

Module: MAN3000

Fashion Management

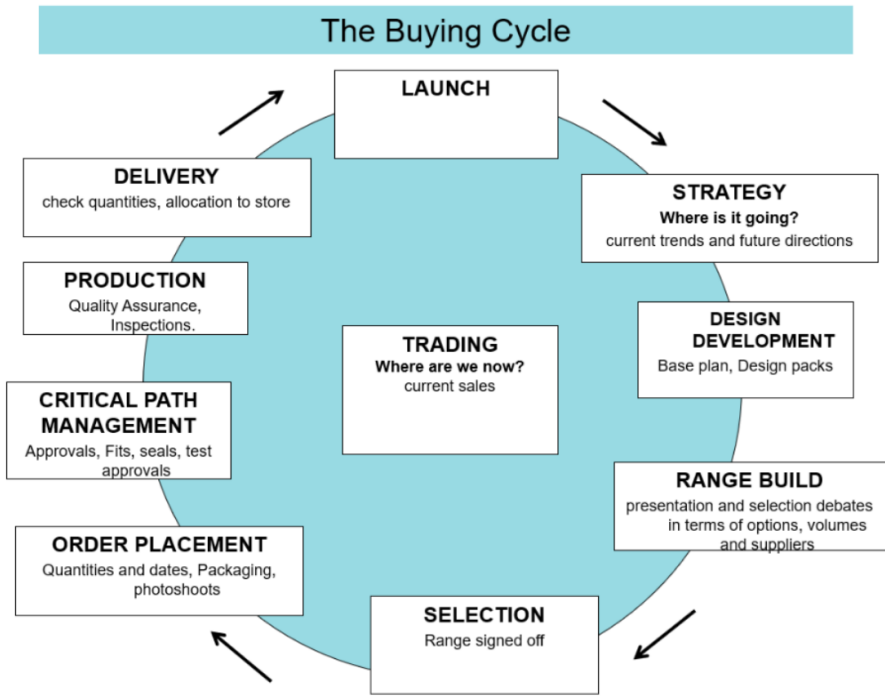
Tutor: Claire Marsh

Week 17

Selection & Sign off Meetings

Re-Cap

We are selecting a retailer and a product and applying our knowledge of the buying cycle to critically analyse their range.



Example Retailer



Example Product



Curly Borg Mid Length Coat

Apply Critical Thinking to FMAN3000

KNOW - you know your retailer exists and you know that they decided to sell the product you have selected

UNDERSTAND - we will learn how to understand how the buyer may have decided to sell that product

CONSIDER - why the product looks like it does and if this was the original intention of the buyer

ANALYSE - Look at the competition. Do they have anything similar?

EVALUATE - Do you think the competitions is better or worse? Why?

CREATE - Give your thoughts on what the retailer could do in the future and lessons learnt

Develop your research so that you are able to answer the below questions. The week numbers relate to when this topic will be discussed.

Questions you should be able to answer direct from lecture materials:

1. What are the roles of a buyer, merchandiser & designer? (week 2) ✓
2. What kind of political & social issues/topics will influence your retailers strategy? Why? (week 8) ✓
3. What is the purpose of a critical path and what steps are considered? (week 18)
4. What time frame is covered by the critical path? (week 18)
5. What problems can occur during CP (critical path) management? (week 18)

Answers for the below will need you to carry out research based on information received in lectures:

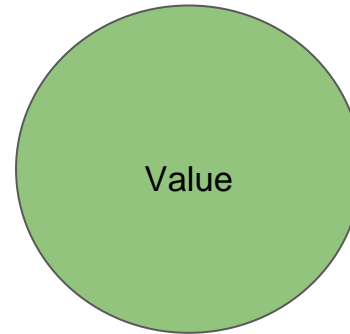
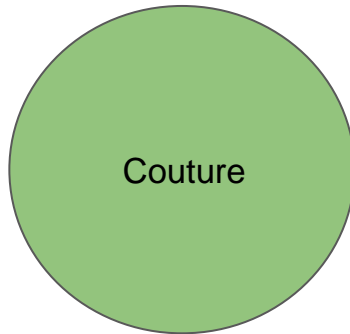
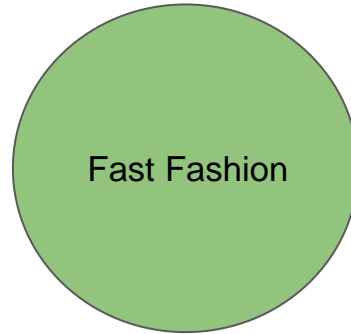
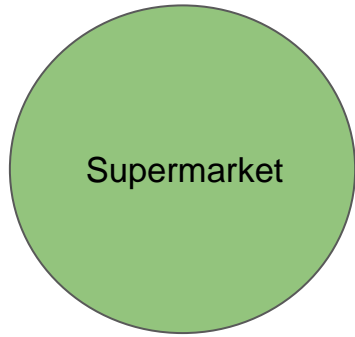
1. Which retailer are you going to research? (week 2) ✓
2. What product will you focus on? (week 2) ✓
3. Who are their competitors? (week 2) ✓
4. What is their customer profile? (week 2) ✓
5. What are your observations on the fit process at your retailer? (weeks 3 & 5) ✓
6. What are the design & trend influences for your retailer? Why do you think this? (week 5) ✓
7. From what you have learned about the Range Build process, what observations when researching your retailer? Why do you think this? (week 7) ✓

8. What are your observations on QA (quality assurance)? (week 8) ✓
9. Can you identify a decision made for cost reasons which has been detrimental to the product or range? (week 17) ✓
10. Can you identify any problems which may have occurred in the CP (critical path) process which is reflected in the product or what you see in store? (week 18)

