scales.

### **10. Define merchandise terminology?**

Merchandise refers to any type of goods, including personal or commercial product, as well as commodities that are sold to member of the public (retail) or other business (wholesale).... The term may also refer to the stocks that a commercial enterprise has

### **PART-B (Five Marks)**

#### **1. What is the Object of merchandising? Explain?**

4R'S where the main the object of the merchandiser

- Right quantity
- Right quality
- Right cost
- Right time

Right quantity:

- To dispatch right quantity of product what buyer order

Right quality:

- It should be with right quality as accepted both parties

Right cost:

- Everybody wants more from what they are paid

Right time:

- Delivery time should be strictly followed as per schedule.

## **2. Write about the quality of merchandiser?**

Planning capability:

- Merchandiser should be capable of planning based on the planning order to be followed, if planning is not done properly, it will directly affect the delivery time of the order.

Decision making:

- Decision making power is most important for the merchandise. He should think about the decision should be taken and to act in right away.

Communication skill:

- Communication is very important to promote business activity. The communication must be clear and should have face to face conversation to buyer.

Loyalty:

- Loyalty is an essential character for human being especially for business people like merchandise. It is must.

Knowledge about:

- Merchandise should have adequate knowledge about garment computer knowledge & technical knowledge to communicate with different people in the business is a must.

Co- ordinate:

- Merchandise is a person who actually co – ordinate with number of department and co-operate with different people in the industry.

Monitoring ability:

- Merchandise should monitor we work order every time to deliver the good in right way at right time.

Other qualities:

- Education, experience, management capability, dedication etc...

## **3. Write the function of merchandise?**

- Developing new sample executing new orders
- Costing
- Programming
- Raw material & accessories management
- Product scheduling
- Approval of various process pattern & size set
- Pre – production follow
- Neat instruction agencies
- Production controlling
- Identifying shortage and make arrangement for shortage
- Following quality assurance procedure and quality control procedure
- Monitoring all labour activities
- Communicating with buyer and other parties
- Proper reporting to the management
- Record maintenance
- Placement of orders to suppliers
- Taking preventing action to maintaining targeting performance in all area activity
- Attending meeting with superior and furnishing required detail about merchandiser.

#### **4 Explain about Merchandise terminology?**

Apparel industry:

- The manufactures who engaged in the manufacturing of clothing

AQL – Acceptance quality level

- It is purely related to quality of the product

Po – purchase order:

- The order for the fabric button , thread and other raw material is given by merchandising

Air way WIL:

- It is an export document carrying agreement between exporter and shipper

Base fabric:

- Raw material used for product the garment

Bill of loading:

- It is an contract document between exporter and transportation company to move fight between stated point at the specified charge

CPM – Cost per minute:

- It helps to find out per hour , shift , day and week cost of garment

CM – Cost of making:

- It related to commercial part of garment which include with cost of trimming , cutting , making time etc....

CAD – Computer aided designing:

- It is a theoretical tool to design and develop garment product

CFR – Cost and freight:

- It indicate that the exporter will deliver the product and pay all normal charges to get the cargo

CIF – Cost fright and insurance:

- In which seller place all the expenses and insurance the agree distance

Cutoff date:

- It is the last date till which a shipping line will accept packed goods for particular ship usually it is five to six days before actual ship moving

FCL – Full container load:

- It is the good sign of both buyer and manufactures..

#### **5. Explain about 6 – month merchandising plan?**

- Plan & evaluate sales
- Plan & evaluate stock
- Plan & evaluate stock reduction
- Plan & evaluate flow of purchases
- Establish goals
- Provide a plan to follow in order to reach those goals
- Provide a means of measuring results & analyzing for future improvement
- Evaluate & gross margin

It is an important planning tool used by the merchandiser which helps in collecting both internal & external information throughout the year. Collect the information will impact the decision regarding development merchandising.

There are three stages in 6 month plan

- Pre – planning stage
- Information collection
- Calculation

Pre – planning stage:

- Analyzing internal & external factors impacting the business environment
- Gathering information about internal store happening and operational procedure
- The information helps to develop merchandising budget
- This stage helps to reduce risk factors when external factors affect day- to- day business operation. The factors include cultural , sociological, physiological and government polices
- Economic trends should be analysis which have grade impact on cost of product & buying power
- By pre – planning method sales promotional activity and marketing strategy can be easily analysis

Information collection:

- Collection of numerical data utilized in calculation stage can be get by information collection stage
- Analysis actual sales figure for same season of pervious year
- Identify selling pattern modify sales distribution pattern peak & valley in buying selling process
- Examine reduction percentage compare to annual sales
- Analysis stock sales ratio and turn off
- Analysis successful sales promotion activity of previous year
- Analysis sales figure for various retail store in one geographic

Calculation stage:

It include following elements

- Planned sales
- BOM & EOM of inventory
- Planned reduction
- Planned purchase

- Stock and sales ratio
- Average turned over
- Total plan sales & total plan reduction
- Determine monthly distribution of inventory stock
- Calculation whole sale cost

Seven step procedure:

- Calculation total planned sale and total reduction
- Monthly distribution of planned sale
- Monthly distribution of planned reduction
- Calculation stock for beginning for month
- Calculation stock for ending of month
- Calculation purchase cost of each month
- Calculation product cost are sale cost of each month

### **Part C-(Ten Mark)**

1. Write about the quality of merchandise? (Hints 5mark-2 q)
2. Explain about 6 month merchandise plan? (Hints 5 mark – 5 q)



## UNIT-2

### Part a-(2 MARKS)

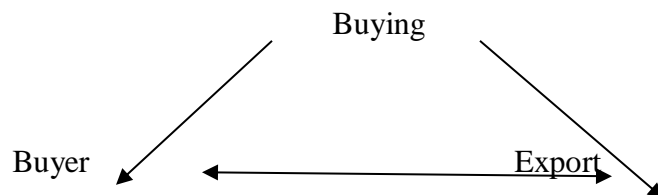
#### 1. Define Merchandising?

Merchandising is the marketing and promotion of a product, good, or service within a distribution chain. It is the activity of buying, selling, exporting, importing, promoting, trading for obtain profit.

#### 2. What are types of Merchandising?

- \* Export Merchandising
- \* Merchandising in garment industry
- \*Production Merchandising
  - \*Buying house Merchandising
- \* Retail Merchandising
- \* Visual Merchandising
- \* Digital Merchandising

#### 3. What is structure of fashion industry?



#### 4. Write any 4 advantages of Merchandising?

- \* Merchandising jobs is very demanding.
- \* Well paid destination.
- \* Opportunities to travel.
- \* Wide varieties of jobs or opportunities are available.

#### **5. What are the disadvantages of the Merchandising?**

- \* Excess work load.
- \* To attain many training program.
- \* Huge competition.
- \* Anti social approach.

#### **6. What is Export House?**

Export house is mostly home based organization located in manufacturer's country which involve in export of products that the manufacturer produced.

#### **7. Who is Merchant Exporter?**

A Person engaged in trading activity and exporting or importing to export goods.

#### **8. Who is Manufacturer exporter?**

A person who manufacture the goods and export such goods. They export the order in their own company name.

#### **9. Define Buying House?**

Buying House plays an important role by collecting lot of orders from world top garment buyer. The main purpose of buying house is connection between buyer and clothing manufacture.

#### **10. What are the types of Media in Garment Industry?**

There are two types of media in garment industry. They are

- \* Buying agency
- \* Buying office

#### **11. Define Buying agency?**

Buying agency is an autonomous body of buyer's region office. They got an extra power as they are treated as buyer represented as addition facilities from buyer.

### **12. Define Buying office?**

Buying office is that which work at a time with different buyer and brands. They just carry out buyer instruction.

### **13. Write the selection process of buying agency?**

- \* Experience of an agency
- \* Agency size and location
- \* Product conflicts
- \* Financial position of an agency
- \* Special skills of an agency
- \* Current clients
- \* Process of payment
- \* Client turnover

### **14. What are the types of buying agencies?**

- \* Branding
- \* Direct marketing
- \* Digital marketing
- \* Shopper marketing
- \* Social media
- \* Public relation

### **15. What is Letter of Credit?**

It is the letter from a bank guarantee that buyer payment to a seller will be received on time and for correct amount.

