

Research on fashion retail management flashcard



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Retail consists of the sale of physical goods or merchandise from a fixed location, such as a department store, boutique or kiosk, or by mail, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purchasers may be individuals or businesses. In commerce, a “retailer” buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores.

Retailers are at the end of the supply chain. Manufacturing marketers see the process of retailing as a necessary part of their overall distribution strategy. The term “retailer” is also applied where a service provider services the needs of a large number of individuals, such as a public utility, like electric power. Shops may be on residential streets, shopping streets with few or no houses or in a shopping mall. Shopping

streets may be for pedestrians only. Sometimes a shopping street has a partial or full roof to protect customers from precipitation.

Online retailing, a type of electronic commerce used for business-to-consumer (B2C) transactions and mail order, are forms of non-shop retailing. Corporate history The story began circa 1998, when TATA's acquired LITTLEWOODS, a London based retail chain. This acquisition was followed by the establishment of TRENT Ltd (a TATA enterprise that presently operated WESTSIDE). Littlewoods was subsequently renamed Westside. In a rapidly evolving retail scenario, Westside has carved a niche for its brand of merchandise creating a loyal following.

Currently, the company has about 49 Westside stores measuring 15000-30000 square feet across 28 cities. With a variety of designs and styles, everything at Westside is exclusively designed and the merchandise ranges from stylized clothes, footwear and accessories for men, women and children to well-co-ordinated table linens, artifacts, home accessories and furnishings. Well-designed interiors, sprawling space, prime locations and coffee shops enhance the customers' shopping experience. MISSION STATEMENT * At Westside, the mission is to be the most preferred and consistently profitable retailer.

In order to achieve this goal, they have developed a comprehensive understanding of their needs, strive to win the confidence of the consumer and offer best in class products with affordable prices. * We shall be in the forefront of fashion and our services by anticipating and exceeding the expectations of the customers. * Our leadership will be the product of our

styling, quality and service consciousness. We continue to scale new heights of excellence through teamwork in an atmosphere that encourages creativity and innovativeness * It is our policy to satisfy the customers with the range,

value and the products we offer. Key points about WESTSIDE Westside

Format: Mid-price offerings, private label fashion Launch: 1998, in Bangalore

(erstwhile Littlewoods, a UK-based store) Selling proposition: Affordable

style and quality merchandise Key categories: Apparel and footwear Store

size: 15, 000-30, 000 square feet Presence: 57 stores in 23 cities Plans: To

open eight-ten stores in the current financial year | Organisational structure:

Annual Report: Financial report of TRENT Statements of assets and liabilities:

The above is the annual report of Trent (Standalone). From the comparison done of the financial reports, segment wise revenue and statement of assets and liabilities of the financial years 2010 and 2011, we can analyse that- * As

of 31st march 2011, the Trent Company has reported a profit of Rs. 4, 303.

71 lakh with a Turnover of Rs. 67, 395. 10 lakh whereas, the TATA has

reported a profit of Rs. 253. 45 lakh with a turnover of Rs. 152, 029. 64 lakh.

* The percentage of share holding of the company is 68. 68% * The debt

equity ratio has considerably decreased from 0. 9 in 2010 to 0. 25 in 2011

which shows the company is in a stable position and the debts are being paid

off. * As the company is growing, we can observe a steady increase from the

capital employed to the profit earned by the company. Target Customer: *

Demographic: The store is mainly targeting the family as a whole. *

Economic: The products are of the range Rs. 399-Rs. 1499 per unit mainly

concentrating on the upper middle class and the lower upper class. *

Psychographic: The merchandise in the store has kept in mind the changing trends and the lifestyle of the consumer.

The above diagram shows the customer preference based on his spending capacity for a brand. We can see that Westside has been placed in the mid price section which makes it affordable for the upper middle class and lower upper class people. Product Lines: 1. Women's wear: * Indian: Includes Ethnic Wear, Salwar kameez, Kurta, Sarees etc. * Western : Formals , Casuals which ranges in great depth and Designer Clothing's are also introduced 2. Men's wear: * Casual : T-shirts, Sportswear, Evening Wear, Everyday Wear, Inner Wear etc Formal: includes Shirt, Trouser, Blazer, Suits, waist-coat, Indo western wear and semi-formal. 3. Youth: * Men's: Jackets, Tree- Quarters, Shorts, Party-Wear, Denims etc * Women's: Jackets, Denims, Pullovers, T-shirt, Party wear, Dresses, Jeggins, etc. 4. Kids wear: * Junior (2-6 YRS): Three-Quarters, T-shirts, half-Pants, Denims, Frock, Skirt, etc. * Senior(7-14 YRS) : Full Pants, Three-Quarters, T-shirts, half-Pants, Denims, Frock, Shorts, etc 5. Home and Gifts : Crokery, cutlery, Wine Glasses, Candle Stands, Linen and more. 6.

Furniture : Table, Sofas, Dinning Table, Bed, Study Table, etc 7. Accessories : Perfume, Cosmetics, Footwear, Purse, Hand Bag, Belts, Tie, Shoes, Sunglasses etc. 8. Toys and Games : Games for Children, Cycles, Scootys, Swing etc. Brands at WESTSIDE: 1. GIA 2. URBAN ANGEL 3. INTIMA 4. DAVID JONES 5. BLACKBERRY 6. NUON 7. WRANGLER 8. MUFTI 9. LEVIS 10. PROVOGUE, etc. Westside has included a range of designer garments by Monisha Bajaj, Anita Dongre, Wendell Rodricks, Mona Pali, Krishna Mehta and will continue launching new designer labels.