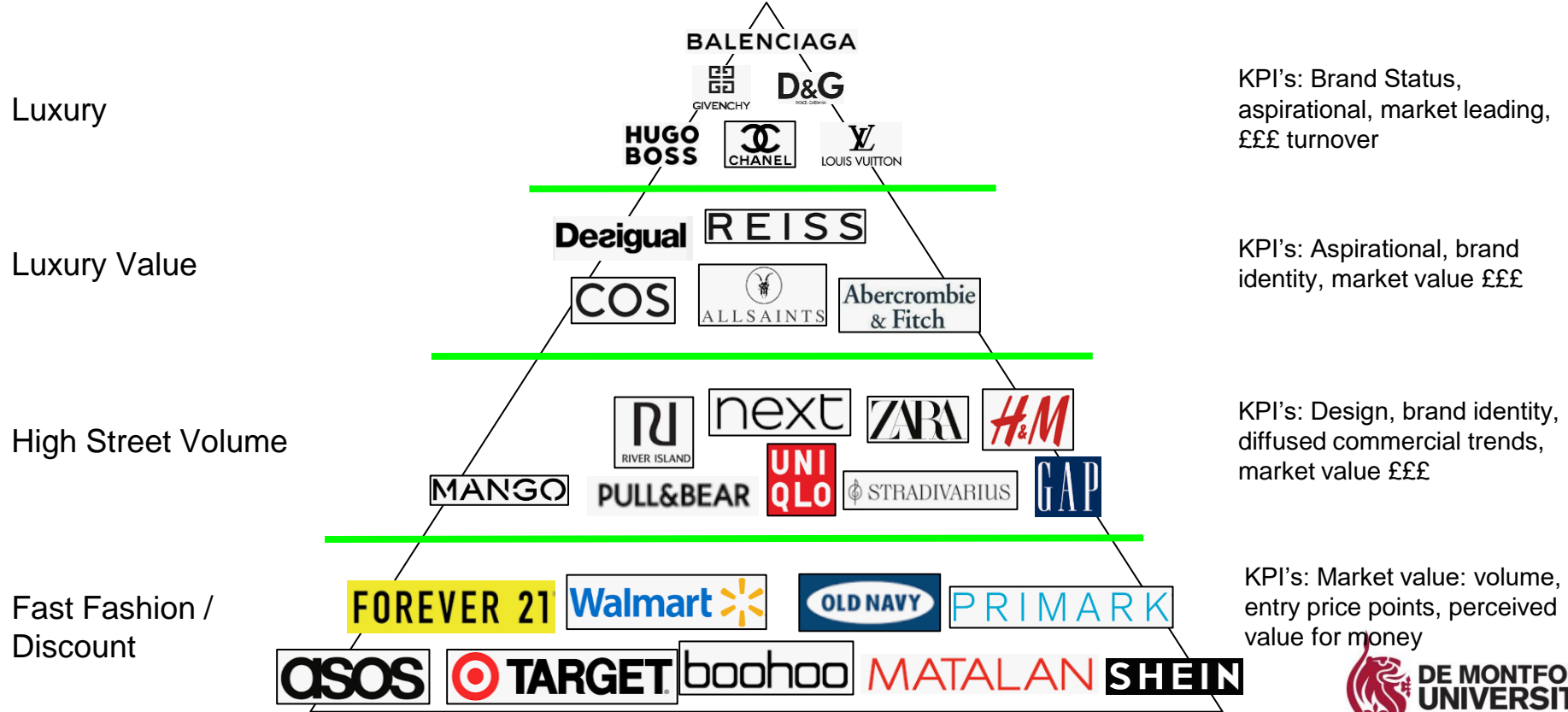
Any Questions or Comments?

Where does your retailer sit
within its competitors?

- Which group would do you think your retailer belongs to and why?



Where does your retailer sit on the Pyramid?



Who are the competitors?



SHEIN



ASDA
George.

RIVER ISLAND

boohoo

When making your observations, suggest who may have taken part in the decision process

The Buying Office Org Chart

Each team is responsible for different parts of the buying cycle:

- **Buyers** - product, retail price, sales budgets, profit (margin) & supplier relationships
- **Merchandisers** - deliveries, cash flow, stock management, markdown
- **Designers** - trend research, design packs, colour palette
- **Garment & Fabric Techs** - size spec, grading, garment performance, product safety
- **Sourcing** - sourcing factories, compliance & ethical policies
- **Marketing** - customer communication

Any Questions or Comments?

Reference the Critical Path

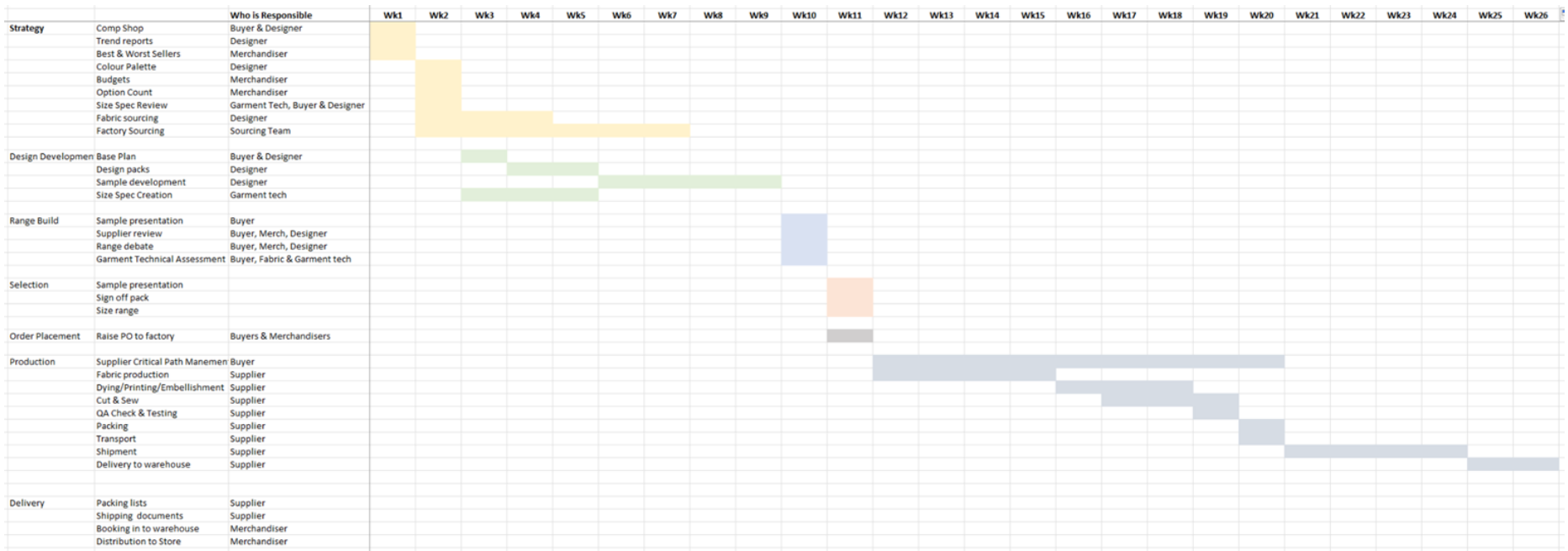
Consider the timing of when the product was launched in store. Do you think there was an issue with the Critical Path management?

