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FASHION MERCHANDISING FOCUSING ON CENTRAL AND EASTERN EUROPE Bachelor Thesis

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Candidate: **Laura Porubcová**
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Thesis title: **Fashion merchandising focusing on Central and Eastern Europe**

Aim: The main aim of this thesis is to explore the role of merchandising in the fashion industry in Central and Eastern Europe and what is the perception of selected brands of higher price levels, what are the current global trends and the specifics of the European market.
In addition, influencing factors that influence customers when making purchasing decisions are explored. A concept will be designed for selected brands to increase the efficiency of retail sales.

Content areas:

1. Theoretical part
 - Description of fashion marketing, marketing communications, marketing models
 - The current global trend in retail
 - B2B platforms, ordering system, relations with agencies
2. Analytical part
 - Introduction and comparison of selected brands
 - Analysis and specifics of Central and Eastern European markets
 - Perception of B2C merchandising
3. Designing additional procedures for higher efficiency
 - Interviews with stakeholders
 - Advantages and disadvantages of the proposed procedures

Length of thesis: 25 – 30 stran

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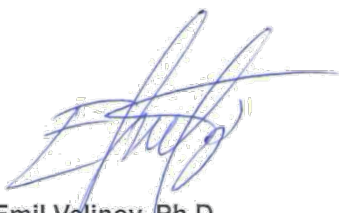
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Contents

INTRODUCTION	8
1 THEORETICAL PART.....	10
1.1 FASHION MARKETING.....	10
1.2 FASHION MERCHANDISING	11
1.3 IMPORTANCE OF GARMENTS.....	12
1.4 RETAIL	12
1.5 MARKET LEVELS	13
1.6 VISUAL MERCHANDISING	15
1.7 RETAIL MERCHANDISING.....	17
1.8 MERCHANDISING ACTIVITIES	17
1.9 MARKETING MIX.....	17
1.10 MARKETING COMMUNICATION	20
1.11 MARKETING MODEL	21
1.12 ORDERING SYSTEMS THROUGH B2B PLATFORMS.....	23
1.13 SALES PROMOTION ON SOCIAL NETWORKS	24
2 BRAND COMPARISON.....	25
2.1 LUXURY BRANDS	25
2.2 SELECTED BRANDS.....	25
2.3 FASHION INDUSTRY IN THE CZECH REPUBLIC.....	27
2.4 EUROPEAN MARKET.....	28
2.5 POINT OF SALE.....	28
2.6 E-COMMERCE	29
3 PRACTICAL PART.....	30
3.1 FORMULATION OF THE PROBLEM.....	30
3.2 RESEARCH OBJECTIVE	30
3.3 TYPE OF RESEARCH AND CHOICE OF METHODOLOGY	30
3.4 METHOD.....	30
3.5 HOW TO GET QUESTIONS AND RESEARCH QUESTIONS.....	30
4 QUALITATIVE RESEARCH.....	32
4.1 RESULTS OF THE INTERVIEWS.....	32
4.2 SUGGESTIONS FOR IMPROVEMENT.....	33
4.3 SUGGESTIONS AND IMPROVEMENTS - IDEAS GAINING FROM THE INTERVIEWS.....	33
CONCLUSION	34
BIBLIOGRAPHY	36
LIST OF FIGURES AND TABLES	38
LIST OF APPENDICES	39

List of abbreviations and symbols

HC	Haute couture
EU	European Union
NOS	New old stock
POS	Point of sale
Etc.	Et cetera
Qs	Questions
Q	Question
A	Answer
Etc.	Et cetera

Introduction

The main objective of this thesis is to explore the role of merchandising in the fashion industry in Central and Eastern Europe and what is the perception of selected brands of higher price levels, what are the current global trends and the specifics of the market. The thesis is divided into two significant sections: theoretical and practical part.

The theoretical part introduces key information regarding marketing mix and 6Ps and marketing communication and it includes information about fashion marketing and fashion merchandising. In the main part where the importance of fashion merchandising is described and considering merchandising as one of the key parts of marketing in these days hence it eminently helps and supports sales in retail.

In this chapter, it includes the significance of the merchandising as a part of marketing process. If merchandising is chosen appropriately for the brand image of the store and, above all, the product, the company does not have to spend much more money on other marketing activities. On the other hand, if a store is not able to present its goods well enough, or on the contrary, it presents it in a way where the customer feels lost in the point of sale, often no further investment in marketing communication will help. Besides, interior of the stores helps to create a unique shopping experience for costumers.

The aim of the second part is to introduce three selected fashion brands, operating in Central and Eastern Europe, their characteristics and differences. Characteristics of Czech market is also defined here as well as current trend of European production, which is gaining great popularity.

Fashion retail is presented as a business that makes a purchase from a wholesaler or manufacturer and resells goods to the end consumer without major modifications or further processing. Retail, as one of the most important intermediaries of the retail chain, creates a suitable sales assortment that includes goods of sufficient quality, quantity and species diversity.

The subject of the practical part are the terms shopping environment and shopping atmosphere. In addition, influencing factors that influence customers when making purchasing decisions are explored. A concept is designed for selected brands to increase the efficiency of retail sales. There is used a qualitative research method

in the thesis in order to gain relevant information from the stakeholders. It also contains the results of marketing research concerning the point of sale. All the interviews were conducted in autumn 2019.

1 Theoretical part

The theoretical part of this thesis defines and explains the terms necessary for the following practical part. These terms include the definition of fashion marketing and especially fashion merchandising. Nowadays there are employed millions of people around the world in fields of huge fashion industry as designer, manufactures, distributors, marketing managers, retailers, advertising managers, publishers and consultants.

1.1 Fashion marketing

Essentially, fashion involves change in the form of short-term trends and extravagance. It does not necessarily have to be clothing, it is also possible to talk about popular music, the IT industry, or the automotive industry. Basically, anything that includes the current trend and pushes the boundaries in modern lifestyle. However, for the purposes of this work, the concept is solely for the purpose of the fashion industry, its products and services related to this industry.

Fashion nowadays is a global business. It reflects self-expression, cultural and social status, identity and emotions. Fashion is constantly changing, and it is important to approach it responsibly. The spring-summer and autumn-winter periods are the most important factor that indicates what occurs in fashion stores and what are the current trends. And aspects like color, print, label can be extremely short-lived. These constant changes make industry and the marketing very risky and complex (Hines & Bruce, 2007).

It is one of the fastest changing business environments. If retailer does not meet the needs of the customers, the business is not going to last long. Retailers in fashion industry depend upon customers making repeatedly the similarly purchases and the way how to succeed is loyalty and the satisfaction of target customer's needs. Most fashion houses have the idea of the representative and typical costumers that belong the most to the buying group. Marketing is a part of management process that identify and satisfy customers' needs in order to fulfill and achieve the long-term objective of the company as well as it helps to maintain a positive relationship between the customer and the company (Grose, 2012).

