

VENDOR TO MERCHANDISER – A PRODUCER – CONSUMER CONTINUUM

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Abstract -Merchandising entails a healthy relationship between the merchandiser and the vendor-buyer. It delineates the terms of operation agreed to and mandated between each other. The entire process of dealing to exporting is of paramount importance for both participants. In today's global market both the buyer and the vendor have to be on an equal footing. This turn around occurred just a couple of decades ago because of the rising competition and the increased supremacy of the customer in the global market scenario. Both agencies have to coordinate their efforts to promote their collective growth and expansion.

Buyers and vendors are constantly working hand in hand to ensure minimal wastage of resources and time. The paper examines carefully the different networks that exist within and between the buyers and the vendors to promote total satisfaction to the end user.

International customers are becoming increasingly more informed and thus, more aware and choosy. It has become almost second nature for them to be more selective in terms of price and quality. Thus, the buyers and vendors find it in their best interests to work closely and in coordination with each other. This enables the vendor to be better informed about what the actual preferences of the ultimate customer and yet this is not possible with the vital inputs given by the buyers and the vendors working decisively towards attaining customer satisfaction and ensuring sustained sales and profits.

Key Words: Vendors, buyers, merchandising, global market, customer satisfaction

“Advertising moves people toward goods; merchandising moves goods toward people”.

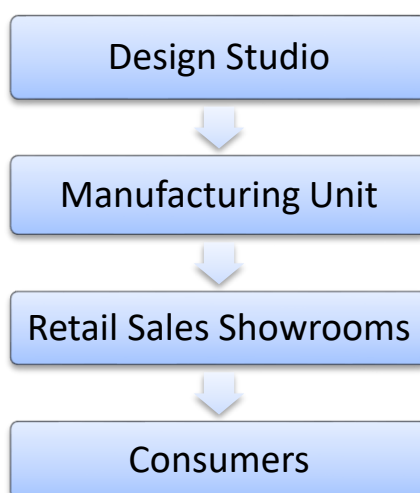
-Morris Hite

Introduction to the World of Merchandising

‘Merchandising’ stands for all those activities that promote the sale of goods and their presentation at retail outlets. However, in market terminology, merchandising is the practice or combination of methods that contribute to the sale of products to a retail consumer. In the garment manufacturing industry, merchandising refers to the variety of wearable products that are available for sale. The goods are advertised through appealing displays to stimulate interest and attract customers. This is an effective method for provoking the customers to make their purchases. The backbone of all merchandising can be said to be the Merchandisers. They form the bridge between industries and buyers. The merchandiser is involved in every process from buying the raw material required for finishing the product, making the garment, finishing the garment and delivering and carrying out the documentation right up to the final shipping. It is the merchandiser who is responsible for producing the ultimate finished product to the buyers. A garment export unit tends to have several departments like stores, cutting, production, finishing, packing, checking etc. in which the merchandising department acts as a common linker for all of them. The merchandiser coordinates with the entire unit and its various departments as well as the customers to maintain a healthy relationship between exporters and buyers. Thus, merchandising is therefore, a specialized management function that plays a key role within the fashion industry.

The following figure depicts the tracks of the merchandising route which has been represented in a flowchart.

