



# RAMA UNIVERSITY

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## E-Content BCH-604 : Retailing Management

### Lecture 18

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# Merchandise Management and Pricing

# Types of merchandise

- Staple/ Basic merchandise (Classics)
  - Caters to basic needs: salt, pulses etc
  - Always in demand
- Fashion merchandise (All about fashion trend)
  - High demand for short period
- Seasonal merchandise (Rain wear, sun coat or sweaters etc)
- Fad merchandise (in contrast to fashion)
- Style (uniqueness in the merchandise)

# Principles of merchandising

- Breadth of assortment (narrow or wide)
- Depth of assortment (deep or shallow)
- Quality of assortment (high to low)
- local brands or national brands
- Pricing policies or offers

# Merchandise planning

- "A systematic approach. It is aimed at **maximising return on investment**, through planning **sales and inventory** in order to increase profitability. It does this by maximising sales potential and minimising **losses from mark - downs and stock - outs.**"

# Merchandising planning

## Key Drivers

