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Retail marketing practices of designer fashion studios

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Abstract

The present investigation was undertaken to study retail marketing practices of designer fashion studios. The study was conducted in various fashion studios located in Ludhiana. From thirty five randomly selected fashion studios, 15 were further selected for studying their retail marketing practices through case study method. For this an interview schedule was prepared to collect data from the managers and sales staff of each studio regarding marketing strategies adopted by them. The results show that most of them spent less than Rs. 5000 per month on marketing. The factors that were considered important for promotion of a product were fluctuating consumer's preferences, consistent marketing and messaging and online marketing being more effective as well as less expensive. Also, various factors such as dynamic nature of retailing, customer oriented marketing etc. were considered important. Very few studios had their own website to update and sell their merchandise online. Most of them used Instagram to update their collections and content on daily basis followed by what's app & Facebook. On the basis of the findings, some improvements have been suggested for the studios to enhance their retail and marketing skills in order to boost their business and attract more customers.

Keywords: Designers, fashion studios, marketing, merchandise, retailing

Introduction

Selling of merchandise and specific services to the end consumer is known as retailing. Usually, it involves the selling of single units or small lots to large number of ultimate consumers by an enterprise set up for that particular product or service. Broadly, retailing began at the time when an article of worth was exchanged for another product. In the more constricted sense of an exclusive full-time trade activity, retailing started when peddlers first began to sell their products some thousand years back which led to the formation of first marketplace (Duignan 2020) ^[5].

Marketing strategy refers to a business's overall game plan for reaching consumers and turning them into customers of the products or services that the business offers. Marketing strategy involves company's value proposition, key brand messaging, data on target customer demographics, and many other elements (Barone 2019) [2].

Using the right retail marketing practices can be very beneficial for any retail business, for brand awareness and creating trust for goods and services offered through online and offline modes. Practicing the right strategies will help in attracting new customers, generate referrals through word of mouth and improve the allocation of marketing resources. The strategies that can be considered are creating impressive storefront, motivating employees through perks, providing staff training; understand the market, engaging the customers, smart remarking etc. (Dorf 2018) [4].

The clothes need to be sold once they have been designed and manufactured. But how do the clothes reach the consumer from the manufacturer? Here, comes the role of retailing. Thus, the term retail means buying merchandise from manufacturers and selling it to the consumers. Retailers make initial purchases for resale three to six months earlier than the customer is able to buy the clothes in-store. Fashion marketing is managing the flow of merchandise from the top selected designs to be produced for retail customers with the goal of maximizing a company's sales and profitability. In order to have a successful marketing of fashion products, understanding of consumer desire is important followed by providing the appropriate products. In order to know the consumer preferences the marketers study different means like forecasting, past experience, target customers, sales record, media coverage etc.

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M.Sc. Student, Scientist Department of Apparel and Textile Science, Punjab Agricultural University, Ludhiana All the information is gathered and provided to the manufacturer or the designer so that the most suitable product can be produced. (Steele and Major 2010) [9]

Fashion designers are considered to play a major role in our world as their talent and vision plays a big role in their own lives. Some of them are even considered as influencers for the society. There are number of ways in which a fashion designer works. It could be sketching on a piece of paper, draping on a dress form or graphically representing the idea. When the designer feels that the garment could be created and would be liked by the audience then only it is produced and is then tested on a model to make sure it is an operational outfit. Every well-known brand has a story of its origin. A designer clothing line is the one that dominates the departmental stores. The most challenging thing for a designer is launching their own clothing line, but with the help of e-retailing and online marketing one is able to start as a small online store to a wellestablished brand. One must have appropriate equity, strength to face challenges and achieving one's goals are essential things that are to be considered before starting a designer studio. There are number of other things too that are to be considered while starting a brand such as identifying the need in the market and the target audience, developing a business plan, designing according to the customer, finding the suppliers, deciding the appropriate name and then designing the logo and market profile that could attract and make the audience clear about what all the studio deal with, also the price of products, the marketing channels, distribution channels, logistics etc. (Wintour 2021) [10]

Some studios concentrate strictly on "artwork" and "creativity", and other studios offer additional services such as pattern making, sewing, and other aspects of product development such as sample making. The ambiance of a design studio is often noticed by the customers. Number of designers working in a typical design studio may vary from a single designer to a group of designers. In studios there is number of individuals working apart from designers the staff may also consist of other technicians and artisans engaged in sewing, embroidering, textile printing, and other prototyping activities. The small designer fashion studios are operated generally by individuals, while the medium to larger scale ones are the ones owned and operated by internationally recognized fashion designers.