Fig 1: The Merchandising Route



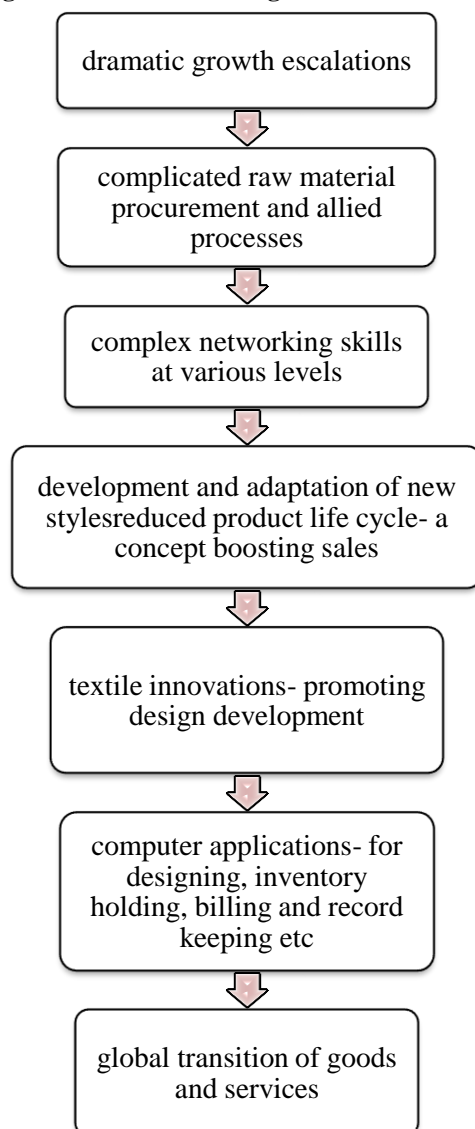
The merchandiser is also a major contributor to the internal planning that takes place within a retail organization to ensure adequate volumes of the requisite merchandise is available on hand which is to be sold at prices that the consumers are willing to pay. And all this is done with a view to ensure a profitable operation.

Historical Concept

The term “Merchandising” and its meaning can be traced dated back from the early historic period with the emergence of the trade between various countries. There are numerous evidences about the existence and evolution of trade between the bigger civilizations in those periods like the Greek, the Roman, the Indian, the Chinese, and the Mesopotamian. But during those days the meaning of the term merchandising was confined merely to an exchange of materials or commodities first through the system of barter and subsequently through the monetary systems with the development of currencies and setting up of gold standards. Earlier raw commodities were exchanged like spices, silks, bullion and precious stones. Many times these were for a specific purpose or specific customers. There was exchange of materials which fulfilled the basic needs of living of several populations. Among them were edible commodities, live stock, textiles and luxurious goods for the comfort and ease of kings and world leaders. During the earlier times, the production of goods was largely home-based and family oriented. The goods were not mass produced. In the post industrial revolution period, home production was suddenly replaced by the factory production system and hand operations were replaced by machines. Mass production was consecutively followed by large-scale consumption. The industrial revolution emerged during the 20th century after World War 2. It was during that period, that there was a dramatic shift from ‘Custom Made Tailoring’ to ‘Ready Made Garments’ (RMG). This was the era of merchandising. During this period there was great demand for product development therefore, merchandising evolved as a bridge between the design and sales of goods. This aspect gained further momentum with the flourishing of markets all over the world. It took off with a flourish with the emergence of the concept of the world market and the global village.

The mechanisms of merchandising include a number of components that have been shown in flowchart format in the following Figure No. -2.