1.2 Fashion merchandising

The structure of fashion industry is to adapt strategies by the buyers from different countries and still following trends in the industry. Successfully fashion merchandising requires to have the right merchandise (garments), at the right time, at the right place, at the right price and with the right sales promotion. If all these conditions are met, retailers can increase their profits. It is crucial for retailers to following the current trends as well as forecasting upcoming fashion trends to retain the customers and attract the new ones (Selfstudys.com, 2012).

1.2.1 Short-term and long-term merchandising

Long-term merchandising is based on the rapidly changing appearance of the store, conceptual character and long-term cooperation with retail outlets and the concept of manufacturing fashion company. The activities are carried out on a regular basis, at regular intervals. These are activities such as adding goods and adjusting the sales area.

In contrast, short-term merchandising is based on a one-time shop layout, but with a long-term character. The concept and design of the store is created together in cooperation with fashion manufacturers. These are larger and more costly activities, such as the installation of shelves, installation of illuminated signs, renovation and modification of advertising stands (Bárta, Pátík & Postler, 2009).

1.2.2 Basic concepts and Fashion terminology

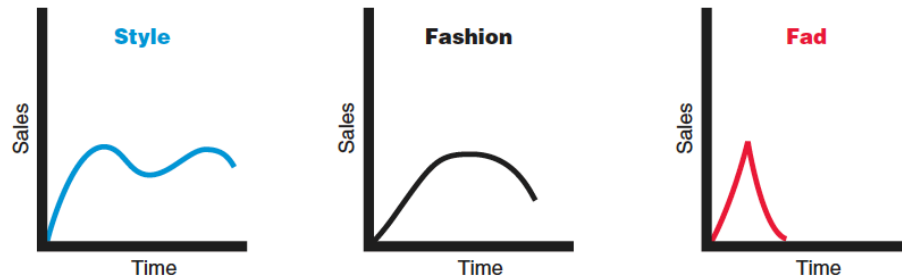
It is important to know and understand the basic concepts often encountered. More can be found in the following Fashion terminology paragraph.

In the world of fashion, certain words and familiar phrases are often used in discussions. Therefore, it is necessary to understand their true meaning, not to confuse concepts and to understand the concept. The most common are:

- **Style** is characterized in any particular look or characteristic in apparel. Every person has their own style to which they stick, and the concrete style remains still the same for a longer time of their life.
- **Fashion** is defined as a currently accepted style, which is the most popular at a particular time.

- **Fads** or short-lived fashion is changing in every single season. It usually lacks the design strength to hold consumers attention for longer time than a season.

Styles, Fashions, and Fads



Source: (Kotler, Armstrong, 2016)

Figure 1 Life cycles of Style, Fashion and Fads

- **Classic** that never become completely obsolete, but instead remain more or less accepted for a longer period of time. Classic can be characterized by design singularity, which keeps garments from being directly dated to a specific period. For a good imagination of classics can be named blazer jackets, polo shirts, and suits (Selfstudys.com, 2012).

1.3 Importance of garments

The first and basic attribute that garments bring to their consumer is protection from weather and nudity. At the next level, these are attributes that vary from clothing to clothing and are associated with its design, fabrication and functionality. These attributes are an integral part of any fashion product and bring many benefits to its consumer. Clothing may also have intangible attributes that are more abstract but not less benefit to consumers. These attributes reflect the desire, wishes, emotions and feelings of the consumer and are often associated with the brand's position and identity (Hauerová, Khelerová & Šimonovská, 2019).

1.4 Retail

Retail is a business that makes purchases from wholesalers or manufacturers and resells the goods to the final consumers without further major modification or processing. It secures communication by providing needed information about goods, ensures a suitable form of sales. In this way, retailers respond to the feedback in time and better adapt to the wishes and needs of their final customers.

Retail, as one of the most important intermediaries of the retail chain, creates a suitable sales assortment that includes goods of right quality, quantity and diversity. It also deals with higher prices of all products and creates a sales stock.

“Retailing - All the activities involved in the sale of goods or services directly to final consumers their personal, non-business use.

Retailer - A business whose sales come primarily from retailing” (Kotler and Armstrong, 2012, p 374).

1.5 Market Levels

It is also important for thesis to define the fashion market as a whole industry and then identify a specific market. The course of individual processes depends, among other things, on the level at which they are specific the company moves - these are haute couture, ready to wear, premium brands, diffusion lines, high street fashion, economy brands, fast fashion and slow fashion. These terms are briefly explained here.

1.5.1 Haute Couture

Haute couture is considered the world's tallest, most expensive, most complex design and refers to the high-quality clothes. Models can be also perceived as a clothing art in society. Outfits are manufactured in limited quantities and are tailored to the customer's vital statistics. Haute couture are hand-sewn models, which are originals sewn for a particular person. The collections are presented twice a year at fashion shows and represent an inspiration for designers who work for brands at lower levels. The most common customers are people of great influence (whether celebrities, politicians, or other prominent people in the world) who have sufficient funds to buy. HC includes brands (design houses) such as Chanel, Dior, Valentino, Giorgio Armani and Givenchy.

1.5.2 Ready to wear

Also known as luxury fashion is a category of great luxury. Unlike haute couture, garments are factory-made in conventional ready-made sizes, but they are still not mass production. Brands manufactures have a high prestige. There is also an haute couture brands that adapt the models from the seasonal haute couture collection for

casual wear and is therefore more accessible to customers and clothes made to conventional sizes will fit most people. Target customers are people of age 30+, who can afford to buy such goods because they have an above-standard income. Key players are Louis Vuitton, Gucci, Prada or Burberry. Fashion capitals are London, Paris, Milan or New York.

1.5.3 Premium brands

Premium brands or Bridge brands are closer to ordinary customers, that cannot be able to afford luxury brands but still demand clothes of high quality. These are high-quality garments and the price and prestige of the brand also correspond to this. These include Calvin Klein and Tommy Hilfiger. Entry price starts from 50 Euros. Market is targeted to middle class 30+ people with disposable income. Models are more adventurous and playful.

1.5.4 Diffusion Lines

Diffusion Lines are known as secondary lines for younger generation, customers of age 18-30. There are regular luxury brands at much more accessible prices and same quality. The young generation is expected to switch to regular brands over the time. Key players are especially SEE by Chloe, RED by Valentino, Simply Very by Vera Wang.

1.5.5 High Street Fashion

High street refers to retailers who in fact make business in the main streets of large cities or at prestigious locations in shopping centers. Customers are quite limited on budget but at the same time want to keep in current trends. It makes high street fashion affordable and available for everyone. Best known brands are Zara, Marks and Spencer, GAP. But we can also see boutiques of luxury and premium brands.

1.5.6 Economy Brands

Economy or Fast fashion is very popular nowadays. And it's really a fast-changing fashion. Key role is how long it takes for a design to get into production, how fast it is made, and for how long it can be sold. The customer has to decide to buy in a very short period of time, because the speed lies in the fast-changing goods in the store and the collections alternate. Goods are produced in large quantities. and the retailer can sell it at a lower price. This price level is dramatically reflected in the

materials used and the garment processing. This fashion is intended for all who have a very limited budget, but still want to dress modern and trendy.