Recently many fashion studios have come up in cities providing a wide range of customised as well as ready to wear clothing to the end customers. This trend is increasing day by day offering great opportunities to new designers and entrepreneurs to establish themselves towards successful business ventures but this retailing and marketing of customised clothing is a challenging job. Therefore, the present study aims to get an insight into the working of designer fashion studios with the objective of studying their retail marketing practices.

Methodology

The locale of the present study was Ludhiana city and thirty five designer fashion studios were randomly selected to study their working profile out of these fifteen designer fashion studios were then selected for case study on the basis of their size and annual turnovers. The case study method was adopted to study the individual working of selected studios for gaining insight into their retailing and marketing practices. This was done through a descriptive survey method and data collected was supplemented with simple observations. The data was analysed using simple percentages and weighted mean scores. The tool used for the purpose of conducting the survey was an interview schedule.

Results and Discussions

The data pertaining to the designer fashion studios retail and marketing practices of the selected studios were tabulated analysed and has been presented in this chapter.

Table 1: Preferences for marketing strategies in order to increase sales by designer fashion studios

(n=15)

Sr. No	Strategies	WMS	Rank
1.	Social marketing	5.46	I
2.	Paid Media Advertising	2.66	IV
3.	Point-of-Purchase (POP) Marketing	2.66	IV
4.	Cause Marketing	3.26	III
5.	Co-Branding	1.6	VI
6.	Word of mouth	5.33	II

In Table 1 it was observed that social marketing was the most preferred strategy with weighted mean score 5.46 followed by word of mouth strategy where weighted mean score was 5.33 and cause marketing with weighted mean score 3.26. Least preference was given to paid media advertising and point of purchase (POP) marketing strategies where weighted mean score was 2.66 each and co-branding with weighted mean score 1.6 according to the data depicted in table 1.

Ahmad *et al.* (2015) [1] in their study on impact of social media on fashion industry concluded that there has been a remarkable development in social media. Fashion businesses are more into it as it is one such business where changes take place very frequently and also social media is the most convenient as well as cheapest mans of communication.

Table 2: Budget spent on marketing by designer fashion studios (n=15)

Sr. No.	Budget (In rupees)	f	%
1.	Less than 5,000	6	40
2.	5,000-10,000	5	33.33
3.	10,000-15000	1	6.66
4.	More than 15,000	3	20

f = frequency

Table 2 reveals that majority (40 percent) of the fashion studios did not spend more than ₹5000 per month on marketing whereas (33.33percent) of them spend around ₹5000-₹10,000 and only (6.66 percent) one of them spend between ₹10,000-₹15000. Further about 20 percent of them sometimes spend more than ₹15,000 when they organised or participated in any event such as exhibitions and fashion shows.

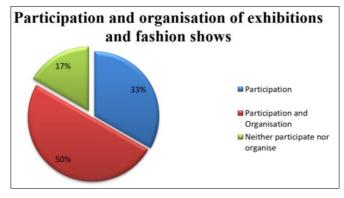


Fig 1: Distribution of studios on the basis of participation/organisation of fashion shows and exhibitions (n=15*)

Figure 1 shows that 50 percent of selected designer fashion studios participated in fashion shows and exhibitions whereas 33 percent of them participated as well as organised fashion shows and exhibited their collections in exhibitions while there were few (17 percent) of the studios that did not participate or organise any kind of fashion shows or exhibitions as they usually customised the products for their clients and did not indulge in retailing.

Table 3: Factors affecting promotion of designer fashion studios

Sr. No.	Factors affecting promotion	WMS	Rank
1.	Personal selling is the most expensive promotion tool	4.13	IX
2.	People/customers are the most important element in your marketing mix	4.33	VI
3.	Defining and understanding your product or service will help you understand how to position and sell it to your customers.	4.33	VI
4.	Displaying the products in front of target customer help promote better in competitive market	4.46	IV
5.	Promotion increases sales and differentiates a product	4.06	XI
6.	Fluctuating consumers preferences	4.8	I
7.	Virtual experiences are bridging the gap between the online and offline parts of a store	4.26	VIII
8.	Too much inventory is good for any design house	3.73	XII
9.	Mass communication has led to modern marketing strategies to continue focusing on brand awareness, large distributions and heavy promotions	3.53	XIII
10.	e-Retailing is playing important role in promoting brand	4.4	V
11.	Stiff competition affects promotion techniques	4.13	IX
12.	Online marketing is cheaper than offline marketing	4.53	III
13.	Consistent marketing and messaging leads to a consistent brand identity and therefore consistent sales	4.6	II

Various factors that affect promotion were studied and data furnished in table 3 reveals that most preferred factors were fluctuating consumer preferences with weighted mean score 4.8 while consistent marketing and messaging and online marketing is cheaper than offline marketing were ranked second and third with weighted mean score 4.6 and 4.53 respectively. Other factors which were considered important were displaying the products in front of the target audience and E-retailing plays major role in marketing were ranked fourth and fifth with weighted mean scores 4.46 and 4.4.

