



Chapter 2 Fashion & Marketing

**Chapter 2.1 Fashion
Marketing Basics**

Fashion Marketing Basics

Key Terms:

- @ Marketing
- @ Marketing Concept
- @ Target Marketing
- @ Market Segmentation
- @ Demographics
- @ Psychographics
- @ Geographics
- @ Behavioristics
- @ Fashion Merchandising



How Fashion Is Marketed

- ✚ Marketing is one of most important aspects of business
- ✚ Marketing is the process of developing, promoting, and distributing products to satisfy customer's needs and wants



The Marketing Concept

- ✚ Fashion marketers follow the principles of the marketing concept.
- ✚ Marketing concept is the idea that businesses must satisfy the customers needs and wants in order to make a profit
- ✚ Businesses must:
 - Ⓞ Identify the customers
 - Ⓞ Identify the products they want
 - Ⓞ Make the products available at a price customers are willing to pay
- ✚ Fashion products are presented in a way that makes the customer want to buy the merchandise.



Target Market

- + A target market is the specific group of people that a business is trying to reach.
- + Businesses identify a target market their shared characteristics
- + Market segmentation is a way of analyzing a market by categorizing their specific characteristics
- + Specific characteristics include:
 - @ Demographics
 - @ Psychographics
 - @ Geographics
 - @ Behavioristic



Target Market

- ✦ Demographics are statistics that describe a population in terms of personal characteristics such as age, gender, income, ethnic background, education, religion, and lifestyle
- ✦ Psychographics are studies of consumers based on social and psychological characteristics such as attitudes, interests, and opinions.
- ✦ Geographics are statistics about where people live
- ✦ Behavioristics are statistics about consumers based on their knowledge, attitudes, use, or response to a product



Target Market

✚ Marketers may look at the purchase occasion for a product, the product benefits sought by consumers, or usage level and commitment towards a product:

- Ⓢ Purchase Occasion: identifies the instance when a consumer might use a product
- Ⓢ Product Benefits: identifies the benefits that consumers desire in a fashion product or service
- Ⓢ usage level and commitment: identifies how often they use a product and their loyalty to purchasing it.



Target Market

✚ Purchase Occasion: "after-five", or work attire



✚ Product Benefits: Stain-resistance or wrinkle-free

✚ Usage level and commitment: will you buy a replacement

Diverse and Changing Markets

- ✚ Most fashion marketers try to attract several market segments at once.

Ⓢ Ex. Gap sells to men, women, and children



- ✚ Consumer buying habits don't remain the same.

Ⓢ Changes in economic or social conditions can affect the consumer's choices.

Fashion Merchandising

- After fashion marketers have identified their target customers and desired products, they must develop plans to have the products available.
- Fashion merchandising is the planning, buying, and selling of fashion apparel and accessories to offer the right merchandise blend to meet consumer demand.



Retailers and Fashion Merchandising

- ✚ Merchandising is the main function of apparel retailing
- ✚ Retailers not only focus of styles and fashion merchandising, they also conduct business at their stores.
- ✚ Other retail responsibilities include:
 - @ Store Operations
 - @ Financial Control
 - @ Personnel
 - @ Sales Promotions



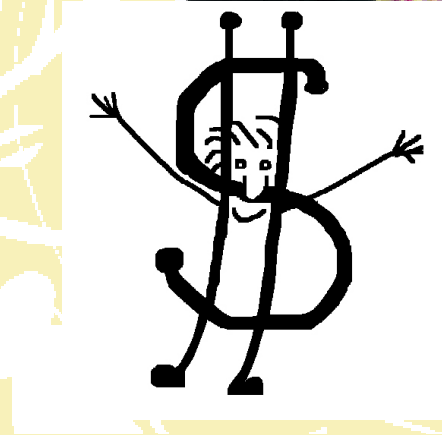
Merchandising Market Factors

✚ Its important to understand internal factors (can be controlled) and external factors (can not be controlled) in merchandising.