1.5.7 Slow fashion

Slow fashion is really slow fashion. This “slowness” refers to the approach to the production of fashion goods. It is not mass produced and it is also well known as eco fashion and/or ethical fashion. It is often created in the studios of local designers. The customer knows where exactly the product comes from, the products are of high quality and original (Hauerová, Khelerová & Šimonovská, 2019).

1.6 Visual merchandising

Visual merchandising includes everything visible to the customer in the retail store. Under this term is hidden both the exterior and of course the elements used in the interior of the store. Above all, this marketing tool helps create a clear and customized environment that is key along with other factors on the road to successful sales and society overall. Products, light, colors, shop equipment, fitting rooms, a place for the customer to relax as well as a children's corner for shopping mothers.

Visual merchandising is not only about organizing the store itself, but also about communicating the corporate vision and above all the image to the customer and the general public. Thanks to visual merchandising, the brand expresses its individuality, creates the overall atmosphere in the store, attracts the customer's attention and differs from the competition (Morgan, 2016).

1.6.1 The importance of Visual merchandising

Visual merchandising is one of the factors strongly influencing consumer buying behavior. Good visual merchandising should entice customers into the store, increase the time they spend in the store and also generate interest in new products or brands. When examining visual merchandising, it is also important to take into account purchasing habits that differ significantly between men and women, as well as the social and cultural factors that may influence them in purchasing. Also important is the perception of the target group from the point of view, which gives an insight into their speed and will to adopt a new product.

The quality of the design and layout of the store is essential for both existing and new customers who have never met the store before. The outward appearance of the store consists of individual elements of merchandising, which inform passers-by about what is waiting for them in the store. The good performance of merchandising on the outside is recognized by the fact that the store attracts attention, arouses interest and encourages passers-by to enter (Morgan, 2016).

1.6.2 Internal elements of visual merchandising

The interior elements of visual merchandising can be found inside every store. These elements begin to affect the customer only after entering the store. The aim of these elements is primarily to encourage the customer to start the purchase, to get them to buy as much as possible, and of course also to return and repeat their purchase in the future. The internal elements of visual merchandising are further divided into three subcategories according to their spatial location. These subcategories are high level, eye level and ground level. In addition, we can also find services here (Bárta, Pátík & Postler, 2009).

1.6.3 External elements of visual merchandising

The external elements of visual merchandising include shop windows, entrance to the store, store architecture and design and possibly also parking spaces.

The first impression that a passer-by gets about a store depends largely on shop windows. An ordinary person will create this impression in a few seconds. For this reason, it is essential that shop windows are not overcrowded and that the person concerned has a clear idea of what goods he can find in the shop. Display windows are as a billboard and encourage passers-by to enter. Therefore, it is essential to focus on determining factors such as size, placement and overall idea. Furthermore, the selection of suitable models from the collection, the use of appropriate fonts, graphics, lighting, color, materials and accessories. All this is essential to the success of retail merchandising visual merchandising. Everything should look non-violent and attractive.

There are a few principles applicable to shop windows include the following rules. Related goods should be presented together. Larger products should be placed on the sides of the shop window. The elements, products and decorations used in the display should be legible, lighting is essential for good visibility of the installation in

the shop window. The display window should not be overcrowded. It is good to avoid presenting very small goods which are difficult to present in a shop window (Bárta, Pátík & Postler, 2009).

1.6.4 Music

Music is one of the factors of merchandising that is not visually observable, but it is nevertheless extremely important for creating a sales unit concept. Music should be in harmony with other elements of merchandising and also with the brand personality itself. In the business environment, music is involved in creating an atmosphere along with other elements of merchandising. Music in this environment does not have to awaken emotions in shoppers, but rather to encourage their mood to buy (Mulačová & Mulač, 2013).

1.7 Retail merchandising

Retail merchandising is responsible for making sure that the whole order appears in the right store at the right time at the right quantities. This is a specialized management operated in the fashion. It is a field that transfer the world of fashion from a designer showroom to a retail store and the garments ends in hands of consumers (Vasant Kothari, 2011).

1.8 Merchandising activities

Merchandisers are employees who supply company and retail, carry out a number of activities there in accordance with the instructions of the agency. In this way, they ensure the supply companies order, unpack and place the goods on the retail shelves so that the customer purchases it preferentially. The purpose of merchandiser activities is to ensure the display of goods in given parameters so as to increase the marketability of these products. Quality merchandising includes mainly activities such as OOS control (out of stock) timely ordering or solving insufficient inventory (Vasant Kothari, 2011).

1.9 Marketing mix

Marketing mix is one of the most effective ways to influence and encourage a protentional customer to buy a product. Through marketing communication, retailers try to inform consumers about their services, remind and persuade potential or existing customers to buy their products. The mainstay of marketing is marketing

mix. In its basic form, the marketing mix is referred as well to 6Ps. 6Ps includes product, price, place, promotion, people and processes.



Source: Custom processing according to the online web:
<http://www.gasstationbusiness101.com/gsb06-place-process-6ps-of-marketing-mix-part-1/>

Figure 2 Marketing mix of 6Ps

Product

The product is the most important component of the marketing mix. It describes the goods and is referred to as the core of the product, including quality, design, packaging, manufacturer's image, warranty, advice and instructions and other related services. It is how the client perceives the product in general.

In the fashion industry, garments are seldom taken and promoted individually. In most cases they are included in the collection, or the entire product category. Therefore, it is important to highlight the benefits and attributes of products or the entire collection. The attributes include features, functions and possible use of the product. The benefits express how the attributes enrich the target consumer.

Price

It is stated for how much the product is sold. Price includes discounts, payment conditions. It expresses what costs the client has to buy the product. The price is the value the customer will have to spend on the acquired goods.

There is rarely a product in fashion, that is not included in a part of the entire product line or collection. Therefore, it is necessary to build a pricing strategy for each of these collections or product lines. Pricing strategy should be planned in the range from the cheapest product for the lowest price to the product with the highest price.

Price is the only tool that brings profit to the company and fulfills the basic function and goal of the business. It allows the company to obtain the necessary funds to finance other marketing activities of the company, which in turn are a cost for the company.

Place

Place indicates where and how the product will be sold and how the product is able to be purchased. This part also includes distribution channels, distribution network, internet, warehouse etc.

Approximate the product closer to the consumer in order to increase purchasing opportunities and make products more available. The concept of distribution basically indicates the delivery of the right product to the right place at the right time and in the right quantity. The main distribution channels used by the fashion retailers are salesrooms and online shops.

Promotion

How customers know about the product: advertising, PR articles, blog, advertising on social networks, newsletters, informing via SMS about discounts and sales.

The main purpose of marketing communication is to connect with a potential customer, to acquaint them with the retail and its products, to inform about new offers, benefits and services, to build and constantly promote brand awareness and, last but not least, to convince the customers to purchase.

Marketing communications use all available means of communication to create this connection with the customers. Promotion focuses on creating a positive image about the product, promotes and creates a positive environment around the product in order to make the goods desirable and required.