### **16. What are the types of LC?**

Types of letter of credit (LC)

- \*Transferable
- \*Revocable and Irrevocable
- \*Stand-by
- \* Confirmed and Unconfirmed
- \*Revolving
- \*Back to Back

**17.What are the types of Documents?**

- \* Financial document
- \* Commercial document
- \*Shipping document
- \*Official document
- \* Insurance document

**Part B-(5MARKS)**

**1. Explain the types of Merchandising?**

**MERCHANDISING:**

Merchandising is the marketing and promotion of a product, good, or service within a distribution chain. It is the activity of buying, selling, exporting, importing, promoting, trading for obtain profit.

**Types of Merchandising**

Export Merchandising

Merchandising in garment industry

- Production Merchandising
- Buying house Merchandising
- Retail Merchandising
- Visual Merchandising
- Digital Merchandising

➤ Export Merchandising:

They act as the bridge between buyers and manufacturer. They are the backbone of the apparel export industry. Export Merchandising is divided into two types

\* Merchandising in export production house

\* Merchandising in buying house

➤ Merchandising in Garment Industry:

In Garment Industry, Merchandising is done by one person if it is a small unit otherwise functions of merchandising can be divided into marketing, sourcing, sampling, production and planning.

➤ Production Merchandising:

They are the face of the garment industry. The role of the production Merchandising is to give a successful export orders in a good manner

➤ Retail Merchandising:

Retail Merchandising refers to the various activities which contribute to the sale of products to the consumers for their end use. Every retail store has its own line of merchandise to offer to the customers. The display of the merchandise plays an important role in attracting the customers into the store and prompting them to purchase as well.

➤ Visual Merchandising:

Visual merchandising is the practice in the retail industry of developing 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.

➤ Digital Merchandising:

Digital merchandising is a crucial part of a successful ecommerce business. It's the secret to engaging your shoppers and guiding them towards making a purchase.

➤ Buying House Merchandising:

Buying house merchandising who directly communicate with buyers and fulfil the obligation of export orders.

## 2. Explain about buying House?

### Buying House:

Buying house consists of a group of skilled persons like Merchandiser, technician, developer, quality manager, and logistic manager along with a well-furnished office.

Buying house plays an important role by collecting a lot of orders from the world's top garments buyers. The main purpose of garments buying house is to make a connection between buyers and clothing manufacturers. For this process, they get a portion of profit margin that is called commission.

There are two types of such media found in garment business that would be a

Buying agency or buying office.

### Buying Agency:

Buying agency is an autonomous body of buyer's regional office, from where all kinds of necessary approval have given. They get an extra power as they are treated as buyer representative and deserve additional facilities from buyers. buying office is that, which works at a time with different buyers and brands. It may have several wings to handle different buyers and brands individually. By this process, all the necessary approvals come from the buyer end, not from buying house. They just carry out buyers instructions.

Let's find a Flow Chart of a Buying House to understand their working procedure clearly:

### **Garments Buying House Flow Chart**



A buying to do tasks to seek attention:

- 1) Search foreign
- 2) Seek them
- 3) Search

appropriate local garment factory to execute the order

4) Select local factory and dealing with them

5) Follow up sample development and make samples according to buyer's requirement

house has following promptly buyer's

suitable buyer

order from

- 6) Communicate with buyers to get required approvals\
- 7) Once get final approvals send all the comments and approved samples to local factories for bulk production
- 8) Keep contacting with local factory and follow up order processing to apply buyer's instruction
- 9) Never compromise regarding product quality to deserve buyers attraction
- 10) Arrange inspection by following all terms and conditions according to individual buyers guidelines
- 11) Keep requested delivery date and follow up shipment
- 12) Send shipping documents to receive the goods from buyers end

### **3. What are the types of buying agencies?**

Buying agency is an autonomous body of buyer's region office. They got an extra power as they are treated as buyer represented as addition facilities from buyer.

Types of buying agencies

- \* Branding
- \* Direct marketing
- \* Digital marketing
- \* Shopper marketing
- \* Social media
- \* Public relation

#### ➤ Branding.

These firms widen the marketing scope beyond your products or services. They are focused on your company – specifically on establishing, cultivating and maintaining a strong public image or “brand” for your business in the marketplace.

#### ➤ Direct marketing.

These agencies focus on “direct response” media – which are communications tactics that have a built-in way for consumers to respond to you. This can include mail pieces such as letters or postcards, email marketing that drives consumers to your website, and/or telephone marketing

#### ➤ Digital Marketing:



In this marketing of your brand is done through digital area such as Internet and other digital media. Their tactics may include banner advertising, viral campaigns and email marketing, as well as campaigns in other media such as mobile advertising and video.

➤ Social Media:

Here the marketing is done by social media to communicate with customers like Face book, Twitter, LinkedIn, Tumblr. These agencies monitor social networks regularly and maintaining online relationships with customers

➤ Shopper marketing.

These agencies offer promotion and marketing strategies and services to engage retail shoppers. They typically use multiple in-store media and technologies to create programs along the entire “path to purchase.

➤ Public relation:

These firms focus on helping the public understand your company and its products. Their tactics can include press releases, events, media talk shows, articles and columns in trade publications.

#### **4. Explain LC and Types of LC?**

It is the letter from a bank guarantee that buyer payment to a seller will be received on time and for correct amount.

Types of letter of credit (LC)

\*Transferable

\*Revocable and Irrevocable

\*Stand-by

\* Confirmed and Unconfirmed

\*Revolving

\*Back to Back

➤ Revocable and Irrevocable Credit

A revocable LC is a credit, the terms and conditions of which can be amended/ cancelled by the Issuing Bank. This cancellation can be done without prior notice to the beneficiaries.

An irrevocable credit is a credit, the terms and conditions of which can neither be amended nor cancelled. Hence, the opening bank is bound by the commitments given in the LC.

➤ Confirmed Credit

Only Irrevocable LC can be confirmed. A confirmed LC is one when a banker other than the Issuing bank, adds its own confirmation to the credit. In case of confirmed LCs, the beneficiary's bank would submit the documents to the confirming banker.

➤ Back -to-Back credit

In a back to back credit, the exporter (the beneficiary) requests his banker to issue an LC in favour of his supplier to procure raw materials, goods on the basis of the export LC received by him. This type of LC is known as Back-to-Back credit.

➤ Transferable Credit

While an LC is not a negotiable instrument, the Bills of Exchange drawn under it are negotiable. A Transferable Credit is one in which a beneficiary can transfer his rights to third parties. Such LC should clearly indicate that it is a 'Transferable' LC

➤ Standby letter of credit: (SLOC)

It is a legal document that guarantees a bank's commitment of payment to a seller in the event that the buyer—or the bank's client—defaults on the agreement. A standby letter of credit helps facilitate international trade between companies.

➤ Revolving:

A revolving letter of credit can be used for multiple payments. If a buyer and seller expect to do business continually, they may prefer not to obtain a new letter of credit for every transaction (or for every step in a series of transactions). This type of letter of credit allows businesses to use a single letter of credit for numerous transactions until the letter expires (typically up to one year).

## 5. What are the Amendment of LC?

- Letter of Credit:

It is the letter from a bank guarantee that buyer payment to a seller will be received on time and for correct amount.

- Amendment of LC:

- Amendments to LC are made when there are changes in term of underlying same contract or beneficiary are not position to obtain document stipulate in LC.
- In such cases, the applicant may request for amendment of terms and condition or document stipulate in LC. Before taking action on request it

must be ensure that the request letter must be signed by the authorize the signifies.

- Every amendment will have the same implication as the opening of LC.
- Opening the new LC must be absorbed availability of LC limit while amending LC also.
- If the amendment is regarded to quantity, price, value, unit etc...  
Corresponding sale contract must be called before agreeing to the amendment.
- If the request is regard with shipment date extension then it must be ensure that the extended date as per import license.
- It should be ensure that the amendment should not involve any contravention of trade control regulation are also terms and condition follow as per regulation law.
- Amendment for change of port of dispatch must be under trade control regulation.
- Amendment is normally send by mail and letter.
- The procedure for dispatch of LC must be follow in case of amendment.

