Exploring UK fashion buyers' and merchandisers' job roles

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Abstract

Purpose: Fashion buyers and merchandisers play a vital role in the development and commercial success of a fashion organisation (Omar 1999, Jackson and Shaw 2001, Goworek, 2007, Berman and Evans 2012). They influence the majority of the marketing mix elements and are essential profit generators for retail businesses (Varley, 2014). Yet despite this acknowledgement of value, Goworek (2010, 2014) identifies a dearth of empirical research which explores this value creating aspect of a business within the fashion sector and this forms the basis for this exploratory research. The aim of the research was to explore this alongside notions of individual authority and specific responsibilities related to the value chain of the product management cycle

Methodology: This study adopted a qualitative approach utilising a series of in-depth interviews with buyers and merchandisers within different types of fashion businesses (business models, market positions).

Findings: The paper identified six key drivers of change in the fashion marketing environment which have had an impact on the buying and merchandising function. Furthermore a review of the literature critically sythesised each role's key function and described the nature their relationship. The results highlight that the main critical success factor is a partnership/collaborative approach to the buying and merchandising process

Originality/value: Whilst previous literature suggests the buyer has had the majority of the authority over the product management cycle. The sample respondents here indicated that each role needs and compliments the other. Ten further observations are made which emphasise the gap between the theory and practice and suggestions for complimentary research are identified.

Keywords: Buying, merchandising, value, collaboration, retail, fashion

Article Classification: Research Paper

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Introduction

It can be suggested that the buying and merchandising team within a fashion retailer are a critical value creating asset as they are responsible for three out of four elements of the marketing mix. The aim of this study is to explore this in the context of the buying and merchandising value chain and in particular to identify the critical success factors (CSF's) within their key roles and relationship. It is quite well documented that this is a neglected area of academic research (Gowerek, 2014, Varley, 2014, Clark, 2014) and therefore a gap within the literature exits. Arbuthnot et al., (1993) concurs and states that retail buyer behaviour seems to have been overlooked and that instead the literature focuses mainly on areas of industrial buying and consumer buying behaviour. This paper hopes to make a contribution to the applied business and management field as the CSF's could be transferable to product management within other industries. Older literature (Swindley, 1992, Jackson and Shaw, 2001, Varley 2006) which examines the product management function is now somewhat outdated as buyers and merchandisers have recently had to adapt to changes in the fashion marketing environment, some of which are necessitating a change in business model and internal restructuring. These environmental changes are the basis of the industry rationale for the research which will be outlined in more detail in the literature review. It is anticipated that the research be insightful for both academics and practitioners interested in product management as it adopts a balanced approach to theory and practice in a critical business area where there is a lack of clarity and strategic attention.

Literature Review

The literature begins by outlining the changes in the fashion marketing environment which have had an impact on both the buying and merchandising team. Then the authors examine each of the key functions of both roles, the buyer first followed by the merchandiser. The final section discusses the separation and crossover of functions, and concludes by considering the type of relationship which exits between the two.

Changes in the fashion marketing environment

There are six key drivers of change which are affecting the role of the buyer and merchandiser. Jackson and Shaw (2001) provide an outline of how the buyers' role has changed within the last century, noting that the variety of retail formats (independents, chains, department stores etc) and business models

(mail order, pure-play etc) have widened the scope and skills of the fashion buyer specifically. In particular, the question of whether and how to buy separately for online versus offline stores is of constant debate. However there appears to be a growing consensus that retailers are aligning their on and offline operations due to the acceptance of the omni-channel model (Clarke, 2014). This is described as being where the organization decides that the consumer should have the same offer and experience at every consumer touchpoint whether online, instore or on a mobile device, all of which are served from a single inventory.

The second key driver is the consumer, today they are more independent, involved, design literate, well travelled and demanding than ever before and this challenges the buyer to source brands and products which are strongly differentiated (Diamond and Pintel, 2012). Thirdly the notion that the role of the buyer has become more important and/or valued within the fashion sector can be attributed to the level of press attention afforded to them. It is much more common now to know the names and faces of key fashion buyers within the industry through trade publications, business press and social media. Fourthly traditionally the fashion industry operated in two key seasons (spring/summer and autumn/winter), however the penetration of the fast fashion approach means that even at the luxury end of the market fashion brands are producing up to six collections a year. The impact of this on the buying and merchandising teams means that they are involved in multiple buying cycles at any one time, often managing sourcing and manufacture across continents which adds complexity. Fifthly the saturation of domestic retail markets has increased retailer internationalization as they seek growth in new markets. This is a challenge for the buying and merchandising team as they need to decide to what extent to adapt or standardize their product range and how to position themselves through pricing. The final driver is that of technology, since the credit crunch there has been a reduction of budgets for travel for trend forecasting and competitor shopping. The impact of this is that therefore fashion buyers specifically need to rely on trend websites and social media for these early stages of the buying cycle. Some literature (Clarke, 2014) suggests that an element of creativity is being taken out of the buying role and that essentially it is becoming more of an editing or curative role. These macro environmental changes will be referred to again later in paper as they help in contextualising the issues within evolution of the buying and merchandising function. Next the role of the fashion buyer is outlined

The Fashion Buyers Role

The fashion buying function, in particular, is one of extreme importance in regards to the success of a retail company (Bruce et al., 2006, Varley 2006). Forrester (1987; 25) states that "no single individual has

a greater influence upon profitability than the buyer". Easey (2008) describes buying as of paramount importance as the main cost for all retailers is stock therefore intelligent buying is of vital significance to success. These points signify how important the buying function is in terms of influence on the performance of the organization, and also their responsibility to fulfil the needs of the consumer.