The Critical Path - Group Task

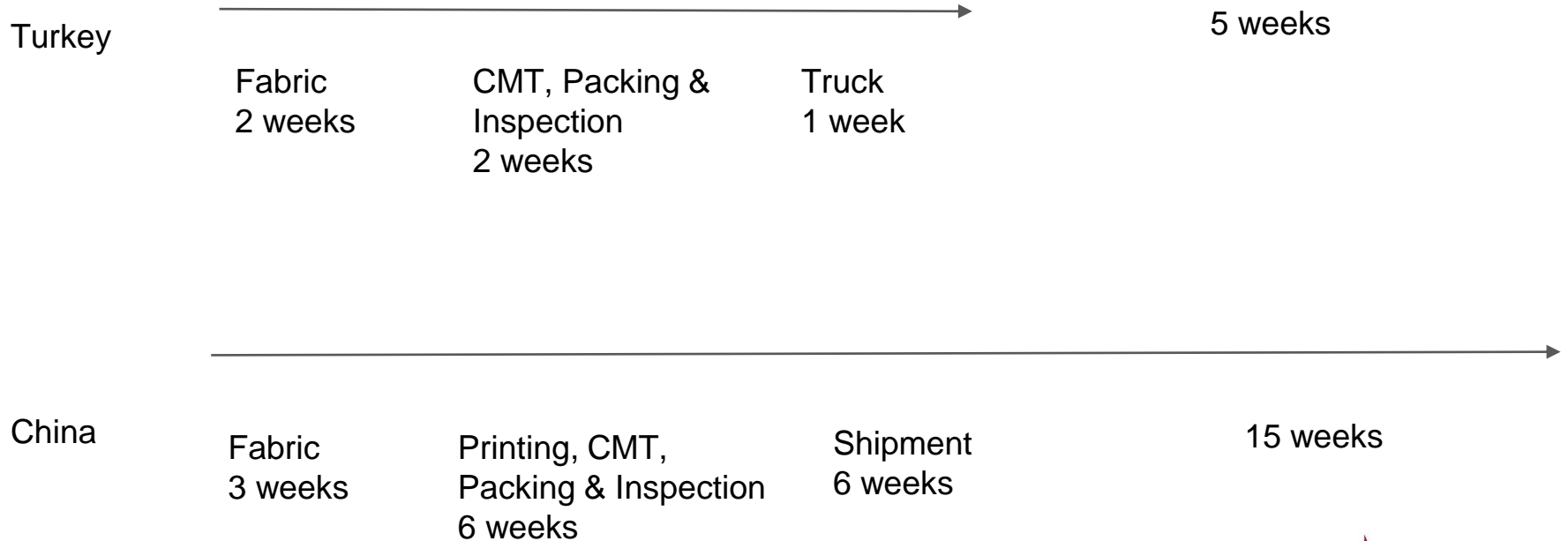
When would you expect to see the items below selling in a UK store?



Critical Path



Remember a Critical Path can be varied in length of time depending on many things including product type and country of sourcing



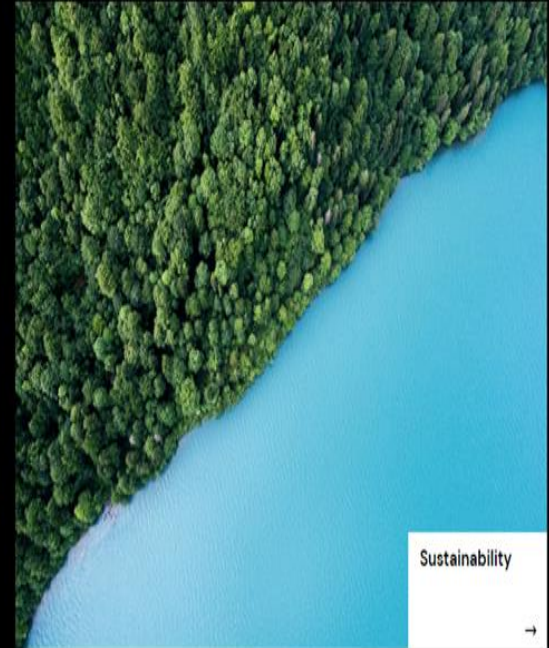
Any Questions or Comments?

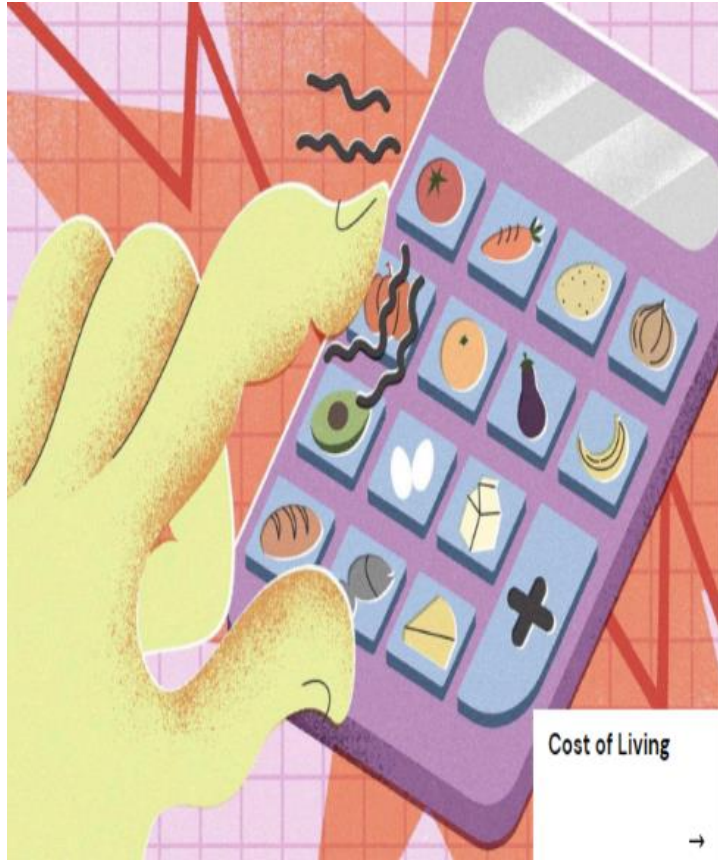
Get to know the customer

Research the customer - what is important to them?