Improved marketing mix

As there is very high competition nowadays, companies can deliver to their customers not only quality goods but also quality services to make the customer feel

special and feel that they are important. This is why employees who come in direct contact with customers are an indispensable component and it is therefore important to pay attention to marketing services as well.

An improved marketing mix is introduced for service marketing. It contains people and processes.

People

Employees are considered as a crucial part of marketing mix, these are people with whom the customers come into direct contact. This is related to the service that is provided with the product. These are advice and denial of sales, aftersales backup. Retailers dependent on the quality of their employees, making employees an integral part of the strategy.

Processes

All activities related to providing the product to the customer. Process Unification vs. individual approach: The more similar (unified) processes, the lower the costs are. On the contrary, an individual approach leads to higher financial costs and of course time. It is all about how everything fits together, and it can be a competitive advantage for companies. (Baker & Hart, 2016).

Summary

The concept of marketing mix itself corresponds to the use of its individual tools to achieve the strategic goal of the company. The marketing mix depends on the situation and the company. In essence, the marketing mix makes the product suitable for a specific market segment, to match right price, and customers or potential customers take notice of its promotion and with support and cooperation with your staff.

1.10 Marketing communication

Marketing communication is a planned and examined activity of a company in detail. As for the marketing communication plan, it usually contains the frequency of communication. Its way, content and certainly the financial budget. An important part of this is also to get a feedback of the communication. Furthermore, there is considered the effectiveness of marketing communication.

1.10.1 The form of marketing communication

When choosing a method of marketing communicating in business environment, it is important to know the audience or recipient of the information. The communication should be tailor-made to the target group. However, the form of communication does not depend solely on the market segment. It is also appropriate to take into account the product itself. When making marketing communication, the company must know the surroundings of its location and all possible competitors.

1.11 Marketing model

Marketing communication is often created by using the so-called AIDA model. It is a marketing tool that helps achieve results and positively affects customers behavior. Because exterior displays have the identical objective as advertising, it is used as a model also for visual merchandising, especially in fashion retail. AIDA stands for four words - attention, interest, desire and action. The AIDA model suggests that the message should firstly attract the attention of protentional customer. Furthermore, to generate interest in the message and subsequently ambition to have or to own the product. The last stage is action, which is synonymous with the purchase.

1.11.1 First stage of AIDA – Attention

Customers behavior: “I know about it”

The aim in the first stage of marketing models is to attract consumers' attention to the products they offer. Some of them will then become potential customers. Marketers try to let people know about the existence of a product and keep the information in the customer's memory. At this stage, the products are not sold, but create awareness and inform the customer. The first phase is successful if people learn about your product and have a lasting effect on the mind of the consumer.

The objective of the attention stage is to create the customer’s mind from “I know about it”.

1.11.2 Second stage of AIDA - Interest

Customers behavior: “I like it”

The most important and one of the most difficult stages of the AIDA marketing model is the "interest" stage. When the existence of a product is embedded in the minds of consumers, it is time to get them to show interest in them, and that is the hardest part. Retailers have to try to increase customers level of interest into their offered product, show the benefits of it and focus on advantages and the differences from other products.

The objective of the interest stage is to move the customer's mind from "I know about it" to "I like it".

1.11.3 Third stage of AIDA – Desire

Customers behavior: "I want it"

The presentation of the product itself should be done in such a way as to arouse in the customer interest in the product and desire to own the product. The protentional customer must feel that he needs this product and therefore decides to buy it and own it. The desire phase is usually a situation where the consumer compares the product with other offered products. In this case, the retailer must to convince the customer that the product is worth it and strongly emphasize the exceptional and original characteristics of the product, which differ from other competitive ones.

The objective of the interest stage is to move the customer's mind from "I like it" to "I want it".

1.11.4 Fourth stage of AIDA – Action

Customers behavior: "I am buying it"

At this final stage of the AIDA marketing model is the action stage and it encourages consumers to the action and buy the product. The customer's desire is so significant that he has decided to take action right now and buy the product and retailer should create a sense of urgency and make payment as easy as possible.

The objective of the interest stage is to move the customer's mind from "I want it" to "I am buying it" (Subhashdigitalacademy.com).



Source: <https://www.optimonk.com/timeless-copywriting-examples/aida-model/>

Figure 3 AIDA model

1.12 Ordering systems through B2B platforms

It is quite common that buyer (retailer) makes the order directly with exporter. Merchandising plays very important role in fashion business by the reason that about 60-70% of fashion products are bought through the buying house, as well known as buying agency. The buying agency (or buying house) is responsible for making the coordination with the vendors and retailers to make sure that the whole export order is followed up smoothly. From the buyer perspective the need for is to find out the market trends and be able to forecast and develop new style for next season(s). In order to make this possible it is very important to communicate on regular basis with buying house and coordinate all needed activities (Vasant Kothari, 2011).

As mentioned above, before the clothes reach the customer, a very lengthy process must take place. Ordering the collection is possible directly from the manufacturer or more often through fashion agencies that communicate with both the retailer and the manufacturer. The ordering process is possible twice a year (spring-summer and autumn-winter collections) on pre-announced dates. Ordering through fashion agencies is more convenient for retailers. The registered office of the manufacturer is usually in the country where the brand originates. If the retailer is from another country, ordering the collection is more expensive and disadvantageous for him. On

the other hand, agencies are located in capital and / or major European cities. Therefore, for retailers, the location of ordering a collection is more affordable, faster, and less expensive, as it is done twice a year.

In case of reordering of clothes, it is possible to use B2B platform, which is already provided by every influential company through their website. Basically, it works just like an e-shop in the B2C sector. The retailer sees a preview of clothing, a variety of colors and sizes available. In order to prevent each seller selling goods for a different price, retailer price is also available. This retailer price is binding for the retailer and agreed in advance.

1.13 Sales promotion on social networks

Social networks are primarily used for other purposes, but they also have a positive effect on sales and customer communications. In this way, the seller draws attention to the products offered, the design of the store, gives information on possible bargains, discounts, etc. In recent years, advertising has spread worldwide through social networks. These communication channels enable the promotion of products and services, sites, companies or events. Promotion can take the form of a problem, video, gif, or another creative post. Ads appear to the customer on the post channel as quick articles or suggested and recommended content. Today, Facebook, Instagram, Pinterest and Twitter are the most widely used and widely used networks worldwide. Instagram, for example, allows companies a very intensive form of communication within Insta Stories. These communication channels are very lively, allowing customers to communicate quickly and conveniently. Customers can immediately respond to comments, comment and express their feedback. This gives the seller immediate feedback and can continue to improve communication, not repeat mistakes and be closer to their regular and potential customers and increase product and brand awareness. This form of advertising is highly personalized, allowing users (customers) to share, tag and respond to a post with their friends. The paper has lived its true life immediately since its publication. Within a few minutes, hours, days, several hundreds, thousands and / or possibly millions of other users see it (Přikrylová, 2019).

2 Brand comparison

2.1 Luxury brands

The main goal of fashion brands and retailers is to fill the global market. They are therefore looking for new opportunities and new customers. Being different is not always sufficient for success.