## 6. Write the selection process of buying agency?

- Buying agency:

Buying agency is an autonomous body of buyer's region office. They got an extra power as they are treated as buyer represented as addition facilities from buyer.

Selection process of buying agency

- \* Experience of an agency
- \* Agency size and location
- \* Product conflicts
- \* Financial position of an agency
- \* Special skills of an agency
- \* Current clients
- \* Process of payment
- \* Client turnover

- Experience of an agency

In longer an agency has been in business the more stable it is expected to be and stable agency are more reliable.

- Agency size and location

Large budget Advertiser want to go large agency because these agency have better staff and more facilities. Similarly small budget advertiser choose small agency instead of large agency for fear of insufficient attention.

- Product conflicts:

If an agencies have already another account with same or similar product, then it is not advisable to select that particular agencies because of conflict of interest involved.

- Financial position of an agency:

If the agency is in weak financial position, then it will spend more time in solving its own problem. Financial difficulties also indicate poor planning of agency and lack of its stability.

- Special skills of an agency

Some agency are specialized in certain area such as industrial advertising, legal advertising or medical advertising. They may have specialist who are familiar in promotion of this particular product. Therefore the skilled agency will run successful advertising campaign.

- Current clients

The list of the clients of an agency should be carefully viewed. It will be useful to know how many new account were acquired in last two or three years and how many account were lost.

- Process of payment

It should be seen how the advertiser have to pay for the agency. If they can paying advance or after advertising the client should have detail analysis of the methods to avoid misunderstanding.

- Client turnover

When an advertiser leads an agency and goes to another advertiser it is known as Client Turn over. There may be various reasons for client turn over. Some are Advertising is not profitable, Lack of Co-ordination, change in staffs. Loss of confident and involvement.

### **Part C-(Ten Marks)**

1. Explain briefly about Merchandising and Types of Merchandising?
2. Explain briefly about Buying House:

3. Explain Detail about Buying Agency?
4. Explain Detail about Letter of Credit (LC)?

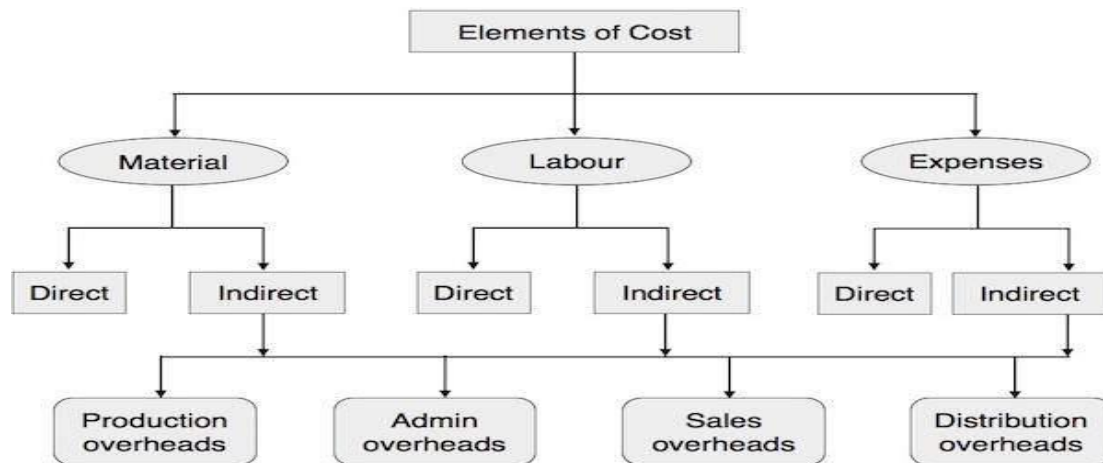
### **UNIT-3**

#### **Part A-(TWO MARKS)**

**1. Define costing:**

Costing is the process of estimating and then determining the total cost of producing a garment, including the cost of materials, labour and transportation as well as the general expenses of the operating the business.

**2. What are the elements of the costing?**



### 3. What does CMT mean?

CMT stands for cut make trim or cut make and thread. CMT refers to a price component in the cost breakdown of a garment manufacturing price. In order to understand CMT as price component let's look at a cost breakdown that includes Fabric; Trim; Accessories; Cut and Make. .

### 4. What does FOB mean?

FOB means "free on board". In this case, exporter quotes the garment buyer a price that includes all costs up to and including delivery of goods aboard an overseas vessel.

### 5. What are the components of cost of garment?

The components on which cost of garment depends is as follows

- Fabric
- Trims
- Cut Make & Trim charges
- Value added services: printing, embroidery, washing, applique
- Testing of the garment
- Quality
- Transportation and logistics cost
- Profit of the manufacturing organization

### 6. What is the purpose of doing Costing?

Merchandiser does the costing mainly for two purposes.

\*Pricing of the garment

\*Order acceptance

### 7. What is the Fixed Cost of Garments?

Fixed Cost are those cost of garments manufacturing which are fixed in nature. With the increase of a number of unit of production, your per unit fixed cost will be reduced. Some example of fixed cost is; salaries and wages, interest expense of bank loan, a rental expense of your factory building, depreciation expense of your fixed assets, etc.

### **8. What is the Variable Cost of Garments?**

Variable cost is the cost which is change over an additional number of unit of production. But per unit variable cost is fixed. The variable expense of garments making is; Utility (Electricity cost, Water cost, steam cost, Air cost) Expenditures, transportation cost, repair, and maintenance expense, etc. Here the most crucial variable cost is utility cost. We need to carefully handle the utility section to minimize utility cost.

### **9. What are the Factors affecting Fabric Consumption?**

Factors affecting Fabric Consumption:

1. Marker,
2. Fabric shrinkage,
3. Fabric Width,
4. Repeat size in the fabric,
5. Center selvedge variation,
6. Grain,
7. Symmetry.

### **10. What is fabric consumption?**

The quantity of fabric which is required to produce a garment is called fabric consumption. Fabric represents around 70% of the total garment cost and is therefore the most important component in costing.

## **Part B (5 marks)**

### **1. What is Basic formula for knitted and woven fabric?**

Fabric cost = Yarn Cost + Fabric manufacturing cost + Dyeing cost + Finishing cost

Cost calculations of fabric in garment:  
For example, the fabric consumption of a knitted T-shirt can be determined as

$$(\text{Body length} + \text{Sleeve length} + \text{Allowance}) \times (\text{Chest} + \text{Allowance}) \times 2$$

$$\text{Fabric Consumption (kgs)} = \frac{\text{Fabric Consumption (kgs)} \times \text{GSM}}{\text{Fabric Consumption (kgs)} + \text{Wastage \%} \times 10000}$$

Similarly, for woven shirt fabric, the fabric consumption can be calculated as

$$\text{Fabric Consumption (meters)} = \frac{(\text{Full length} + \text{Sleeve length} + \text{Allowance}) \times (\text{Chest} + \text{Allowance}) \times 2 \times \text{width}}{\text{Fabric Consumption (meters)} + \text{Wastage \%} \times 39.37}$$

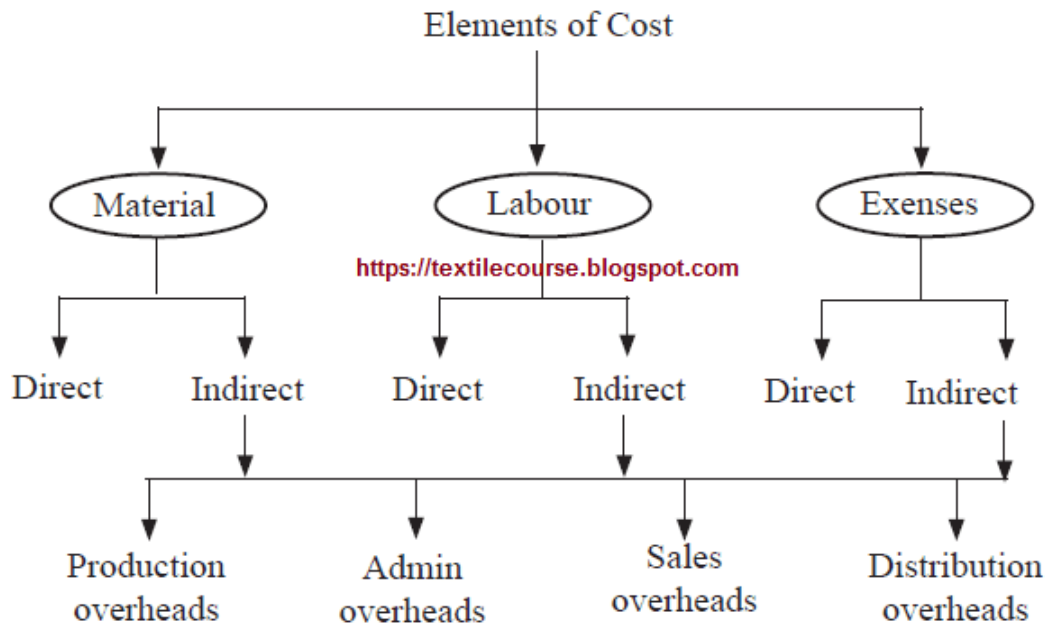
## 2. What is the element of costing? Explain?