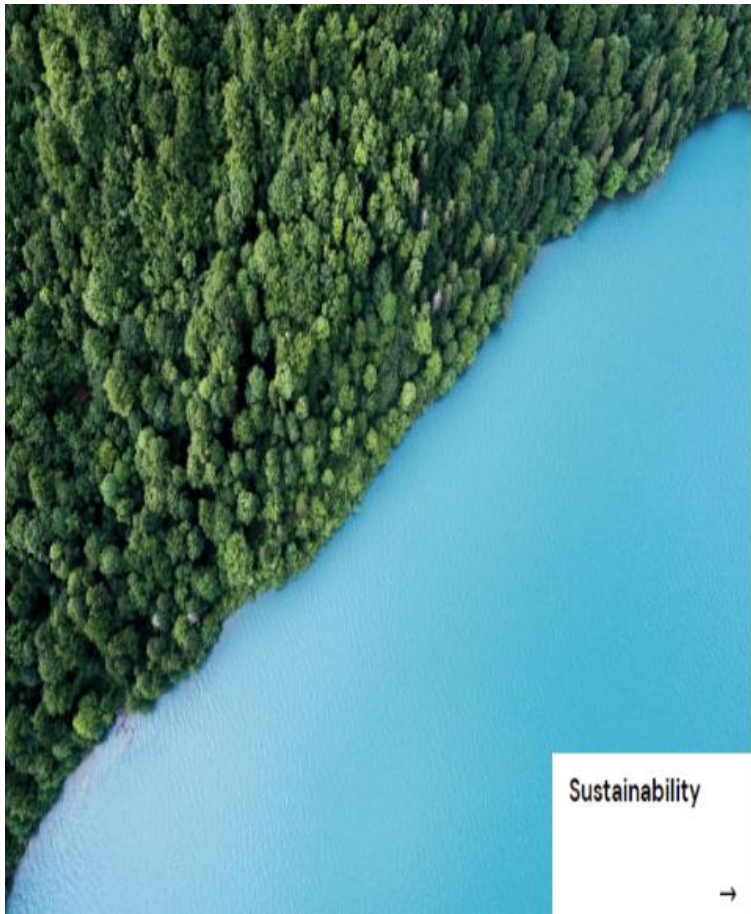
Latest in

Critical Issues









Sustainability



price

past experience

uniqueness

fit

dressing for an occasion

style

availability

fashionability

colour

peer engagement

brand

outfitting

ethical credentials

sustainability credentials

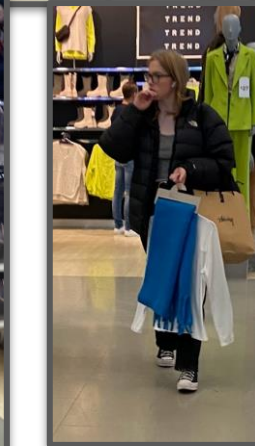
DMU Fashion Management

Customer Profile

- Core 15-25 years
- Fashion Adopter
- Low-Middle income earner
- Also shops at Boohoo, H&M, George
- Food shop Asda/Aldi/Tesco
- Likes spending time with friends & family

Shopping Values

- Value for money
- Diffused trends
- Easy to wear
- Buys clothes to fit in
- Enjoys shopping
- Impulsive
- Is not time poor



Any Questions or Comments?

Consider their design
influences



Primark creates aspiration with heavy use of influencers



WOMEN'S HIGH PILE NUPTSE JACKET

£ 320.00

Pay in 3 interest-free instalments of
£106.67 on purchases with

Klarna. [Learn More](#)

★★★★★ 1 REVIEWS

COLOR : Gardenia White



SIZE

- XS
- S
- M
- L
- XL
- XXL
- 3XL

https://www.thenorthface.co.uk/shop/en-gb/tnf-gb/women-jackets-coats-nuptse-himalayanjackets/womens-high-pile-nuptse-jacket-Zwak2variationId_N2N



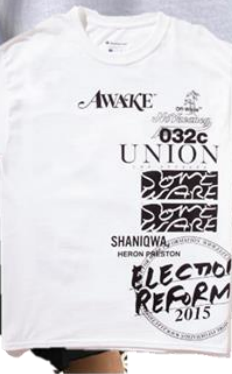
This Year

Palm Angels

PRIMARK®



Cityscape



Colour blocking

Spliced graphics

Collection Review

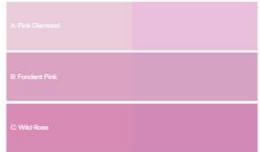
Collection Review: Women's Colour A/W 23/24

Dark and moody shades dominate, speaking to the need for longevity. Gender-inclusive hues, winter brights and dusted pastels offer transseasonal appeal.

Clara Smith
01.11.23 17:31 minutes



#SweetPink



Colors - A: 147-82-14, B: 147-70-20, C: 147-64-24
 Pantone - A: 14-3205 TCX, B: 14-3209 TCX, C: 16-3188 TCX

Why is it key? Youthful shades of pink replace #HyperPink. #SweetPink emerges as a fresh direction.

How to use it: apply it on footwear, accessories, outerwear and tailoring to revamp classics and capitalise on the ongoing TikTok craze for Barbiecore aesthetics. While key for head-to-toe looks, this sugary pink is elevated through red, pink and teal combinations.



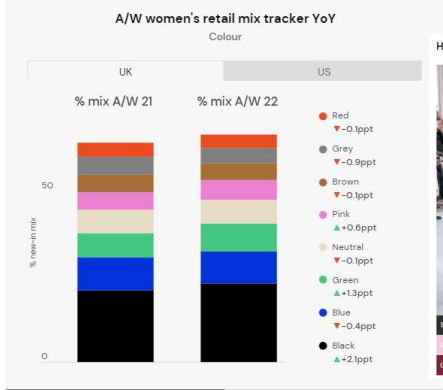
Market analysis

Catwalk newness

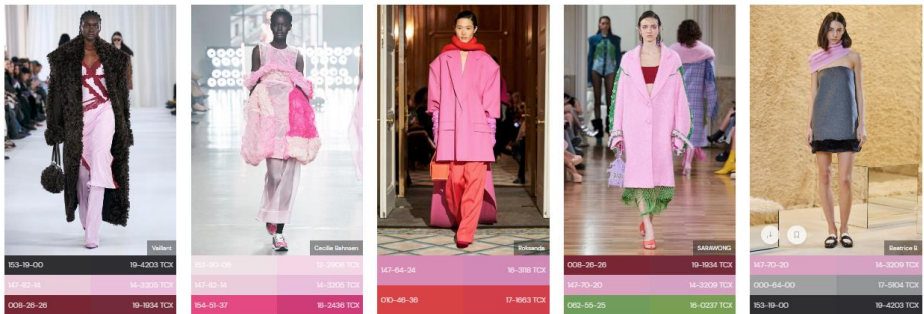
- As anticipated, premium brands are responding to a cautious market by expanding their range of core tones. Timeless and investment shades drove colour direction, with #BlackWithBlack the most prominent shade of the season. The return of grey is driven by a slow recovery to tailoring and a smarter direction
- #BlackWithBlack and alternative dark #MidnightBlue gain new relevance due to their timeless appeal and align with the mood this season, drawing on the #RefinedPink and #DarkNights trends
- Although long-term shades dominate, transseasonal hues continue to take centre-stage as consumers seek products that will last beyond one season. #DustedPastels return and gender-inclusive #DigitalLavender offers a softer colour direction, playing into the need for balance
- Dopamine dressing remains relevant and #DopamineBrights move into #WinterBrights via transseasonal hues #LusciousTeal and #SunnyYellow. These brights continue to be key in head-to-toe looks, but premium brands play with colour pairings; red and pink is important

