

Retail Product Merchandising: Retail Buying-Selling Cycle

SECTION 2: Establishing the Retail Merchandise Mix

Part 1: The Basics of the Retail Merchandise Mix

Part 1: 1-5 Product Categories

Branded apparel companies and apparel producers specialize in producing product based not only on management's decision regarding which industry zone in which to produce and market product, but also based on the management's and employees' skill level and expertise in designing and constructing the product. These companies produce *product categories*, or clusters of products, that target a specific consumer's lifestyle, gender, and size range as well as price range. For example, companies that design and produce outerwear coats do not make swimsuits. Or, apparel companies that specialize in streetwear dresses do not design and produce bridal gowns or jeans.

Furthermore, the product categories are usually subdivided into *product classifications*, or an assortment of products that can substitute for other products. For example, tops can be classified as tee shirts, dress shirts, or blouses. Any of these classifications will substitute for the other if a specific end use, occasion of wear, or apparel need is identified. The women's wear (i.e., ladies wear) segment is probably the most highly segmented and fastest changing market in the apparel industry.



The ladies wear segments usually include the following product categories: ready-to-wear (RTW), bridal, sportswear, activewear, swimwear, intimate apparel, maternity, uniforms, and workwear. Some of the product classifications in these categories are produced by many companies in several styles, price

ranges, and size ranges, while others are offered by only a few specialized brands. For example, there are fewer companies producing swimwear than jeans or dresses.

Ready-to-Wear (RTW)

In the United States, RTW includes the product classifications of dresses, suits, outerwear, and formals. At various times in the fashion cycle, one product classification is more important than another product classification. For example, dresses and sportswear classifications often compete for the same consumer dollars. Currently dresses are making a big comeback in the women's wear industry after being less significant for the past two decades. Additionally, these various classifications compete with each other for the retailer's budget allotments and floor space for merchandising and selling product.

Dresses include one-piece and two-piece designs, jacket dresses, and coat and dress ensembles. *Suits* consist of jackets and skirts, jackets and pants, or a combination of coordinated jacket, skirt, and pants. *Outerwear* is classified as coats, jackets, and raincoats. However, companies that produce heavy coats do not always produce rainwear. Many times a coat company will specialize in rainwear only and no other outerwear classifications. *Formals* consist of product classifications such as evening wear, cocktail, after five dresses, special occasion wear and prom dresses.

Bridal

Bridal wear runs the gamut of designer gowns to the simplest of design creations. This industry maintains a nice business; however, it is based on a one-time, high price purchase and not the sales volume produced by repeat consumers. Nonetheless, second marriages and more mature brides have contributed recently to the health of the industry. Merchandise in the bridal area includes bridal gowns, bridesmaid dresses, and mother-of-the-bride or groom attire.



Sportswear

The sportswear category includes coordinated groupings, related separates, and playwear. *Coordinated groupings* include mix and match garments that are compatible in theme, style, color, fabrications, and

patterns. The items may include jackets, blazers, sweaters, blouses, shirts, tee tops, camisoles, skirts, pants, and sometimes shorts. Consumers have the option to purchase any of the items and combine them for a well-coordinated ensemble of product classifications.

On the other hand, *related separates* are product classifications that are more than likely related by end use or occasion of wearing, theme, color, fabric types and patterns. With these items such as jeans, pants, shorts, skirts, shirts, tee tops, etc., the consumer may decide to purchase only one product. However, the consumer has the option to purchase another item that blends with the purchased or other product classification in order to create a harmonious ensemble.

In the United States, jeans are a major product classification in the separates category. This product classification is so important that it is now segmented into good, better, and best pricing categories and has also entered the luxury market through the premium denim market. For example, major branded apparel companies such as VF Corporation who is known for its Wrangler® and Lee® jeans brands also owns 7 for All Mankind®, a premium denim jeans brand.

Playwear, as the word implies, consists of product classifications such as casual sportswear items that can be worn for vacation wear to spectator sports attire to casual weekend wear to street wear. Frequently these items include casual pants (e.g., crop pants, ankle-cut pants), shorts, comfortable, easy-wear tee tops, and short sleeve shirts and blouses in both patterns and solids.



Activewear

As opposed to playwear, *activewear* frequently is composed of products for participating in a specific sport or athletic activity such as tennis, golf, skiwear, cycling, running, exercising, etc. Due to the mega societal trend of maintaining a healthy lifestyle, for the past few decades, consumers joined gyms, hired professional trainers, and began participating in various active sports. Additionally, colleges and universities receiving federal funds were mandated by the Federal Government to offer equal athletic

opportunities for both female and male students. Also, athletic activities such as women's basketball, volleyball, running marathons, track, etc. became more prevalent in high schools as well as in colleges and at the Olympics.