Luxury retailers in international retail need sufficient finance and market research. Alongside this, it is needed to combine a large budget and advertising campaigns that drive expansion.

A typical and traditional luxury consumer is wealthy and will appreciate quality and good value. Luxury goods can be a sign of success and status for some customers. The customer is trying to show that he knows how to invest correctly. He/she can use the money correctly by using it for his/her representation and reputation, so the price becomes irrelevant (Grose, 2012).

2.2 Selected brands

For the following practical part were chosen three significant fashion brands which are sold in Central and Eastern Europe with great popularity. Below are all the brands introduced to understand the concept and to identify their identity.

2.2.1 Elisa Cavaletti

This Italian brand was created in 1989 by the well-known fashion designer Daniela Dallavalle, which has its roots both in the Mediterranean and in the North in the Nordic countries. It distributes its products worldwide. In the collections, the attention to detail and Italian perception can be clearly seen. The collections are dominated by white and gold. Elisa Cavaletti prides itself on quality materials, bright colors, thorough work, comfort and a sense of satisfaction. The models are therefore unique and unrepeatable. The collection combines femininity with sensuality and sophisticated elegance. These dresses are simply for those women who are not afraid to be refined.



Source: <https://www.elisacavaletti.it/en/content/6-elisa-cavaletti>

Figure 4 Elisa Cavaletti logo

2.2.2 Bugatti fashion

Fashion collections with international appeal has formed the basis of Bugatti's success since 1978. The company was founded in East Westphalia by Friedrich Wilhelm Brinkmann. During its existence, the company has developed into one of the leading companies in the men's fashion market. The label currently presents a full range of men's fashion for business and leisure as well as women's jackets, shoes and bags for the middle to high price markets. The fashion orientation is towards modern and at the same time classic/sporty. A modern approach, product quality and outstanding value for money all conspire with functionality, size and fit to provide the criteria for success in each of our collections.



Source: <https://www.bugatti-fashion.com/corporate/en/home-page/>

Figure 5 Bugatti fashion logo

2.2.3 Pietro Filipi

The fashion brand was founded in 1993 in the Czech Republic. The name of the company was inspired by the owners according to what it should correspond to Italian fashion, design, art and a sense of beauty. The brand prides itself on high quality materials, precise workmanship and simple elegance. A specialty of the Pietro Filipi brand are men's suits and shirts, although they also design fashion for

women. It also offers classic formal style clothing, business style, social fashion and smart casual or casual accessories. The brand also designs fashion accessories. Models are designed for demanding, modern and very energetic client who loves fashion (fashion is literally his lifestyle). When designing its collections, the brand follows current fashion trends and targets refined taste. Clothing is made of luxury materials. The establishment of the first large shopping centers resulted in a relatively dense network of stores of this brand, both in the Czech Republic and Slovakia. Currently it has over 20 stores in the Czech Republic and in Slovakia. In addition, he has recently been trying to expand to other foreign countries. He currently sells franchising in several European countries.

PIETRO FILIPI

Source: <https://www.fashionznacky.cz/pietro-filipi/>

Figure 6 Pietro Filipi logo

2.3 Fashion industry in the Czech Republic

The formerly very strong textile industry in the Czech Republic is probably far behind its worst period. Due to the political and social reasons of the last century and the current globalization, the textile industry is starting to grow again. Unlike other industries, the textile industry has a relatively weak basis and reduces the demand for highly skilled workers and innovation potential is now generally declining. However, a significant increase is expected in the coming years as textile buyers and retailers are increasingly abandoning Asian production, countries such as China, Viet Nam, Bangladesh, Thailand and Indonesia, returning to Western suppliers, especially to Europe.

The costs are rising not only for labor but also for raw materials and energy throughout Asia. From an economic point of view, Czech production (and Eastern European production) is still cheaper than in Western Europe. This implies that world differences are decreasing and the cost of producing products is becoming comparable to that in Europe. Customers' demand for more luxurious and high-quality goods is slowly increasing, and customers prefer to buy collections made

closer to their home market. So, if customers see the European production label in stores, they will be willing to support our market and buy better products for about the same price (Haunerová, Khelerová & Šimonovská, 2019).

2.4 European market

In Europe, textiles play an important role in the manufacturing industry and European exports have covered almost a third of the world market in recent years. European products are known as high quality, with very good design. That's why some of the most famous and recognized brands come from Europe (Haunerová, Khelerová & Šimonovská, 2019).

2.5 Point of sale

One of the most important job for retailers is the comprehensive care of the point of sale. This place is very important in the customer-product relationship. This is where the customer decides whether to buy the product. Care of the sales point belongs to the area of marketing communication. This term refers to all materials that are placed on the sales area of a particular product and are trying to attract the customer's attention. This is intended to navigate customers and show them the way to the brand or directly to the product. It must also provide product information in order to generate a sales impulse and incentive to buy the product. POP tools can be divided into several basic groups. Here are mainly those that are most commonly used in clothing stores. These are print materials, 3D materials, secondary placement and merchandising accessories.

The main sales area is the area that should receive the most attention and the whole area should be used to the maximum. In the interior of the store, the individual elements of merchandising should present the goods in the way that seems most attractive to the target group, while reflecting the brand image. The purpose of the merchandising tools inside the store is to awaken the desire of the exhibited customers and encourage them to buy.

At present, the retail industry uses many ideas to promote the sale of goods. The following are the most effective and most commonly used in the sale of clothing and accessories (Bárta, Pátík & Postler, 2009).

Shop design can be largely influenced or even changed by customers behavior. Unlike traditional forms of marketing communication, such as TV advertising or newspaper advertisement, visual merchandising has an immediate and three-dimensional impact on the customer. In the stone shop you can influence all human senses. Visual merchandising is a marketing tool that is used to present and make the retail store offer more attractive. However, it is usually not the only brand communication channel and is supported by other channels. Visual merchandising also seeks to preserve, maintain and promote the image of the company. Visual merchandising should be similar to almost identical in chain type stores (Posner, 2011).

2.6 E-commerce

And despite the fact that e-commerce is still growing, the primary purchase still remains the customer's personal relationship with the goods on offer in the store, where it is possible to test the brand or directly the goods. Therefore, it is important to keep the point of sale constantly in a state that is comfortable for customers. The better they feel at the store, the longer they stay there so there is higher potential for more profit from sales (Hauerová, Khelerová & Šimonovská, 2019).

3 Practical part

3.1 Formulation of the problem

This thesis will serve as a basis for marketing communication with a specific target group. The aim of this practical part is to identify and define individual elements of merchandising and perception of the shop mainly by customers. The purpose of this work is to define measures and suggestions for communication with the target group of customers.

3.2 Research objective

Based on the results of marketing research, the project part will propose general measures for the visual arrangement of clothing chain stores operating in the fashion market, where there is such a great competition. This part is focused on visual interior and exterior elements in the point of sale.