The fashion buyers' role is discussed by few authors (Varley, 2014, Entwistle, 2007, Diamond and Pintel 2012, Goworek, 2007, 2014). The role differs considerably between companies dependent upon; market positioning, own label/branded product, company size, product category and business model i.e. pure-play). In short the buyers role, in Forrester's (1973; 39) opinion, is "to have the right merchandise in the right place at the right time and at the right price". Stone (2008) agrees identifying that a buyer's responsibilities fall into three distinct categories being planning, buying and selling. For the purpose of this study it is useful to identify five main responsibilities taken from the literature which are evident in the majority of fashion buyer's roles, irrespective of the aforementioned factors. These are illustrated in the figure below and are outlined in turn.

Figure 1. Key Responsibilities of a Retail Fashion Buyer

Key Responsibilities of a Retail Fashion Buyer
1. Internal and External Range Analysis
2. Trend Prediction and Forecasting
3. Sourcing and Supplier Selection and Liaison
4. Product Selection and Range Planning
5. Distribution and Allocation Strategy

Source: Adapted from (Jackson and Shaw 2001, Varley 2006 2014, Goworek 2008, Easey 2008)

Internal and External Range Analysis

At the beginning of a season and throughout the buying cycle the buyer is responsible for compiling analysis on current and previous ranges (Diamond and Pintel 2012). This takes four main stages, the first two are internal and the last two are external. Firstly an internal analysis of product sales is undertaken in conjunction with the merchandiser, here the purpose is to highlight best and worst sellers, identify the reasons for performance and decide which styles could be carried forward and which suppliers they should continue to do business with (Goworek 2007). The second involves communicating with retail store staff to gain feedback about how the product looked in-store from a

visual merchandising perspective and if there were any styles consumers asked for that were not carried (Eliot and Rider 2007). The third stage is undertaking market research with consumers either informally within the store or formally through a questionnaire or focus group programme (Jackson and Shaw 2001, Shaw 2013). The final stage of analysis considers the competition, undertaking a comparison shop (comp-shop), this is an essential part of the buyer's role as it enables them to benchmark across the marketing mix elements and look for potential gaps in the market which they could fill on short supply . Drapers (2013) and WGSN (2013) suggest that increasingly fashion buyers are using online sources for this final stage of analysis in order to save time.

Trend Prediction and Forecasting

One of the key skills requirements of a fashion buyer is the ability to spot and interpret trends for their particular target consumer (Jackson and Shaw 2008). Stone (2008) identifies that to do this buyers must possess imagination, creativity and be perceptive. In the early stages of the buying cycle most fashion buyers attend international fashion shows and trade fairs in order to predict trends and/or buy product which have a trickle down and trickle across influence (Easey 2008, Shaw and Koumbis 2014). This is an invaluable part of the role as it enables the buyer to identify global trends in consumer behaviour at an early stage which can then translate into a first mover advantage if a style is instore before that of a competitor (Brannon 2007). As previously stated, since the recession in 2008 budgets for this stage have been cut and buyers increasingly have turned to using online sources for trend prediction (Ziv 2010). Similarly the emergence of street style blogs as an important source of trickle up trend data is noted as recently significant by fashion buyers (Miller 2011).

Sourcing and Supply

In order to select the product it must first be sourced, this is the case whether that is a completed garment from a wholesaler/distributor, a CMT supplier, a full service manufacturer, a yarn, fabric or trim supplier or anything in-between (Jackson and Shaw 2001, Easey 2008). This responsibility has become increasingly challenging due to the majority of manufacturing now talking place in emerging markets as a result of cost pressures in domestic markets (Hines and Bruce 2008). One of the key issues buyers face is balancing the number and type of relationships with suppliers in close and far-from-market countries. In recent years there has been a trend for supplier rationalisation so that retail buyers can extort more power and control in order to get shorter lead times and better prices (Tyler et al. 2006). For all aspects of sourcing and supply the buyer must have sound negotiation skills to agree cost price, intake margin,

payments terms and delivery terms (Shaw and Koumbis 2014). Experience of international business culture is also a critical success factor in profit generation (Diamond and Pintel 2012, Berman and Evans 2012). Performance criteria are in place to monitor suppliers, these include sell through rates to measure full price sales, faulty returns due to poor quality, late deliveries and the value of terminal stock left at the end of a season (Shaw and Koumbis 2014)

Product Selection and Range Planning

Once the internal and external analysis is complete, the trends for the season/buying phase have been forecast and the suppliers sourced the buyer must concentrate on the product specifics and building the range (Easey 2008). During this stage the buyer must consistently consider the demand and relevance of the product range for their target market with respect to styling and pricing (Goworek, 2007, Cook et al., 1991). Varley (2014) concurs adding that buyers are responsible for making sure the product arrives when customers wish to buy, making sure that the quantity delivered is enough to allow availability in all stores and that the quality and price are what the customer anticipates. The buyer chooses for his/her customer, therefore the efforts are focused on being the intermediary that links the customer and the retailer (Waddell, 2004). This emphasizes the importance of the buyer's role in creating the brand identity and personality through product for the consumer (Diamond and Pintel 2012, Varley 2006). The main focus of range planning is providing a desirable mix of merchandise, and the product chosen and subsequently offered must differ enough from competitor's offerings in order to provide a differential advantage (Omar 1999, Elliot and Rider 2007). Other important factors in range planning include: maintaining internal consistency, effective planning and control, and adapting to external variables (Jackson and Shaw 2001).

