

Glossary of Fashion Marketing Terms

Advertising is persuasive and/or informative non-personal communications paid for by a clearly identifiable sponsor.

Break-even analysis shows the relationship between fixed costs, variable or marginal costs, total costs, sales revenue and output or volume.

Causal research is used to determine the relationship between variables, e.g. the relationship between advertising and repeat purchases.

Concessions also known as shops-within-shops, can be defined as space leased by the host retailer to another retailer, wholesaler or manufacturer from which to sell its merchandise.

Consumer behaviour provides a framework for identifying consumer needs and target markets, and enables the anticipation of consumer responses to marketing action.

Cost-plus pricing is simply calculating the cost of raw materials, labour and overheads, and adding an amount to cover profit in order to arrive at the selling price.

Demographics is the study of changes in the size and make-up of the population.

Descriptive research provides an accurate description of the variables uncovered by the exploratory research.

Exploratory research is an attempt to uncover any variables that may be relevant to the research project as well as an investigation of the environment in which the research will take place.

Family life cycle is an attempt to classify people according to the age of head of household, marital status, and the age and number of children.

Fashion is about continuous change, clothing and related products and services, and the exercise of creative design skills. Fashion is a current mode of consumption behaviour applied specifically to clothing products and related services.

- Fashion classics** can usually be seen as the midpoint compromise of any style, i.e. total look or composite effect. Colour and pattern may vary, but the classic customer does not seek the satisfaction of a new seasonal experience in the way that the fashion and fad counterparts do.
- Fashion fads** will meteorically rise in popularity only to suffer an abrupt decline as they become adopted. As a fad becomes fashionable it also becomes unfashionable.
- Fashion marketing** is the application of a range of techniques and a business philosophy that centres upon the customer and potential customer of clothing and related products and services in order to meet the long-term goals of the organization.
- Fashion marketing concept** attempts to embrace the positive aspects of high concern for design, customers and profit by recognizing the interdependence of marketing and fashion design personnel.
- Fashion marketing plan** is a document that details marketing action for a specified period. The plan gives implementation details of the marketing strategy and states how the firm will achieve its marketing objectives.
- Fashions** usually have a slower rise to popularity, plateau with continuing popularity and then decline gradually; often this cycle relates to a season, whether autumn/winter or spring/summer.
- Franchising** is a contractual relationship between franchiser and franchisee in which the franchiser offers, or is obliged to maintain, a continuing interest in the business of the franchisee in such areas as knowledge and training; wherein the franchisee operates under a common trade name, format or procedure owned by or controlled by the franchiser, and in which the franchisee has made or will make a considerable capital investment in his business from his own resources.
- Geodemographics** are systems derived from statistical analysis of census variables to discover residential areas, usually census enumeration districts, that are linked to purchasing behaviour and media usage.
- Innovation** is anything the consumer perceives to be new, and could include an 'old' product introduced into a new market.
- Intergated Marketing Communications** is a concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communications disciplines (e.g., general advertising, direct response, sales promotion and public relations) ... and combines these disciplines to provide clarit, consistency and maximum communications impact.
- Lifestyle** or **psychographics** is a classification of consumers based on activities, interests and opinions (AIOs).