Fig. 2: The Merchandising Mechanisms Flowchart

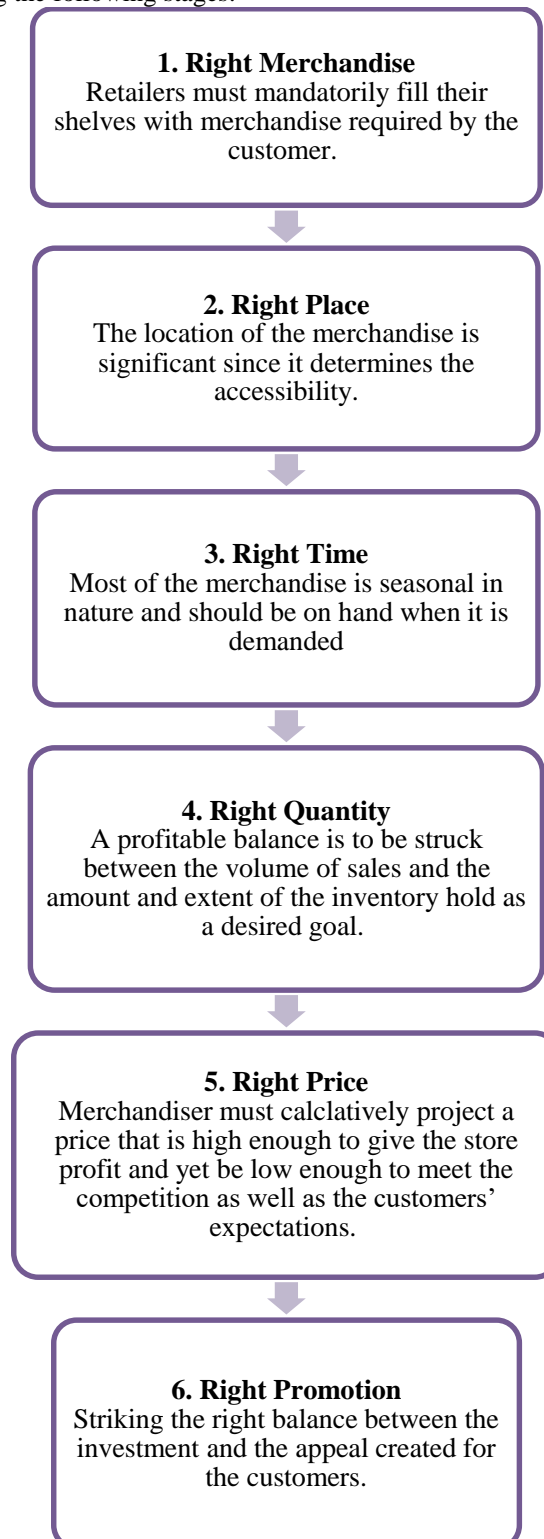


Seeing the above flow chart depicted in Figure 2, it became mandatory to have an efficient control over the factors developing, executing and delivering a product line as well as meeting the rapidly changing needs of the target markets, it required a very special management professional who was considered adept at conducting the “Merchandising”. This expert was local and yet could communicate with the global. The skills set of the merchandisers required them to be aware of the world circumstances and have the analytical ability to apply them to the local situation.

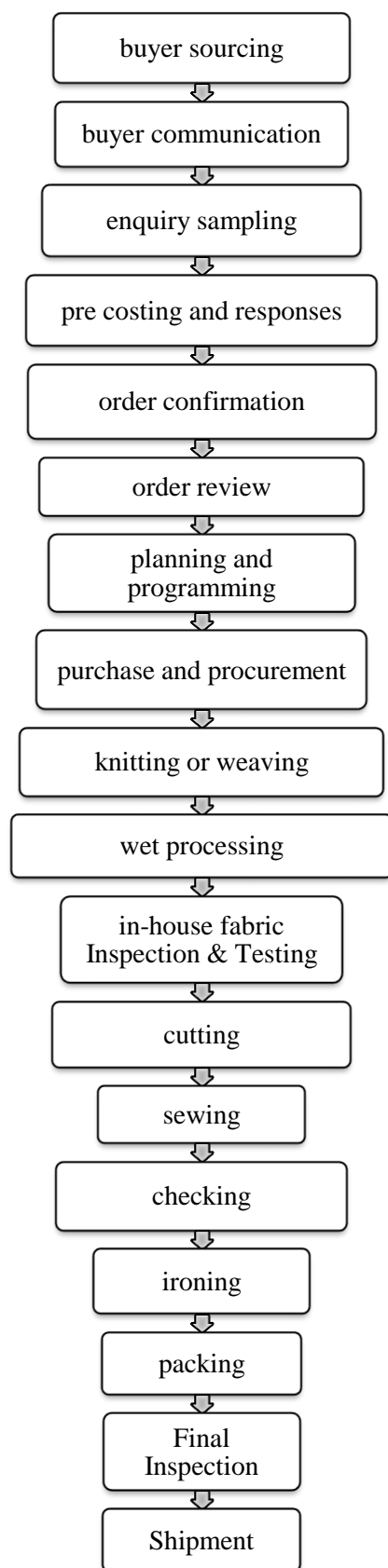
Functions of the Merchandiser in the Apparel Export Houses

Apparel export merchandising has been defined as ‘all the stages of planning and allied activities conducted from the buyer communication through order receiving right up to the execution or shipment of the order.

