

Fashion Retail in Apparel Sector



By: R. Kavishree & G.Nandhini

Image Courtesy: retailfraud.com

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ABSTRACT:

RETAILING is a **planning development and presentation of product lines for identified target markets** with regard to prices assortments, styling and timing. In the recent years, **Fashion Retailing** which is one among the main type of retailing is regarded as the back bone for the retailers and the marketing people.

FASHION RETAILING is the art of implementing effective design ideas to increase store traffic and sales volume. **FASHION RETAILING** is an art and science of displaying merchandise to enable maximum sale. It is not only a tool to enhance selling products but also plays an important role in educating the customers, creating a desire to buy and finally improves the selling process. Fashion retailing is the placement of selling in an aesthetically pleasing fashion, presenting them in a way that would convert the window shoppers into prospects and ultimately buyers of the product.

SCOPE AND OUR CONTRIBUTION TO THIS PAPER:

- **In this paper an effort made to know about fashion retailing** and its influence on the customer behavior. Due to increasing competition and the similarity of retailing, retailers utilize modern era of retailing business to differentiate their offerings from others' as well as to improve the desirability of products.
- **The purpose of our paper is to examine the relationship between buying behaviors and selling behaviors.**
- The paper will show that there is a pivotal relationship between buying behaviors and type of fashion retailing practices.
- **Our paper will provides information as to why fashion retailing should be considered an important component of a strategic marketing plan in support of sales increase and positive store image.**

- **Our paper also provides insights to retailers about types of fashion retailing that can influence consumers buying behaviors.** This is an area where the Indian textile and clothing industry, particularly, the small scale entrepreneurs' lack adequate knowledge and expertise.
- **This is best reflected in best presentation/display** and communication in various national and international exhibitions.

Therefore this paper has been conceived to fill this gap.

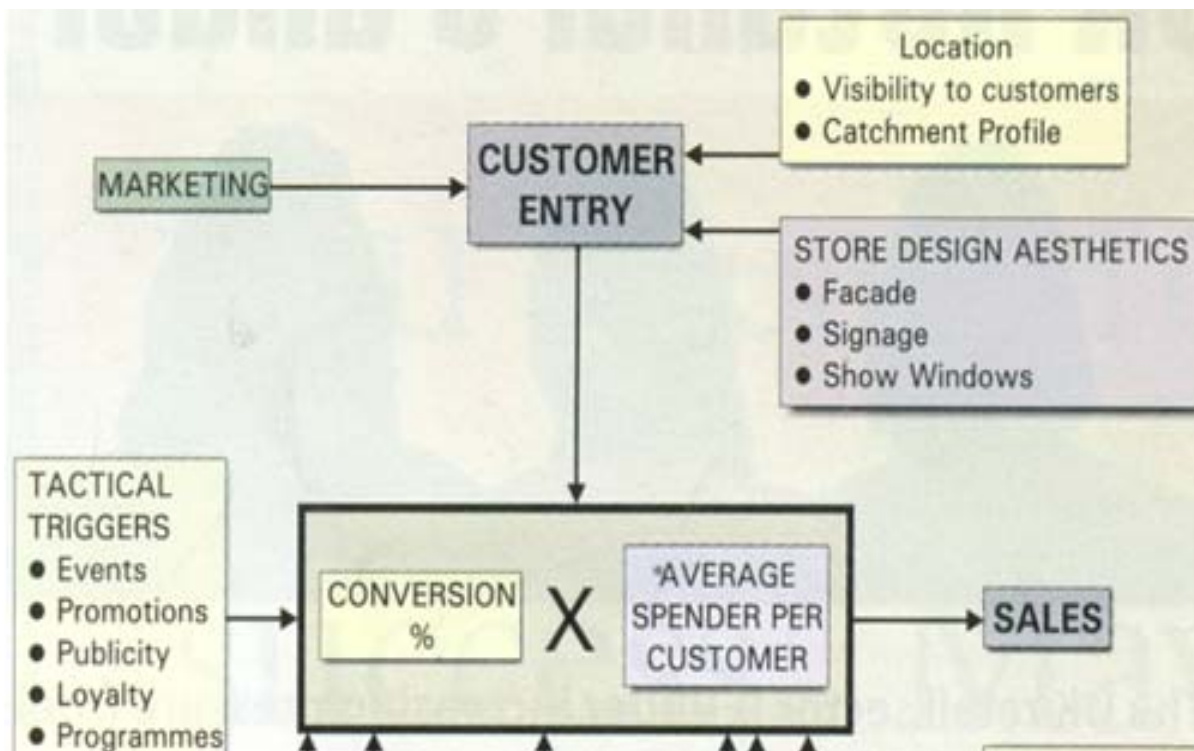
INTRODUCTION:

FASHION RETAILING in apparel industry has enjoyed considerable growth throughout both the industrialized and the developing world. Today's retailer faces some of the toughest issues over experienced in the history of the industry from the fundamental changes in the way of consumer shop to greatly increased expectation to sales and price, thinning margins and high rocketing competitions.

Addressing these issues will value of new thinking – that is fashion way of marketing. This white paper will explore how retailers can deploy available technologies in new ways to expand customer touch points and achieve revolutionary excellence in marketing, customer service, and associate effectiveness and supply chain efficiency.

In the following pages we will take a look at how and where retailers can transform operation through creative deployment of today's technologies to increase sales, improve customer retention rates and reduce costs for a significant competitive advantage.

PLANNING AND BUYING A SUCCESSFUL RANGE:



Without a doubt, the most important factor which makes a retailer successful is the appeal & quality of the range of products that it stocks. Certainly there are other factors that contribute to the success; the design of the store, the attentiveness & knowledge ability of the staff, the inventiveness of the marketing & promotions & appeal of the visual merchandising. The process which supports the planning & buying of a range is therefore central to any retailers operations. This process involves not just the choice of the product itself, but also the identification of the criteria that will influence & constrain this choice & the factors to consider ensuring that we do get it right.

- **Success in retailing is when any one who walks into your store finds a product that he or she wants to buy in the desired size.**
- **Success is when nearly everything you buy sells at full price.**
- **Success is when the customer keeps coming back to your store because you always meet his or her needs.**
- **Success finally is profitability.**



FASHION RETAILING:

The next revolution in retailing doesn't require the birth of new technology — but the application of today's technology in new ways. This is the fashion retailing.

In any form of retailing, the easiest way to compete in the short term is by reducing prices. This has the effect of increasing the volume of units sold, but also has the effect of reducing the level of profitability on each item sold. In general the increased number of garments sold should enable the retailer to maintain or improve the over all profit level. Over the past five years, there has been a rapid growth in what can be termed '**New - value retailers**'. Such retailers are continuously using price reduction, multiple pack offers.

ONLINE - VISUAL MERCHANDISING:

Visual merchandising, or visual presentation, is the art of implementing effective **design ideas to increase store traffic and sales volume.** This area includes store layout and décor, merchandise presentation, and displays. The main goal of visual merchandising is to please the senses of the consumer as they enter and move about the store, which will ultimately, hopefully, lead to a sale and a positive promotion of store image. **It provides**

customers with visual information regarding products that are currently available for sale and new trends through online. So the time consumption is very low compared to the direct visual merchandising.

The early days of online merchandising were simple; start by setting up the Web site as another store, with minimal costs or changes in inventory management. The Web as a storefront was still too new too uncertain to spend a lot of money on new distribution channels. But with accelerated growth, the Treat the Web as another Store strategy soon became an Its a Very Unique, Very Big, Not Like Any Of Our Other Stores strategy. The problem was, the strategy lacked localizations, a way in which retailers can customize the offer for each point of customer contact. In fact, a targeted assortment strategy is even more important to retailers that are anticipating substantial growth from their online presence.

Retailers today understand that an online store is a merchandising priority. It is its own channel, and must be integrated within the overall mix of outlets. This adds to the workload and intricacies of retail merchandising. So, how do retailers - particularly their merchandising teams - get it all done, be efficient and be profitable? Perhaps a hybrid approach is needed.

HOW IS POSSIBLE ONLINE MERCHANDISING:

Consider this: A retailer sets up a virtual distribution centre (DC). It holds inventory separately, per channel; first quality stores, outlets, franchises, web etc. Now, the retailer can more effectively manage availability levels for each customer touch point. The risk? The retailer may run short on product in channel 1, but face over-supply channel 2. Another option is to operate from a shared DC inventory, yet that has an inherent weakness: The online channel faces chronic shortages because product allocations to stores have depleted the inventory from the start.