3.3 Type of research and choice of methodology

To obtain data for the bachelor thesis is chosen a qualitative research. Qualitative research is a process of seeking understanding based on various methodological traditions by examining a given social or human problem. The researcher creates a holistic picture, analyzes various text tips, and informs the participants about their opinions research and conducting research in natural conditions. It deals with the problem in depth. It determines the subjective view of the examined persons on a specific problem. (Hendl, 2005)

3.4 Method

The technique in the practical part is used qualitative marketing research is used for data collection in this work, semi-structured interviews. The main source is the experience gained from stakeholders with whom semi-structured interviews are conducted. Stakeholders include a clothing retailer, a buying agency agent, and a customer.

3.5 How to get questions and Research questions

There is used a technique of qualitative marketing research to collect data in this work - interviews. There are four main stakeholder sources, and they were interviewed separately in the autumn 2019. The research is divided in four parts:

from the point of view of an experienced retailer, manufacturers, buying agent and customers. For the purposes of this work, different questions were put together for every stakeholder.

4 Qualitative research

4.1 Results of the interviews

This part discusses the findings from the interviews conducted with seven respondents. The aim is to assess which elements of merchandising affect customers most and what and how it would be appropriate and possible to change in the future.

The first respondent was a long-time retailer who has been in the fashion industry for almost 30 years. As already mentioned, it is important to work with the entire collection, not just certain parts and individual pieces. They try to dress customers according to their taste so that the customer is satisfied with the result and at the same time to sell as many goods as possible. It is also necessary to work with the color scheme of the collection, taking into account the age and sex of customers. The most important was the knowledge of plans and future direction. Present appropriately selected posts on social networks through influencers and keep pace with modern communication channels.

Furthermore, an interview with the buying agent was conducted. There were mainly presented individual brands and their specifics, how they differ, their strengths and weaknesses and how to approach them. Each brand has its uniqueness and the way it presents itself to the world. There are also mentioned methods by which the agency can help sellers through merchandising to support sales.

Manufacturers are committed to promoting merchandising through social networks to help retailers sell their goods. They provide sales support materials such as magazines. They also encourage the seller financially these funds are used exclusively for marketing purposes.

The most interesting was the view of customers on the issue. Here was described as attracting as much as they could imagine an ideal purchase and what would improve in stores. It was also mentioned that the shop window is one of the most important aspects that should be different from the competition in order to attract attention and get the customer to enter the store. Views were presented that in a clothing store they would appreciate a relaxing place where they can relax and put away their shopping bags.

4.2 Suggestions for improvement

The aim of this section is primarily to propose measures that will increase the effectiveness of sales and increase the attractiveness of the store appearance. Secondly, these measures will also increase brands awareness and increase sales.

A business should identify who its customers are (whether current, past, or potential) and categorize them into segments. Part of the segmentation is also finding out what the individual groups of customers respond to and the most appealing offer of the company. Subsequently, the company must find out how to best reach its customers (both current and potential) and how to attract them. Finally, the company must decide how to present itself, what it places emphasis on, and with what features customers will associate with it.

4.3 Suggestions and improvements - ideas gaining from the interviews

- From anonymous and customer relationships, they are slowly moving into personal relationships with staff. Staff becomes a psychologist, so it is important to train staff. Shopping is becoming a place where people recharge and relax. Therefore, the general trend applies if the customers spend money, they want to feel extraordinary and exceptional. This process is starting to be more and more desirable. It can be called as a new trend in retail and new European trend.
- If customers visit a store regularly, for example every two weeks, they are able to remember the layout of the goods in the store. Therefore, it is important to completely remodel the space regularly. So, the customers will think that there is nothing new here, so they leave. It is therefore important to move the goods to look like new goods.
- Music evokes emotions, it must be sensitively selected, music should like and keep the customer in the shop, the customer must feel good. Choose popular, certainly not classic - and certainly in a foreign language. I do not recommend Czech lyrics.
- Stores should mostly focus on: glamorous/ attractive store exterior, cozy and modern store interior, staff behavior, relaxation zone.

Conclusion

Fashion, like any other segment of the industry, has its individual requirements and characteristics, therefore the area of marketing communication is different. It is not always possible to use traditional communication tools to achieve the goal.

Fashion, trend and marketing, nowadays one cannot work without the other. Although the retail environment has changed rapidly over the last few decades.

Increasing competition forced retailers to look into merchandising methods in more detail. Today it has become an important tool for customer acquisition. Among other things, it also contributes to creating a link between the customer and the store.

The first chapter of this bachelor thesis was focused on the definition of terms related to both fashion and marketing. Marketing communication, a marketing mix of 6Ps and a model that perfectly describes the sale of products and services were introduced.

In the next chapter dealt with selected brands, shopping places and products in stores. It also describes how the Czech and European market is changing and what customers prefer in these days and what they are willing to pay for.

Merchandising would not have been possible without a point of sale, to which great emphasis must be placed. The point of sale is still a very important strategic point. This place is very important in the customer-product relationship.

In the practical part were conducted interviews. To obtain data for bachelor thesis is chosen a qualitative research. The main source is the experience gained from stakeholders with whom semi-structured interviews are conducted.

Results from the interview are discussed in the final chapter. For each group were put different questions to gain relevant information. There were four main stakeholder sources, and they were interviewed separately in the end of 2019. As mentioned, the research is divided in four parts: from the point of view of an experienced retailer, manufacturers, buying agent and customers.

The main output of this work was to introduce the functioning of merchandising in practice. For the needs of the practical part of the thesis there are also presented proposals for improving the point of sale and increasing sales. Advantages and disadvantages of proposals are discussed below.

Merchandising is a powerful tool for influencing customer behavior when deciding whether or not to buy a product. Often this decision can affect a small thing or a set of details. Even a small change can lead to a great improvement.

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List of figures and tables

List of figures

FIGURE 1 LIFE CYCLES OF STYLE, FASHION AND FADS.....	12
FIGURE 2 MARKETING MIX OF 6PS	18
FIGURE 3 AIDA MODEL.....	23
FIGURE 4 ELISA CAVALETTI LOGO.....	26
FIGURE 5 BUGATTI FASHION LOGO.....	26
FIGURE 6 PIETRO FILIPI LOGO.....	27

List of appendices

APPENDIX 1 STAKEHOLDERS INTERVIEW – CLOTHING RETAILER..... 40
APPENDIX 2 STAKEHOLDERS INTERVIEW – BUYING AGENT 42
APPENDIX 3 STAKEHOLDERS INTERVIEW – MANUFACTURER..... 46
APPENDIX 4 STAKEHOLDERS INTERVIEW – CUSTOMERS..... 49

Appendix 1 Stakeholders interview – Clothing retailer

Q: What is your age?

Less than 20

20-29

30-39

40-49

50- more x

Q: What is your gender?

Woman

Man x

Q: What is your education level?

Primary

High school x

University/College

Q: What is your current job position and how long have you been working in the fashion industry?

A: I have been working in fashion industry since 1993, currently I have 4 stores, two multi brand stores and two mono brand stores. I employ 22 people, including 18 sales assistants.

Q: Which kinds of clothing is the easiest to sell and which is the hardest to sell?