Distribution and Allocation Strategy

Although these responsibilities are traditionally associated with the merchandisers role, more recent literature suggests that buyers play an active role in the initial strategy decisions involving store grading and allocation (Fiorito and Gable 2011, Diamond and Pintel 2012). Buyers decide what type of stock package and the amount of high fashion product to be allocated based on analysis from stage one. Another feature which would affect the buyers role in this is the organizational approach of the business (Varley, 2006).

In sum it can be stated that the buyer has the most focus in the early and middle stages of the buying cycle. Next the merchandisers roles and responsibilities are outlined.

Merchandiser, roles and responsibilities.

Clark (2014) defines the role of the fashion merchandiser as having an involvement and understanding of fashion, its trends and influences and a financial and detailed minded approach to the product creation process. He argues that the merchandising role connects buyers with financial management, analysing the commercial viability of fashion product ranges. The UK academic literature is limited in exploring the role of merchandiser with most published literature centred on fashion buying or US models. Clark argues that narrow definitions show the role to be related to 'stock management' (Jackson and Shaw 2001), 'setting financial parameters' in range planning (Goworek 2007) and 'quantitative aspects of buying.. estimating sales, planning deliveries and distribution' (Varley 2006).

A synthesis of the available literature has identified 5 broad aspects of the role and responsibilities of retail fashion merchandisers in the UK and is illustrated in Figure 2 below.

Key Responsibilities of Retail Fashion Merchandisers in UK
1. Sales Forecasting and Financial Range Planning (Top Down / Bottom Up)
2. Store grading, model stock and size ratio's
3. Delivery phasing, Stock Management and Open to Buy
4. Re-forecasting, markdowns and promotional planning
5. Controlling and reporting performance and budgeting.

Source: Adapted from (Jackson and Shaw 2001, Kent and Omar 2003, Varley 2006, Goworek 2007, Goworek 2014, Shaw and Koumbis 2014, Clark 2014)

Sales Forecasting and Financial Range Planning (Top Down / Bottom Up)

Ahead of season the senior management will agree a top down sales budget for a department to achieve. This will factor in a growth target on like for like sales, take in to account any shift in sales channels (closing stores, new stores, localised on-line sites) and meet strategic objectives. Once agreed the Merchandiser will develop a top down range plan to identify the number of options the Buyer should aim to buy per category and how these should be allocated to stores. The Merchandiser will also analyse detailed 'line by line' reports on the sales history to identify strengths and weaknesses of previous buys. Merchandisers and Buyers will together agree sales targets, budgets and finalise intake

margins. This lays the foundation for justifying buying decisions and securing management sign off on the final range (Jackson and Shaw 2001, Goworek 2007, Clark 2014, Shaw and Koumbis 2014).

Store Grading, Model Stock, and Size Ratio's.

Shaw and Koumbis (2014) suggest that the Merchandiser and Buyers work together with store planners to Grade stores based on the performance of the product category under review. Analysis of sales history and amount of selling space will determine Store grading. Each season the Merchandisers and Buyers will create a Model Stock plan - a product category mix reflecting changing season and trend, informing the product range plan. The Merchandiser will provide information on how the performance of the actual sales and margin on previous model stocks and if they should be adjusted to maximise sales and minimise stock outs. Merchandisers are increasingly expected to have regional knowledge and not allocate at an aggregate national level. In summary "Buyers work endlessly with merchandiser and store planners to get the right number of lines allocated for each different size or group of shops" (Shaw and Koumbis 2014,p125).

Delivery phasing, Stock Management and Open to Buy.

Merchandisers also manage deliveries and stock levels such that product is shipped to the business in a timely manner to achieve forecast sales and co-ordinate with other product lines in the range. There is a strong relationship with logistics and distribution to ensure "the efficient flow of stock" (Clark 2014). Monitoring and updating the WSSI (Weekly Sales Stock Intake Report), Sell through rates, stock turn ratio's and weeks cover requires analysis of merchandising data and pro-active / reactive decision making to achieve planned sales. Stock management is a key performance indicator to the business and its investors. (Jackson and Shaw 2001, Clark 2014). Consumer appetite for newness, the rise of fast fashion and nearshoring production has had a dramatic impact on the speed of the sector to translate trend to in store product (Barnes and Greenwood, 2006). Merchandisers and Buyers are increasingly holding back "Open to Buy' to purchase short run orders on in season trends that they otherwise would miss. (Jackson and Shaw 2001, p147). First to market strategies often result in more full priced sales and are important to margin contribution. Managing the commitment to new product and their timely delivery is a core responsibility of Merchandisers.

Reforecasting, Markdowns and Promotional Planning

Merchandisers respond quickly to competitor positions, environmental factors (a warm September impact coat sales!) and suggest Point of Sale promotions to move over-stocked product, often securing discounts from suppliers. They work on re-orders for best sellers, though the high street is increasingly focused on a 'when its gone its gone' (WIGIG) model, favouring new styles being put into production rather than 'repeats'. Merchandisers work with buyers to agree markdowns, the literature includes Mark Up's, but these rarely happens in fashion retail. Merchandisers are constantly analysing sales performance and will adjust / delay/ cancel orders on overstocked lines, re-order / chase or commit to new orders for well performing lines. "Accurate weekly re-forecasting is a key responsibility of the merchandiser" Jackson & Shaw (2001,p97)

Controlling and Reporting Performance and Budgeting.

