Merchandising in Retail

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Merchandising

Activities involved in acquiring particular goods/ services and making them available at the places, times, prices, and quantities that enable a retailer to reach its goals.

- It should reflect
  - Target market desires
  - Retailer's institutional type
  - Market-place positioning
  - Defined value chain
  - Supplier capabilities
  - Costs
  - Competitors
  - Product trends

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Scope of Merchandising Responsibility

- Full array of **merchandising functions**
  - Buying and selling
  - Selection, pricing, display, customer transactions

OR

- Focus on **buying function** only

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The following is found with a merchandise-oriented philosophy:

1. The buyer's expertise is used in selling.
2. Responsibility and authority are clear.
3. The buyer ensures that items are properly displayed.
4. Costs are reduced.
5. The buyer is close to consumers due to selling involvement.

The following is found when buying and selling are separated:

1. Specialized skills are applied to each task.
2. The morale of store personnel goes up as they get more authority.
3. Selling is not viewed as a secondary task.
4. Salesperson—customer interaction is better.
5. Buying and selling personnel are distinctly supervised.

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Micro Merchandising

Retailers adjust shelf-space allocations to respond to customer differences and other differences among local markets.



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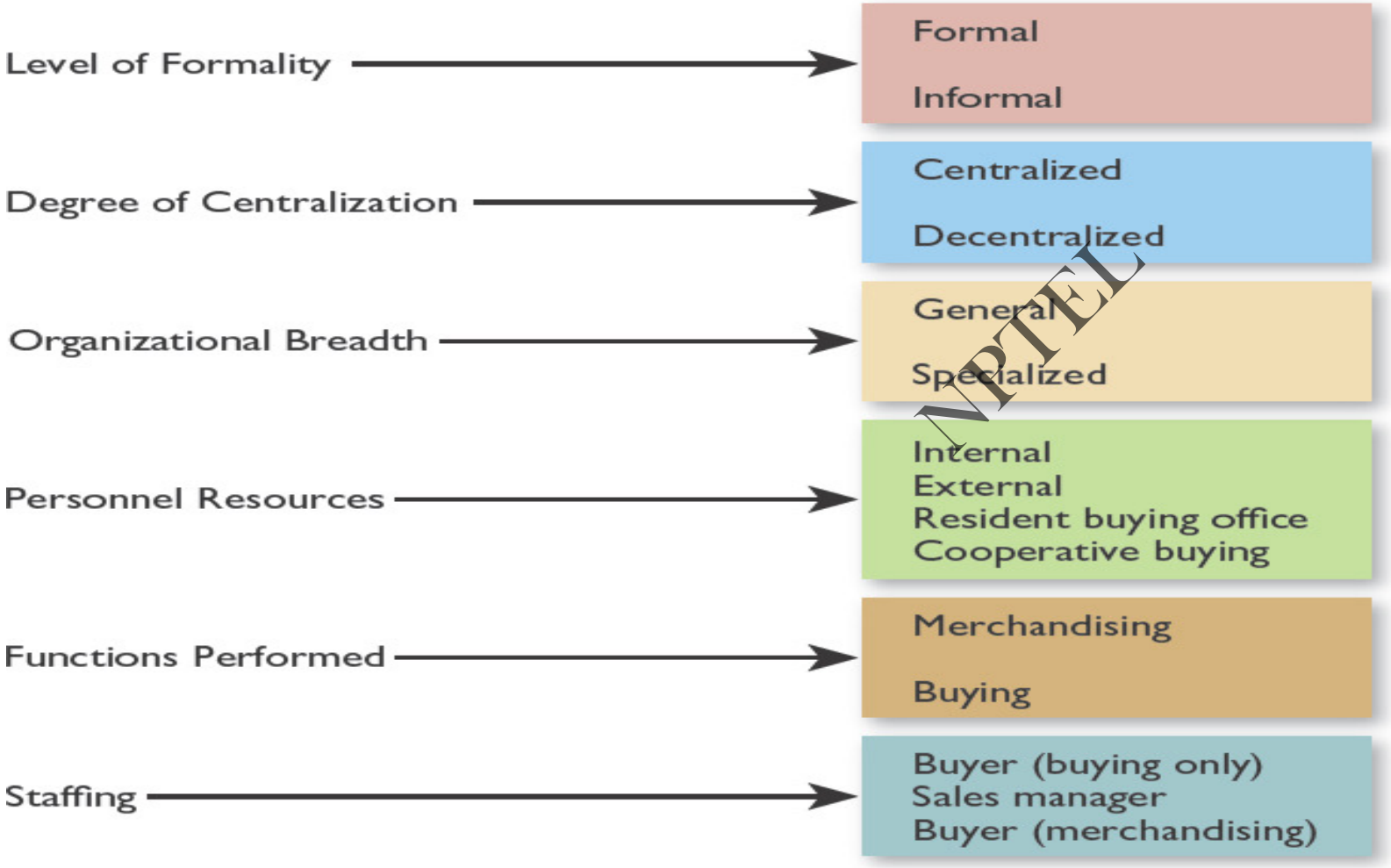


Cross-Merchandising

Retailers carry complementary goods and services to encourage shoppers to buy more.

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Attributes and Functions of Buying Organizations



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Forecasts

These are projections of expected retail sales for given periods

- Components:
  - Overall company projections
  - Product category projections
  - Item-by-item projections
  - Store-by-store projections (if a chain)

Types of Merchandise

- Staple merchandise
- Assortment merchandise
- Fashion merchandise
- Seasonal merchandise
- Fad merchandise

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Thank You

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