There were many other factors which were least preferred that affect the promotion such as role of mass communication, large distributions and heavy promotions with weighted mean score 3.53, too much inventory with weighted mean score 3.73 and promotion increases sales were given less preference with weighted mean score 4.06.

Krishnakumar (2014) [6] found that more customers and increasing footfall can be achieved through visual merchandising or displaying the products in such a way that that it attracts the customers more and more.

Table 4: Distribution of fashion studios on the basis of factors considered regarding retailing (n=15)

Factors	Considered f (percentage)	Not considered F (percentage)
Dynamic by nature	15(100.00)	-
Customer oriented	14(93.33)	1(6.66)
Involves lesser quantity in terms of the goods sold	8(53.33)	7(46.66)
Involves personal touch with the customer	13(86.66)	2(13.33)
Last link in the distribution channel	8(53.33)	7(46.66)
Attracts customers by using various methods such as discounts, vouchers, lucky draw schemes, coupons, etc	5(33.33)	10(66.66)
Includes the customers who buy the articles for non-business purposes	12(80.00	3(20.00)
Retailing is essentially an economic activity	14(93.33	1(6.66)
Includes sales of goods as well as services	15(100.00)	-
Involves earning profits through customer satisfaction and retention	11(73.33)	4(26.66)
Aims at increasing the number of customers	13(86.66)	2(13.33)
Demographic, social and economic factors affects retailing	13(86.66)	2(13.33)

It was observed that all fashion studios considered dynamic nature of retailing and sales of goods and services as major factors of retailing followed by customer oriented, economic activity, increasing number of customers, and personal touch

with clients and factors like demography, social and economic were considered to be important too. Also few of them were of view that retailing involves earning profits through customer satisfaction, selling for non-business purpose, lesser quantity of goods sold and attracting customers through various methods such as discounts, vouchers, lucky draws, coupons etc. Saha *et al.* (2019) [8] in their study on factors

influencing retailing exclaimed that the important factors that influence retailing in the retail outlet includes store ambience, merchandise options, level of services provided, sales promotion and convenience. Also, for offline retailers it is important to use more of augmented reality feature and technology within the store so as to ensure better customer connect and overcome the threat of online retailing.

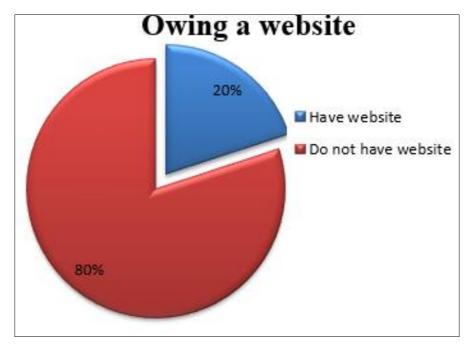


Fig 2: Fashion studios operating a website (n=15)

Fig 2 shows that only few (20 percent) fashion studios had their own websites where they updated and sold their collections whereas majority (80 percent) of studios do not have their own websites.

The bar graph shown in figure 3 represents that all the studios used Instagram for updating and selling products online as it was one of the most convenient socialising and attractive application and was easy to use followed by what's-app and

Facebook which were used by limited number of studios to promote themselves or sell online.

Bashar *et al.* (2012) [3] concluded that social media become very important tool for marketing mix in general and also for promotion mix in particular. Adopting various form of marketing online through social media is a key for all businesses, especially in fashion industry where trends constantly change.

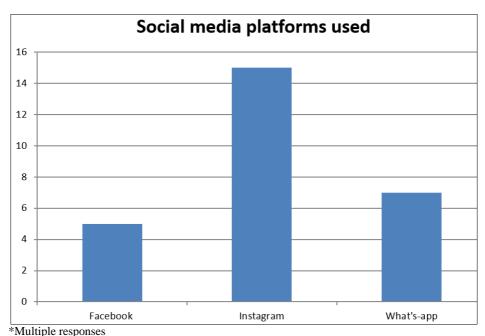


Fig 3: Social media platforms used by designer fashion studios (n=15*)

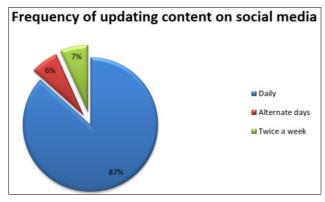


Fig 4: Frequency of updating new content on social media by designer fashion studios (n=15)

Data in Fig 4 reveals that 87 percent of the designer fashion studios updated their collections and content on daily basis so as to attract customers and also many of them tried to build links and connections with their customers through social media by setting up give always and contests for the audience. Remaining 13 percent of them either updated it on alternate days or twice a week respectively. None of them took more than three to four days to update their social media account.