Merchandisers performs a key role in analysing, controlling and reporting performance against key performance indicators (KPI's) set by the business. They report sales actual, this year last year sales, gross margin, stock levels, weeks cover, stock turn and markdowns. KPI's also include NAMAD (net margin after discounts), GMROI (gross margin return on inventory) (Shaw and Koumbis 2014). This analysis is then used as the preparation for the cycle of buying to continue. With the advent of 24/7 on line trading, click and collect deliveries and an omnichannel approach to single stock management the acceleration of decision making and attention to detail adds new challenges of speed, flexibility and accuracy for merchandisers. Investment in BDSS (Buying Decision Support Systems) e.g SAP software (Shaw and Koumbis 2014) and the data mining of real time trend information on social media is evolving the role of the merchandiser. More academic research is required in these areas.

Relationship and areas of collaboration between Buyer and Merchandiser

In the UK focused literature the relationship between Buyers and Merchandisers is seen as collaborative. The relationship between buyer and merchandiser is often likened to a marriage in which the two players work together to create their ranges (Clark 2014). Through synthesising the research from the last two sections, Figure 3 depicts the complete product management cycle highlighting each function and the areas of collaboration. Shaw and Koumbis (2014) agree identifying that the two roles "typically hold similar levels of management authority" (p109) and are aiming to ensure the team achieves specific KPI's which are focused on "well defined financial objectives" (p109).   They identify key aspects of this collaboration as jointly deciding on a) planning the number of lines to stores, b) Store grading c) presenting the final range for sign off, "both buyer and merchandiser.. will aim to 'work' the meeting

together to confirm the rationale and logic of their range proposals" (p122). This clearly illustrated in Fig 3 below.

Figure 3 The Product Management Cycle

Function	Buyers	Merchandisers
Range analysis	X	X
Fashion Trend Analysis/Forecasting	X	X
Competitor Analysis	X	
Understanding the consumer	X	
Sourcing and Product Management	X	
Product Selection	X	
Budgeting	X	X
Range Planning	X	X
Stock Management		X
Distribution Strategy	X	X
Store Grading	X	X
Re-forecasting		X
Re-Supply	X	X
Promotional Planning		X

 Goworek (2014) adds the all-important d) pre-selection meetings and research by Nobbs et al. (2013) highlights the mutuality of the relationship with the merchandiser providing the "numerical justification" and the buyer providing the "style and trend justification". Clark (2014) references the joint decision making on authorising shipments from factories and agreeing markdown policies for terminal stock.

As Goworek (2014) highlights this contradicts the roles presented by the US based literature (Fiorito and Gable 2012, Codfelter 2013) who describe the merchandise manager as the Buyers line manager. In these US retail organisations fashion buyers report to Divisional Merchandiser Managers (DMM's) who were "once buyers themselves" (Diamond 2013 p134).   The DMM's "evaluate each buyer's performance… If a buyer is not meeting performance standards merchandisers must take corrective action" (Codfelter 2013, p42). The merchandise managers have hierarchical control and their position is not as a team member in a product department as in the UK. The skill set required of US buyers in this type of organisation runs across 'product' and 'financial' with strong analytical skills and "a strong math background.. with a solid understanding of retail math calculations" (Codfelter 2013, p48) In the UK

buyers are required to be increasingly numerate but the merchandiser is the bridge to finance and must 'be able to understand the implication of the figures' (Clark 2014)

Summary

Buyers and merchandisers have had to adapt to changes in the fashion marketing environment which include difficult economic factors, the speed of fast fashion, the growth of e-commerce, and unpredictable consumer behaviour (Rickman and Cozensa 2007, Clodfelter 2012, Fiorito and Gable 2011). By linking the key roles of the buyer and merchandiser (Figure 3) it can be stated that their job functions are highly dependent on each other due to the number of joint decisions that need to be made, and therefore effective communication and a collaborative approach to the working relationship are proposed as critical success factors. Furthermore it can be suggested that the buyer has a more influential role in the early stages of the product management process whilst the merchandiser does in the latter. This highlights a balance of power that has to be perceived as equal in order for the partnership to work. These key concepts will be explored within the primary research.

Methodology

Semi structured, qualitative interviews with fashion buyers and merchandisers form the basis of the narrative approach taken in this research. Qualitative research attempts to understand situations events and opinions by analysing the feelings, opinions and actions of the respondent and this feature suits the aim of this study (Thomas, 2009). Individual interviews were the most appropriate method for the exploratory nature of this small scale project. Furthermore this approach allowed for a more direct access to the power, knowledge and experiences of Buyers and merchandisers. Buyers and merchandisers were questioned on various aspects of their job including how it might have has evolved over the last 5 years, what their key role and responsibilities are and what their relationship is like with their respective buyer/merchandiser. The final part of the interview involved asking for both roles who has the highest level of influence over the 14 stages identified within the literature review, this was scored from 1-5.

The sampling technique adopted was convenience and quota sampling. Convenience samples are often easier and cheaper to conduct as the researcher has the freedom to choose whoever they can find to participate (Blumberg, 2008). It was appropriate for this study to have a target sample size of 6-8 buyers and merchandisers which represented a variety of market positions and branded/own branded offering. Each respondent was required to have minimum of five years' experience in their role. It is here an

element of quota sampling was used due to the constraints of accessing a wide sample from one particular retail sector. This could be viewed as a limitation to this study as interviews may not explore the occurrences of opinions and events in one particular sector thus impacting on the depth presented in the data. However using quota sampling did highlight important similarities and differences between sectors thus adding to the information about what influences buyer decisions. It also served as a method of cross checking using data from different people and data collected from different environments, i.e. triangulation of data (Denscombe, 2010).

