



## **Retail management and marketing**

### *Retail buying in the fashion industry*

#### **BARBARA WILSON:**

UK trade and investment is a government organisation which helps promote overseas business. So our job is to take UK companies overseas and help them to trade in the markets that are most suitable for them. And my role is the lead for fashion both nationally and within the London region. In the countries where fashion is most popular, which includes the Middle East, Japan, USA, we have specialists in fashion who will do market research for any UK company, which means that they look at the market possibilities, they look at opportunities, background, cities where a company should move to, and we also find potential partners to introduce the companies to and once they have seen their research and liked it, we put together a program for the company, with appointments made, somebody to accompany them, a translator, guide, whatever is necessary. So this is really really helpful to any company that wants to go overseas.

#### **ROGER PETITT:**

Started off with Marks & Spencer in the UK doing the technology and the sourcing side of things, eventually spread out into Europe, sourcing product there and latterly in Marks & Spencer in Asia, in Hong Kong, covering textiles, accessories and hard goods. Then I left Marks & Spencer, I ran a sourcing office in Hong Kong for nearly 5 years. Then after that I went to \_\_\_\_\_ Handbags as their sourcing director in China. And latterly have moved on to other types of product when I came back to the UK. Sourcing is obviously going out and finding your product that you want to purchase, so you've actually got to go beyond that, and there's this whole team of people usually in selection merchandising, distribution and design, who will all get together and build that up into a product and they work out the numbers, the colours, how many stores they are going to put it in, all those sorts of thing to go with it. And from that you then come out and say okay this is what we want to buy. At that point then probably the procurement team would probably step in and say okay we know what you want to buy, we know what price you want for it, so that sets it at these types of Vendors. From that you would then go out and get a short list and say okay what would you charge to make this product, they would come back with a costing, and a prototype fee perhaps, they will tell you what tooling costs are required to make it and then from that you can decide which one is your key vendor you want to go with and then you move on to the purchasing side of it.

#### **BARBARA WILSON:**

The traditional supply chain has changed, so if you go back turn to 15 years, British companies, British retailers bought product from UK factories, and I think with the advance of China, India, South East Asia in manufacturing, and more low cost manufacturing, one of the biggest changes we've seen is our supply chain comes from Asia, and also partly from other parts of Europe. But it doesn't come so much from the UK. Say you look at a company like Monsoon, and its subsidiary Accessorize, Monsoon and Accessorize have been all round the world. They've been very successful and they have a certain, slightly ethnic British look. Another fabulous retailer is Zara. Zara has stalls all over the world. Zara became famous because they watch what was going on, on the catwalks and they had it in their own factories and they were reproducing products at a very very good price within weeks.

#### **ROGER PETITT:**

Zara has got its own factories in Spain; it's got three key design teams. One for men, one for ladies one for children, and their independent. The design teams are continuously talking with one another, they have a small sample room in the corner where things are made and they encourage people to interact and create it. When it comes to materials, they are using very simple materials that can be dyed up very quickly, they are using inkjet printers to create designs on fabric instantly, and their using relatively low priced materials to keep the cost

down, and that's what fast track is all about, and the key to that also is to do it as local to your sale as you can, you can't do fast track out of China because you've got 4 weeks on the water, unless you're going to airfreight something and that's usually expensive because it's against all the environmental side of things.

**BARBARA WILSON:**

So a brand that's looking to go overseas will, they'll obviously look at what their competition is doing, and they will read about the markets, they research them on the internet. We then hope they come to talk to us, some smaller retailers will come to us and say we don't know about this market, what do you think will be suitable for us, and we will then suggest markets that they might look at. Once we've talked to the embassies overseas, got their opinion on the brand, we will then say to the company, yes we think this can work for you, or maybe, no why don't you look at a different market.

**ROGER PETITT:**

Third party sourcing is where there's a big company that's got all the expertise, all the supplies, has access to their design and development teams. And those would be companies like say \_\_\_\_ and \_\_\_\_, big well known companies with the background, but they will charge you for developing the product, anything from 5% for somebody who's a big company to 40-50% for little companies because they're taking a risk. Then you have the personal recommendation and it's like maybe somebody you would know and they've said we should go to this company, you've still got to prove the route, you've got to develop the trial and try and test the product but it's fairly straight forward and you make contact with the vendor, you negotiate and agree a price, get a prototype, and then you purchase it. And then the last one is kind of the internet sourcing where you don't really know what you're buying, or where you're going to go, but you've got to hunt for it, and you use key word searches in Google, up come a number of big trading companies like Global Sources, or B to B or Alibaba, and in that they've got a whole pithier of different sites doing different products and each one was a vendor, and some of those would have been researched, some of those would have been clearly labelled as suppliers that they have been dealing with for 4 or 5 years. So there's a little bit of a track record. Forecasting is really the key. Forecasting is looking back at the history, and working out what you're going to buy for the future and a good retailer will have teams of people pouring over the history and they will work out and say okay well we need to maybe buy 20,000 black tops, but we don't need them all at once, we'll plan it that we buy 5,000 over 4 months and we'll schedule those in these size orders, but after one month, you might change your size orders so you can reshuffle what you're producing next month to fill back, and try and bring forward these size's so you're continually shuffling round sizing, colouring. Maybe something that you've tried had a collar on it didn't sell, so maybe make it with a granddad collar to try and still move the same thing but change it slightly, to make it work.