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TOPIC 5. MARKETING PLANNING OF THE TEXTILE AND CLOTHING BUSINESS

The course is developed under Erasmus+ Program Key Action 2:
Cooperation for innovation and the exchange of good practices [Knowledge Alliance](#)

ICT IN TEXTILE AND CLOTHING HIGHER EDUCATION AND BUSINESS

Project Nr. 612248-EPP-1-2019-1-BG-EPPKA2-KA

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AGENDA

- Basic Marketing Concepts
- Marketing Mix
- Marketing Process
- Fashion Branding
- Digital Marketing of the T&C Business



Learning goals and objectives

In this topic the students will learn what is marketing and what is its crucial role for the business organisation. They will learn the main elements of the marketing mix. They will get acquainted with AIDA model and other merchandising models. The importance of the fashion brand and the digital marketing for the successful modern T&C business is presented.

Short summary of content

Definition of marketing. Basic marketing concepts. Marketing mix. Marketing process. Product, price, place and promotion strategies. Merchandising models. Promotional mix. Promotional plan. Fashion brand. Digital marketing.

Expected results

Students will be able to plan the marketing activity of their T&C business and will develop the elements of the marketing mix. They will be competent to choose the right marketing strategy and policy and to develop a portfolio of digital marketing services.



Marketing definition

Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others. Philip Kotler

Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. American Marketing Association





Basic concepts

Market: a group of potential customers for a particular product or service

Product: anything that can be offered to a market to satisfy a desire or a need.

Products include: goods, services and ideas.

Goods: physical goods constitute the bulk of most countries' production and marketing effort.

Services: any activity done by professionals as: fashion designers and beauticians. Many market offerings consist of a variable mix of goods and services.

Ideas: every market offering includes a basic idea. Goods and services are platforms for delivering some idea or benefit.



Basic concepts

- **Marketing plan** includes marketing goals and strategies.
Marketing goals require a time frame:
 - **Short-Range Goals.** What do you want to accomplish in the next year? You may find it helpful to break one-year goals into smaller periods, such as quarters (three months).
 - **Mid-Range Goals.** What do you want to achieve in the next two to five years?
 - **Long-Range Goals.** Where do you see your business ten or twenty years from now?
- **Motive.** Why do you want to reach each objective? What rewards do you hope to obtain? Consider the opportunity.
- **Consistency.** Be careful that your goals do not conflict with one another.
- **Cost.** Work out a budget for your marketing plan, to check the feasibility of your goals.



Basic concepts

Customer value: a combination of quality, service, and price (QSP).
Value increases with quality and service and decreases with price.
Value is a ratio between what the customer gets and what he gives.

$$Value = \frac{Benefits}{Costs} = \frac{Functional\ benefits + Emotional\ benefits}{Monetary\ costs + Time\ costs + Energy\ costs + Phychic\ costs}$$

Satisfaction: a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. If the performance falls short of expectations, the customer is dissatisfied.



Marketing mix

Main marketing strategy areas: product, place, price and promotion.
The combination of these elements defines the marketing mix.



PRODUCT

- Quality
- Features
- Brand
- Packaging
- Size
- Warranty
- After sales



PRICE

- Tariff
- Sale
- Discount
- Sales terms
- Credit terms



PLACE

- Distribution channel
- Distribution area
- Point of sale
- Warehouses
- Means of transport