In sum 16 buyers and merchandisers were interviewed and their details are in Fig 4 below:

Fig 4 Details of interviewees

Interviewee Number	Type of Business	Type of Fashion Retailer	Type of product sold
Buyer 1 (B1)	Branded own Store GANT	anonymous	Full Collection
Buyer 2 (B2)	Retail Department Store HoF	anonymous	Full Collection
Buyer 3 (B3)	Branded Footwear Buyer	anonymous	Full Collection
Buyer 4 (B4)	Retail Department Store	Own Brand anonymous	Full Collection
Buyer 5 (B5)	UK owned Fashion Multiple	Mid- range High Street	Full Collection
Buyer 6 (B6)	Marks & Spencer	Mid- range High Street	Full Collection
Buyer 7 (B7)	New Look	Value	Full Collection
Buyer 8 (B8)	Branded fashion buyer	anonymous	Branded Goods
Merch 1 (M1)	Branded own store GANT	anonymous	Full Collection
Merch 2 (M2)	Retail Department Store	anonymous	Full Collection
Merch 3 (M3)	GANT	anonymous	Full Collection
Merch 4 (M4)	Retail Department Store	Own brand	Full Collection
Merch 5 (M5)	UK owned Fashion Multiple	Mid-range High Street	Full Collection
Merch 6 (M6)	Marks & Spencer	Mid- range High Street	Full Collection
Merch 7 (M7)	Fashion Multiple	Mid-market	N/A
Merch 8(M8)	On-line retailer	Mid – market	N/A

The analysis followed a thematic approach to the content of the interviews. Miles (et al., 2013) states this type of analysis involves dealing with data by the creation and application of 'codes' to data. The interviews were recorded and transcribed in order to analyse the data and break it in to emerging themes related to the aim of research. Coding emerging themes manually provided an opportunity for unexpected occurrences to be explored.

Results and Discussion

Each interview was structured using nine questions to ensure consistency of approach as detailed in the research methodology. The results and findings are presented below on a question by question basis with interpretation and analysis where appropriate.

Roles and Responsibilities

The responses show a comprehensive understanding by buyers and merchandisers of each other's role and responsibilities. There is clear demarcation on some aspects of the role and more overlap on others. 'Product' was the key word associated with buyers and 'financial' was the key word associated with merchandisers, this supports the literature reviewed for this paper. There was a mutuality expressed in answer to the first section of the question, a lot of use of "we", "our" and "us". They refer to "working closely together and have to be commercially minded" (M8) and "one can't work without the other" (B4).

Buyers and merchandisers alike saw the Buyers key responsibilities as:-

1) Focus on Product
2) Sourcing fabric, manufacturing
3) Fashion, Trend, design / colour / shape
4) Commercial range building / planning
5) Negotiating cost prices
6) Placing orders
7) Fit sessions
8) Managing the pre-production critical path
9) Competitor awareness
10) Customer awareness

This relates well to the literature reviewed in respect to product sourcing and supply, trend prediction and forecasting and product selection and range planning. The analysis of the range performance is not evidenced by buyers and they place more emphasis on tasks including fit sessions, not covered in the literature.

The skills cited as being specific to the role of buyer are shown in Figure 5 below:

Figure 5

Skills	Frequency raised
'Good eye' / 'emotive' / 'Gut Feel' (for product)	7
Creative	5
Trend / Fashion aware	3
Sociable/ Personable / good communicators	4
Negotiation skills	1
Organized	1
Commercial acumen	1
Practical	1
Total	23

Buyers and merchandisers alike saw the Merchandisers key responsibilities as:-

1) Financial and profit, 'focus on the numbers'
2) Achieving KPI's across margin, average selling price, budget
3) OTB, WSSI, Sell through rates
4) Forecasting sales and range planning
5) Mark downs and POS promotions
6) Logistics
7) Stock management, stock phasing
8) Deliveries
9) Sales phasing
10) Analyzing and reporting performance

The respondents in this research confirm the findings of the literature review and there are no new areas of responsibility emerging in this study. However Store grading and re-supply were not mentioned by respondents, but did feature in the literature. The skill set considered unique to Merchandisers is shown in the table below. In the interviews respondents focused more on the responsibilities of each role than the skills and there are fewer named skills than for the Buyer.

Figure 6

Skill	Frequency raised
Analytical	6
Numerate / Excel	5
Commercial	1
Organized	1
Accurate	1
Logical	1
Risk Averse	1
Total	16

Given the clear division on skills expressed by the interviewees it supports the notion that both are needed in the team to achieve the business objectives together. "The merchandisers are more figures focused and the buyers are obviously more product focused but they need to work together to achieve the goals of the department / category" (M4).

Changes in the Buying and Merchandising Function

Three respondents considered there had been little change in the last 5 years, all others were very emphatic about the changes they had witnessed over the period. Their responses were generally balanced between external environmental factors and internal organizational factors. There was no evidence of either job role having a particular focus on internal or external factors, so their perspective appeared not to be determined by their role.

External factors include, a) recession and tough trading conditions resulting in slow trade in high priced items, b) impact of technology, including social media, e-commerce and 'multichannel' / 'omnichannel' business models, c) 'sourcing' as a changed function with more product on longer lead times from more distant geographies, d) 'Internationalisation' and serving a global market, e) a more demanding consumer, f) the rise of 'lifestyle' brands, g) increasing competition, h) and an increase in the speed and pace of the industry, a more "dynamic' market.