The retail reality

- For A/W women's retail, black continues to hold the largest share of the new-ins colour mix at 23% in the UK and 22.6% in the US, aligning with the need for core shades with timeless appeal
- Following black, blue holds the second largest share of the colour mix at 9.5% in the UK and 11.2% in the US, followed by green (8.3% UK, 7.1% US)
- Although neutrals have slightly dropped in the UK and US, they hold 7% of the new-in colour mix, showing the continued importance in this colour group
- Pink showed growth for new-ins at 5.7% in the UK and 5.1% in the US



How to wear



Market Overview: Key Details

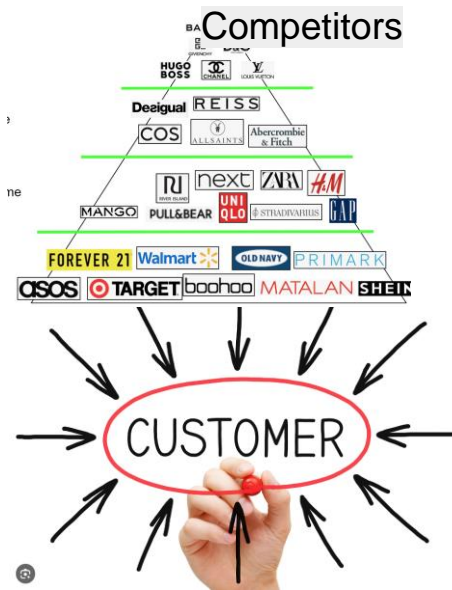
Spring 2021 / GZ Wholesale Markets & Domestic Retailers



- **Elasticated hem & polo collar** uptrend currently joint with **zip-front details**.
- For the sweatpants, **waistband & side panel detailing** are still relevant.
- **The sleeveless sweatshirt** is popular as a layering piece in the current market.
- **Allover florals & holiday vibe graphics with slogans** are key this season.



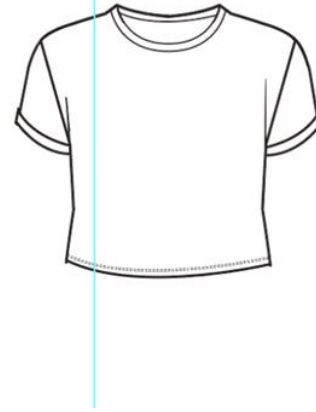
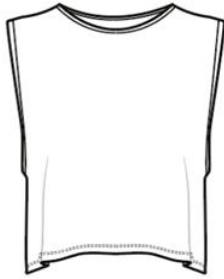
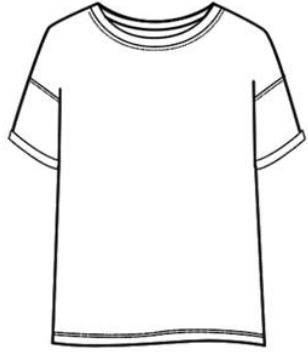
They have completed their research...



Any Questions or Comments?

Consider the shapes of their
“blocks” (the shape of the
garment)

Established Blocks /



Range Build Re-cap

What is Range Build?

Range Build is a process where the buyers will collate their samples and hang them on a wall together to see how they look as a range. They will ask themselves questions such as:

- Are we delivering the price points our customer expects?
- Are we delivering the trends in a way our customer will appreciate?
- Is the quality of product as our customer expects?
- Does the range work for outfitting?
- Can I buy the product from the supplier with the margin I need?
- Do we need to make any amendments to the design or spec?
- Are the mixes in-line with what the merchandiser is asking for?

Spring/Summer 2023

Crew



Polo



V-neck



Printed

Spring/Summer 2024

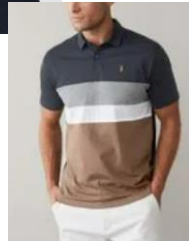
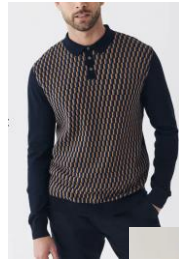


Range building is literally “building your range”, it’s like making a cake...

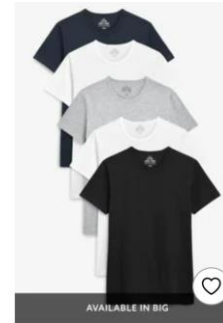
You have your ingredients:



Trend



Best Sellers

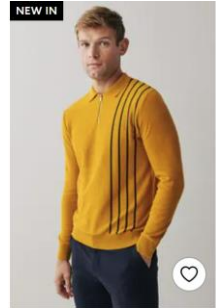


Black/Grey Marl/White/Navy T.
£35 ★★★★★

Value Price points



Exit Price points



Yellow Stripe Long Sleeve Knit...
£36

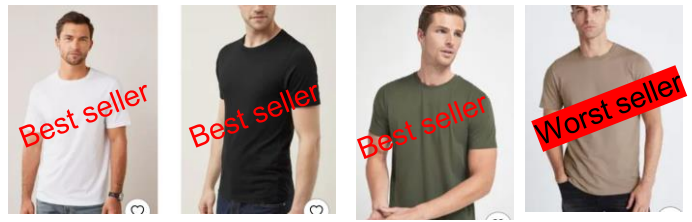


Colour

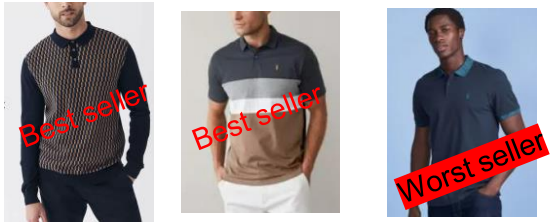
Spring/Summer 2023

Spring/Summer 2024

Crew



Polo



V-neck



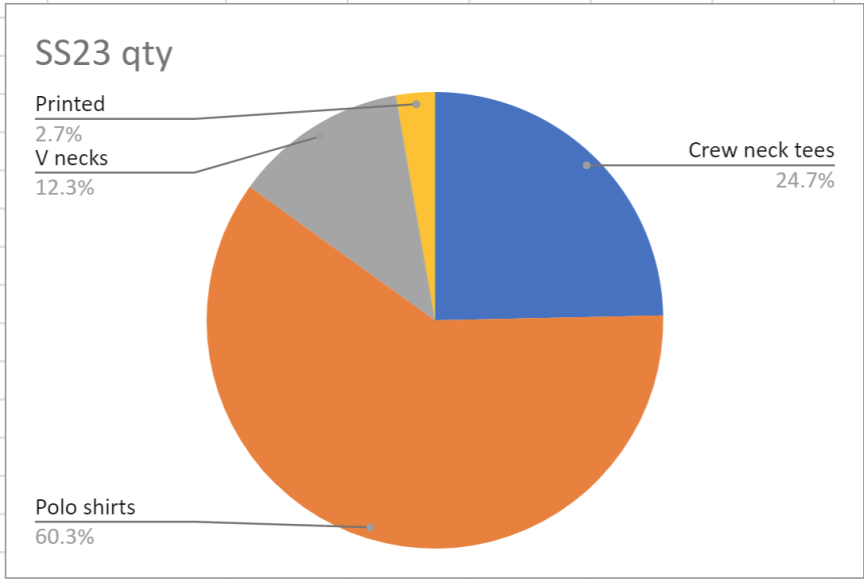
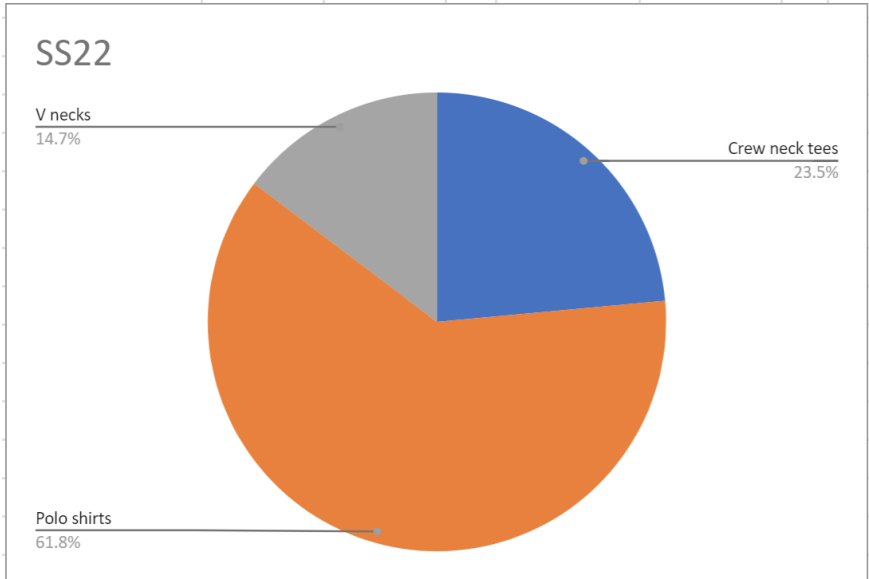
Printed





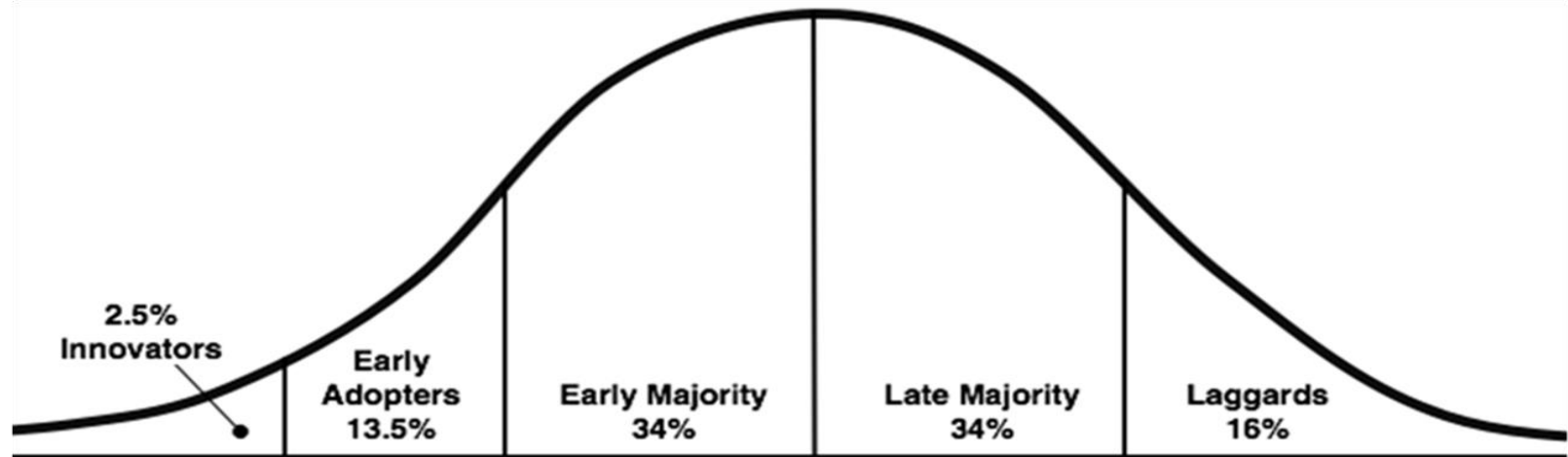
All good recipes need the right balance of ingredients, these are defined as “the mix”





Every product has a lifecycle, each one varies depending on social and environmental conditions. It's up to the buyer to buy according to the strategy devised from sales analysis & market trends.

Roger's Diffusion of Innovation Model(1962)



Source: Everett Rogers, Diffusion of Innovations model



It's evident that the knitwear & accessories have not adhered to the colour palette. This is probably because of their longer lead times. However this is a failure in cross category range building.



Points to discuss in Range Build:




- Is the sample what the customer would want?
 - Colour
 - Shape
 - Fit
 - Hand-feel / Texture
- Is it still on trend? Does this matter?
- Can we afford it? Eg, sell at the same retail as the competitors and still make profit (margin)
- Does it hang well on a hanger?
- What qty should be bought?
- Is the supplier on-boarded to start supplying?

Any Questions or Comments?

Once the Buyers, Merch and Designers agree on the range. The details are entered in to a spreadsheet

Range Plan

Category: Men's Tops Collection: A/W 2023 Target Margin: 70%

Style	Sketch	Material	Colors	Size Range	TGT Retail Price	Cost @ TGT Margin	Cost (Actual)	Margin (Actual)	Qty	Cost (Total)	Total Retail	Total Margin
Short Sleeve T-shirt		100% Cotton	Red Blue Yellow	S to XL	\$ 24.00	\$ 7.20	\$ 8.20	65.8%	600	\$ 4,920.0	\$ 14,400.0	65.8%
Long Sleeve Henley		65% Polyester 35% Cotton	Black White Beige	S to XL	\$ 32.00	\$ 9.60	\$ 9.20	71.3%	400	\$ 3,680.0	\$ 12,800.0	71.3%
Crew Neck Sweatshirt		52% Cotton 48% Polyester	Orange Navy Army Green	S to XL	\$ 45.00	\$ 13.50	\$ 13.00	71.1%	800	\$ 10,400.0	\$ 36,000.0	71.1%

Note: Only edit white cells

Total Qty	Total Cost	Total Retail	Margin
1800	\$ 19,000.0	\$ 63,200.0	69.9%

Any Questions or Comments?

Costings

A buyers job is to source product which the customer wants and sell it at a price the customer is prepared to pay and make profit.