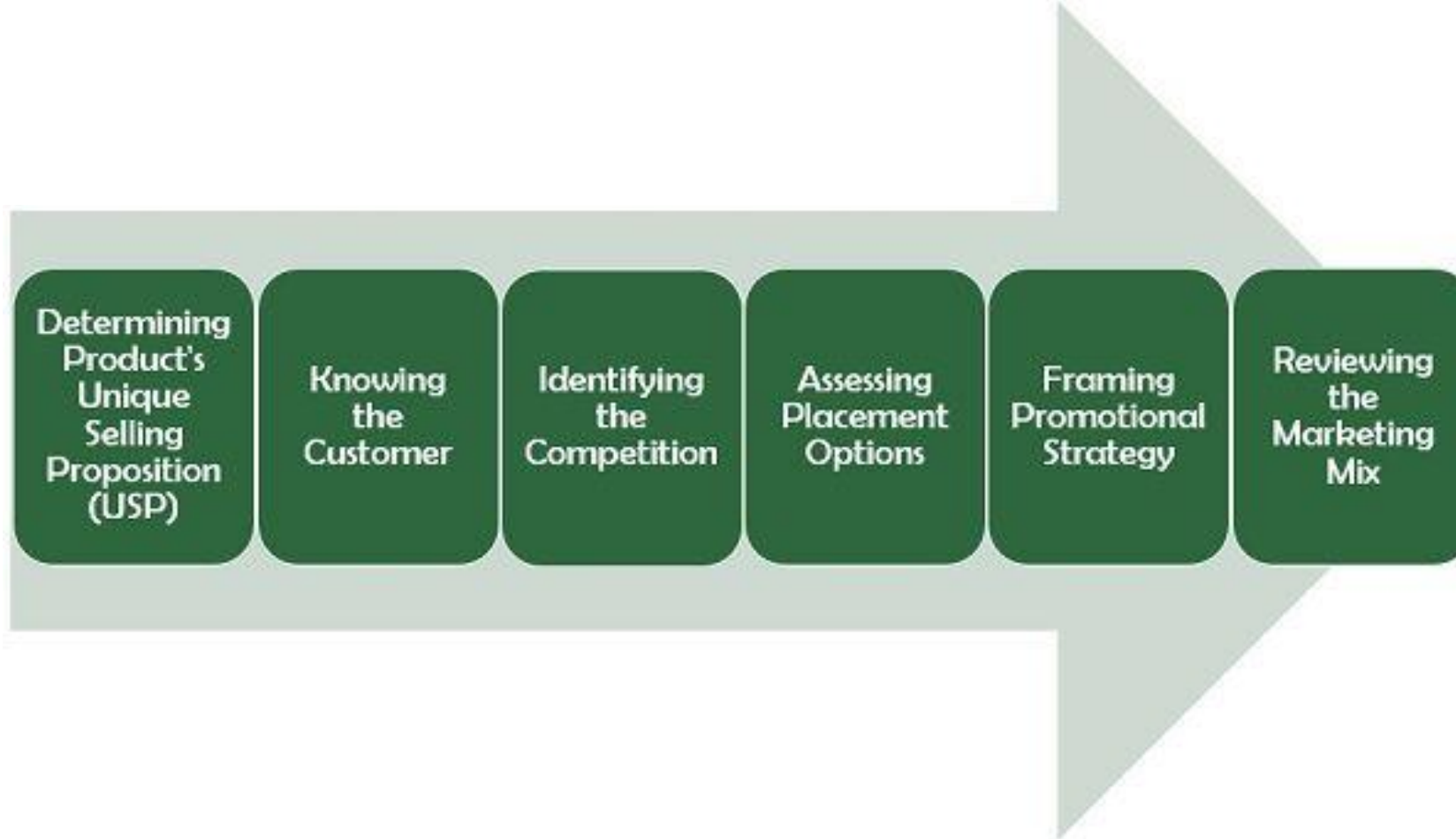


PROMOTION

- Advertising
- Sales force
- Sales promotion
- Public relations

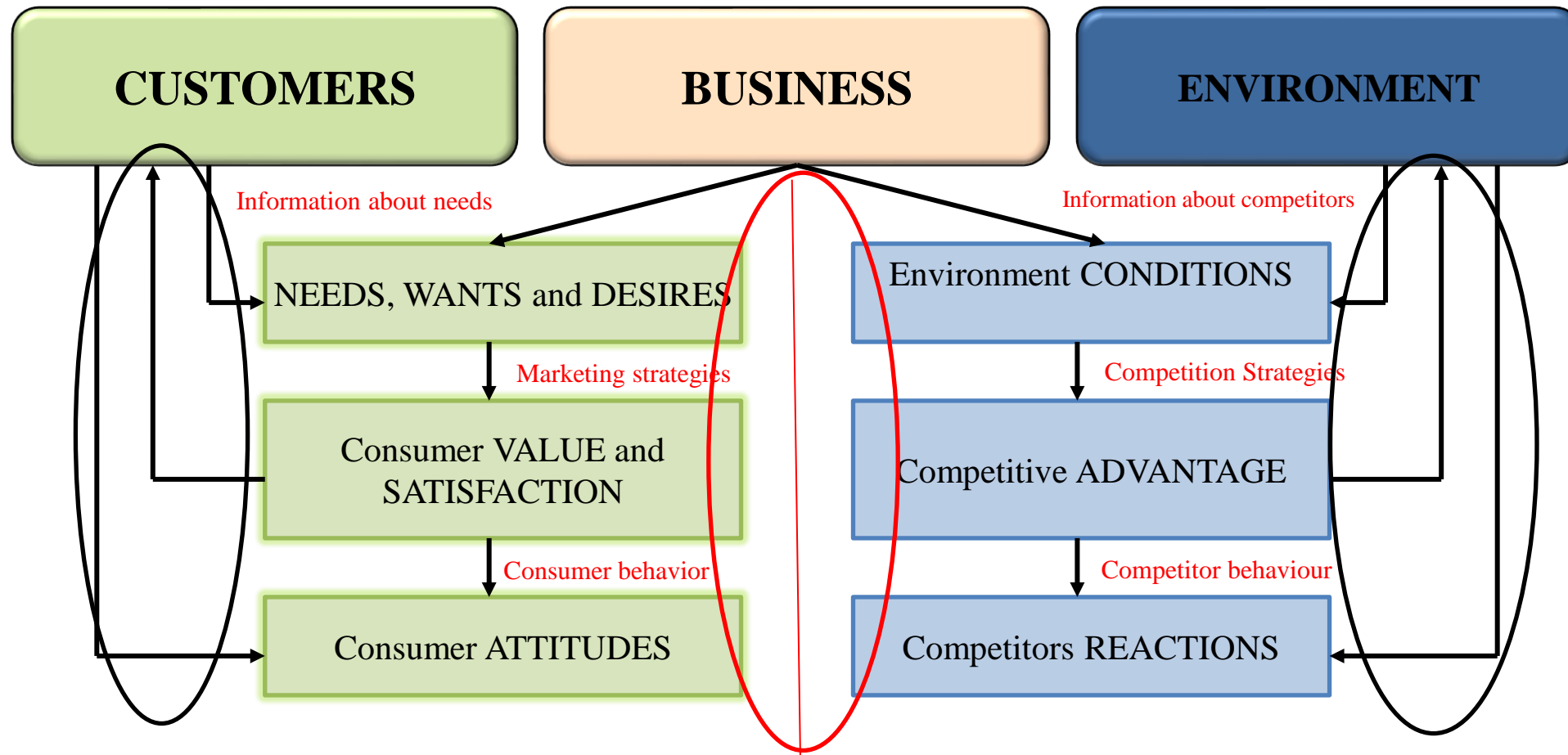


Process of marketing mix





Marketing process



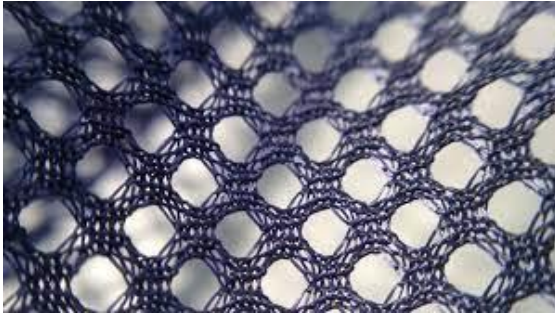


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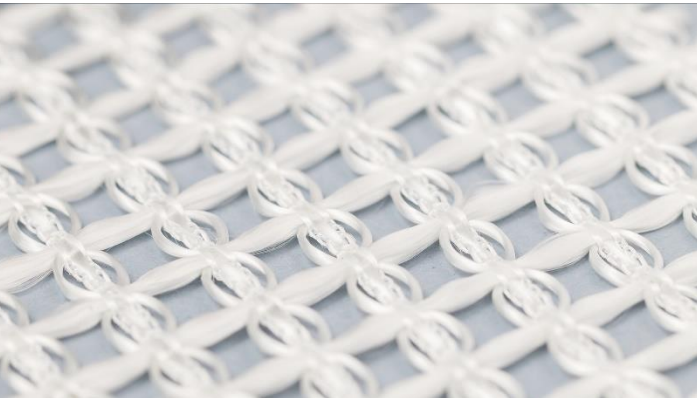
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TCI products



- 13.10 Preparation and spinning of textile fibres
- 13.20 Weaving of textiles
- 13.30 Finishing of textiles
- 13.91 Manufacture of knitted and crocheted fabrics
- 13.92 Manufacture of made-up textile articles, except apparel
- 13.93 Manufacture of carpets and rugs
- 13.94 Manufacture of cordage, rope, twine and netting
- 13.95 Manufacture of non-wovens and articles made from non-wovens, except apparel
- 13.96 Manufacture of other technical and industrial textiles
- 13.99 Manufacture of other textiles n.e.c.



- 14.11 Manufacture of leather clothes
- 14.12 Manufacture of workwear
- 14.13 Manufacture of other outerwear
- 14.14 Manufacture of underwear
- 14.19 Manufacture of other wearing apparel and accessories
- 14.20 Manufacture of articles of fur
- 14.31 Manufacture of knitted and crocheted hosiery
- 14.39 Manufacture of other knitted and crocheted apparel
- 15.11 Tanning and dressing of leather; dressing and dyeing of fur
- 15.12 Manufacture of luggage, handbags and the like, saddlery and harness
- 15.20 Manufacture of footwear



