

A woman is shown from the waist down, wearing blue denim shorts and red high-heeled sandals with blue and silver accents. She is carrying a black shopping bag in her right hand and a brown paper shopping bag in her left. A large, stylized yellow flower graphic is positioned behind her legs. The background is a light blue and white floral pattern.

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



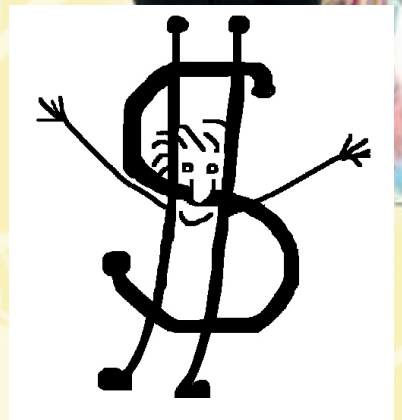
Merchandising Market Factors

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

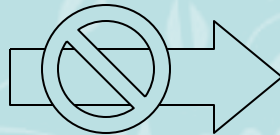
Product refers to what a company is offering for sale to customers to satisfy their needs and wants.

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:

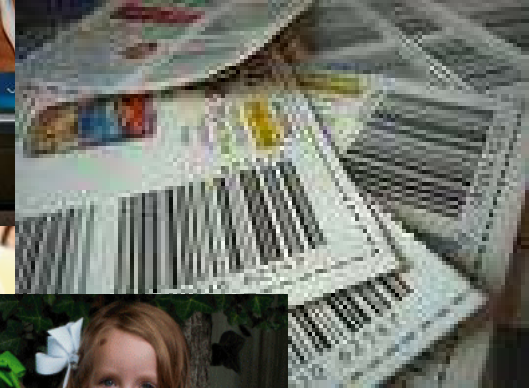
Special contests

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



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

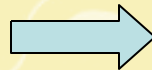
Product/Service Management Function

Consumers are always seeking new fashions

Businesses must develop, maintain, and improve their products

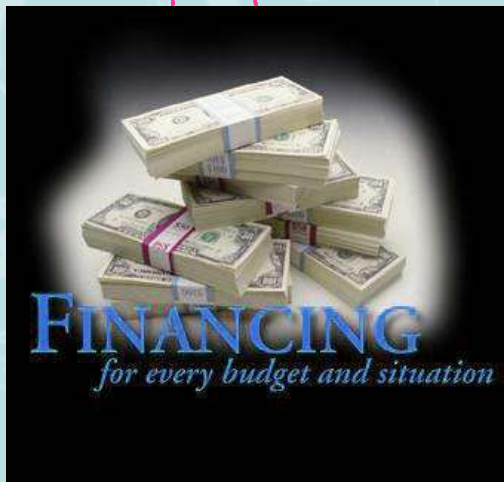
Distribution Function

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 in 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