Table 5: Challenges faced by designer fashion studios while selling online (n=15*)

Sr. No.	Challenges	f	%
1.	Attracting the perfect customer	10	66.66
2.	Poor customer experience	7	46.66
3.	Customer loyalty	6	40.00
4.	Converting shoppers into paying customers	11	73.33
5.	Competition & competitor analysis	5	33.33
6.	Price and shipping	4	26.66
7.	Product return and refund policy	10	66.66
8.	Choosing the right technology/ platform to fix the e-commerce challenges	2	13.33

f = frequency

Table 5 shows that majority (73.33 percent) of the studios faced the challenge of converting shoppers into paying customers followed by 66.66 percent of them who faced difficulty in attracting the perfect customer and also difficulty in product return and refund policy. There were few studios that also faced challenges in maintaining customer loyalty (40 percent), price and shipping (26.66 percent) of the product, choosing the right platform (13.33 percent) and poor customer experience (46.66 percent).

Reddy & Divekar (2014) [7] in their study concluded that selling products through social media or websites is becoming most accepted means today in the whole world. People are purchasing vegetable to clothes and even expensive metals through this means. As more and more consumers move to online purchasing more and more service providers are emerging in this field. But, e-commerce as seen in the very beginning has been a very difficult and was one of the loss making sector due to its lack of favourable environmental factors in order to pursue business.

Conclusion

• It was observed that social marketing was the most preferred strategy with weighted mean score 5.46 followed by word of mouth strategy where weighted mean score was 5.33 and cause marketing with weighted mean score 3.26. Least preference was given to paid

- media advertising and point of purchase (POP) marketing strategies where weighted mean score was 2.66 each and co-branding with weighted mean score 1.6
- It was found that majority (40%) of the fashion studios do not spend more than Rs 5000 per month on marketing whereas (33.33%) of them spend around Rs 5000- Rs 10,000 and only (6.66%) one of them spend between Rs 10,000-Rs 15000. Further about 20 per cent of them sometimes spend more than Rs 15,000.
- It is found that 50 per cent of selected designer fashion studios participate in fashion shows and exhibitions whereas 33 per cent of them participate as well as organise fashion shows and exhibit their collections in exhibitions while there were few 17 per cent of the studios that do not participate or organise any kind of fashion shows or exhibitions as they usually customise the products for their clients and do not indulge in retailing.
- It was also seen that fluctuating consumer preferences was one of the major factor that needs to be considered while promoting a product. Other factors which were considered important were consistent marketing and messaging and also selling online. There are many other factors which were least preferred that affect the promotion such as positioning of the products, understanding that customer is the king of the market, stiff competition in market, personal selling, etc.
- It was observed that all fashion studios consider dynamic nature of retailing and sales of goods and services as major factors of retailing followed by customer oriented, economic activity, increasing number of customers, and personal touch with clients and factors like demography, social and economic were considered to be important too. Also some of them considered retailing involves earning profits through customer satisfaction, selling for non-business purpose, lesser quantity of goods sold and attracting customers through various methods such as discounts, vouchers, lucky draws, coupons etc.
- It was found that only few (20%) fashion studios have their websites where they sell their collections whereas Majority (80%) of studios do not have their operating websites.
- It was found that all the studios use Instagram for selling products online as it is one of the most convenient socialising and attractive application and is easy to use too followed by What's-app and Facebook which are used by limited number of studios to promote themselves or sell online.
- 87 per cent of the designer fashion studios update their collections and content on daily basis so as to attract customers and also many of them try to build links and connections with their customers through social media by setting up giveaways and contests for the audience. Rest 6 and 7 percent of them either post it on alternate days or twice a week respectively. None of them take it more than three to four days to update their social media account.
- It was found that majority (73.33%) of the studio face the challenge of converting shoppers into paying customers followed by 66.66 per cent of them face difficulty in attracting the perfect customer and also difficulty in product return and refund policy. there are few studios who also face challenges in the customer loyalty (40%), price and shipping (26.66%) of the product, choosing the right platform (13.33%) and customer experience

^{*}Multiple responses

(46.66%).

From the study it was found that only few fashion studios were using updated and innovative marketing and retaining strategies. For improvements in retail marketing practices, suggestions are provided by the researcher. After incorporating these suggestions, the designer fashion studios can have increased business, visibility to attract more customers, retain loyal customers and gain better profit margins. This will in turn lead to greater name and fame of the designer, not only in the city but also in other parts of the country.

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