

ON-SITE FASHION RETAILERS





INTRODUCTION

Retailing specially fashion retailing, has changed dramatically over the past several centuries. Towards the end of 1800s, the general store was joined by stores that were first known as **limited lines store**, because their merchandise was limited to a single classification, such as men's wear or shoes. Soon they known as **specially stores**, the name by which they are still known today.

As more finished products were manufactured, there was more selection to choose from and the popularity of specially stores universal, as customers were drawn to the variety offered. Soon merchants opened additional location of their stores, the beginning of the **chain organisation**. The speciality retailer archived considered success, but some merchants realized they could better serve the needs of the consumer if they offered more than one product classification under a single roof. This led to the of the **department store**.



Throughout the twentieth century, fashion-oriented retail operation prospered. Traditional chains grew by opening numerous units and department store expanded with branches. Other retail venues, both on site and offsite increased in popularity. Stores that came to be known as brick and mortar operation, boutiques, off- prices manufacturers outlets.

Now in the beginning of the twenty-first century, consumers are treated to more retail outlets where their fashion needs are satisfied. Whatever their pleasure or preferred time to shop, a whole new world of retailing is available.

Classification of on-site fashion retailers:-

Speciality stores

Department stores

Chain stores

Franchise retail stores

1.Speciality stores

originally called limited line stores, the merchants who restrict their offering to one product classification are now called **specialty stores**. The range of fashion merchandise that they carry might be in a narrow offering. Such as shoes, or more diverse, as in menswear. Stores such as sales exclusively deal in jewellery, whereas banana republic offers a broader merchandising concept with clothing and accessories for men and women. The former concentrates on just one product classification, and the later a broader range of items, but they are both part of the specialty-store classification the concept of this type of retail classification is the same for all.

Specifically their success is based upon such factor as:-

A broad assortment of specialized items:- a shoe merchant, for example:- often features more than 100 styles in a single setting.





The size of the units:- unlike the department stores, which occupy vast amount of space, making shopping time consuming, the specialty store is considerably smaller.

The forte of these store is generally personalized service unlike many department stores which have often reduced their selling staff to the point where it is difficult to find sales assistance, the specialty store generally pride then selves on service.

Many of the speciality operations have entered yet another from of specialization, with the introduction of **subspecialty stores**. Once they have reached their goals with their primary merchandise offering, some companies enter into a more defined business area.

In this way the chain can concentrate on a small section of the market that wants products that are tailored to its needs.



Advantages: specialization

One of the key benefits of a specialty store is its focus on a single class of products. This gives owners and employees a chance to develop expertise and a reputation for knowledge and selection within the store's defined specialty. A specialty store can carry more goods within its chosen category, drawing enthusiasts who can't find what they want specifically at a general retailer. Specialty stores also become gathering places for enthusiasts, especially if owners organize special events and product demonstrations.

Disadvantage: Lack of Variety

By definition, specialty stores lack variety. While they may sell many different specific products, they all fall into a single category or classification. This means that shoppers are only likely to come to the store when they have interest in the type of products it sells. This is a contrast to department stores, which can draw customers in with one type of product and expose them to many other types of products while they shop. Specialty stores can be less convenient than general retailers, driving customers to one-stop options if they are available locally.



Advantage: Knowledgeable Staff

Specialty stores have an advantage when it comes to staffing and training. Employees only need to know or learn about one type of merchandise. For example, a sporting goods store can employ sales staff with backgrounds in team sports and personal fitness. This provides an advantage over general retailers, whose staff are less likely to know about all of the products available to customers. A sporting goods store also can recruit employees by advertising in a fitness magazine, targeting people with an interest in a field related to its products.

Disadvantage: Reliance on Market:-

Another drawback for a specialty store is its financial reliance on a single market. While department stores can shift their inventories to accommodate changing trends in consumer buying, specialty stores risk alienating customers if they alter their offerings too much. For example, a stationary store will see a dip in sales if customers begin using online cards in place of mailed greeting cards. However, adding office furniture to the store's selection of merchandise would harm its image as a local source for stationary and leave less space for the wide selection of cards that made the store appeal to customers in the first place.