This is usually done by fulfilling the following stages:



Thus, from the above it can be seen that the work of a merchandiser in an apparel export house can be expressed according to the following flow chart:



The successful execution of a garment export order is totally dependant on the work and performance potential of a merchandiser. Thus, it can be seen, apparel merchandisers are people who plan and coordinate the activities involving order procuring on to sending the shipment. Therefore, it is necessary that the merchandiser should have comprehensive knowledge of various work procedures and responsibilities to be able to perform his job efficiently and effectively.

In the apparel export industry, the merchandiser is specifically responsible for performing the following functions, at various levels and in various capacities:

Communications: with different levels of people on a day to day to day basis.

Planning & Programming: checking order requirements, planning for the order given, programming various activities with proper allocation of work to assistants.

Follow ups: sending samples at various stages of order, following up on buyer and buyer house for samples and other approvals.

Decision making: decision making during order processing, giving approvals for fabrics, colours, designs, accessories, and packing, selection of suppliers and vendors, selection of buyers, requesting time extensions for order shipments.

Sourcing & Purchasing: sourcing and purchasing raw materials and accessories, contracting suppliers and vendors, obtaining new designs & new buyers.

Controlling: ensuring that all activities are conducted according to the planning and in case of any deviations, alternatives measures are sourced.

Coordination: The controlling and coordinating activities complement each other. The merchandiser adopts both whenever required.

Negotiation: The activity of convincing, compromising and cooperating which would benefit both parties involved in the negotiation.

Costing: Process of estimating expenditure on the product and its subsequent price. The merchandiser is aware of all current prices and rates to arrive at the accurate costing.

Meeting: Firstly, merchandisers conduct meetings within departments to discuss the status of the orders received. Secondly, merchandisers attend meetings with superiors or buyers or business people to participate or discuss.

Forecasting: Merchandisers predict future uncertainties in current order or industry and have alternative actions or corrective measures in place.

Problems Faced by Merchandisers

1. Failure of production plan resulting in delayed shipments
2. Urgency of Production – Time Lines to be Met
3. Delayed Sub-contracting of Jobs
4. Delayed Sourcing of Raw Materials
5. Larger Magnitude of Demand for low cost Surplus Garments over Expensive Branded Garments

These are some of the major problems. The merchandisers face a number of minor and almost critical problems on a day to day basis and it is only their ingrained ability to deal with all forms of adverse circumstances that enables them to ameliorate almost all situations amicably. The role of the merchandisers has been observed to be most critical in the fashion and garment industry.

Thus, the above has been a research based investigation on how vital is the presence of the Merchandising expert for promoting the smooth running of the apparel units. In Ludhiana the traditional methods are rampant and there was a felt need for upgrading these traditionally ordained skills on the basis of internationally accepted norms and systems.

Conclusions and Policy Implications

Examining the highly demanding globally competitive clothing industry in the Multi Fiber Agreement period specifically the Government of India has been focusing its interests on three areas namely:

- i. Modernization through technological up-gradation
- ii. Provision of stable policy environment
- iii. Global brand building for Indian clothing

The strict and specific demands of importing countries have also affected the export of clothes from India. This has been further impacted upon by the several fiscal reforms put into place in the past two years. These reforms included demonetization, crackdown on black money and the renewed taxation system. The Government of India had announced an entire set of measures to enable the exporters of clothing to tide over the difficulties they were facing globally due to the various reasons. For making the Indian clothing industry globally competitive with others like Bangladesh, China and Vietnam it is essential that the industry make several improvements.

Many of the improvements would have to be featured into the following:

- i. Upgradation of technology
- ii. Export diversification
- iii. Better product designing
- iv. Upgraded state-of-the-art machinery
- v. Improved labour and workplace conditions
- vi. Inputs of quality work at all levels of the merchandising process

The clothing industry in India can rightfully pat itself for its achievements in recent decades to match up to the global market demands. From a few scattered, small units just about two decades ago there are thousands of units today belonging to the large, medium, small and big besides also being sophisticated and traditional. The output quality has improved considerably tremendously with the design and fashion contents having improved considerably over long years. The growth in exports in

quantity and value terms has escalated tremendously. The entire credit for this goes to the practiced art of merchandising which has been trained upon and utilized with several industrial inputs by the apparel manufacturing industry of Punjab.

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