- Markdown** is where profit is expressed as a percentage of the sale price.
- Market-based pricing** is founded on market research to find the optimum selling price which then acts as the main driving force upon cost containment via design and quality control effort.
- Market penetration pricing** tries to capture a large market share by charging low prices. The low prices charged stimulate purchases and can discourage competitors from entering the market as the profit margins per item are low.
- Market research** is used to refer to research into a specific market, investigating such aspects as market size, market trends, competitor analysis, and so on.
- Market segmentation** is where the larger market is heterogeneous and can be broken down into smaller units that are similar in character.
- Market skimming pricing** charges high initial prices and then only reduces prices gradually, if at all. A skimming price policy is a form of price discrimination over time.
- Marketing** is both a way of thinking about the firm from the perspective of the customer or potential customer, and a management process concerned with anticipating, identifying and satisfying customer needs to meet the long-term goals of the organization.
- Marketing analysis** is an assessment of market segment options, the competition, the marketing environment and major trends.
- Marketing audit** involves sets of detailed questions that are asked to determine the status of a firm in relation to its objectives, customers, competition and marketing environment.
- Marketing environment** is all the influences beyond the control of fashion companies that affect marketing action. It includes consideration of the social, cultural, technological, economic and political contexts within which fashion marketing occurs.
- Marketing intermediaries** are the main channels that help to get fashion products and services from the manufacturer to the consumer.
- Marketing mix** describes the specific combination of marketing variables used by a fashion marketer to meet the needs of specific groups of customers known as target markets. It comprises decisions made about products, prices, promotion, services and distribution that are assembled in a coherent and profitable way to represent what the firm is offering to the consumer.
- Marketing research** covers investigation into all aspects of the marketing of goods or services, such as product research and development, pricing research, advertising research and distribution research, as well as all the aspects of market analysis covered by market research.

- Marketing strategy** is a specification of those markets the firm wishes to target with marketing activities and how competitive advantages are to be created and achieved.
- Markets** are places for buying and selling, for exchanging goods and services, usually for money. To constitute a market there should be a genuine need, the customer(s) should be willing and able to buy the fashion product, and the aggregate demand should be sufficient to enable a supplier to operate profitably.
- Markup** is where profit is expressed as a percentage of costs.
- Mass marketing** assumes that all customers in a market are the same. It is based on the idea that customer needs do not vary and that the company can offer a standardized marketing mix that meets the needs of everyone.
- Multi-Fibre Agreement (MFA)** came into existence in 1974 as a temporary expedient and is basically a framework for regulating trade in fibres, fabrics and clothing between developing low-cost countries and the industrialized countries.
- Multiples** are businesses with at least ten outlets selling predominantly one merchandise group, e.g. clothing or shoes.
- Niche marketing** is where a clearly defined segment is targeted with a narrow product range.
- Opinion leadership** refers to the degree of influence exerted in a given choice situation.
- Perception** is the process whereby buyers select, organize and interpret simple stimuli into a meaningful and coherent picture of the world.
- Personal selling** is interpersonal promotion carried out by the sales staff of a retailer, wholesaler or manufacturer.
- Positioning** is to do with the perception by the target market of the firm and its marketing mix. Positioning is how customers see the market, although that perception may have been influenced by marketing action.
- Price** is the point at which exchange between buyer and seller takes place, where supply and demand are equal. Price is the amount of money that is exchanged for fashion products and/or services.
- Product** can be defined as anything that can be offered in the marketplace that might satisfy a need. Products may be classified as convenience, shopping or specialty goods.
- Product life cycle** is based on the proposal that all products have a finite 'life cycle' that can be plotted over a given period using the biological analogy of growth, development and decline.
- Product mix** or **product range** is the assortment of fashion products that a company offers for sale at any point in time.
- Promotional mix** is the particular combination of promotional methods and media used by an organization to achieve its marketing

communication goals. It includes advertising, sales promotions, public relations and selling.

Publicity is media coverage that is not paid for and has a mass audience and a high level of credibility.

Public relations aims to establish and maintain a favourable image through a pre-planned, long-range programme by communicating with its publics, including consumers, suppliers, shareholders, trade customers, employees, unions, government, pressure groups and the local community.

Sales promotion involves promotional activities that add value to fashion products or induce consumers or intermediaries to buy or provide an incentive for channel effectiveness.

Sampling involves selecting a small number of people from the larger survey population whose characteristics, attitudes and behaviour are representative of the larger group.

Social class refers to divisions of people according to their economic position in society, whether they are aware of that position or not.

SWOT (strengths, weaknesses, opportunities and threats) analysis considers both internal and external factors about either the whole company or a particular fashion product line or range in relation to customers, competitors and trends in the marketing environment.

Variety chain stores sell a variety of merchandise. In the UK, the four major variety chain stores with a significant clothing turnover are Bhs, Marks and Spencer, Little-woods and, to a lesser extent, Woolworths.

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