The Hybrid Approach to inventory management and planning is already gaining momentum as retailers fulfil their online orders directly from their stores. This maximises availability, both online and in individual stores. This is particularly effective where the

demand is balanced across enough stores to ensure that a few key stores dont continually get drained dry.

ADVANTAGES OF OVM:

- Supports sales – The silent sales person
- Customer satisfaction.
- Customer freedom.
- Selection of the required merchandise becomes easy for the customer.
- Reduced shopping time.
- Easy searching at anywhere.

DISADVANTAGES OF OVM:

- Initial investment is high.
- Made better web results.
- Maintaince is costly.
- Could not able to shopping poor people.

IT TECHNOLOGIES IN RETAILING:

These technologies are used for information, display, identification, Checkouts, point of sale (POS), signage, and hand-held shopping assistance and body scanning especially for physical store.

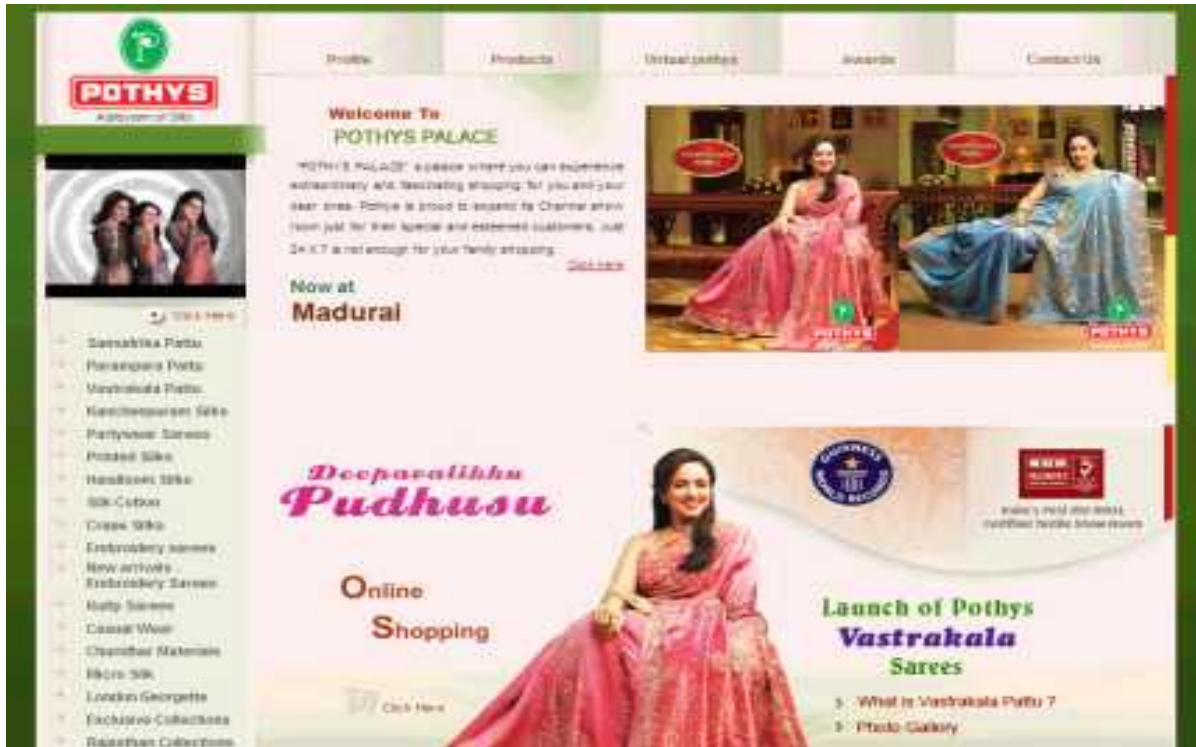
In store Technology is used as E-RETAILING, virtual display cases, RFID (radio frequency identification tags) Electronic point of sale (POS) , hand held assistance devises, body scanning systems, self scanning and self check-out systems.

E-RETAILING:

EX: POTHYS , RMKV, CHENNAI SILKS ETC..:

E-commerce shopping is one important factor in retailing and gaining immense popularity in metros. Changing & shopping habits turning for convenience & large number of people &merchants becoming internet savvy are primary reasons for pushing

up e-commerce transactions. This business module is cost effective, easily accessible & profitable in many functional areas. Consumers & retailers both desire simple & comprehensive online shopping that will truly realize the range of power of internet.