These map well to the six drivers outlined in the review of the fashion environment. Buyers and Merchandisers place more emphasis on difficult trading conditions, sourcing functions and the rise of lifestyle brands impacting their roles.

Internal responses to these changes were considered to be a) holding back OTB and buying closer to the season, b) more analysis / reporting, more emphasis on margin and a focus on intake margin as a cost that can be controlled, c) reduced headcount in departments and increased pressure on performance, d) the roles of buyers and merchandisers 'merging' or becoming 'blurred' with buyers becoming more numerate and merchandisers being more product focused, e) risk averse decision making and requiring higher 'sign offs' within the business; "less willing to take a risk" (B4). f) buyers traveling less and g) buying and merchandising teams working with more departments across the business including marketing and on-line VM. "We have noticed that customers needs have changed and the market is more dynamic. We have to react faster to trade and what competitors are doing. We also have more input to other departments … marketing and the on-line team, to ensure that the customer is engaged and ensure we interact with them" (M8).

There is little detailed research on the internal issues raised in this paper. Editorial coverage in Drapers frequently refer to companies holding back on OTB and being risk averse. This paper aims to uncover much more detail on the changing roles of the buyers and merchandisers.

Role Requirement

"Buyers and Merchandising functions are pivotal in any business" (B6). Interestingly each profession tended to answer to justify the need for the other, rather than their own role. Merchandisers spoke of the need for a unified brand offering of product and how "without a buyer, a range would be dull" (M5), buyers "add excitement to ranges" (M6). Similarly Buyers argued the importance of stock management and ensuring new stock was relevant and in line with budgets (B3), adding that without merchandisers there would be too much stock and it would impact cash flow (B2). The supportive nature of the answers gave insight to the way they work together. This corroborates the literature review which identified collaboration in their roles and responsibilities.

Across all respondents there was clear consensus that "the business would not function " without the roles (B5), "without them there basically wouldn't be any product" (M4). Merchandiser 7 added that both are "needed to ensure a balanced range" and "I don't think designers could cover the role". One merchandiser (M1) advised that store managers used to select product in their business, rather than buyers, but it led to a "disjointed offer". Buyer 8 suggested that while both are currently "key to the business" they could envisage a future in which Buyers 'select' rather than 'purchase' product. Varley

(2014 :39) attributes this shift to the increased sophistication of internal data analysis by merchandisers having "the effect of pushing the buying role further into the area of design, product development and selection, with less control over range planning and direction". Indeed some organisations contrary to the opinions of Merchandiser 7 do not have buyers e.g Reiss. This issue could be subject to further research.

Value Creation

All those interviewed strongly agreed with the value both roles brought to the business. Clearly there will be bias in their responses. However, they emphasized the importance of the depth of product knowledge, understanding of customer needs and the requirement to deliver commercial / profitable ranges. Buyer 5 argued the importance of her role in making the Designers samples "more commercial". Buyer 2 makes the case that core staples, bread and butter sales have their place, but a Buyer is required to add "excitement and generate press and a brand identity", without them the product would be too safe. They also argued that the role of the Merchandiser was to tone this down to ensure there wasn't "too much excitement" and keep to planned stock levels.

In summary Merchandiser 7 said "without them and the knowledge and skills that they bring to the business, the ranges wouldn't be strong enough to stand out on a crowded high street. They are what brings individuality.. and gives us a strong identity with our customers". No respondents argued the case of one role adding more value than the other.

Measures of Success

Both buyers and merchandisers used quantitative performance measures in the majority of interviews to define if they had performed well and as measures of success. These are included in order of frequency they appeared in their answers in Figure 7. below.

Figure 7

Quantitative Measures	Frequency	Qualitative Measures	Frequency
Sales	9	Customer feedback	3
Few Markdowns	6	Teamwork	2
Gross Profit / Bottom line	6	Deliver a good range	2
Stock / terminal stock	5	Visual Merchandising Cohesiveness	2
Achieve Margin / Intake Margin	3	Good Press	1
Growth of season	3	New customers	1
Sell through rate	2	Ability to present to management	1
KPI's	1		
EBITDAR (Earnings before interest, tax, depreciation, amortization and restructuring)	1		**12**
Total	**36**		**12**

All buyers and all merchandisers provided clear quantitative measures in response to this question. There was clear consensus on the performance measures they are asked to deliver in the role. Buyer 3 argues "Ultimately sales and profit define the success for both roles". Some respondents advised their "bonus" was linked to achievement of gross profit. This contradicts the position stated by Varley (2014:39) that "Buyers tend to be more concerned with the qualitative side of buying", but does supports the literature that they have joint performance targets to deliver against as a team (Shaw and Koumbis 2014). The issue of 'sales' and 'growth' are interesting, especially given the dominance of the answer. They are equally balanced with profit and margin responses, showing as Merchandiser 1 was keen to stress the importance of "bottom line, not turnover". It was also interesting to note that the respondent with the most financially technical response 'EBITDAR' was in fact a Buyer not a Merchandiser, which suggests the need for Merchandisers to act as the bridge to financial management, may warrant further review. The literature on buying and merchandising suggests the merchandiser role is measured on NAMAD (Jackson and Shaw 2001) and GMROI (Shaw and Koumbis 2014, Varley 2014), neither of these KPI's were quoted.