A: For customers we offer the whole outfit, both for women and men. T-shirts, sweaters, coats, jackets, trousers, dresses, skirts, accessories and exceptionally to selected outfits also shoes, but only in limited quantities and sizes. I can say that from my point of view, each customer is unique and buy different amount of clothes and in different colors. Basically, we always try to sell the entire outfit, dress the customer from head to toe. Our offer consists of a collection of products, and these products are connected in color. So, if a customer only buys a coat and aligns it with something else, the result is not as good as when they also buy pants, skirts with

the same motive and details from the same brand and collection. Generally, for ladies we order the most sweaters and coats, for men the shirts, jackets/coats and suits. The design of the shop is designed according to templates from suppliers, using natural materials (floor, wallcovering, hangers, desk).

Q: What colors are predominant among customers under the age of 40 and which, on the other hand, will attract customers aged over 40?

In general, young girls buy mostly lighter colors and smaller sizes mainly 36 and 38, although they often buy black clothes.

Older ladies buy dark colored clothes, and in sizes from 40 to 46. Of course, there are exceptions. The pants are sold mostly in dark colors, whether they are ladies of any age.

Q: What do you focus most on and what do you put the most emphasis on merchandising?

A: We strive for a pleasant store look and a good atmosphere. Products are sorted by brand and by colour of the collection that is dominant for the specific season. The products are also ordered by size, each hanger is covered with what brand it is.

Jakým směrem byste se rádi ubírali v budoucnu, pokud jde I

A: Snažíme se spolupracovat s místními influencery, nabízíme jim finanční odměnu nebo významné slevy za zmínění našich prodejen a zboží na Instagramu a Youtube. Zatím jsem v tomto procesu na začátku, oslovili jsme pár influencerů a doufáme, že spolupráce bude vydařená a prospěšná pro obě strany. Je pro nás těžké a finančně náročné, pokud máme získávat kvalitní fotografie sami. Je totiž potřeba objednat modelku, fotografa, stylistu a prostory. Aby příspěvky mohli být aktuální je potřeba to provádět na měsíční bazi. Díky influencerům je to snazší, jelikož tuto práci udělají za nás na svých uživatelských účtech.

Appendix 2 Stakeholders interview – Buying agent

Q: What is your age?

Less than 20

20-29

30-39

40-49 x

50- more

Q: What is your gender?

Woman x

Man

Q: What is your education level?

Primary

High school

University/College x

Q: What is your current job position and how long have you been working in the fashion industry?

A: I am an agent representing fashion brands on the Czech and Slovak markets, I have been in practice for 20 years and I have owned the buying agency together with my husband since 2014.

Q: What services do they offer?

A: We offer consultancy in the selection and purchase of collections, product consulting, training for employees, aftersales services - complaints, reordering goods and products supporting sales. We also provide POS merchandising to our important clients.

Q: What countries are your clients from?

A: Czech Republic, Slovakia

Q: What other brands do they represent?

A: We represent Joseph Ribkoff, A fish named Fred, Sandwich_

Q: What is the sales structure?

A: Women's and men's smart casual fashion, business fashion. We offer the entire outfit, including accessories and shoes.

Q: What is the different between buying from manufacturer and buying through buying agency?

A: There is no difference. If the client wishes, it is possible to order the collection directly at the fair. Essentially, all orders are made in the buying agency's showroom. The price list is set in advance and is the same for all. Nowadays every big and important company has its mediator.

Q: Do you support merchandising in some way?

A: Most often companies send us pictures. They also send presentations, which are part of regular training. We resend the materials to our clients and consequently we offer a personal visit to the store if they are interested.

We also provide products supporting sales to our clients, such as hangers, branded bags, posters, lookbooks, POS materials for the collection and decoration. However, these materials are not usually purchased by clients due to their cost. These materials are expensive and so are more as a form of inspiration and sellers will display materials with similar design to the store. In addition, manufacturers provide clients financial support of 2% of the revenue for marketing purposes.

Generally, in Central and Eastern Europe there are different levels and more freedom in terms of shop layout. Each retailer organizes POS according to possibilities, store size and collection.

On the contrary, in the West Europe, especially in Germany, there is greater discipline, and the company mandates the exact appearance of the store. Often, companies also send their merchandisers directly to design the entire stores/chains.

Q: What kind of benefits have the offered brands?

A: Elisa Cavaletti – it is characterized by an Italian design that is not seasonal and it is characterized by creativity. It is small-scale production; it is not ready-made. It

has a strong manuscript, that is impossible to overlook, the most interesting are dresses and tunics from this brand, trousers are poorly sold. The customer prefers to invest in the top where it is easier to find the specifics of the brand. Models are very emotional, evoking extreme emotions, in the style of "love and hate". The customers cannot be remodeled, they either love the brand or they hate it.

Every piece has its own story, everything is made in Italy, the models emit positive energy. Models are comfortable, made of high-quality material, varied and colorful themes. The brand does not set any rules for the seller, stores are arranged according to inspiration, for everyone as needed. The design is individual. It is mainly about the feeling and specificity of the place.

Bugatti – The strongest is the men's collection, thanks to its name it has an advantage over the competition. Many people (customers) first imagine a brand of cars that evokes something that is expensive, little available, and the idea that it will be something great. The brand offers quality clothing, not too distinctive or trendy. Colors are repeated in seasons, other colors are used rarely and occasionally in certain summer seasons. The brand is comparable to the competition, for example the Czech brand of suits Blažek, Pietro Filipi.

Goods are delivered as late as possible before the season, the offer is renewed every month, not every two weeks as in the women's collection. Men's collection then waits for the customer, unchangeable, purchases are more rational than emotional, function for men, do not confuse, mix season, guy does not need it, safer for sale, basic pants, intensive NOS program.

NOS program does not work here - men do not buy the same sweater every season, there is no interest in year-round offers, customers want basic and the possibility to wear outfit all year round.

The brand is popular among managers and lawyers who want to be representative and at the same time feel comfortable throughout the day.

Pietro Filipi – It is a relatively young entity in the Czech fashion industry. The brand has very well developed (and dynamic) processes, there is well thought out logistics, it has its own stores - ie its own merchandiser. Merchandising takes place centrally. Merchandiser shoots a sample store, and others follow this design. Recently, DNA tags have been changed. Now the brand has a very narrow clientele, models are

made of quality materials, have nice cuts, typical for urban ladies. The brand is characterized by terms such as minimalism, comfort for the customer.

Appendix 3 Stakeholders interview – Manufacturer

Manufacturer Elisa Cavaletti

Q: What is your age?

Less than 20

20-29

30-39

40-49 x

50- more

Q: What is your gender?

Woman x

Man

Q: What is your education level?

Primary

High school x

University/College

Q: What is your current job position and how long have you been working in the fashion industry?

A: My current position is customer care service and I have been working in fashion industry for 25 years

Q: What countries are your clients from?

A: From all over the world, mostly from Europa but also from America, Asia and Australia

Q: What is the sales structure?

