

Module 6 Assignment

Short Answer (4 to 5 sentences)

1. *Describe both merchandising and merchandising philosophy.*

Merchandising describes the activities of any sales-promoting measures taken by a retailer. The measures taken are intended to generate more sales. Under the merchandising philosophy, a retailer understands the principles according to which it makes merchandise decisions. The merchandising philosophy can vary from company to company and ensures that the market is so broad.

2. *Figure 14-5 lists many considerations in devising merchandise plans. What role do forecasts play?*

Forecasts are an important part of creating a marketing plan. On the one hand, this is because forecasts give an idea of the future. On the other hand, forecasts ensure that a company can prepare for possible future events. So, using forecasts in a company helps to plan long-term prospects and events in advance.

3. *Figure 14-5 lists many considerations in devising merchandise plans. What role do brands play?*

When creating merchandise plans, the respective brands and their products have a great influence on the composition. On the one hand, branded products have a certain reputation among the population. On the other hand, branded products cost more than similar products from not-so-big brands. So a retailer has to be aware of the needs of the customers, their own needs and ideas as well as their own budget before putting together merchandise plans.

4. *Figure 14-5 lists many considerations in devising merchandise plans. What role does timing play?*

When creating merchandise plans, timing has a great influence. This is because goods must be available at certain intervals and at the right times. If goods are delivered too early, they have to be stored extra, which costs resources. If goods are delivered too late, demand may not be met, leaving the customer base dissatisfied. Creating merchandise plans with the right timing is thus fundamental to long-term success.

5. *List the steps / process for implementing merchandise plans. See Figure 15-1.*

The first step in implementing merchandise plans is for the retailer to gather information. Then he has to deal and interact with merchandise sources. These are then evaluated and negotiated. In the next step, purchases are finalized before the individual merchandising products are accepted and added to the warehouse. Subsequently, the products are ordered again, after which the re-evaluation of the merchandise plans takes place in the last step.

6. *Define financial merchandise management. What is one benefit of a well-structured financial management plan?*

In financial merchandise management, a retailer decides when, how many, and which products to buy. Well-structured inventory management plans have a lot of advantages for companies. For one, both the value and quantity of any inventory can be delineated by any area over a period of time. Another advantage of financial inventory management is that it sets the number of goods a buyer can purchase over a period of time.

7. *Figure 17-3 lists several factors affecting a retail price strategy. Briefly describe two of these.*

There are many factors in a retail business that influence the pricing strategy. One is the selling price of products. In this process, data is compared, companies are observed and their own experiences are used. Another factor that influences a company's pricing strategy, for example, is the total sales revenue. In this factor, the sales price is added to quantity demand.