\*Costing:

Costing is the process of estimating and then determining the total cost of producing a garment, including the cost of materials, labour and transportation as well as the general expenses of the operating the business.

\*ElementsofCosting:

The material, labor and expenses are the fundamental elements of cost



\*Materialcost:

It is the cost of commodities supplied to an undertaking. This includes, cost of procurements, freight inward, taxes and insurances. These activities are included in material cost



because; they are directly attributable for the acquisition of material. Here the material can be specified as any substance from which the item is made. It might be in a crude state as raw material

**\*Direct material:**

All materials which become an integral part of the finished product, the cost of which are directly and completely assigned to the specific physical units and charged to the prime cost, are known as direct material. The following are some of the materials that fall under this category:

- Materials which are specifically purchased, acquired or produced for a particular job, order or process.
- Primary packing material (e.g., carton, wrapping, cardboard, etc.).
- Materials passing from one process to another as inputs.

**\*Indirect material:**

All materials, which cannot be conveniently assigned to specific physical units, are termed as “indirect material”. Such commodities do not form part of the finished products. These items will not be a part of the finished product (physically). Consumables, lubrication oil, stationery and spare parts for the machinery are termed as indirect materials.

**\*Labour cost:**

Human efforts used for conversion of materials into finished products or doing various jobs in the business are known as labour. Payment made towards the labour is called labour cost. It can also be direct and indirect.

**\*Direct labour:**

Direct labour cost is the wages, salary, or bonuses, or commission paid to the workers or employees who directly involved in converting the raw material into the finished product. The wages paid to skilled and unskilled workers for manual work or mechanical work for operating machinery, which can be specifically allocated to a particular unit of production, is known as direct wages or direct labour cost.

**\*Indirect labour:**

Labour employed to perform work which is not a part of manufacturing the end product but only to assist the product or operations are known as indirect labour or those engaged for office work, selling and distribution activities are known as “indirect labour”. The wages paid to such workers are known as “indirect wages” or indirect labour cost.

Example: Salary paid to the driver of the delivery van used for distribution of the product.

**\*Expenses:**

All expenditures other than material and labour incurred for manufacturing a product or rendering service are termed as “expenses”. Expenses may be direct or indirect.

**\*Direct expenses:**

Expenses which are specifically incurred and can be directly and wholly allocated to a particular product, job or service are termed as “direct expenses”.

Examples of such expense are: hire charges of special machinery hired for the job, carriage inward, royalty, cost of special and specific drawings, etc.

\*Indirect expenses:

All expenses excluding indirect material and indirect labour, which cannot be directly and wholly attributed to a particular product, job or service, are termed as “indirect expenses”. Some examples of such expenses are: repairs to machinery, insurance, lighting and rent of the buildings.

### 3. What is overhead and Explain about its types?

Prime cost:

The direct cost of a commodity in terms of the materials and labour involved in its production, excluding fixed costs.

Prime cost = Direct material + Direct labour + Direct expenses

Overheads:

Indirect expenses are called overheads, which include material and labour.

Overheads = Indirect material + Indirect labours + Indirect expenses

Overheads are classified as:

- Production or manufacturing overheads

Connected with factory production function like indirect material labour, etc.

- Administrative expenses

Indirect expenditures incurred in general administrative function; they don't have any direct connection with production or sales activity. For example stationeries used, sweeping brooms, salary of a peon, etc.

- Selling expenses

It is the cost of promoting the sales and retaining the customers. For example advertisement and gifts, etc

- Distribution expenses

All the expenses incurred from the time of the production completion to the time it reaches its destination. For example packing material, salary of drivers and insurance of the goods.

- Research and development expenses

Any expenses associated with the research and development of a company's goods or services.

### 4. What is the purpose of doing Costing?

Costing:

Costing is the process of estimating and then determining the total cost of producing a garment, including the cost of materials, labour and transportation as well as the general expenses of the operating the business

Purpose of doing Costing

Merchandiser does the costing mainly for two purposes.

\* Pricing of the garment

\* Order acceptance

- Pricing of the garment:

If manufacturer selling the garments directly to the end consumers then it's very important to estimate the cost very accurately. Pricing of the garment can be done by manufacturing cost added with estimated mark-up or profit % to it.

- Order acceptance:

If manufacturer is exporting the garment, the costing is base of the business. On the basis of cost of manufacturing including wages, operating expenses and transportation and freight charges, and profit margin of company, merchandiser claims the cost of unit garment.

## 5. What are the points considered before costing?

- Fabrication:

Get clear idea regarding the fabrication before taking the order .

- Size spec:

Make sure that, you have got the correct/latest size spec with the measurement of all the sizes, which will be ordered.

- Quantity:

Take information regarding approximate order qty.

- Shipment date:

Asked buyer for the shipment date & check with your production department that, they have enough space for shipped out the followings qty within the require ship date Or tell your possible date.

- Test requirement:

Know that what, the order has any test or not to check the quality of the garment.

- L/C payments term:

Take a previous L/C copy from them & discuss with your commercial people regarding all the terms along with payment terms.

- Inspection:

Get a confirmation from the buyer that, who will inspected the goods. If third party then who will pay their charges.

- Fabric colour:

The Usage of number of colour per garment should be known.

## 6. How to Calculate Cost of Making (CM) of Garments?

Costing:

Costing is the process of estimating and then determining the total cost of producing a garment, including the cost of materials, labour and transportation as well as the general expenses of the operating the business.

Before calculating cost of making (CM) for any garment items, a **garment merchandiser** should confirm the following matters:

1. Factory total expenditure per month (running), it includes factory rent, electricity bill, water bill, commercial cost, transportation, worker & staff wages etc.
2. Total number of machines in the factory.
3. Total number of machines required to complete an item.
4. Targeted production per hour from the existing layout (excluding alter and reject).
5. Total working day per month.
6. Total working hours per day.

Now by applying following formula, a garment merchandiser can easily calculate the actual cost of garments making.

$$\begin{array}{l} \text{Cost of making (CM) per pcs,} \\ \text{Factory total expenditure/month} \times \text{Total number of machines required to complete an item} \\ = \frac{\text{Total machines} \times \text{Total working day/month} \times \text{Total working hrs/day} \times \text{Targeted production/hr}}{\text{Total machines} \times \text{Total working day/month} \times \text{Total working hrs/day} \times \text{Targeted production/hr}} \end{array}$$

## 7. What are the formula for calculating Garment costing?

\* Fabric consumption for the Body Parts (Body + Fabric consumption

$$\frac{(\text{Body Length} + \text{Sleeve Length} + \text{Allowance}) \times (\text{Chest} + \text{Allowance}) \times 2 \times \text{GSM}}{1000}$$

✓ **CMT charges are calculated as:**  
Total available capacity per month (in minute) = 26 working days\*8

hours/day\*60=12,480

minutes

- ✓ **Labour cost per minute** = (Monthly salary of an operators/Total minutes available in the month) at 100% efficiency
- ✓ **\*Sewing cost** = (SAM of the garment \* Minute cost of the labour)/Line efficiency (%)
- ✓ **Cutting cost** = (SAM of cutting \* Minute cost of the labour)/cutting efficiency (%)
- ✓ **Production cost of garment (CMT)** = sewing cost+ cutting cost + trimming cost

### **Part C-(Ten marks)**

**1. What is costing and explain its elements of costing briefly?**

**2.What are the purpose of doing Costing and the points considered before costing?**

**3. Explain the components of cost of garment?**

Costing is the process of estimating and then determining the total cost of producing a garment, including the cost of materials, labour and transportation as well as the general expenses of the operating the business

The components on which cost of garment depends is as follows

- Fabric
- Trims
- Cut Make & Trim charges
- Value added services: printing, embroidery, washing, appliqué
- Testing of the garment
- Quality
- Transportation and logistics cost
- Profit of the manufacturing organization

#### **4. What are fabric consumption and the Factors affecting Fabric Consumption? Explain**

Fabric Consumption:

The quantity of fabric which is required to produce a garment is called fabric consumption. Fabric represents around 70% of the total garment cost and is therefore the most important component in costing.