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Store location: Westside has a number of store in Ahmedabad, Bengaluru, Chennai, Delhi, Ghaziabad, Gurgaon, Hyderabad, Indore, Jaipur, Kolkata, Lucknow, Mumbai, Nagpur, Noida, Pune, Surat and Vadodara. The stores are located at convenient locations for easy access by the target customers.

Store operations: The Westside stores, the predominantly private label fashion apparel format, continue to be the main stay of the retailing business of the company. This format over the years has been rolled out across the country and currently covers over 33 cities.

In the year under review, eleven new stores were opened – Mangalore (City Centre Mall), Kanpur (Z Square Mall), Chandigarh (Tricity Mall), Chennai (Express Avenue Mall), Bangalore (Innovation Mall), Delhi (Ambience Mall), Aurangabad (Prozone Mall), Coimbatore (Brookefields Mall), Jabalpur (Samdariya Mall), Hubli (Max Mall) and Goa (Caculo Mall). In the first quarter of the current financial year three further stores have been opened in Bhopal (DB Mall), Mumbai (Infinity Mall – Malad) and Varanasi (Dhanushree Complex), taking the total number of operational Westside stores to 57.

During FY10-11, as can be observed from the above chart the Company recorded eleven new store openings – being the highest in any year since the inception of this format. In many respects, this was facilitated by the pipeline of acceptable retail real estate at more reasonable rates and contracted mostly during the economic slowdown. The conviction of the Board and the management on the attractiveness of the Westside format as a business model was one of the primary reasons to continue expansion of the chain during the earlier slowdown, when several peers had otherwise scaled down their roll-out plans.

Further, during the year under review, the like-for-like sales growth of Westside stores was encouraging, especially in the first three quarters. As in the previous years, we continue to take the following approaches in operating and expanding this format: * Private label vs branded merchandize: We continue to emphasize the role of private label merchandize and Westside is ranked in the top quartile in terms of proportion of private label merchandize to overall Westside Stores - Like for Like Sales Growth A Enterprise19 revenues.

We believe higher private label content facilitates not only realization of better margins but also affords other benefits like control over the merchandize design and quality - which should allow for a better competitive position in the medium term. At the same time, the intent is to make the offering complete and collectively more attractive through the inclusion of select brands that account for up to 15% of the overall merchandize range on offer. Size of Westside stores: We vary the size of planned Westside stores based on various factors including the immediate micro-market, mall v/s standalone presence and leasehold economics. However, empirical evidence seems to suggest a size not exceeding twenty thousand square feet selling area is preferable (unless the location on offer was seen to be highly attractive and as an exception), since lifestyle department stores much larger in area face viability issues and consequently limit the geographies that can be viewed as markets.

At the same time, the attempt is to ensure that there is a credible range on offer for the stores to be attractive destinations for shopping. Further, during the period under review, we have continued to emphasize improving the <https://assignbuster.com/research-on-fashion-retail-management-flashcard/>

efficiency of our supply chain to effectively replenish our store network and significantly improve merchandize availability levels in stores.

While we seek to exercise restraint on costs, we have consciously chosen to invest in areas like significantly refurbishing the look and feel of certain stores in the portfolio, (on lines of he Army Navy Westside store in South Mumbai) a more robust operations organization and a warehouse management system. We believe incurring of these additional costs on the above initiatives is warranted especially from a long term business model sustainability perspective, and we expect to realize tangible benefits over the medium term.

In the period under review, there have been cost pressures across line items including: * sharply higher merchandize input costs given the rally in commodity prices; * increase in wage bill (with minimum wage levels witnessing sharp increase in several States); also fuelled by improved hiring sentiment across industries; higher energy costs in States like Maharashtra and escalating Common Area Maintenance charges in select malls; and increase in tax costs (service tax on rentals, higher VAT in most States and the 10% excise on branded garments).

These pronounced cost pressures across several line items and the significant inflation levels in various categories in the recent quarters is increasingly a cause for concern. In summary, despite various challenges, including the earlier economic slowdown and the recent cost pressures, Westside as a format continues to be profitable and as stated previously, the intent is to further scale up presence by opening as many new stores in the

near to medium term, subject to availability of acceptable retail locations and estimated viability of economics at the store level.

Store Formats: Westside stores are Department stores. These are the general merchandise retailers offering various kinds of quality products and services. A department store is a retail establishment which specializes in satisfying a wide range of the consumer's personal and residential durable goods product needs; and at the same time offering the customer a choice of various merchandise lines, at variable price points, in all product categories.

Department stores usually sell products including apparel, furniture, home appliances, electronics, and additionally select other lines of products such as paint, hardware, toiletries, cosmetics, photographic equipment, jewellery, toys, and sporting goods. Certain department stores are further classified as discount department stores.

Department stores are usually part of a retail chain of many stores situated around a country or several countries. **CONCLUSION:** Trent has entered the retail industry in 1998 with Westside, its apparel and fashion brand. Thirteen years on the company has, with the addition of international fashion brands Silsley and imminent entry of Zara and Top Shop, it crafted a multi prolonged presence in the ever expanding segment.

Westside and its siblings have enabled Trent itself to establish itself in a rapidly transforming retail landscape that has seen a number of Indian and foreign brands jostling for customers and their loyalty. Westside has emerged as a successful business, with a base of customer base of over 800,000 people many of whom swear by the cut and the fit, style and price of the
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chain's offerings. Thus, we can conclude that Westside is one of the profitable and a promising fashion retailer.