The online system is advantageous to vendors because rapid solicitations can be viewed 24 hours/day using a one-stop shopping format that eliminates the need to visit procurement offices. Many local entities also use the system to describe their minority contracting procedure & walk applicants through the certification process. Home delivery saves the time & 24*7 hours shopping with ease & availability factors for product comparisons.

WHY POTHYS , CHENNAI SILKS, RMKV ALWAYS PEAK :

- Fully loaded custom website
- Step by step action plan
- Low cost and no cost advertisement methods.

- Automated prospect and customer follow-up system
- No experience necessary

MOBILE STRATEGY:

Outdoor gear retailer Cabela's has launched a mobile website powered by Digby's mobile commerce software platform so that customers can shop via devices like the iPhone/iPod Touch, BlackBerry and Android anytime, anywhere. The new channel complements the retailer's e-commerce website, catalogues and 30 stores in the US and Canada, with key features including rich product photographs, complete product descriptions, customer-submitted product reviews, shop by category, shop by brand, store locator, e-mail and a site search.

When asked specifically about mobile phone feature requests that would aid them in shopping, 44% of consumers replied that receiving mobile coupons prior to shopping, as well as price/feature comparisons, would be most beneficial. Other features like determining product availability, self-service options and product ordering, were of lower priority. Consumers were decisive in their preference for receiving notification of upcoming sales or promotions, with 80% citing email as their favoured channel.

Twenty-one percent of survey respondents did indicate a willingness to allow selected companies to track their instore location using their mobile device in order to access additional coupons, sales promotions, or product suggestions. However, consumer willingness dropped nearly eight percentage points when mobile tracking took place outside of the store.

VIRTUAL DISPLAY MODEL:

This process provides the customer with a virtual image of how he or she will look in a particular garment. General information about the consumer like, small waist, narrow shoulders, long hair etc is entered in the computer. **The software in the computer**

develops an image of the consumer based on these descriptions and displays it on the screen.

This is a mirror that enables a shopper to scan a dress and then project that clothing onto her body before going to the dressing room. She can also tap the mirror to view different colors, find matching shoes and send the image to her Facebook.



The consumer can make modifications on the displayed virtual image so as to match it with himself. The computer then displays various types of garments on the screen. The consumer chooses different types of clothing and tries them on his virtual image available on the computer screen. The computer applies this clothing image on the virtual image of the consumer created and displays the picture on the screen. The image is also rotated in 360 degrees so that the consumer can get a perfect idea of the fitting. The computer highlights areas of good and bad fit, and guides the consumer to select the most appropriate apparel.

EX:WALL MART

RFID IN APPAREL RETAILING:

RFID stands for Radio Frequency Identification. It is a technology that has existed for decades. During the peak seasons of sales, manual process break down. Staff members become besieged, and cannot be replenished. RFID enables the retailers to confirm the

items that need to be refilled, and makes sure that the apparels are available on the store racks when customers want to buy them.

Retailers today are making optimum utilization of the internet and leveraging its social benefits. Though their techno savoir-faire is utilized in novel methods, shoppers will be motivated to buy only according to their requirements. Hence it is also important for the retailers to keep abreast of the customer psychology knowing their current choices and preferences to as to retain their customers in the years to come.



RFID tags are to some extent similar to a **barcode**, but, unlike the barcode, this does not require direct line of sight for reading. Hence it can read through packaging and cartons. It can also read multiple products put in the shopping cart all at one go and the need to individually read the barcode on the products can be avoided. Depending on the type of tag, the information on the products shopped can be sent to the retailer and also the manufacturer. Further the amount of the bill can be notified to the bank and will be deducted from consumers account. This will surely reduce the billing time and lengthy lines at the Point of Sale (POS).

BENEFITS OF RFID IN RETAILING BUSINESS:

- **Reduced out-of-stocks by 50 percent**, increased customer satisfaction and sales Volumes — and profits

- 15 to 20 percent reduction in restocking efforts.
- reducing labor costs 90 percent reduction in labor associated with inventory counts³
- Reduction in receipt of counterfeit items
- Reduced employee theft and shoplifting through improved monitoring of inventory movement
- Faster receiving and inbound processing fewer delays in processing seasonal items and faster from-dock-to stock times for improved profit margins

MASS MEDIA:

A supermarket has limited area of operation. It caters to customers of a city (and/or its suburbs), but a web site can be accessed from any part of the country or for that matter from any part of the world, thus increasing the potential customer base.