Factors affecting Fabric Consumption:

- Marker,
- Fabric shrinkage,
- Fabric Width,
- Repeat size in the fabric,
- Center selvedge variation,
- Grain,
- Symmetry.

### **UNIT – IV**

#### **PART A-(TWO MARKS):**

##### **1. What is marketing environment?**

The Marketing Environment includes the Internal factors (employees, customers, shareholders, retailers & distributors, etc.) and the External factors( political, legal, social, technological, economic) that surround the business and influence its marketing operations.

##### **2. Define Marketing Information System (MIS)?**

The Marketing Information System refers to the systematic collection, analysis, interpretation, storage and dissemination of the market information, from both the internal and external sources, to the marketers on a regular, continuous basis.

##### **3. Define marketing mix?**

The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place.

##### **4. What is market segmentation?**

Market segmentation is the process of dividing a market of potential customers into groups, or segments, based on different characteristics.

### **5. What are the types of market segmentation?**

The Four Types of Market Segmentation

- ❖ Demographic segmentation.
- ❖ Psychographic segmentation.
- ❖ Behavioral segmentation.
- ❖ Geographic segmentation.

### **6. What is market positioning?**

An effort to influence consumer perception of a brand or product relative to the perception of competing brands or products. Its objective is to occupy a clear, unique, and advantageous position in the consumer's mind.

### **7. What is repositioning of a brand?**

Brand repositioning is when a company changes a brand's status in the marketplace. This typically includes changes to the marketing mix, such as product, place, price and promotion.

### **8. Define consumer behavior?**

Consumer behavior is the study of individuals and organizations and how they select and use products and services. It is mainly concerned with psychology, motivations, and behaviour.

### **9. Define marketing?**

Marketing is the management process for identifying, anticipating and satisfying customer requirements profitability.

### **10. What is the role of digital marketing?**

In this marketing of your brand is done through digital media such as e-mail marketing, mobile advertising, creating websites and videos.

## **PART B (FIVE MARKS):**

### **1. What is marketing mix?**

The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place. Now – a – days the marketing mix increasingly includes several other P's People, Process and Physical evidence.

❖ Product:

Goods manufactured by organization for the end users are called products. The products can be of two types, tangible and intangible product. The tangible product which the individual can see and touch feel, intangible product is something which a seller sells to the buyer in exchange of money.

❖ Price:

The money which a buyers pays for the product is called as price of the product. The price of the product is directly proportional to value of the product and indirectly proportional to availability in market.

❖ Place:

Place refers to the location where the product are available and can be sold or purchase. Buyers can purchase product either from physical market or virtual market. In physical market buyers and sellers can physically meet. In virtual market the buyers and sellers in tract through internet.

❖ Promotion:

- Promotion refers to various strategies implemented by the marketers to make the end uses aware of their brand. Promotion can be done through advertising and word of mouth.
- Advertising of product through television, radio, newspapers and keeping banners at main areas can help to recall the value of product.
- Word of mouth means once satisfied with customer brings ten more customers along with him where as one dissatisfied customer takes away ten more customers. Therefore positive word of mouth goes long way in promoting the brand among the customers.

❖ People:



All companies are reliant on the people who runs them from sales staff to managing director having right people is essential because they are playing major part of your business.

❖ Process:

The delivery of your service is usually done with the customer present so how the service is delivered is once again the part of what the consumer is paid for.

❖ Physical evidence:

Almost all the services include some physical elements even if the bulk of what the consumer is paying for the product.

## **2. What are the functions of marketing?**

Marketing is the management process for identifying, anticipating and satisfying customer requirements profitability.

The marketing process ensures the following:

- ❖ It ensures that the customers are able to buy the products they want.
- ❖ It ensures that producers are able to sell the products in free market.
- ❖ It ensures stable financing is available to conduct production.
- ❖ It ensures that perishable goods are stored in an appropriate manner for consumption.
- ❖ It ensures that product is transported to all customer markets.
- ❖ It ensures that quality standards are always maintained.

## **3. Write the importance of targeting?**

Targeting is the process of selecting your product or service's target market, and effectively directing your marketing efforts at them. This means picking the right people who will want to buy your product, and making sure that your ads reach and resonate with them.

Targeting in marketing is a strategy that breaks a large market into smaller segments to concentrate on a specific group of customers within that audience. Instead of trying to reach an entire market, a brand uses target marketing to put their energy into connecting with a specific, defined group within that market. Some of the following points can be focussed in target marketing. They are:

- ❖ Speak directly to defined audience.
- ❖ Attract and convert high quality leads.
- ❖ Differentiate your brand from competitors.
- ❖ Build deeper customer loyalty.
- ❖ Improve product and services.
- ❖ Stay focused.

#### **4. Describe the various concepts of marketing?**

The marketing concept is the strategy that firms implement to satisfy customers' needs, increase sales, maximize profit and beat the competition. There are 5 marketing concepts that organizations adopt and execute.

5 Marketing Concepts are;

- ❖ Production Concept,
- ❖ Product Concept,
- ❖ Selling Concept,
- ❖ Marketing Concept,
- ❖ Societal Marketing Concept.

➤ Production concept:

Consumer will favour products that are available and highly affordable. The management focuses on improving production and distribution efficiency.

➤ Product concept:

Product concept holds that the consumers will favour that offer the product in good quality. Product quality and improvement are the important parts of marketing strategies.

➤ Selling concept:

It holds the idea consumers will not buy enough of the firm's products unless it undertakes a large-scale selling and promotion effort. The management focuses on creating sales transactions with profitable customers. The aim is to sell what the company makes rather than making what the market wants.

➤ Marketing concept:

This concept holds achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do. In this concept the management focus on sales and profit under customer sense and responds.

➤ Societal marketing concept:

This concept holds marketing strategy should deliver value to customers in a way that maintains or improves both the consumer's and society's well-being. It puts Human welfare on top before profits and satisfying the wants.

## **5. Explain the different roles of websites?**

The website is a magazine and a storefront at the same time. It allows your visitors to see you in the virtual space so that they can make particular assumptions and create a given perception of your brand. A website is a nifty tool that every business needs. However, most entrepreneurs starting their first business may delay their decision for setting up a site.

In most cases, people have websites but see no need of them because they seem to get no results from their websites. They are doing things the wrong way. Anyone struggling with their websites needs to understand a few things about the seemingly simple and easy to ignore business utility. These points inform you of the role of a website in business.

- Appearance:

The website is the first thing that people who are looking for your business will try to find. The information you place on the website is officially the statement that your business is giving to the world. Therefore, the website is your storefront even if you are not selling anything. It is the informal or formal office online that people will go to when they are looking for your business online.

- Branding and public relations:

As noted above, the website is a tool for branding and public relations. It will be an avenue for recruitment and for informing stakeholders about the projects undertaken by your business. The website is the communication link that your business needs. For instance, when you are running pet rescue services, the website will be the place where you highlight the story of your organization. You will highlight achievements and affiliations so that people get the right picture about your brand and take some action according to what you ask them to do.