A: Through agents and distributors

Q: How would you define the brand you represent?

A: Feminine, romantic, unique and exclusive

Q: What kind of benefits have your brand?

A: Totally made in Italy

Q: Do you support merchandising in some way? How?

A: We are delivering promotional materials with the goods, such as shopping bags, catalogs and magazines

Q: What kind of clothing is the easiest to sell and what kind is the hardest to sell?

A: Easiest: shirts and dresses

Hardest: skirts

Q: What colors are predominant among customers under the age of 40 and which, on the other hand, will attract customers aged over 40?

A: Under 40 are black, grey and pink

Over 40 dominant colors are beige, light-blue and white

Bugatti Fashion

What is your age?

Less than 20

20-29 x

30-39

40-49

50- more

What is your gender?

Woman

Man x

Q: What is your education level?

Primary

High school

University/College x

Q: What is your current job position and how long have you been working in the fashion industry?

A: I have been working for Bugatti since 2011, I got promoted a few years ago and now I am working as a Country Sales Manager for Eastern Europe

Q: What countries are your clients from?

A: Of my responsibility: Baltic countries, GUS Ländern - meaning The Commonwealth of Independent States (CIS), Poland, Czech Republic, Hungary, Romania

Q: What is the sales structure?

A: Wholesale and Retail

Q: How would you define the brand you represent?

A: Lifestyle Brand for Men and women. Modern impression of casual business look.

Q: What kind of benefits have your brand?

A: Unique price performance ratio

Q: Do you support merchandising in some way? How?

A: We are active on activities regarding POS; mark down supports; annual marketing supports on base of turnover, magazine activates, Facebook, Instagram

Q: What kind of clothing is the easiest to sell and what kind is the hardest to sell?

A: Easiest: trousers; hardest: coats

Q: What colors are predominant among customers under the age of 40 and which, on the other hand, will attract customers aged over 40?

A: Marine is always the best-selling color.

Appendix 4 Stakeholders interview – Customers

Customer no1

What is your age?

Less than 20

20-29 x

30-39

40-49

50- more

What is your gender?

Woman x

Man

What is your education level?

Primary

High school

University/College x

Q: Do you look into the shop windows before you enter the store?

A: Yes, I look at the shop windows and look at the center of the shop window at the most striking thing.

Q: What does make you enter the store?

A: I go to clothing stores according to my previous experience, either directly by me or on the recommendation of friends, family, or if I know the product, I am looking for I could find right here. I also go to the shops if I want to make the day more enjoyable or I have free time.

Q: What do you rate first when entering the clothing store?

A: I always appraise music first, I feel better with music in the store. The more energetic the music is, the better. Of course, I prefer foreign music. I also appraise the tidiness in the store, dust on the ground, messy clothing, low-class hangers,

personal, and often also lighting in the store. I do not like in the shop when there is dark or bad lighting

Q: How many times a month do you visit a clothing store?

A: 1-2 per month, depending on the season and new collection at the store.

Q: What kinds of clothes do you prefer and what is your price range?

A: Mainly dresses, t-shirts and tops. So, the top of the clothes. I evaluate the price of clothing individually according to a certain piece.

I always like when the price ends with the numbers 99, and there is no price with 00. For example, 1299 for me looks more attractive and better than 1300 even though I know that the amount is the same.

Q: What are you missing in the store and what would you like to change in your favorite store?

A: I'd like to have a tablet or some other device in the store where I can find all the goods available at that store. I could configure my outfit accordingly. So I didn't have to walk around the store and see each thing separately. Furthermore, I would like to have a place in stores where I can leave my things.

I would like to change the attitude of sales assistants in some shops and their behavior. I want to feel good about shopping, and when I come to the store, I expect personally to be nice to me. Shop assistants should always greet when entering and leaving. Furthermore, I do not like it when the price is written in several currencies, and I have to look for mine. would appreciate it if the price tags were pasted and the listed price only in my currency.

Q: Would you welcome a sofa in the store where you can sit and relax for a while?

A: I would, shopping can be sometimes challenging and exhausting.

Customer no2

Q: What is your age?

Less than 20

20-29

30-39
40-49 x
50- more

Q: What is your gender?

Woman x
Man

Q: What is your education level?

Primary
High school x
University/College

Q: Do you look into the shop windows before you enter the store?

A: I always look into the shop windows, especially when it comes to fashion. Almost always something catches my attention.

Q: What does make you enter the store?

A: Usually expressive clothes or if I see something I am looking for for a longer time.

Q: Do you look into the shop windows before you enter the store?

A: Yes, I look at the shop windows and look at the center of the shop window at the most striking thing.

Q: What does make you enter the store?

A: I go to clothing stores according to my previous experience, either directly by me or on the recommendation of friends, family, or if I know the product, I am looking for I could find right here. I also go to the shops if I want to make the day more enjoyable or I have free time.

Q: What do you rate first when entering the clothing store?

A: I rate how the store is organized. I do not like it when the clothes are neatly stored. I like it when the whole model is exposed for inspiration and they give me an idea how it all looks harmonized together.

Q: How many times a month do you visit a clothing store?

A: Almost every week, sometimes even twice a week.

Q: What kinds of clothes do you prefer and what is your price range?

A: I usually dress according my current mood. So sometimes I dress like a lady and sometimes I just put on sweatshirt, trousers and go. If the clothes are worth it, I do not care. Usually, up to 100 EUR (2500CZK) per piece.

Q: What are you missing in the store and what would you like to change in your favorite store?

A: I like it when a shop assistant comes to me and asks me what I am looking for, advises me on how I look in the clothes and recommends accessories or other items of clothing.

I wouldn't change anything else, I go to this store because I feel comfortable here and they have stylish clothes.

Q: Would you welcome a sofa in the store where you can sit and relax for a while?

A: I would, I am always happy when I can sit for while during walking with all the bags I have.

ANNOTATION

AUTHOR	Laura Porubcová		
FIELD	6208R087 Business Administration and Sales		
THESIS TITLE	Fashion merchandising focusing on Central and Eastern Europe		
SUPERVISOR	Mgr. Emil Velinov, Ph.D		
DEPARTMENT	KMM - Department of Marketing and Management	YEAR	2019
NUMBER OF PAGES	53		
NUMBER OF PICTURES	6		
NUMBER OF TABLES	0		
NUMBER OF APPENDICES	4		
SUMMARY	<p>The bachelor thesis focuses on the issue of merchandising in the fashion industry. The thesis is divided into two significant sections: theoretical and practical part. The first part of this work explains the basic theoretical aspects of the correct use of terms in the fashion industry, marketing communications and marketing mix. An explanation of the basic concepts of marketing and retail theory is followed by a suitable marketing model. The practical part includes interviews with stakeholders and their perception of the issue. For the needs of the practical part of the thesis there are also presented proposals for improving the point of sale and increasing sales. The main output of this work is to introduce the functioning of merchandising in practice.</p>		
KEY WORDS	Marketing, merchandising, fashion, retail, retailer, marketing communication, visual merchandising, promotion, price, sales, clothes, clothing, garments, brand		