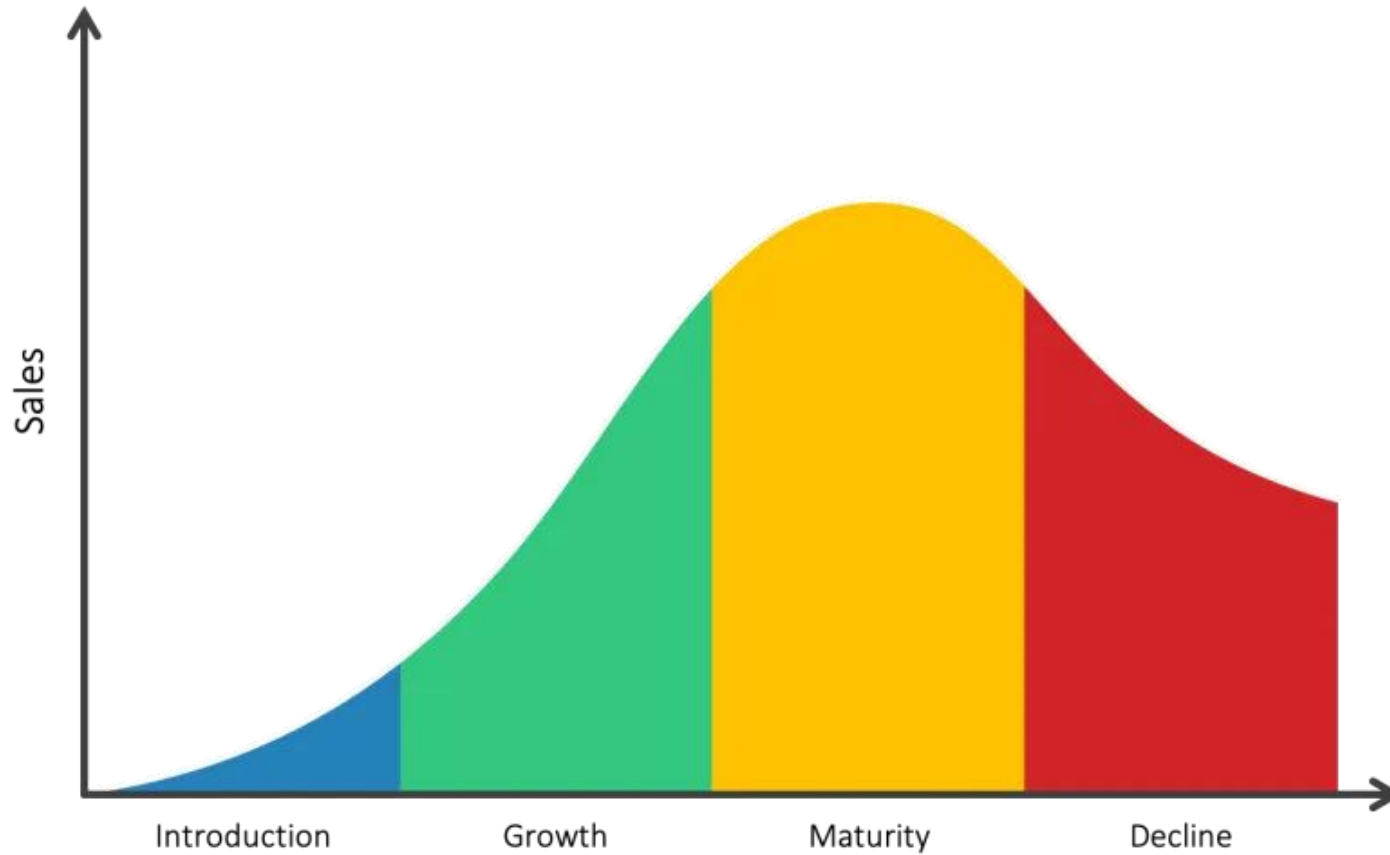


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Product life cycle



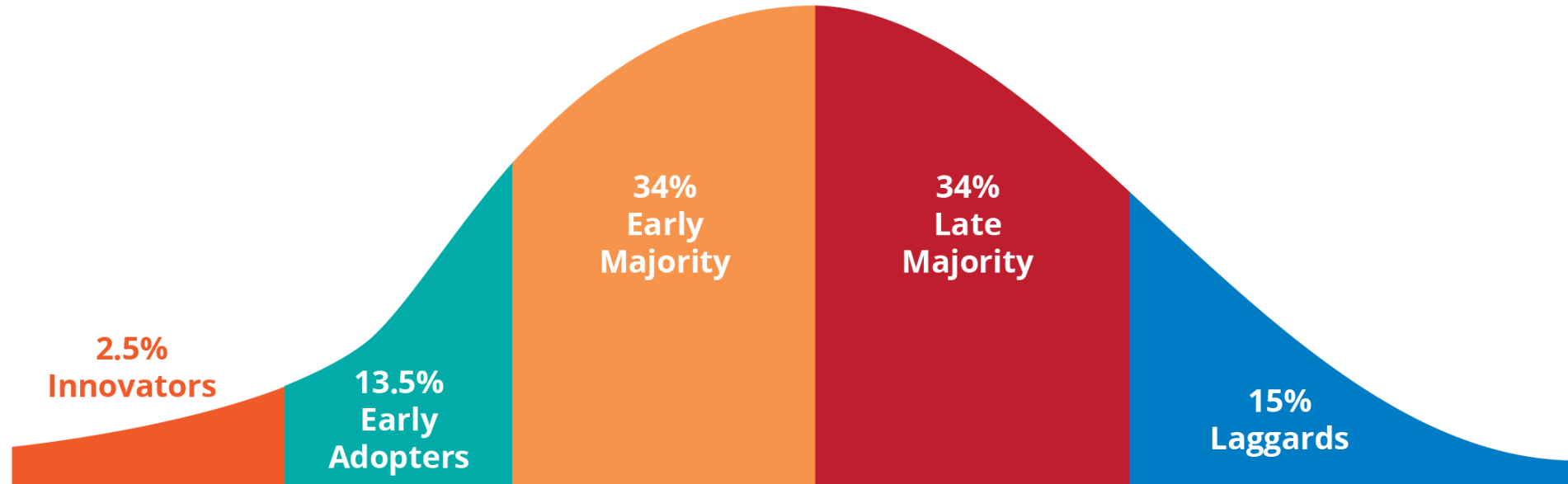


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Product diffusion cycle





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Determining product strategies

Building a product image involves **attracting new customers** and **keeping current ones loyal**.

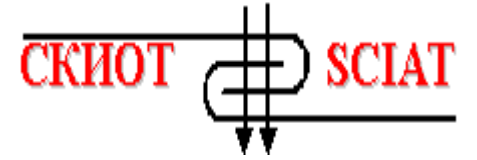
Product strategies for doing this include **branding** and **communicating product features and benefits**.

To attract people in your target market, you need to choose a product that matches well with their needs or wants. When given a choice, consumers buy the product with the **features** and **benefits** that best meet their requirements.





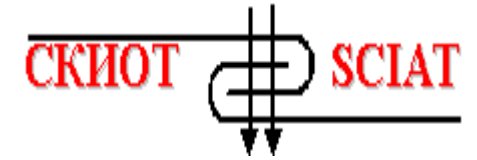
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Fashion branding

Brand is a marketing strategy that can create an emotional attachment to your product in the mind of the consumer.





Fashion branding. Successful models

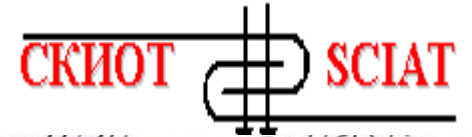
- **Category-wise:** For shoes it is 2 per cent, sports brands have 5 per cent occupancy, jewelry and accessories take up 1 per cent, apparel has 53 per cent, lingerie covers 1 per cent.
- **Format-wise.**
- **Gender-wise:** women's wear – 40 per cent, men's wear – 30 per cent, kidswear 20 per cent and generic/mixed/unisex – 10 per cent.
- **Local retailers.**
- **Franchised** versus company owned: franchised outlets having 20-22 per cent occupancy as against company owned outlets having 78-80 per cent occupancy.





Fashion branding. Visual merchandising model

- Visual merchandising can help create that positive customer image that leads to successful sales.
- Visual merchandising is a major factor often overlooked in the success or failure of a retail store.
- Visual merchandising can be defined as everything the customer sees, both exterior and interior, that creates a positive image of a business and results in attention, interest, desire and action on the part of the customer.
- The basic objective for visual merchandising is a desire to attract customers to a place of business in order to sell the merchandise.