EXAMPLE OF SPECIALTY STORE



2. Department stores

Unlike the general store, which has no specific store floor positioning for its variety of goods, the department store reordered the physical space and assigned similar types of merchandise to specific areas known as departments.

“ the specially retailers achieved considerable success, but some merchants realized they could better serve the needs of the consumer they offered more than one product classification under a single roof. This led to the beginning of the **department store** concept.

The department style classification of retailing has become a fashion retailing main stay that has remained popular with consumers since to the turn to the twenty the century. The contrast to the specially stores which restrict their offering, the department store offer a merchandise mix comprising a host of different product categories that run the garment of hard goods, including apparel and accessories for the family, furniture, accessories, etc. department stores that subscribe to this type of business are called **full-line department stores**





ADVANTAGES:

Usually a departmental store offers the following advantages:

(i) Shopping convenience:

A departmental store enables the customers to purchase all their requirements under one roof and the customers need not go from one shop to another for making purchases. This provides great convenience to the customers and also saves their time and labor.

(ii) Wide Choice:

The departmental store keeps a large variety of products and hence offers an opportunity to the customers to select goods of their liking from a large stock of goods of different qualities, brands, designs, colors, styles, etc.

(iii) Economies of large scale:

Departmental stores, being large-scale establishments, enjoy all the economies and benefits of large-scale organizations. This reduces their costs and increases the profits.



iv) Liberal services:

They provide many unique services to their customers like free home delivery, accepting telephone orders, restaurants, recreational facilities, reading rooms, after-sale service, etc. Some of the stores even offer credit facilities to their customers.

(v) Central Location:

A departmental store is generally located in the important central place of a city. It is, therefore, easily accessible to the customers.

(vi) Economy and Advertising:

The advertisement of one department is the advertisement of the other departments also. A customer who enters a departmental store to purchase some goods is induced to buy some other goods also displayed in the store. Hence, one department advertises for the other. Moreover, a departmental store can advertise on a large scale thus saving in advertising costs.



(vii) Use of Specialized Services:

The departmental stores can afford to employ specialists with expert knowledge to perform various functions. This saves in many costs, attracts customers and increases the sales and profits.

(viii) Large Volume of Sales:

Due to the various facilities provided by the departmental stores, they make larger sales. Large turnover further reduces the selling cost per unit on one hand and increases the profit on the other.

Disadvantages:

A departmental store suffers from the following disadvantages:

(i) Distance:

As the departmental stores are generally located in the central places, people living at a distance cannot take advantage of the departmental stores.

(ii) High Cost of Operation:

The cost of doing business is very high in case of departmental stores as they have to pay high rents, salaries to staff and spend much on various facilities provided to the customers.



(iv) Difficult to Establish:

The departmental stores require a large amount of initial capital investment and a number of specialized persons for their establishment.

(v) Absence of Personal Contact:

The owners of the departmental stores cannot make personal contact with the customers. The sales are made by the employees who may not care for the customers' satisfaction.

(vi) Lack of Co-ordination:

There is a tendency of developing unhealthy competition between the departments. The control and effective supervision of various departments is also difficult to exercise.

EXAMPLE OF DEPARTMENTAL STORES



3. Chain stores

Definition of chain stores:-

1. A chain store system consists of a number of retail stores, which sell similar products, are centrally owned and operated under one management.
2. number of retail stores operating under a common ownership and management constitutes a chain.
3. an organization owning a controlling interest in two or more establishments which sell substantially similar merchandise at retail prices.

INTRODUCTION

Chain stores specialize in a particular product. The same product is offered in different varieties and in different models.





thus, while a developmental store draws costumers to it, chain stores approach the consumers. This is done by the opening of branches in all parts of the country. For example advantages of the system of chain stores is that it eliminates the wholesalers totally. It establishes direct contacts with the buyers.