Digital Fashion Magazines:

Gone are the times, when one flips through the pages of a fashion magazine to get a glimpse of the latest trends and styles. The novel digital market offers the fashion savvy shoppers with all the perks of print media, along with the nearness and information of the current days technological advancements. Discounted apparels and other fashion accessories can be found online proving a distinguished successful market for fashion clothing and other accessories. This makes shopping, an easier task with astute styles of apparels ready and available for buying.



WIRELESS VOICE COMMUNICATION:

PDA – PERSONAL DISK ASSISTANCE:

Many retailers use two-way radios or walkie-talkies for voice communication between store associates. Two types of systems are in common use – one uses licensed radio frequencies, the other uses unlicensed spectrum. Both have their share of problems – the

licensed radios impose extra costs on the retailer in order to pay for the frequency license, but ensure that radios are free from interference. The unlicensed radios are free to operate, but are subject to interference from other business nearby. Both systems are subject to interception and monitoring by anyone with an off-the-shelf scanner, and both systems require store personnel to carry around a radio.

A wireless LAN can enable secure voice communication that is free from interference, operates in unlicensed spectrum, and is encrypted to prevent eavesdropping. Voice devices can include purposebuilt walkie-talkies, but today are more commonly based on converged devices such as PDAs with integrated retail features like barcode scanners. The main use of PDA is, suppose if the material is delivered from the showroom, the barcode sense the delivery report and this message will pass to the PDA. The PDA receives the message like the “Material Is Delivered “. So based upon the message we have to relocate the new material from the stock into the store. The store keeper always keep the PDA. PDA application software and devices are available today that give a store associate access to store inventory, point of sale, voice communication, instant messaging, and even external data such as inventory at other stores in the region. Voice communication can be “broadcast”, where all employees hear the same thing, or “unicast” where a conversation happens between two employees. Group communication, or “multicast”, is also available which can be used to let groups of managers communicate only amongst each other.

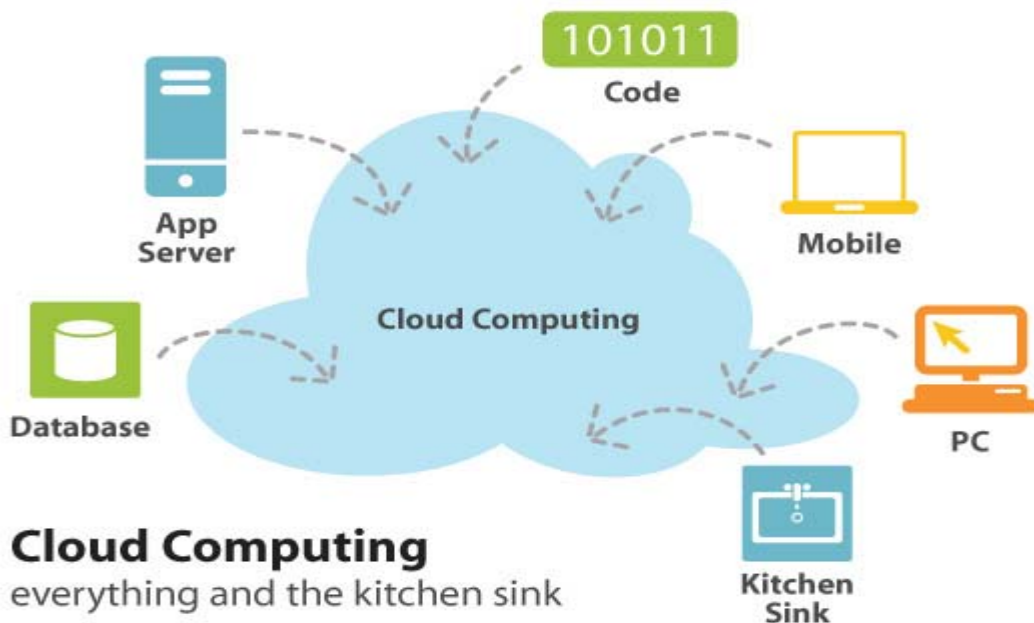
EX: WALLMART, TESCO.