Further, consumers began wearing this apparel for weekend wear. The products were spotted being worn by consumers in grocery stores, attending casual events, and eventually on the street. Thus, the phrase was coined "out of the gym onto the street". Products gaining this type of popularity from consumers attracted the attention of major athletic shoe companies as well as other sportswear producers. Add to this phenomenon the development of performance fabrics in the textile segment of the FTAR Complex and a major segment of the industry was born. Moreover, with more and more consumers dressing casually for events and occasions that once dictated specific attire, this area of the industry has grown immensely in the past decade.

Swimwear

Another major product category is swimwear. Swimwear products are both functional and fashionable. For example, swimwear worn for competitive activities is designed using the latest technology and performance fabrications in order to produce a better performance outcome. Those worn as active funwear for vacationing or casual activities are created in the most fashionable designs, colors, and patterns. In the fashion segment of the industry, besides the one- and two-piece suits produced by swimwear companies, recently cover-ups, other coordinating items and even coordinating maxi-dresses and sundress have become big business for the retailer.



Intimate Apparel

Intimate apparel consists of foundations, lingerie, and loungewear. *Foundations* include product classifications such as bras and shapewear. There are various styles of bras (e.g., training bra, nursing

bra, strapless bra, and halter bra) based on the end use and occasion of wearing of the garment. Due to the activewear trend, sports bras are now a major classification of the bra industry. Also, during the past decade bras have become a fashion item that are being worn as an outer garment or under a sheer blouse or top.

Since there is a growing trend of casual dressing by the current consumer, *shapewear* (i.e., product to flatten stomach, buttocks, hips, thighs) has replaced the traditional shapers of girdles, corsets, garter belts, etc. One of the most popular brands of shapewear carried by many retailers today is SPANX®.

Lingerie consists of product classifications worn for both day and night. Being worn under the consumer's outer garments, daywear classifications include camisoles, panties, and slips or petticoats. Many younger consumers, however, do not own or wear slips; yet, they wear the camisole or "cami" both as an inner and outer garment. Lingerie for nightwear includes nightgowns and shirts, pajamas, and robes. These garments are designed to be very seductive to very casual. In fact, one major trend is now wearing the pajama as casual or streetwear.

Loungewear consists of garments such as robes or pajamas that are designed in styles and fabrications that can be worn comfortably any time of day in the home. At various points of time during the fashion cycle, loungewear has been very popular for home entertaining; however, this trend is cyclic and not always popular with the end consumer. Presently, this product classification is not as popular as in previous decades.

Maternity, Uniforms, Workwear

Other product categories in the women's wear industry include maternity wear, uniforms, and workwear. Although these merchandise categories are unique for a specific target market segment and sometimes are not noted for the highest volume-producing product classifications, they are essential to meeting the needs, demands, and desires of specific modern-day target consumer segments.



Each new generation of consumers purchasing these merchandise categories impacts the design, price, and marketing of the product. For example, more women working in employment positions in the outdoors or in trade type jobs have impacted the design, fit, and overall appearance of women's workwear items. Maternity wear has become more fashionable and trendier and the uniform business has become prominent with many different types of industries now offering or requiring uniforms for their employees.

One other facet to consider when categorizing product is size or the body measurements and proportions of the consumer purchasing the product classifications. Sizes are based on physical body dimensions (e.g., weight, height, body proportions, and circumference) of consumers. They vary according to product classification, gender, and industry zone. For example, women's wear sizes are categorized as junior (i.e., 3 – 15), misses (i.e., 4 – 18), petite (i.e., 2P – 16P), and women's sizes. Sometimes women's sizes are also labeled as plus sizes and/or half-sizes.

In contrast to the types of product categories created, produced, distributed, and marketed in the women's wear industry, the menswear and children's wear industry are structured very differently. For example, the major product categories in menswear include tailored clothing, outerwear, sportswear, furnishings, accessories, activewear, uniforms, and workwear.

The tailored clothing category includes suits, sports coats, trousers, formal wear, etc., while sportswear consists of jackets and related separates such as shirts, tops and tees, sweaters, slacks, jeans, and shorts. The furnishings category is comprised of shirts, underwear classifications, neckwear, socks, and sleepwear. Accessories include belts, gloves, jewelry, and other smaller textile accessories.

The children's wear industry may be structured by size range or product category. The size range categories include various product classifications from the layette (i.e., newborn) to infant to toddler to girls to boys. These size categorizes are classified by age range, height and weight, and sometimes by chest, waist, and hip body dimensions. Students interested in the children's wear and the menswear industry segments should further investigate the many product categories in these segments in order to understand the criteria and standards utilized for structuring specific product categories.

In the following segment, *Part 1: 1-6 Trend Modifiers*, how trend modifiers impact the establishment of the merchandise mix is discussed.