- E-commerce Avenue:

The website will also serve as a shop where visitors come and get products or services. They will use guidelines on the website to pay and then proceed to checkout and download the product

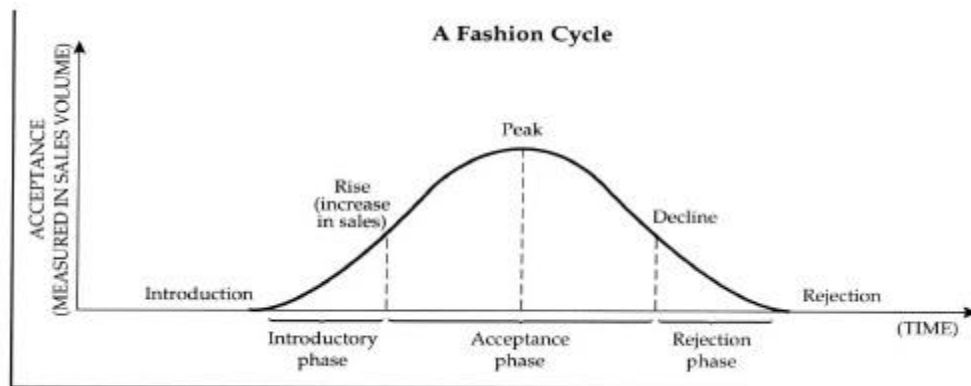
or await its shipment to their specified addresses. Websites ensure that the business is always running even when there is no one to attend to customers. Therefore, most of the things and services on the website should be automatic. People should transition from one point to another on the site easily. Successful websites have a sequential design that moves the visitor from one point to another while also giving them appropriate navigation capabilities to search and move to any part of the site. Think of the website as the business with both the front-end and the back-end departments. Different people will use the website for different purposes.

- The sales funnel:

In online marketing, the website is the ultimate tool for executing a sales funnel strategy. You capture people from different sources including search engines and social media as part of your online marketing campaigns. When they get to your website, they arrive at a special page that captures their details and moves them to take action. The copywriting message you use of the website and the psychological design features implemented can help to ensure that your conversion of visitors to buyers or donors is very high.

## 6. Explain fashion life cycle?

Fashion life cycle is a life span of a particular fashion during which the fashion exists i.e., particular look, shape or type of apparel item. Every fashion flows in five stages during its life cycle and these stages are Introduction, Rise, Peak, Decline and Obsolescence



### Introduction of a Style:

Designers interpret their research and creative ideas into appeal or accessories and then offer the new styles to the public. Designers create new designs by changing elements such as line, shape, colour, fabric, and details and their relationship to one another. New creations referred to

as the “latest fashions” may not yet be accepted by anyone. At this first stage of the cycle, fashion implies only style and newness.

Most new styles are introduced at a high price level. Designers who are globally respected for their talent may be given financial backing and be allowed to design with very few limitations on creativity, quality of raw materials, or amount of fine workmanship. Naturally, production costs are high, and only a few people can afford the resulting garments. Production in small quantities gives a designer more freedom, flexibility, and room for creativity.

#### 2. Increase in Popularity:

If a new style is purchased, worn, and seen by many people, it may attract the attention of buyers, the press, and the public. The popularity of a style may further increase through copying and adaptation. Some designers or stylists may modify a popular style to suit the needs and price range of their own customers. Some manufacturers may copy it with less expensive fabric and less detail in order to sell the style at lower prices.

#### 3. Peak of Popularity:

When a fashion is at the height of its popularity, it may be in such demand that many manufacturers copy it or produce adaptations of it at many price levels. Some designers are flattered by copying and others are resentful. Volume production requires a likelihood of mass acceptance. Therefore, volume manufacturers carefully study sales trends because their customers want clothes that are in the mainstream of fashion.

#### 4. Decline in Popularity:

Eventually, so many copies are mass produced that fashion-conscious people tire of the style and begin to look for something new. Consumers still wear garments in the style, but they are no longer willing to buy them at regular prices. Retail stores put such declining styles on sale racks, hoping to make room for new merchandise.

#### 5. Rejection of a Style or Obsolescence:

In the last phase of the fashion cycle, some consumers have already turned to new looks, thus beginning a new cycle. The rejection or discarding of a style just because it is out of fashion is called consumer obsolescence.

### **PART C-(TEN MARKS):**

1. Explain marketing environment and its types?

2. Explain marketing mix? (HINT: 5 marks – 1st question)
3. Write about market segmentation and its types?
4. Explain fashion life cycle? (HINT: 5 marks – 6th question)
5. Explain the different roles of websites? (HINT: 5 marks – 5th question)

## **UNIT – V**

### **PART A-(TWO MARKS):**

#### **1. Define product mix?**

The Product Mix also called as Product Assortment, refers to the complete range of products that is offered for sale by the company. In other words, the number of product lines that a company has for its customers is called as product mix.

#### **2. Define Product Life Cycle (PLC)?**

Product life cycle (PLC) is the cycle through which every product goes through from introduction to withdrawal or eventual demise. The product life cycle is broken into five stages: introduction, growth, maturity, saturation and decline.

#### **3. Define test marketing?**

The Test marketing is a tool used by the companies to check the viability of their new product or a marketing campaign before it is being launched in the market on a large scale.

#### **4. What is fashion consultant?**

- ❖ Fashion consultants, often called personal stylists or image consultants, help clients develop and enhance their professional and/or personal images.

- ❖ They help clients choose clothes for a variety of occasions and help them decide which styles are flattering and communicate the appropriate message.

### **5. What are the types of market testing in Industrial goods?**

There are two types of market testing:

- ❖ Alpha testing (within the firm)
- ❖ Beta testing (with outside customers)

### **6. Define alpha testing?**

Alpha Testing: The alpha testing is done within the firm by test engineers or employees who check the marketing mix of a new product and fix the issues arising in any steps of launch.

### **7. Define beta testing?**

Beta Testing: The Beta Testing is done with the customers where they are asked to use the product and give their feedback on its usage.

### **8. Write about trade publication?**

A trade publication is a term for a specific kind of publication — usually a magazine, journal or newspaper — that is geared to people who work in a specific business or industry.

### **9. What is resident buying office?**

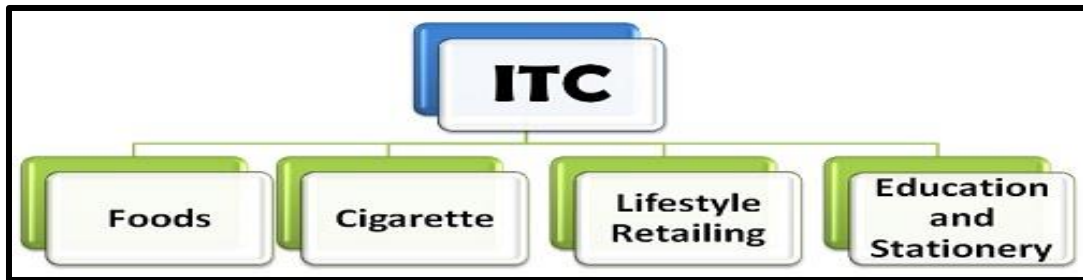
A resident buying office is one that does the buying activities for many big producers and/or retailers in the same line of business. The buying office provides their clients with all the markets updates like prices, new products, new technologies etc.

### **10. Define customer profile?**

A description of a customer or set of customers that includes demographic, geographic, and psychographic characteristics, as well as buying patterns, creditworthiness, and purchase history.

## **PART B-(FIVE MARKS):**

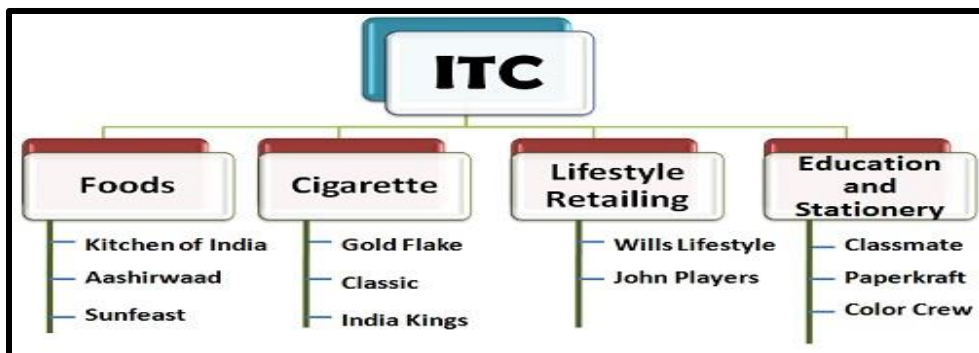
### **1. Write short notes on product mix?**



The Product Mix also called as Product Assortment, refers to the complete range of products that is offered for sale by the company. In other words, the number of product lines that a company has for its customers is called as product mix.