Advantages of chain stores

- 1. Chain stores specialize in a particular product.**
- 2 . Such stores can cater to the needs of people in different localities**
- 3. Central location and luxuries premises are not required for chain stores.**
- 4. There is economy in advertising. It is not necessary to advertise for each branch.**



- 5. It is easy for the head office to identify an unprofitable branch and shift it to some other place. If is not feasible it may even be closed down.**
- 6. The floor space required for a chain store is much less when compared with a departmental store.**
- 7. Such a store does not require many sales personal**
- 8. If any branch has shortage of stock, it can draw from the rearest branch.**
- 9. The overall cost of operation of chain store is much less when compared with a departmental store.**

DISADVANTAGES OF CHAIN STORE

- 1. chain store deals only in a particular item, they may not attract many customers.**
- 2. The head office may find it difficult to exercise control over a number of retail outlets/branches established throughout the city/country.**

EXAMPLE OF CHAIN STORE



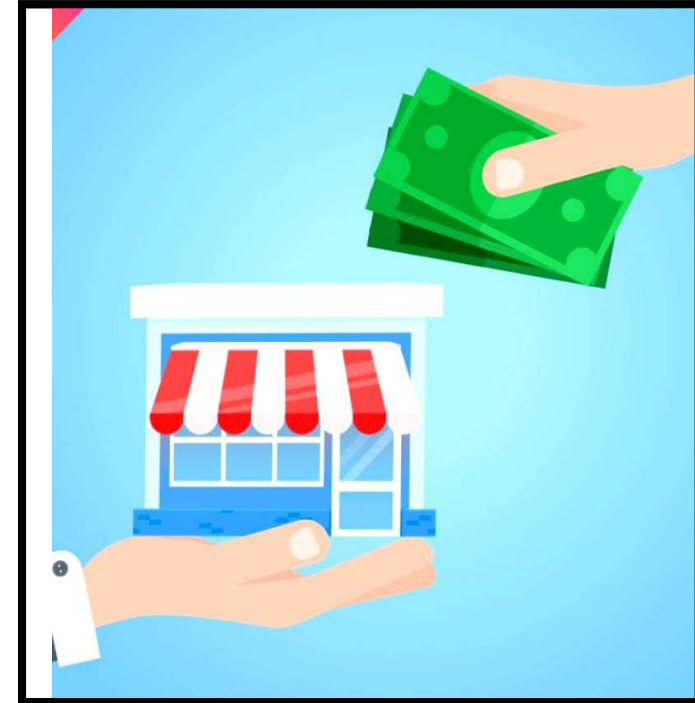
3. Absence of credit sales in such a business again a barrier

4. Franchising retail stores

DEFINITION OF FRANCHISING :- the word 'franchise' of Anglo-French derivation from franc, meaning free- and is used both as a noun and as a verb for the franchiser, use of a franchise system is an alternative business growth strategy, compared to expansion through corporate owned outlets or 'chain stores' adopting a franchise system business growth strategy for the sale and distribution of goods and Services minimise the franchisor's capital investment and liability risk.

INTRODUCTION

Franchise and licenses, similar in nature, are forms of retail enterprise that enable those with little or no experience to capitalize on the repetitions of established companies and realize. Instead of starting a business from scratch and dealing with such aspects as location analysis, pricing strategies, and employee training, they become part of recognized companies that have already developed tried-and true concept of running business. Franchisers and licensors. Much of the ownership in minimised.





ADVANTAGES

- 1. Expansion can be faster because franchiser provide the labour and their sales provide the growth.**
- 2. Franchisers are responsible for their company's their success so they are more motivated.**
- 3. Consistent operations across the business generally means improved efficiency and higher quality levels.**

DISADVANTAGES

- 1. Franchisers cannot be managed as closely as employs and they may have different goals to the franchiser.**
- 2. Franchiser recruitment can be slower and less efficient than employee recruitment.**
- 3**
. Selecting one wrong franchiser can run the reputation of whole franchise

Example of Franchising Retail Stores



NUMERO UNO



KRD Exorts(Roman island)