NEW TECHNOLOGY - CLOUD COMPUTING :

WHAT IS CLOUD COMPUTING:

The word 'cloud' in cloud computing is actually a metaphor used for internet. Using internet would have robbed the concept of its novelty. Although everyone is familiar with information sharing through internet and worldwide web, performing all the operations of computing through the internet is not so familiar.

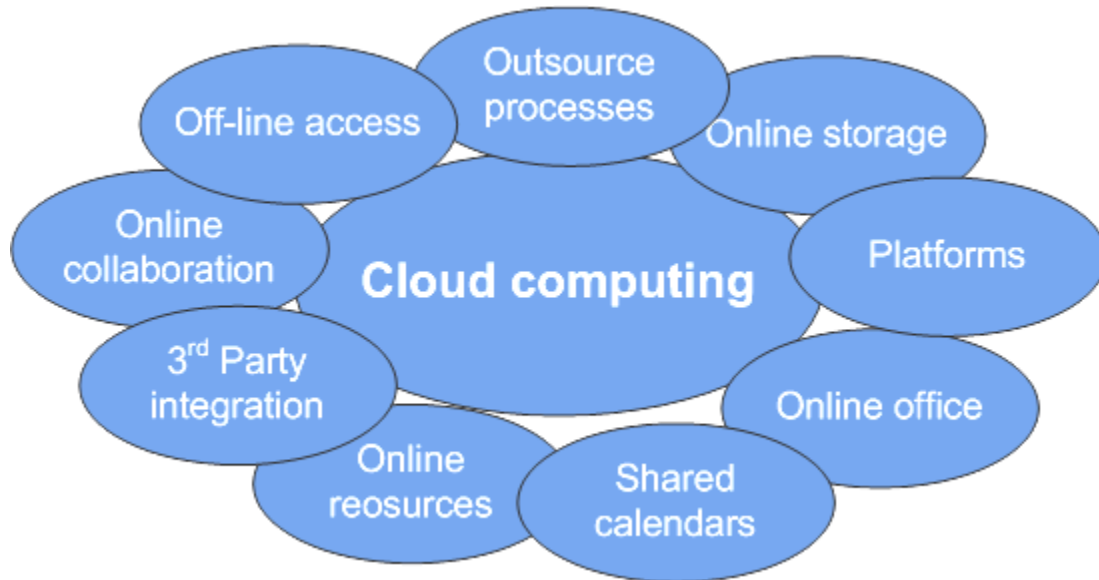
Cloud computing exactly does the same. It shares information, software-applications and operating system-and infrastructure-hardware like servers and storage units - using internet. A revolutionary cloud computing model can avail high power computing to the customers who need to have only typical input/output infrastructure.



CLOUD COMPUTING IN RETAILING BUSINESS:

The cloud computing delivers a single application through the browser to thousands of customers using a multitenant architecture. On the customer side, it means no upfront

investment in servers or software licensing; on the provider side, with just one application to maintain, costs are low compared to conventional hosting. Salesforce.com is by far the best-known example among enterprise applications.



its experiences with cloud computing. In the context of retail industry, cloud computing is particularly efficient in collection and analyses of huge volumes of sales data and in real time inventory management.

Today large retailers struggle to keep tens of thousands of computers across hundreds of locations. The management of such a complex system causes enormous expenses for them. Such operations often cause poor decision making in their field of competency - retailing. Large expenses of management and administration of IT and networks can be reduced by simply switching over to a trusted cloud provider.

ADVANTAGES OF CLOUD COMPUTING IN RETAILING;

What is the difference between cloud computing and traditional model? Cloud computing has a number of advantages over the traditional software business in which retailers get licensed software installed in their systems. Here the retailers need not spend huge money on software licensing. They need not buy high end servers with high computing powers. There is no requirement of sophisticated storage units. The administration and networking of computers can be avoided. The pain of providing fire-wall and antivirus

protection is avoided. Thus a there can be a significant reduction in investment as well as in operating costs.

One significant benefit for the cloud provider will be that of scale. Affordable solutions can be provided, considering the huge number of retailers in the industry. Most of the tasks to be performed by the provider will be of repetitive nature. Administration and management of databases can be easy due to centralization. The robustness of the whole system can also be ensured. Security and other reliability threats can be minimized due to the salient features of cloud architecture.