The product mix has four dimensions: Breadth, Length, Depth, and Consistency. The Breadth of a product mix shows the different kinds of product lines that firm carries. Simply, it shows the

of  
the  
line.



number  
items in  
product  
This

dimension of the product mix represents the extent to which the activities of the firm are diversified. In the example below, there are 4 product lines that show the width of the ITC.

The Length of a Product mix refers to the number of items in the product mix. In the example below the length is 11. As in the foods line, the number of items is 3, in cigarettes is 3 and so on. On adding all the items, we get the length of a product.



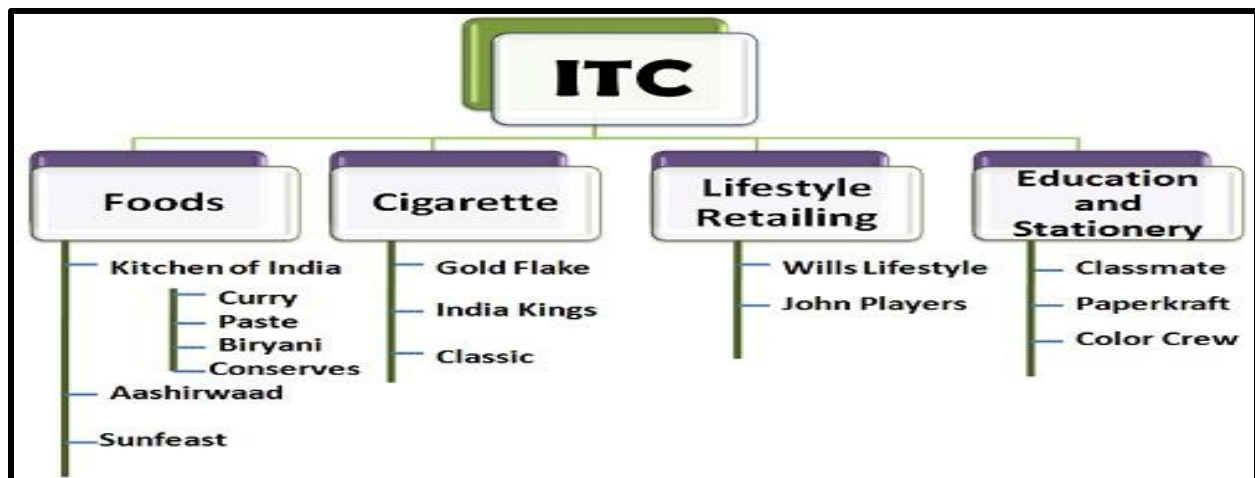
The Depth of a product mix refers to the variants of each product in the product line. For example, in the example below, curry, pastes, biryanis, conserves, etc. shows the depth of the foods product line.

The Consistency of a product mix shows the extent to which the product lines are closely related to each other in terms of their end-use, distribution requirements, production requirements, price ranges, advertising media, etc. In the above example, it is clear that ITC's product lines are less consistent as these perform different functions for the buyers.

These terms in a product assortment help the firm to take a decision regarding the addition or removal of the product items in the product lines. Generally, the firms introduce a new product item into the existing product line as it is easy to gain the customer support for the new product due to the customer's familiarity with the existing product line.

## 2. Give short notes on Product Life Cycle (PLC)?

Product life cycle (PLC) is the cycle through which every product goes through from introduction to withdrawal or eventual demise. The product life cycle is broken into five



stages: introduction, growth, maturity, saturation and decline.

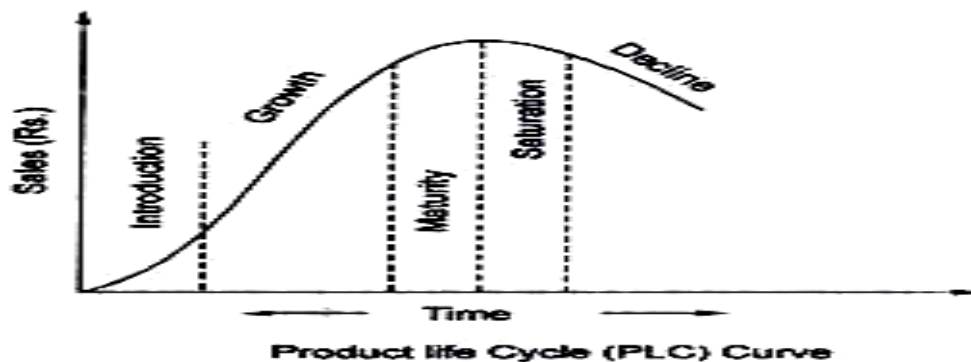
### Product Life Cycle Stages :

Some of the most important stages through which product life cycle passes are as follows: (i) Introduction (ii) Growth Stage (iii) Maturity Stage (iv) Saturation Stage (v) Decline Stage.

#### (i) Introduction:

The product is developed keeping in view a particular need of a set of consumers, and introduced in the market by initiating its commercial production.

At this stage product is new in the market,



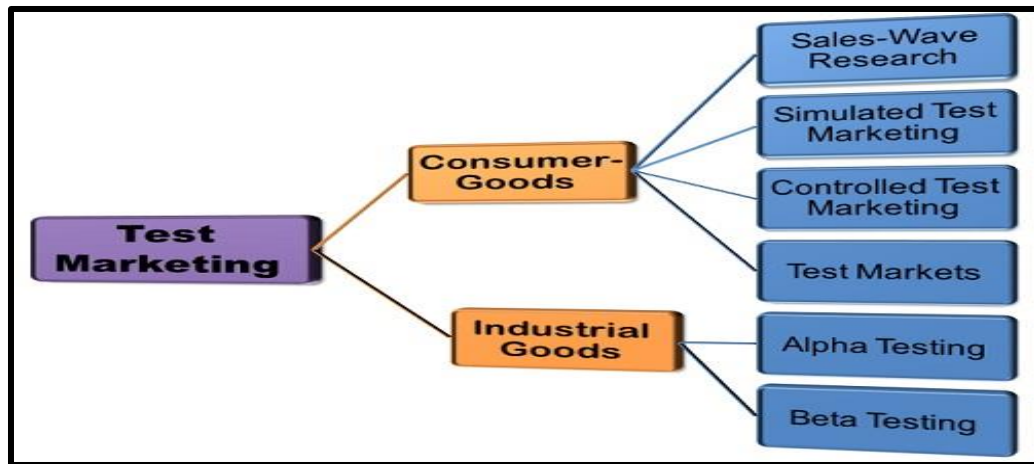
consequently its demand is low and requires vigorous sales efforts. The promotional costs are, therefore, high at this stage and the production costs are also not fully recovered due to low volume of sales.

#### (ii) Growth Stage:

There is a rapid expansion in sales as the cumulative impact of the promotional expenditure helps in the market acceptance of the product as well as the reputation of the product gains around. But this rapid expansion can be sustained only by the maintenance of product quality.

#### (iii) Maturity Stage:

When the product enters the maturity stage the rate of growth of its sales declines, though the volume of sales keeps on increasing. This is so because most of the persons needing the product had already adopted it during the growth stage and now when the product enters its maturity stage, it faces a small and declining number of potential buyers. Consequently, the firm has to spend relatively increasing amount of sales promotion.



(iv) Saturation Stage:

At this stage, the sales volume of the product ceases to grow. The only additional demand for the product happens to be its replacement demand.

(v) Decline Stage:

Ultimately the product enters a stage of decline where its sale volume starts shifting down. The competitors have by then entered the market with substitutes and imitations and the product distinctiveness starts diminishing. Consequently, the sale of the product also starts declining.

We can analyze from the product life cycle that as the product moves to the next stage of its life-cycle, the sellers control over prices keeps on further reducing. So, in order to save itself from the stage of saturation and decline, the firm makes a fresh innovation just at a time when the existing product is about to enter the saturation stage. In this manner, the firm marks a new product line.