Ⓞ Examples:

Ⓞ Economic Issues

Ⓞ Technology Advances





Chapter 2 Fashion & Marketing

Chapter 2.2: Marketing Strategies

Fashion Marketing Basics

Key Terms:

@ Marketing Mix

@ Product

@ Place

@ Price

@ Promotion

@ Promotional Mix

@ Channel of Distribution

@ Functions of Marketing



The Marketing Mix & Fashion

- ✚ To successfully sell a fashion product to target customers, business must apply the marketing mix
- ✚ The marketing mix consists of four basic marketing strategies known as the 4 P's of marketing

@ Product

@ Place

@ Price

@ Promotion



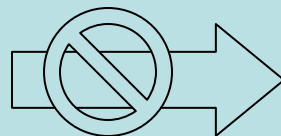
Product

- ✦ Product refers to what a company is offering for sale to customers to satisfy their needs and wants.
 - Ⓞ Products include goods and services
- ✦ Fashion marketers develop strategies that include producing, packaging, and naming a product



Place

- ✚ *Place* refers to the way products are distributed and their systems of delivery.
- ✚ Distribution means getting the product to the consumer
 - Ⓢ Where will the customer purchase the product?
 - Ⓢ How will it get to the store?
 - Ⓢ Where is the store?



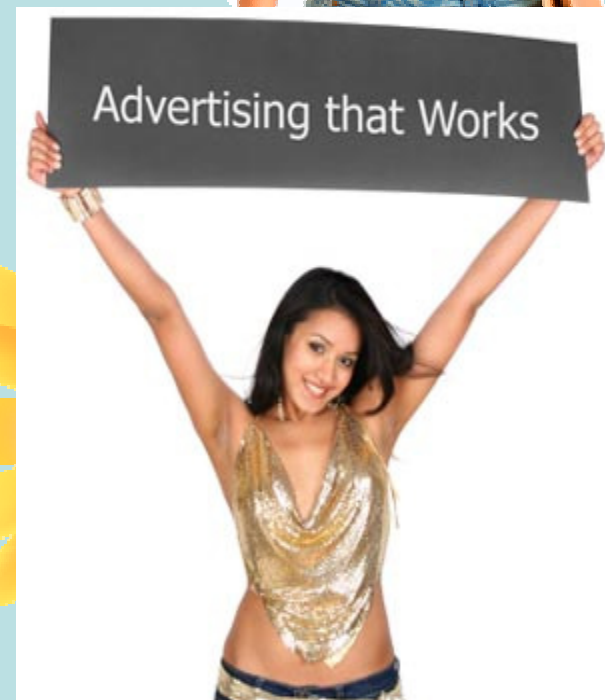
Price

- Price is the amount of money consumers will pay for a product
- Price depends on:
 - Cost of Production
 - The Markup
 - Customer Demand
- Businesses must make a profit



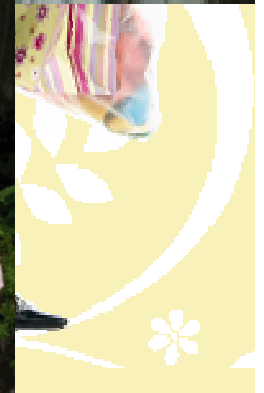
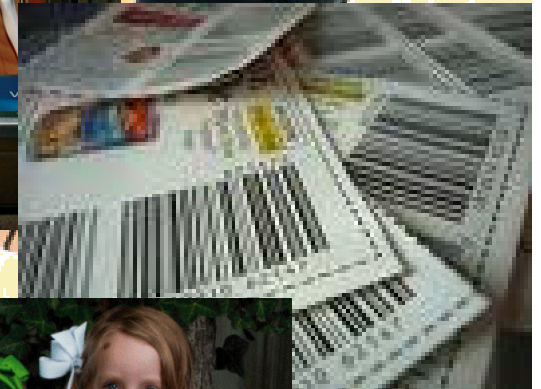
Promotion