Fashion branding. Merchandising problems

- Too much quantity on display;
- Inadequate display;
- Confusing display;
- One product category overshadowing the other;
- Colour distortion in the store leading to consumer grievances;
- Lack of brand congruence of the visual look and feel created.

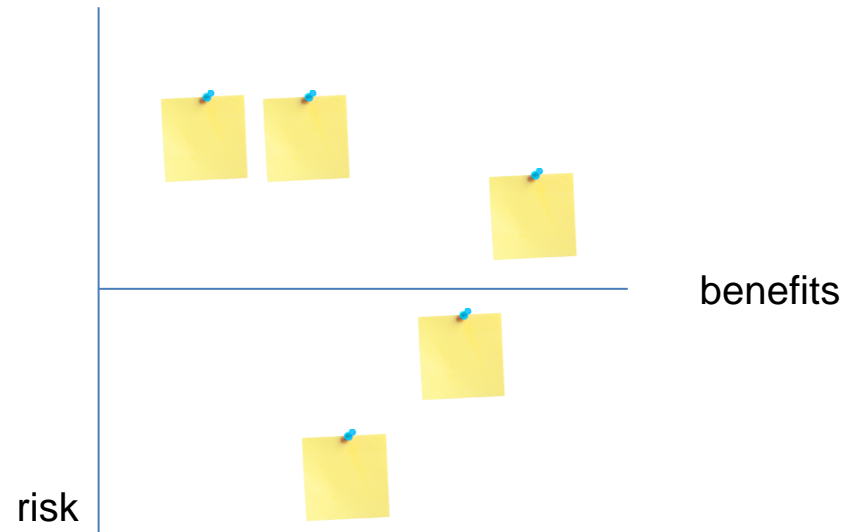




Assignment 1

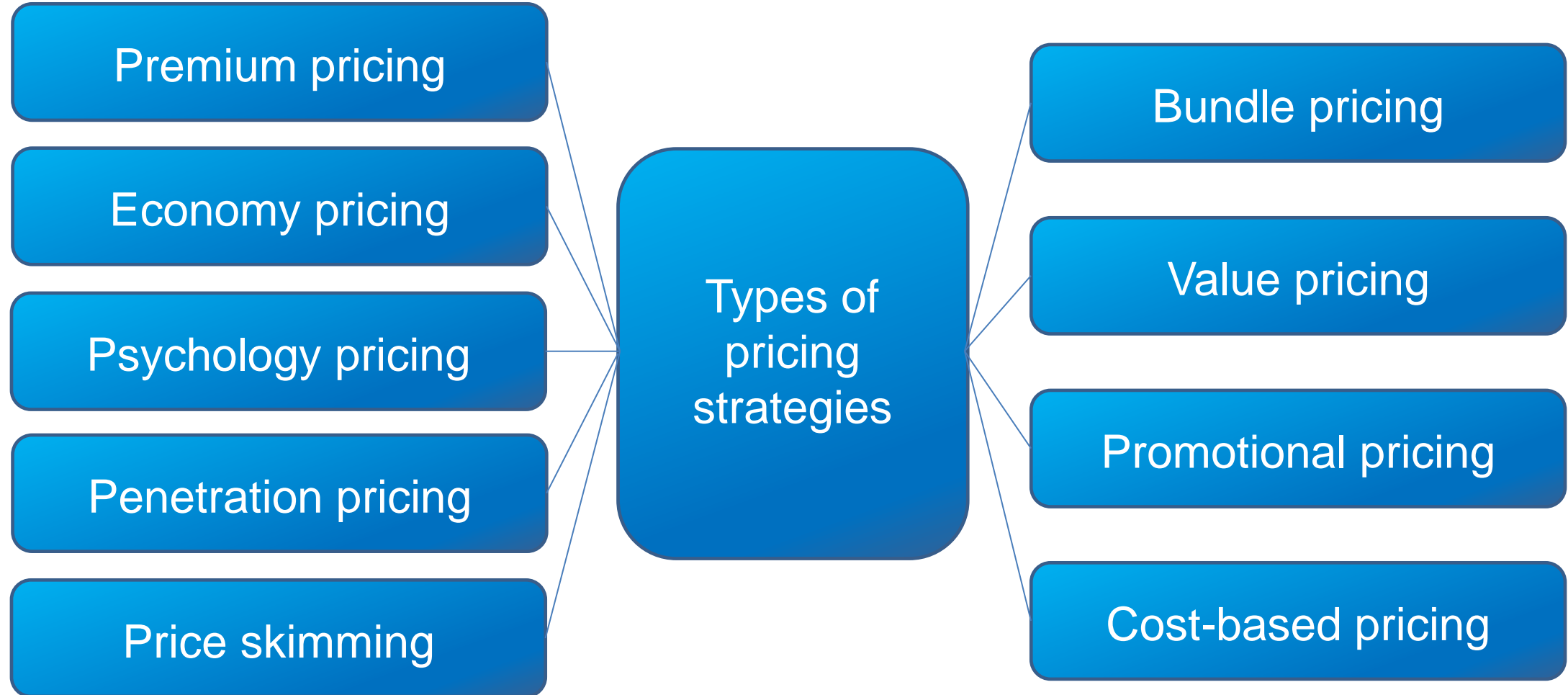
Look at the example: [Marketing Case Study - How we Built an Audience for Launch of a Streetwear Label around KPOP?](#)

Discuss on risks and benefits of brand exposure.