### 3. Write short notes on test marketing?

The Test marketing is a tool used by the companies to check the viability of their new product or a marketing campaign before it is being launched in the market on a large scale.

Through test marketing, a marketer may ascertain the success ratio of the new product and the marketing campaign and can design the marketing mix ( viz. Product, price, place, promotion) very well before its launch.

## Consumer-Goods Market Testing

This test is conducted to know the consumer behavior in terms of:

- Trial: Whether a consumer will try a product, at least once.
- Repeat: Whether the consumer will repurchase it after the trial.
- Adoption: Whether the consumer accepts the product and will purchase it again.
- Purchase Frequency: How often the consumer will buy the product.

To ascertain these variables the following test are conducted:

1. Sales-Wave Research: Under this test, the consumer is offered the product, again and again, free of cost. This is done to determine the willingness of the customers to use the product every time it is offered.
2. Simulated Test Marketing: Under this test, 30-40 customers are selected and are invited to the store where they can buy anything. The new products are placed with the old or competitor's product and then consumer's preference is ascertained through their selection of the products. In case, the new product is not chosen by them, then the free samples are given to the customers and are inquired telephonically about their product experience after some weeks.
3. Controlled Test Marketing: Under this test, the company select certain stores in different geographic areas and ask them to keep its new product into their stores in return for a fee. The company controls the shelf position, displays, point of purchase promotions and pricing.
4. Test Markets: Under this, the firm chooses the representative cities where the full-fledged launch of the new product is done starting from the promotion campaign to the ultimate sales. Once it is successful, the firm goes for the national launch.

## Industrial-Goods Market Testing

There are two types of market testing:

- ✓ Alpha testing (within the firm)
- ✓ Beta testing (with outside customers)

Alpha Testing: The alpha testing is done within the firm by test engineers or employees who check the marketing mix of a new product and fix the issues arising in any steps of launch.

Beta Testing: The Beta Testing is done with the customers where they are asked to use the product and give their feedback on its usage. The other way to test the business goods is to introduce it to the trade shows and observe the reaction of customers to it. Also, these goods can be tested at distributors and dealers showrooms the attention of the customers can be gained.

#### **4. Write a short note on customer profile?**

A description of a customer or set of customers that includes demographic, geographic, and psychographic characteristics, as well as buying patterns, creditworthiness, and purchase history.

To create customer profile:

- ❖ Identify scope of messaging
- ❖ Research target market
- ❖ Create a realistic persons
- ❖ Map out important characteristic
- ❖ Design & display profile

- ❖ Identify scope of messaging:

Determine what your company needs to communicate to whom and why. The communication will be through web contact, by direct promotion or by visiting the particular audience.

- ❖ Research target market:

Research the customers to learn the following information which will help you to know they think, feel, behave and react. Demographics, Geographic's, Psychographics' and behaviors

- ❖ Create a realistic persons:

Using the information you gathered from target analysis, create a realistic sketch of a person that falls into your audience. The goal here is to develop very realistic that you can imagine communicating person

❖ Map out important characteristics:

Develop features of your created person determine their personality life experience method of purchasing etc. Therefore it helps in promoting your product.

❖ Design and display profile:

Design a one page profile with your assessable team by this you can reach different types of people within the target market.

## **5. What are the types of resident buying offices?**

A resident buying office is one that does the buying activities for many big producers and/or retailers in the same line of business. The buying office provides their clients with all the markets updates like prices, new products, new technologies etc.

The buying office may also after approval from its clients may initiate the procurement process by placing the order and finally delivery the clients.

Independent office:

❖ Salaried or paid office:

This office usually enters into annual contracts with non competitive stores for stipulated fees or salary in exchange for an each individual store sales volume.

❖ Commission or broker office:

This office receives fees directly from manufacturer in the form of a commission based upon the percentage of order place for their clients.

Store owned office:

❖ Associated or co-operative office:

This organization is an voluntary association of usually economically weaker sections of manufacturers who join together to achieve a common objective by working collectively according to the principles of co-operation. This office is formed for the self organising group of individuals from each company, formed to transact some specific business to persue or promote a shared interest. They place the merchandising order to their member stores to pool their resources.

❖ Private office:

It is a small room or cabinet which are separated from the open office by partition located in a market rather in the store itself for inviting the orders according to their work and create personal atmosphere in work.

## **6. Explain market research methods and its types?**

Market research (or marketing research) is any set of techniques used to gather information and better understand a company's target market. Businesses use this information to design better products, improve user experience, and craft a marketing message that attracts quality leads and improves conversion rates.

Types of market research techniques:

➤ Primary (field) research:

Primary market research is research you carry out yourself. This could include running your own focus groups or conducting surveys. The 'field' part referring to going out into the field to get data.

➤ Secondary (desk) research:

Secondary market research is research carried out by other people that you want to use. This could include studies carried out by researchers or financial data released by companies.

➤ Qualitative research:

Qualitative research or qualitative market research is a kind of a research method which mainly takes into account the opinions and feelings of a customer as far as a business's products and services are concerned.

➤ Quantitative research:

Quantitative market research is a kind of market research work that is based on hard facts and statistical data rather than the feelings and opinions of the customers or consumers. This type of research can prove useful both in terms of primary market research and secondary market research. Some of the common examples of quantitative research include exit surveys, questionnaires, on-site fieldwork and the shopping bag survey.

While there are many ways to perform market research, most businesses use one or more of five basic methods: surveys, focus groups, personal interviews, observation, and field trials.

The type of data you need and how much money you're willing to spend will determine which techniques you choose for your business.

➤ Surveys for market research:

With concise and straightforward questionnaires, you can analyze a sample group that represents your target market. The larger the sample, the more reliable your results will be.

- In-person surveys are one-on-one interviews typically conducted in high-traffic locations such as shopping malls. They allow you to present people with samples of products, packaging, or advertising and gather immediate feedback. In-person surveys can generate response rates of more than 90%, but they are costly. With the time and labor involved, the tab for an in-person survey can run as high as \$100 per interview.
- Telephone surveys are less expensive than in-person surveys, but costlier than mail. However, due to consumer resistance to relentless telemarketing, convincing people to participate in phone surveys has grown increasingly difficult. Telephone surveys generally yield response rates of 50% to 60%.
- Mail surveys are a relatively inexpensive way to reach a broad audience. They're much cheaper than in-person and phone surveys, but they only generate response rates of 3% to 15%. Despite the low return, mail surveys remain a cost-effective choice for small businesses.
- Online surveys usually generate unpredictable response rates and unreliable data, because you have no control over the pool of respondents. But an online survey is a simple, inexpensive way to collect anecdotal evidence and gather customer opinions and preferences.

➤ Focus groups:

In focus groups, a moderator uses a scripted series of questions or topics to lead a discussion among a group of people. These sessions take place at neutral locations, usually at facilities with videotaping equipment and an observation room with one-way mirrors. A focus group usually lasts one to two hours, and it takes at least three groups to get balanced results.

➤ Personal interviews:

Like focus groups, personal interviews include unstructured, open-ended questions. They usually last for about an hour and are typically recorded.



Focus groups and personal interviews provide more subjective data than surveys. The results are not statistically reliable, which means that they usually don't represent a large enough segment of the population. Nevertheless, focus groups and interviews yield valuable insights into customer attitudes and are excellent ways to uncover issues related to new products or service development.

➤ Observation:

Individual responses to surveys and focus groups are sometimes at odds with people's actual behaviour. When you observe consumers in action by videotaping them in stores, at work, or at home, you can observe how they buy or use a product. This gives you a more accurate picture of customers' usage habits and shopping patterns.

➤ Field trials:

Placing a new product in selected stores to test customer response under real-life selling conditions can help you make product modifications, adjust prices, or improve packaging. Small business owners should try to establish rapport with local store owners and Web sites that can help them test their products.

**PART C-( TEN MARKS):**

1. Explain product mix?
2. Explain the types of resident buying office? (HINT: - 5 marks - 5<sup>th</sup> question)
3. Explain fashion consultant and their responsibilities?
4. Write about the market research method and its types?( HINT:- 5 marks- 6<sup>th</sup> question)
5. Describe the product life cycle? (HINT:- 5 marks - 2<sup>nd</sup> question)