- + Promotion is any form of communication that a business or organization uses to inform, persuade, or remind people to buy its product.
- + There are 4 types of promotions that all businesses use and combine in a promotional mix:
 - @ Sales promotion
 - @ Public Relations and Publicity
 - @ Advertising
 - @ Personal Selling



Sales Promotion

- Fashion retailers use:
 - Special contests
 - Displayed merchandise in windows
 - Coupons
- They want to increase customer traffic in a store so people will buy the products
- None of these promotions require direct contact with the customer



Public Relations & Publicity

- ✚ Businesses that attempt to create a demand for their products by securing news in newspapers or on radio or television use public relations and publicity
- ✚ Public relations are activities that promote the image and communications a company has with employees, customers, and the public.
- ✚ Publicity is any unpaid mention of a business, its employees, or merchandise in the media
- ✚ Retail stores sponsor charitable events for public relations and publicity



PUBLIC RELATIONS



CHARITY WALK & CYCLE RIDE
Sunday 11th April 2010 at Lotherton Hall
www.lordmayorofleeds.org Lord Mayor of Leeds Charity Appeal 2010

Advertising

- Advertising is a paid message that a business sends to the public about the product
- The messages appear in:
 - Magazines
 - Newspapers
 - Brochures
 - Television Commercials
 - Outdoor Signage
- Fashion merchandisers use print ads in fashion magazines targeted to specific customers



Personal Selling

- ✚ Personal selling requires personal communication and contact with customers by the sales personnel.



Marketing Strategies

✚ There are three strategies that fashion marketers use to increase their business:

1. Increase the number of customers
 - Ⓢ Customers must be aware of the location and products offered
2. Increase the average transaction
 - Ⓢ Suggesting other products when customers purchase merchandise
3. Increase the frequency of repurchase
 - Ⓢ Send special mailing offering discounts and coupons, as well as hosting fashion events



Channels of Distribution

- ✚ Channel of distribution is the path a product takes from the producer to the consumer
- ✚ This path represents place in the marketing mix
- ✚ Direct channel of distribution is a path in which products are sold by the producer directly to the customer
- ✚ Indirect channel of distribution is a path of distribution of products that involves one or more steps, or intermediaries



Fashion & Distribution

- ✚ For apparel and home furnishings, the movement through the channels of distribution is called the soft-goods chain.
- ✚ The chain includes:
 - ✚ Textile segment- includes fiber, yarn, and fabric production
 - ✚ Apparel segment- produces the finished garments and accessories
 - ✚ Retail segment- includes stores and outlets that sell directly to customers



The Functions of Marketing

- ✚ All business conduct marketing activities that can be classified into the 7 basic categories
- ✚ The 7 functions of marketing;
 - @ Product/ service management
 - @ Distribution
 - @ Financing
 - @ Pricing
 - @ Marketing-information management
 - @ Promotion
 - @ selling



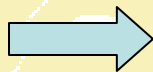
The Functions of Marketing

+ Product/Service Management Function

- Ⓢ Consumers are always seeking new fashions
- Ⓢ Businesses must develop, maintain, and improve their products

+ Distribution Function

- Ⓢ The methods of physically moving the products in a timely manner to reach the customers



The Functions of Marketing

+ Financing Function

@ Getting money to pay for the operation of a business

+ Pricing Function

@ How much will be charged for goods and services to maximize profit



The Functions of Marketing

Marketing Information management function

- ⊗ Gathering market information
- ⊗ The 5 main elements in an information system are:
 1. **Input**- reports, past records, or surveys
 2. **Storage**- placing information if a disk or hard drive of a computer
 3. **Analysis**- study the information and make decisions based on it
 4. **Output**- reports of the analysis and conclusions
 5. **Decision making**- the final result



The Functions of Marketing

✚ Promotion Function

Ⓢ Includes advertising and other promotional methods

✚ Selling Function

Ⓢ The direct personal contact that a business has with their customers





The End