Pricing strategies





Developing price strategies

Developing price strategies involves:

Identifying price objectives:

- Build or maintain an image.
- Increase sales volume (quantity).
- Obtain or expand a market share.
- Maximize profits.

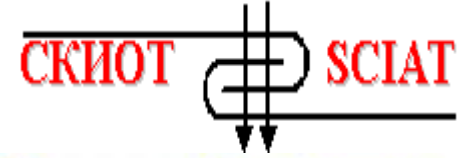
Selecting a basic price strategy:

- Demand-based.
- Competition-based.
- Cost-based.
- **Making price adjustments.**





Place strategies. Distribution. Where and when will you sell?



To determine place strategies you should decide:

- What distribution channels to use.
- Where and when you will sell your products.
- How you will transport and store them.

Examples:

- Choosing an excellent location for a physical store.
- Determining the days and hours when customers are most likely to shop.
- Providing an easy-to-use Website that customers can access any time, from any location.
- Taking orders via a toll-free telephone number, with operators standing by 24 hours a day.





Promotion

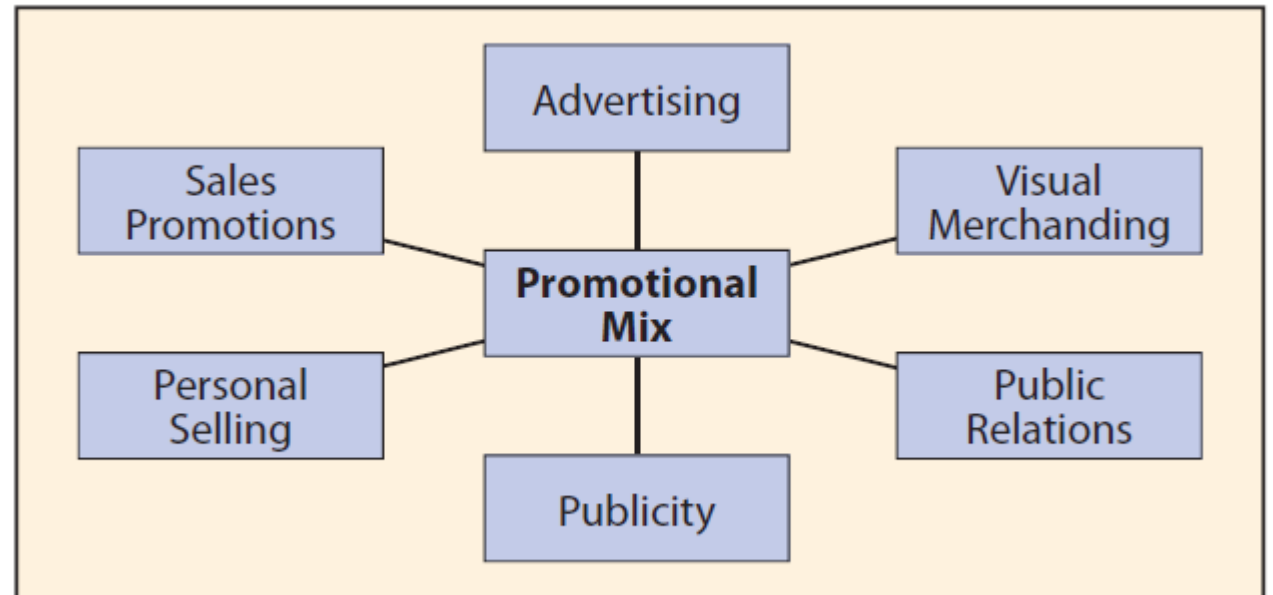
AIDA is a popular communication model used by companies to plan, create, and manage their promotions.

- Attention, making customer aware of the product.
- Interest, providing information about the advantages and benefits.
- Desire, generate desire by convincing that product will meet customer's need.
- Action, making it as easy as possible for customer to make the purchase.



Promotional mix

- We use promotion to build a favorable awareness about our product and influence people to buy it.
- Elements of a promotional mix:
 - Advertising;
 - Visual merchandising;
 - Public relations (PR);
 - Publicity;
 - Personal selling;
 - Sales promotion.





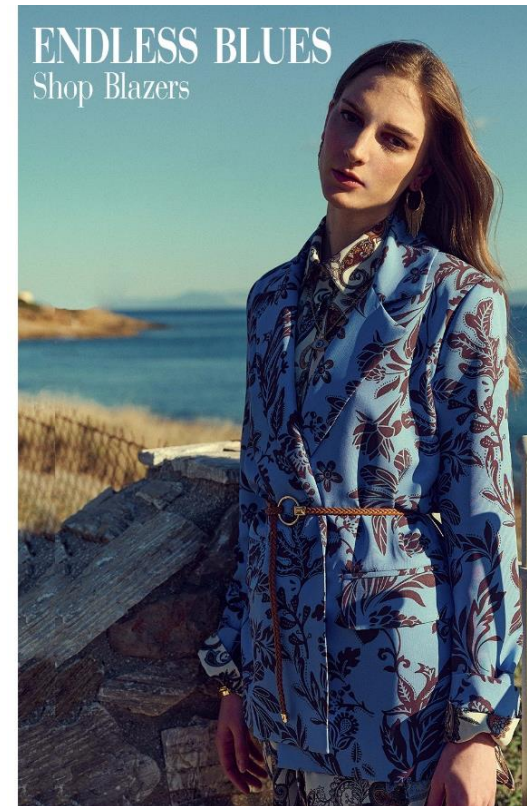
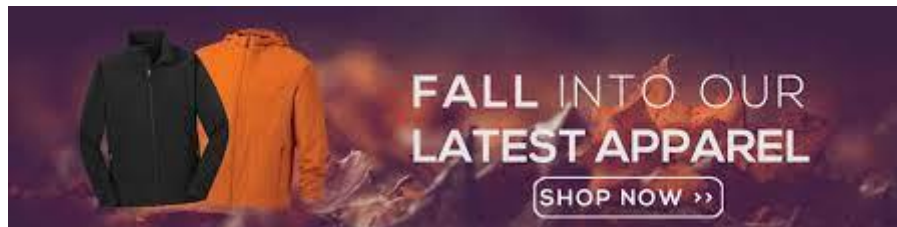
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T&C communications

- Advertising/ commercials.
- B2C and B2B sales.
- Direct marketing.



