

As fashion merchandiser essay sample

[Design](#), [Fashion](#)



As an FMM student you have already done lots of shopping reports. This exercise is intended to show you how to use this information as an analytical tool.

Comparative shopping is done in the industry constantly. But the point of the task is to identify strengths and weaknesses of your store's merchandise mix in comparison to the competitors'. Are you offering the customer something unique in one segment of your business, but not in others? Are you just a poor second in comparison to a strong competitor? Are you under- or over-developed in certain classifications? Are your prices in line with the rest of your store? In relation to your competition? Are there business opportunities that no one has addressed yet (market voids)?

In this exercise, you are the buyer for Millard's Department Stores Men's Sport Shirt Department. Your boss has asked you to do a comparison shopping analysis in order to determine ways to adjust your assortments to improve sales and profits.

Millard's is a mostly moderate department store with some business done at better price points as well. Women's, Men's, and Kids' are all carried, along with all the usual Home Store categories. Within Women's, both Misses and "Women's" (Plus size) are carried. The store is predominantly branded, but there is some private label merchandise carried within the departments. For 2013 Private label has not been as profitable as Branded merchandise and the buyer of Men's sport shirts is seeing a trend toward "labels"

Note: This is a self-contained case study. "Millard's" is a fictitious store. Therefore, you must limit yourself to information in this write-up only.

<https://assignbuster.com/as-fashion-merchandiser-essay-sample/>

Work on the skill of writing with specificity. Don't answer " Millard's should adjust their assortments," or " Millard's should trade up." Answer like this: " Millard's should change their assortments to x, y, and z ... based on reasons a, b, and c." Whenever possible, use numbers to prove your point.

First Step

As a first step, you review the merchandise mix in your own department using size range as the classification and price range as the sub-classification.

Men's Sport Shirts

Classification:

Size Range Subclass:

Price Range Millard's

Price Range % of

Class*

Regular Sizes Budget \$12-18 15%

Moderate \$20-40 50%

Better \$42-80 35%

Total 100%

Big and Tall Sizes Budget \$14-20 20%

Moderate \$22-40 60%

Better \$44-50 20%

Total 100%

* % of Class means % of dollar sales per Class. This applies to all charts in this assignment.

Assignment Question

1. Which segment(s) of the Men's Sport Shirt business would you consider your core competencies? Explain why using the numbers.

Regular moderate and big/tall moderate is my core competencies. They all have a 50% and a 60% penetration in their own classification. Second Step

Now, you go out and fill in the comparisons from your three main competitors. Thomas & Blake is also a typical department store, but with a slightly better-priced focus. As a result assortments are mostly branded, but they do carry a limited amount of private label merchandise.

Men's Sport Shirts

Size Range Price Range Millard's

Thomas & Blake Kohl's

Target

Price Range % Class Price Range % of Class Price Range % of Class Price Range

% of Class Regular Sizes Budget \$12-18 15% \$11-19 35% \$10-20 100%

Moderate \$20-40 50% \$20-45 55% \$20-30 65%

Better \$42-80 35% \$48-120 45%

Total 100% 100% 100% 100%

Big/Tall Sizes Budget \$14-20 20%

Moderate \$22-40 60% \$25-35 65%

Better\$44-5020%\$42-9035%

Total100%100%

Assignment Question

2. a. Which segments of your business at Millard’s would you consider to be at a competitive advantage over most of the competition? (Don’t answer competitor-by-competitor; give one assessment that takes all competitors into consideration)

b. Why are these segments at a competitive advantage?

c. Which components are not at a competitive advantage?

d. Why not?

Third Step

After finishing your study, you read in the paper that Thomas & Blake is going out of business! Even though they continued to have decent revenues, their debt load finally did them in. They could no longer afford to keep the stores open.

Assignment Question

3. a. Does this change provide an “ environmental opportunity” for you?

b. Does the issue of branded vs. private label enter into this consideration?

Why or why not?

c. How might you adjust the assortments in your department to “pounce” on the misfortunes at Thomas & Blake? Be very specific.

a. Yes, When Thomas & Blake goes out of business, that gives you an opportunity to take over Thomas & Blake’s market share with the right merchandising strategy. b. Maybe, because Thomas & Blake is a typical department store that doesn’t have private label. But maybe if Millard’s wants to expand its current assortment to win over Thomas & Blake’s customer. They might want to consider private label. c. Compare to Thomas & Blake’s shopping analysis. Millard’s needs make the price range of the better regular classification a bit higher from \$80 to \$120. Also, the price range of the better big/Tall classification need to be adjusted higher from \$50 to \$90 in order to meet the need of the customers who used to shop at Thomas & Blake.

d. Fourth Step

Of course, nothing stands still in the world of retailing. Just as you start to celebrate the loss of a key competitor, another news item hits the local paper: Wal-Mart is coming to town!! Ouch! What will this mean for your business?

Your boss sends you out to the nearest existing Wal-Mart store to shop their Men’s Sport Shirt offering. You must prepare immediately for their arrival. Here is your new competitive shopping analysis:

Men’s Sport Shirts

Size Range Price Range Millard’s

Thomas & Blake (Going out of Business) Kohl's

Target

Wal-Mart

(New to Town)

Price Range% of Class Price Range% of Class Price Range% of Class Price

Range% of Class Price Range% of Class Regular Sizes Budget \$12-18 15% \$11-

19 35% \$10-20 100% \$8-18 100%

Moderate \$20-40 50% \$20-45 55% \$20-30 65%

Better \$42-80 35% \$48-120 45%

Total 100% 100% 100% 100% 100%

Big/ Tall Sizes Budget \$14-20 20% \$10-22 100%

Moderate \$22-40 60% \$25-35 65%

Better \$44-50 20% \$42-90 35%

Total 100% 100% 100%

Assignment Question

4. Given this new competitive situation, which segments of your business do you think should be expanded and which should be contracted or perhaps even abandoned? Answer this question by simply filling in the blank squares (in the chart below in bold) to show your proposed price ranges and % of class proportions.

(You will explain your decisions in question 5.)

Men's Sport Shirts

Size Range Price Range Millard's

Thomas & Blake (Going out of Business)Kohl's

Target

Wal-Mart

(New to Town)

Price Range% of ClassPrice Range% of ClassPrice Range% of ClassPrice

Range% of ClassPrice Range% of Class Regular SizesBudget\$10-\$1865%\$11-

1935%\$10-20100%\$8-18100%

Moderate\$18-\$32

35%\$20-4555%\$20-3065%

Better

\$00%\$48-12045%

Total100%100%100%100%100%

Big /Tall SizesBudget\$8-\$2250%\$10-22100%

Moderate\$22-\$48

50%\$25-3565%

Better\$0

0%\$42-9035%

Total100%100%100%

Assignment Question

5. Please explain each of the adjustments you have made to your assortment. Why have you made them? Based on what? Substantiate your proposed changes with specific, factual reasons. After Wal-mart comes into the competition, I think Millard's should give up the better price range classification. Wal-mart is famous of being price-competitive. They only carry

budget mens sports shirts for both regular and big/tall classification. But there are still markets for moderate price range classification. Only Kohl's is competing with Millard's in this category with a \$20-\$45 Price range and a 55% penetration. I think offering a price range of \$18-\$32 and a 35% penetration will be competitive in this category.

And in the moderate big/tall classification, there is no competition in this category. So I think to do at least a \$22-\$48 price range and a 50% penetration will be competitive.