Referring back to Table 7 a key finding of this research is that all 12 'Qualitative' measures quoted in the interviews were responses from Buyers not Merchandisers. So while the Buyers made full reference to the financial KPI's, they consider the success of the role to stretch beyond that remit and include the factors listed above. Buyer 3, was clear that at her staff review she would also be measured on "a range of other factors like teamwork and the ability to present to management". Perhaps most interesting is the fact that only 4 out of 48 responses made reference to customers at a time when the academic literature is dominated by the notion of consumer led buying (Varley 2014).

Role importance

The dominant response across Buyers and merchandisers included the words "both" and "equal". 4 respondents actually made reference to the roles being "like a marriage" (B6) and "husband and wife" (respondents B2, B8, M2), supporting Clark (2014). Respondent M8 expanded her argument "Think both roles are integral as I don't believe one could really work without the other as both bring different skill sets". Others made reference to "trust" and "respect" and "they balance each other out". The general agreement was that both roles were equally important. However three buyer respondents placed emphasis on their own role, "Buyer, obviously" (B5), "The Buyer…. If the stock they buy is wrong there is little the merchandiser can do to change this" (B3), "The organization is very buyer led" (B4). Merchandiser M7 did stress the importance of budget control in their role in responding to the question and another merchandiser (M1) made the point that one role "is more glamorous ".

Relationship

The relationship between the two roles was seen as 'equal', 'open', 'very close', 'understanding' and "the most important relationship in the team" (M5). They spoke of being co-located, enjoying regular contact and joint decision-making. They "constantly work as a team, striving for the same goals" (M4). "On my department all decisions are made as a team. If we have any problems we come up with the solution together" (M8). This echoes the views stated in question 6. Indeed Buyer 5 talks about the

support they give each other given "both jobs are very stressful". The notion of an equal relationship was identified in the literature review and Buyer 5 also supports the position presented by Shaw and Koumbis (2014) on the need for both to work the meetings with management together to get sign off. Buyer 5 argues there are "a lot of challenges from heads of and directors, and as a team you can have more self belief and stand up for what you believe in together".

In terms of exercising authority the main view was that both roles "discuss matters on an equal footing" (M7) or that at different times one role may have more authority over a situation "but it nets out over time" (M2, B4, M4). One buyer and two merchandisers considered that the merchandiser had the final word on the numbers, especially in a risk averse trading climate. This is not to be confused with the US literature where the organisational structure places the Merchandiser over the Buyers.

Level of Influence on Role

Of the 14 functions under review the Buyers consider they have near full influence /control of 7 of them, (scores = 4.8 – 5).   Figure 9 illustrates this as a spider diagram. There is consensus across all Buyers in the research despite the fact they came from a number of different organizations. They consider that the merchandisers have near full control over 3 areas, Stock Management, Distribution, Store grading and are in near full agreement.   This shows clear demarcation on roles as evidenced in question one. Buyers consider Merchandisers exert the least influence over trend analysis and forecasting and that Buyers exert the least influence over re-forecasting.   The function which Buyers and Merchandisers have most equal influence is in re-supplying the business on product.

Figure 9 : **LEVELS OF INFLUENCE ON 14 FUNCTIONS IN VALUE CHAIN - BUYERS**
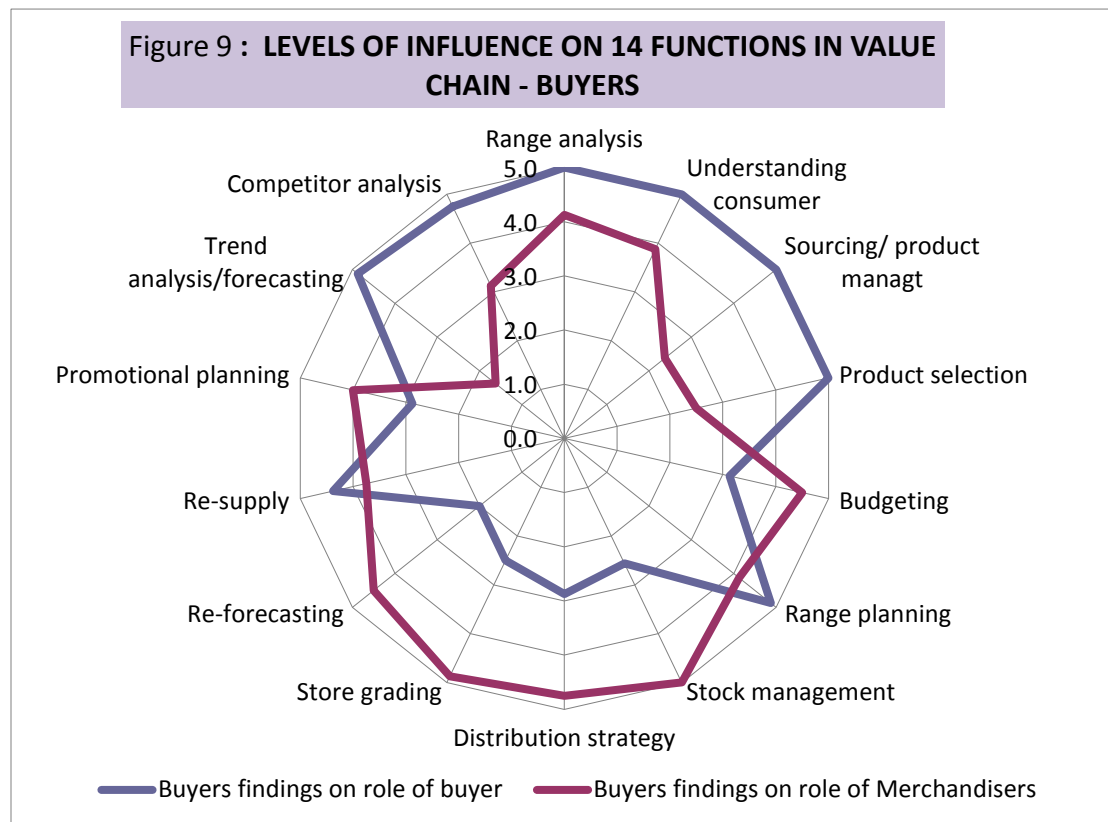
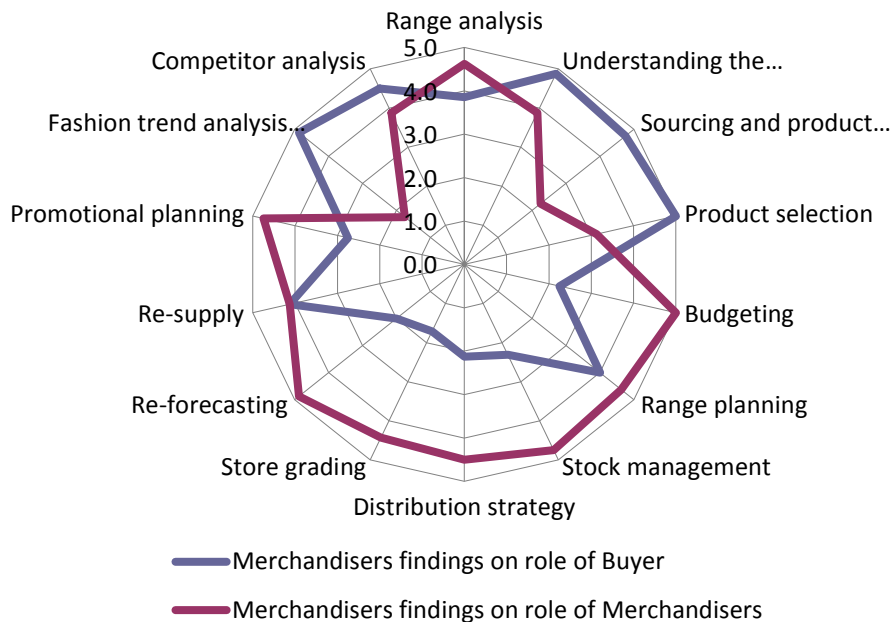**Figure 10: LEVELS OF INFLUENCE OF 14 FUNCTIONS IN THE VALUE CHAIN - MERCHANDISERS**