<https://youtu.be/UIwTZDJMwyY>



Promotion. Developing a promotional plan

A promotional plan for a new T&C business must take into consideration three stages of a business startup:

- **What promotions are needed before the business is opened?**

Examples:

- Establishing a favorable business image.
- Educating your target market about the features and benefits of coming products.
- Creating an awareness of where and when you will be opening.

- **What promotional adjustments will need to be made when the new business is launched?**

Promotions to get people to try a product or service.

- **What ongoing promotional strategies are needed?**

Promotions for keeping current customers loyal. Include methods for measuring promotion effectiveness in your plan.





Digital marketing of T&C business

E-marketing, Internet marketing, Web marketing, Online marketing

Digital marketing is the process of marketing a product or service using the Internet. It does not only include marketing on the Internet, but also includes marketing done via e-mail and wireless media. It uses a range of technologies to help connect businesses to their customers.





Digital marketing of T&C business

- **E-mail marketing** - is probably the cheapest way to tell about your brand and products, but also one of the hardest, if you don't know what you are doing. It requires people to subscribe to your mailing list
- **Blog** - since marketing tactics have changed from 'trying-to-sell' to 'giving useful information' (inbound marketing), blogs have become a part of marketing practices.
- **Online marketing** - the main information people seek for is address, phone number, opening hours and products. Consumers like to compare the findings and then make their purchasing decision based on the facts found online. It is crucial to have a website up and running.



Digital marketing of T&C business

- **Mobile marketing** - brands are competing with hottest trends. Currently, most innovative labels offer apps and game-like experiences. Other stick to the basics and send simple text messages with offers.
- **Word-of-mouth** - making people talk about your brand and share experience is very important for the brand image, engagement and most of all, trust. Word-of-mouth - it is considered as the most valuable marketing method.
- **Social media marketing** - building online identity and gaining popularity takes years, but can be easily achieved with the help of social media. Do not expect to get hundreds of followers quickly, as only 49 a celebrity can gather thousands of followers when entering a new social media channel.





Digital marketing of T&C business

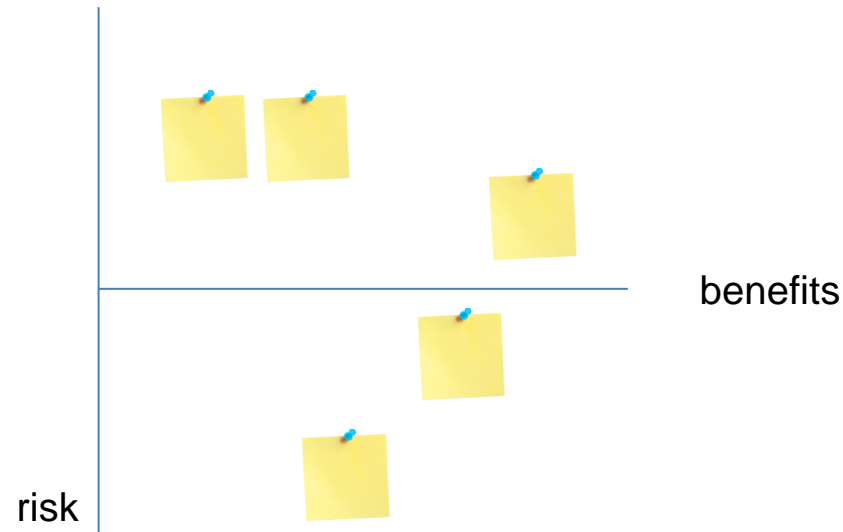
- **YouTube and Live stream Video** - making videos is not something new, but nowadays, it can be done almost by anyone and with a very little budget. There are many (even free) apps and software available that can be used to create a video, and some of the software have pre-made templates/layouts for making the video look a bit more interesting and professional.
- **Events and expeditions.**





Assignment 2

Look at the [THE EFFECTS OF SOCIAL MEDIA ON FASHION CONSUMPTION?](#) Discuss on benefits and risks for taking social media decision: Be effective; Be “Pinnable”; Set up a business account; Be clear; Appeal to the audience; and Represent the brand.