They are targeted with sales & profit

When negotiating, a buyer must firstly know:

- Value of their product (how much their customer is prepared to pay)
- Target cost price (how much they want to buy the product for)

Value of product is determined from 2 main points of information:

1. Previous sales information
2. Market price (what competitors are selling for)

Example Retailer



Example Product



Curly Borg Mid Length Coat

£32.00

2 colours





The equivalent coat from H&M is made in China (so no risk). H&M have been able to maintain a stable retail price of £39.99 throughout the season.





Primark size range is XXS - XL



£40
G21 Orange Long Borg Coat

Product description

- Collared neck
 - Long sleeve
 - Button front fastening
 - Longer length
 - Borg fleece fabric
 - 2 side pockets
- In-store availability, prices and promotions may vary from those online.

- Fabric details and care**
- Fabric composition: 100% Polyester
Borg
- Can be machine washed

- Sizing**
- Model height is 5'9"
 - Model wears a size 8
- Brand**
- G21 gives you fashion-forward style for every occasion - at an affordable price.



SALE UP TO 75% OFF!

HOME / WOMENS / SALE / SALE COATS & JACKETS

TEDDY FAUX FUR COAT
£30.00 ~~£50.00~~ | 40% OFF **SALE**

COLOUR: STONE | SIZE: SELECT

14

[What's my size?](#) [Size guide](#)

ADD TO CART **SAVE FOR LATER**

ORDER BY 11PM FOR NEXT DAY DELIVERY

LOOKING FOR SOMETHING SIMILAR? **SHOW SIMILAR**

Selling price for next year is assumed at £32 (as last year) and the buyer will have to gather information to present at selection / sign off meetings to have a price increase approved

To work out a **target cost**, the buyer needs to know their **sales price** and their **target gross margin**
(gross margin = profit/margin after the supplier has been paid but before operating costs are deducted)

A gross margin is a profit number expressed as a percentage %

Target gross margins vary across retailers and different product categories.

Example:

High Street = 55-65%

Discount = 45-50%

Luxury = circa 30%

Any Questions or Comments?



Curly Borg Mid Length Coat

£32.00

2 colours

£32.00 is 100% of the selling price

Assume target gross margin of 40%

Margin = £12.80 (32.00 x 0.4)

Target cost = £19.20 (32 x 0.6)

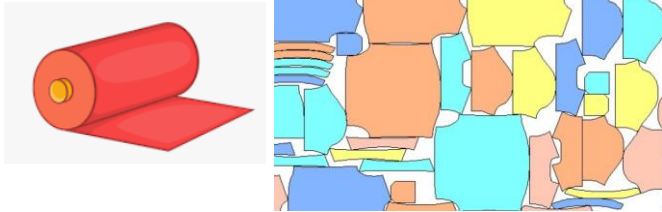
Buyers gross margin (£12.80) / profit pays for:



Costs from the supplier (£19.20) will pay for:



Cost variables:



- Layplan - consider how much wastage your product has in materials
- Bulk buying fabric for the season can reduce costs
- Utilising the same materials across different styles will also reduce cost



Member Access
Nike Air Force 1 '07 Premium
Women's Shoes
2 Colours
£124.95



Nike Air Force 1 '07
Women's Shoes
1 Colour
£124.95



Nike Air Force 1 '07
Women's Shoes
1 Colour
£114.95



Nike Air Force 1 '07
Women's Shoes
1 Colour
£109.95

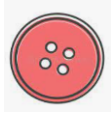
Consider MOQ's (Minimum Order Qty's)

MOQ's apply to fabric and garments



Number of print colours and size of screen impact price of product





Trims are an additional cost and can vary greatly

- Nominated suppliers compared to local source
- Buyers will ask supplier questions on how to achieve target price and maintain garment appeal





Consider the amount of stitching involved. Labour is one of the biggest influences in cost of a product

- Panelling can be expensive
- Machinists are often paid “piece work”





Certified yarn/fabric/materials are often more expensive than non certified



Factory audits are expensive and will impact the cost of the product

- Sedex
- Higgs
- Disney



Consider how the garment is shipped - Hanging or flat packed



FREE DELIVERY





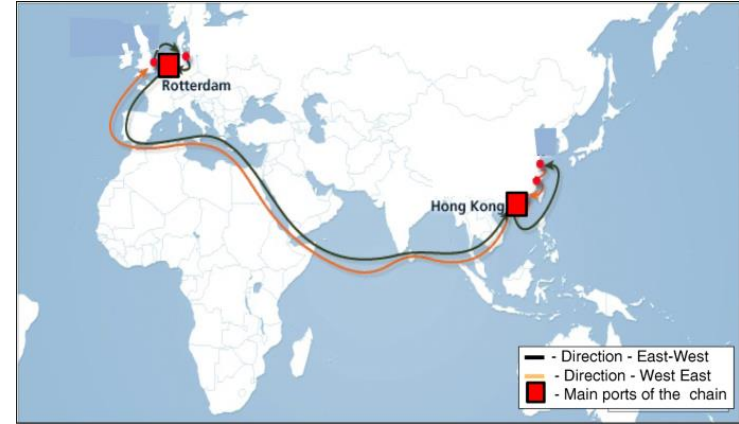
5-6 weeks Asia to UK



3-5 days Turkey to UK



1-3 days Asia to UK



Import tax applies to some countries

Any Questions or Comments?

Crude oil

2023 Data - 198

Summary Forecast Stats Alerts Export

Crude Oil

1D



Crude Oil WTI (USD/Bbl) 82.410



Jan 24 2022

May

Jul

Sep

Nov

2023

1D 1W 1M 6M 1Y 5Y 10Y 25Y All

Before entering negotiations, buyers will research the costs of all features which contribute to the garment cost:

- Material
- Labour
- Ethical requirements
- Volume of business
- Suppliers position
- Supplier relationship

<https://tradingeconomics.com/commodity/crude-oil>



Target cost = £19.20

Curly Borg Mid Length Coat

£32.00

2 colours

Example of cost breakdown from supplier

Target cost = £19.20

		unit price	number of units	total cost			unit price	number of units	total cost
Fabric (100% recycled polyester)	per metre	\$ 5.75	3	17.25	Fabric (100% recycled polyester)	per metre	\$ 4.75	3	14.25
CMT (cut make & trim)	hourly rate	\$ 3.25	0.5	1.63	CMT (cut make & trim)	hourly rate	\$ 3.25	0.45	1.46
Testing	per test	\$250.00	1000	0.25	Testing	per test	\$250.00	3000	0.08
Buttons	per press stud	\$ 0.35	3	1.05	Press Studs	per press stud	\$ 0.25	3	0.75
Lining	per metre	\$ 0.25	3	0.75	Lining	per metre	\$ 0.25	3	0.75
Hanger loops	per loop	\$ 0.03	2	0.06	Hanger loops	per loop	\$ 0.03	2	0.06
2 x pockets (Patch)	per pocket	\$ 0.35	2	0.70	2 x pockets (insert)	per pocket	\$ 0.30	2	0.60
hanger (nominated source)	per hanger	\$ 0.15	1	0.15	hanger (local source)	per hanger	\$ 0.08	1	0.08
labels	per label	\$ 0.03	4	0.12	labels	per label	\$ 0.03	3	0.09
box	per box	\$ 0.25	0.02	0.01	box	per box	\$ 0.25	0.02	0.01
Cost of product				21.96	Cost of product				18.13
Supplier Margin	fixed %	10%		2.20	Supplier Margin	fixed %	6%		1.09
TOTAL COST				24.16	TOTAL COST				19.22

Any Questions or Comments?