Figure 10 shows that Merchandisers consider they have near full influence over 4 functions, (mean scores of 4.8 – 5). But not those named by the Buyers, only stock management is agreed between both parties. By contrast Merchandisers think the Buyers only have near full control over 4 functions not 7 functions, so the Merchandisers consider the Buyers have less influence over the whole process than the Buyers think they have. The 4 functions were the same as those named by Buyers; this could suggest that the Buyers role has more clearly defined responsibilities within the team. In addition the amount of 'overlap' in influence is considerable in Charts 1 and 2, so the aspects of both roles that could be considered for 'joint decision making' or 'team working' are evidenced. Merchandisers agree that they have least influence over Fashion Trend Analysis / Forecasting. But they consider the Buyers have least influence over Store Grading and Re-forecasting.

The results also suggest that the use of the terms 'Range analysis' and 'Range Planning' may not have been interpreted in the way it is defined in the literature. Range Planning can be seen as a Financial Top Down plan to determine the number of options as a result of budgeting, very much the role of the merchandiser. Planning a range can also be used to describe the range building exercise buyers go through to create a range. This may have confused the results.

Conclusion

To conclude it can be stated that there eleven key findings of this research. The first is that the analogy of the buyer and merchandiser's relationship being like a marriage (Nobbs and Clark 2013) was

supported by the primary research. The spider diagrams highlighted considerable overlaps on responsibility and the interviews confirmed the relationships to be highly supportive and collaborative. Second is that each role has similar levels of management authority, and are measured on joint KPI's which was evidenced in a mutuality of respect for each other's competencies and seen has a contributing factor to the collaboration within the partnership. Similarly the third key finding was that joint sign off on the range, which was identified by (Shaw and Koumbis 2014) was confirmed as being important in this study in the interviews. The forth finding was a disparity between the literature and the research in that Shaw and Koumbis (2014) stated that they collaborate on store grading whereas in this sample both roles stated this was the merchandisers responsibility. The fifth point raised is that the buyers saw their job role remit to be much wider than that of the merchandisers, the research indicated that they had influence in 12/14 product management cycle roles. This is a potential future area for research. Similarly the notion that merchandisers act as bridge between buyers and finance is questioned by this study as all buyers demonstrated a high understanding of finance and again this could be an interesting area for further investigation. The seventh key finding was that despite Varley (2014) are Easey (2008) suggesting that product managers and curators may replace buyers, this research identified a clear need for both in order to get the balance between exciting commercial product and achieving stock and margin targets. Additionally buyers very much defended the role of the Merchandiser and vice versa.   The eighth point of interest is that the merchandisers in this study perceived that buyers have less influence over the whole product management process than the buyers, there has been no previous research on this and it would be interesting to investigate this further. The ninth and tenth points related to the factors for change, this primary research supported the macro factors identified as impacting on the roles and furthermore the seven key internal responses to the external environment are not previously articulated in academic research and therefore this requires further study. The final point to raise is that this research is specific to the UK business model whereby much of the academic research to date has referred to the US model where Buyers report to merchandisers and therefore it would be interesting to do a comparative study of the two geographic locations.

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