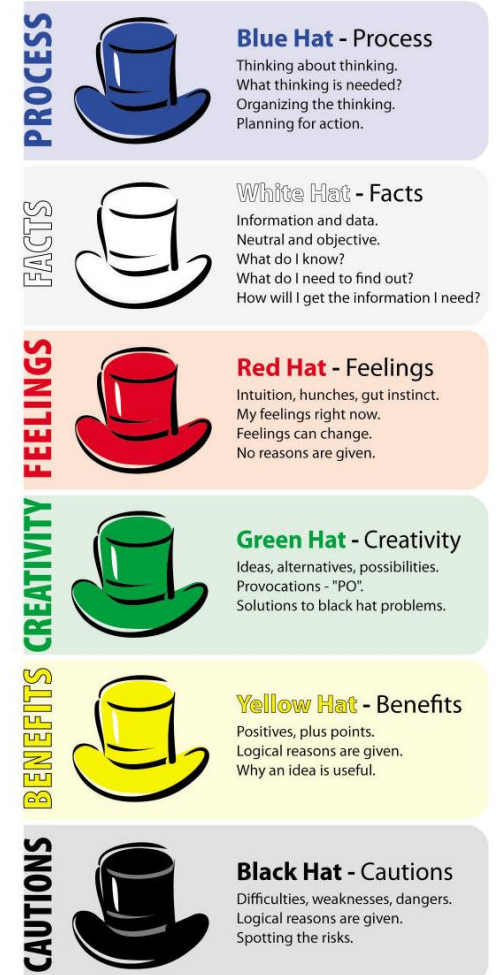
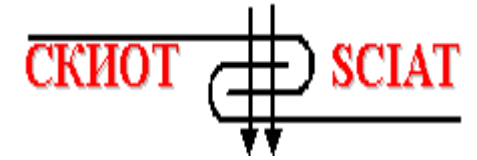
Assignment 3.1

See the given examples of clothing advertisement ideas:

https://www.youtube.com/watch?v=nrz2l_tcS5A

Choose one of the given roles and comment how effective they are:

- The blue hat: This is the hat of control, used for management and organization;
- The white hat: This is the objective hat, which focuses on facts and logic;
- The red hat: This is the intuitive hat, focusing on emotion and instinct;
- The green hat: This is the creative hat, where ideas are abundant and criticism spare;
- The yellow hat: This is the optimistic hat, used to look for positive outcomes;
- The black hat: This is the cautious hat, used to predict negative outcomes.





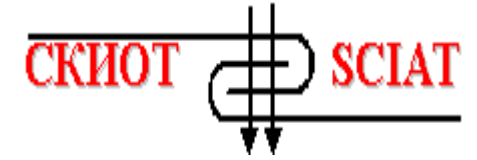
Assignment 3.2


See the given examples of clothing advertisement ideas:

[How to Start an Online Clothing Store in 7 Easy Steps \(bigcommerce.com\)](https://www.bigcommerce.com)

Choose one of the given roles and comment how effective they are:

- The blue hat: This is the hat of control, used for management and organization;
- The white hat: This is the objective hat, which focuses on facts and logic;
- The red hat: This is the intuitive hat, focusing on emotion and instinct;
- The green hat: This is the creative hat, where ideas are abundant and criticism spare;
- The yellow hat: This is the optimistic hat, used to look for positive outcomes;
- The black hat: This is the cautious hat, used to predict negative outcomes.



PROCESS		<p>Blue Hat - Process</p> <p>Thinking about thinking. What thinking is needed? Organizing the thinking. Planning for action.</p>
FACTS		<p>White Hat - Facts</p> <p>Information and data. Neutral and objective. What do I know? What do I need to find out? How will I get the information I need?</p>
FEELINGS		<p>Red Hat - Feelings</p> <p>Intuition, hunches, gut instinct. My feelings right now. Feelings can change. No reasons are given.</p>
CREATIVITY		<p>Green Hat - Creativity</p> <p>Ideas, alternatives, possibilities. Provocations - "PO". Solutions to black hat problems.</p>
BENEFITS		<p>Yellow Hat - Benefits</p> <p>Positives, plus points. Logical reasons are given. Why an idea is useful.</p>
CAUTIONS		<p>Black Hat - Cautions</p> <p>Difficulties, weaknesses, dangers. Logical reasons are given. Spotting the risks.</p>



Questions for discussion and tasks

- What are the main elements of the marketing mix?
- Where is the most appropriate place to advertise your T&C business?
- What does the acronym AIDA stand for?
- List the six elements of a promotional mix.
- Describe an example of visual merchandising that recently attracted your attention of garment product. Did you buy the product? Why or why not?
- Imagine you were writing promotional material for a new jeans brand. Try to define in one sentence the concepts you think would help persuade customers to buy or will grab their attention.
- Thinking about your own buying experiences, what characteristics do you most appreciate in a salesperson? What selling behaviors have you witnessed that decreased your desire to buy? Why?



Questions for discussion and tasks

- What are the stages that you must take into consideration in the promotional plan for a new business?
- Create a magazine advertisement - write the text for the ad, create art or take photos for it and research media prices for different and sizes and placements.
- Advertising agencies can help you create, plan and manage advertising and other promotional activities. If you intend to hire such an agency, you will also need to include its fees in your budget. Research advertising companies and compare their prices.
- What forms of digital marketing are the best for you T&C business idea?
- What do you think happens to the price of a garment as it goes through a large number of intermediaries?



Questions for discussion and tasks

- Design and draw a brand mark for your real or imaginary T&C product, service, or company.
- Work in a group. Each member should research the advantages and disadvantages of a different type of advertisement for a T&C business idea.
- Why is branding important?
- What elements are included in branding? Why is brand repetition important?
- Interview someone who works at a local advertising agency, or an individual who designs advertisements for a living. Find out what's involved in running their businesses and how they got started in advertising. Also, ask about the creative processes they use to produce actual advertisements.
- What could happen if you fail to follow up with a customer after a sale is made? What advantages might you gain from asking the customer for feedback?

CONTACTS

Coordinator:

Technical University of Sofia
Department of Textile Engineering

Project Manager of ICT-TEX:

assoc. prof. Angel Terziev, PhD
aterziev@tu-sofia.bg

Web-site: ICT-TEX.eu



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