Selection Meetings

Buyers must get sign off from managers and directors before placing orders. They do this during a Selection Meeting

Designer - how trends have been interpreted

Merchandiser - sales plan

Buyer - samples of each product they are proposing to buy

Samples will have been made according to the design pack and sent on time for the selection meeting. If the samples are not a good reflection of what the buyer intends to buy, they must show swatches/other supporting information to make sure the directors understand what is to be bought.



Typical selection meeting



Thumbnails with product info:

- Retail price
- Store grade
- Qty
- Cost
- Margin
- Supplier



Sometimes samples aren't correct
so the buyer must adapt

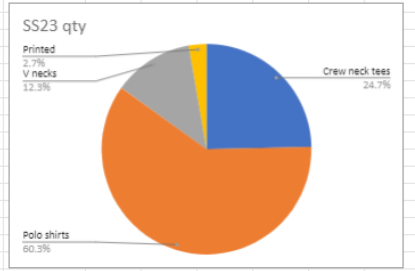
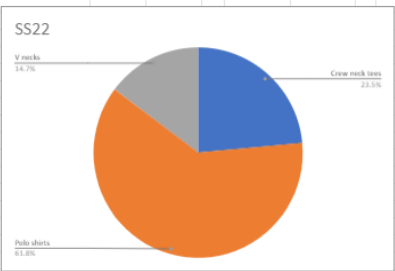


Bay plans / Store layouts

Range Plan

STYLE REF	STYLE NAME	COLOUR	SUPPLIER	QUANTITY	STORE GRADE	SEASON	MONTH	STORY	LOOKBOOK/PRE SS?	COST PRICE	SELLING PRICE	MARGIN	TOTAL SELLING VALUE £K	LANDED / FOB	C OF O	SHIPMENT METHOD	SHIP DATE	DC DATE
MIL001	BASIC ROUND NECK TEE	WHITE	MILLENNIUM	3000	ALL	SS16	MARCH	FLOW LINE	NO	£2.00	£8.00	70.00%	£24,000.00	LANDED	TURKEY	ROAD	N/A	WK 1, WK 5, WK 8
MIL001	BASIC ROUND NECK TEE	BLACK	MILLENNIUM	3000	ALL	SS16	MARCH	FLOW LINE	NO	£2.00	£8.00	70.00%	£24,000.00	LANDED	TURKEY	ROAD	N/A	WK 1, WK 5, WK 8
MIL001	BASIC ROUND NECK TEE	GREY	MILLENNIUM	3000	ALL	SS16	MARCH	FLOW LINE	NO	£2.00	£8.00	70.00%	£24,000.00	LANDED	TURKEY	ROAD	N/A	WK 1, WK 8
MIL001	BASIC ROUND NECK TEE	NAVY	MILLENNIUM	3000	ALL	SS16	MARCH	FLOW LINE	NO	£2.00	£8.00	70.00%	£24,000.00	LANDED	TURKEY	ROAD	N/A	WK 1, WK 5
GOS007	SKULL PRINT TEE	BLACK	GOSSIP CLOTHING	2000	MID	SS16	MARCH	STREETSTYLE	NO	£3.00	£10.00	64.00%	£20,000.00	LANDED	MOROCCO	ROAD	N/A	WK 1
PRI004	STRIPE TEE	GREY / BLACK	PRINT BOX	2000	MID	SS16	MARCH	FUTURE CLASSICS	NO	£3.00	£12.00	70.00%	£24,000.00	FOB	CHINA	SEA	WK 1	WK 5
PRI004	STRIPE TEE	CREAM / NAVY	PRINT BOX	2000	MID	SS16	MARCH	FUTURE CLASSICS	NO	£3.00	£12.00	70.00%	£24,000.00	FOB	CHINA	SEA	WK 1	WK 5
GOS008	EMBELLISHED TEE	WHITE	GOSSIP CLOTHING	500	TOP	SS16	MARCH	FUTURE CLASSICS	YES	£5.00	£14.00	57.14%	£7,000.00	LANDED	MOROCCO	ROAD	N/A	WK 5
MIL002	ZIP TRIM TEE	BLUSH	MILLENNIUM	500	TOP	SS16	MARCH	STREETSTYLE	NO	£4.00	£12.00	60.00%	£6,000.00	LANDED	TURKEY	ROAD	N/A	WK 1
MIL003	LEATHER PANEL TEE	BLACK	MILLENNIUM	500	TOP	SS16	MARCH	STREETSTYLE	YES	£5.00	£14.00	57.14%	£7,000.00	LANDED	TURKEY	ROAD	N/A	WK 1
KAL003	LIMITED EDITION TEE	IVORY	KALDOR	200	FLAG	SS16	MARCH	LTD EDITION	YES	£4.50	£16.00	66.25%	£3,200.00	FOB	SRI LANKA	AIR	WK 2	WK 3

	Quantity		Selling Price		Total Sales	
	SS22 qty	SS23 qty	SS22 retail price	SS23 retail price	SS22 Total sales	SS23 Total sales
Crew neck tees	80,000	90,000	£4.00	£4.25	£320,000	£382,500
Polo shirts	210,000	220,000	£5.00	£5.00	£1,050,000	£1,100,000
V necks	50,000	45,000	£4.00	£4.00	£200,000	£180,000
Printed	10,000	10,000	£4.50	£4.50	£0	£45,000
TOTAL	340,000	365,000			£1,570,000	£1,707,500



Points of Discussion

PRODUCT

- Does it look right
- In line with trends
- Best seller move on
- End use
- Overall product mix

SUPPLIER

- Country of origin
- Supplier capability
- Sustainability
- Business levels
- Overall supplier mix

RETAIL PRICE

- Competition Pricing
- Price architecture
- Previous retail price
- Changes in market

PROFIT

- % intake margin
- Margin by supplier
- Margin by product type
- Overall profit

What is a Good Selection Meeting?



Product



Trend



Outfitting



Critical Path



Any Questions or Comments?

I am here to help



Thank you and have a great
weekend!