Retail cannot shy away from the emerging and powerful trend in the world of computing. With lots of cost-saving and time-saving measures, it will be inevitable that retail will adopt cloud computing once there evolve competent solutions.

Ex: CRM OF SALESFORCE.COM,

OFFICE software from MICROSOFT AND GOOGLE, IBM

EMI IN RETAILING:



Denim Major Levi Strauss India is geared up to join hands with four more banks to increase consumption growth after its positive response from its equated monthly instalments (EMI) scheme. The company launched this unique EMI scheme last year that allows consumers to buy premium-priced denims on a zero per cent interest. At present, the company has tie-ups with Axis bank and HDFC Bank, where a buyer can pay the total amount over three equal instalments using their credit card for a shopping value of a minimum of Rs 1,500. Shyam Sukhramani, director- marketing, Levi Strauss India, said

that the company is in talks with four major banks for expansion of this scheme as there is rise in the number of consumers availing this initiative. He added that after the launch of this scheme, Levi's has seen a 50 per cent rise in its average value of transaction.

Levi's is the only company in India who has come up with such initiatives and many others including Provogue, Dr Batra's, gold jewellery chain Tanishq and furniture retailer @home are following its suits.

FDI IN RETAILING:

FDI means **FOREIGN DIRECT INVESTMENT**. It can be defined as a cross border investment, where foreign assets are invested into the organizations of the domestic market excluding the investment in stock. It brings private funds from overseas into products or services. The domestic company in which foreign currency is invested is usually being controlled by the investing foreign company. Eg. An American company taking major stake in a company in India. Their ROI is based on the performance of the project.

In the past decades, FDI was concerned only with highly industrialized countries. Now, during the course of time, FDI has become a vital part in every country more particularly with the developing countries. This is because of the following reasons:

- Availability of cheap labor.
- Uninterrupted availability of raw material.
- Less production cost compared with other developed countries.
- Quick and easy market penetration.

Carrefour from France, Tesco from England, Metro from Germany, and Wal-Mart from US have entered the Chinese retail sector and has uplifted the country's economy.

IN STORE ENTERTAINMENT:

Modern day customers are all about experience; and entertainment is loved by everyone. Organising events at your store will attract greater footfalls ensuring higher sales. Shoppers regard promotions/in-store events as the most influential aspect that triggers product trial. Product trials will bring in new customers and give a boost to the sales.

Promotions generate loyalty rather than drive permanent brand switch. As per a study, 14 per cent shoppers that is, only one in seven, frequently find themselves making a permanent switch as soon as the promotion at a store ends.

The study also reveals that some shoppers wait to buy their favourite brands until there's some kind of promotion at the store. Capitalising on this habit of customers, especially the young ones, Mattel Toys organised an event for the launch of its WWE collection special 'Khali' at a Hamleys store in Mumbai where Khali was present to launch the toy range. There was a huge turnout at the store.

INVITING CELEBRATION INTO THE STORE –FASHION RETAILING IN APPAREL INDUSTRY:

Customers always look forward to having a new and different experience when they walk into a store and once they fail to get so, disappointment takes over. An entertaining promotional activity can greatly add on to the footfalls as a good experience will bring back the customers for more.

A retailer can go one step further and invite celebrities to attend the event or organise an event with a cause. By providing entertainment to shoppers while they are at store, retailers can expand their customer-base. Retail entertainment, used in promotional marketing, will help you create a niche amongst the target audience. This creation of a brand image will create loyal customers.

CONCLUSION:

The retailers feel that the focus of manufacturers should be on producing good products, & forging relationships with organized retail. Retailing is a volume driven, low margin business.

The latest marketing tools like viral marketing, bridge marketing, kiox marketing should be followed to win in forth coming fashion business era. Retailers are gearing themselves to become more competitive, both in terms of widening the range of products and improving the quality, and most important, making everything available on demand. Given the peculiarities such as the Indian consumers' demand for absolute value, Fashion industry's understanding of the market environment has enabled it to fortify itself and get a head start vis-a-vis imported competition in many categories. Quoting a survey, in the early '80s, only pricing mattered to the customers, which changed into stress on both pricing and quality in the mid-80s. In the '90s, along with quality and price became entangled a wide range of products and less time consuming shopping. In the last year, the buying trend besides quality, pricing and time management was the ease of purchasing such as less stressful shopping with enough car parking space and other amenities.

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