

THE BUYER'S MANUAL

**NATIONAL RETAIL
MERCHANTS ASSOCIATION**

THE BUYER'S MANUAL

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**NATIONAL RETAIL
MERCHANTS ASSOCIATION**

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198 Ways of Controlling Markdowns

FOREWORD

NRMA is proud to publish *The Buyer's Manual*. Over the decades, this book has served as a rich source of learning as well as a practical training vehicle on which growing numbers of schools, colleges, and retail companies have come to depend.

It is a totally new book, updated to reflect not only the many changes and innovations that have been introduced to our industry recently, but the sharpened skills required of buyers in modern retailing. It reaches into every corner of retailing to provide a broader understanding of the complexities of the buyer's job.

It retains its own unique character, covering every facet of retailing, yet written in clear, easy-to-read, easy-to-understand language. And it is authoritative—each chapter having been contributed by outstanding educators in the field of marketing or retailing, by noted specialists in major retail firms and, for the most part, by the heads of a cross-section of America's great retail companies.

NRMA, and all of retailing, are indebted to the authors, who have given unselfishly of their busy lives to share their expertise, their experience, and their vision in the chapters of this book, and to continue *The Buyer's Manual* as the truly definitive book on buying and merchandising.

A handwritten signature in black ink, reading "James R. Williams". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

JAMES R. WILLIAMS
President

PREFACE

THE BUYER'S MANUAL, continuing the objectives of earlier editions, is designed primarily to provide a practical textbook on buying and merchandising, as well as all other aspects of the buyer's job, for use in two and four year colleges, fashion and business schools, and in the training programs of retail companies. And of course it will also be of value to individual retailers seeking to improve their merchandising skills, to those who sell and serve the retail industry, and to others needing a comprehensive source of authoritative information on retailing.

It takes two approaches: it provides, first, a broad understanding of the buying and selling processes and other dimensions of the buyer's job; second, it is pragmatic, filled with how-to suggestions for the buyer, present or prospective, to perform with maximum productivity and effectiveness.

NRMA, in planning this book, directed a survey to a wide range of educators: to members of the American Collegiate Retailing Association, to NRMA Educational Members, to fashion and business schools, to training directors of retail stores, and to others, perhaps you among them.

We asked for suggestions on how to make this edition responsive to the needs of both student and instructor in retail education both now and in the years to come. The response was excellent. We received over 250 returns filled with sound recommendations which are reflected in this edition: in its organization, its subject matter, and in the addition of new features including a comprehensive glossary.

About the book's organization. Part One, "Introduction," introduces two important background areas: the place of retailing in the total distributive system, its importance to the economy, the types of retail stores that comprise retailing and their relative shares of total sales; and a chapter on the organization of the retail firm and the place of the buyer in the total company.

Part Two, "The Buying and Merchandising Process," deals with buying techniques, sources of support for the buyer, relationships with vendors, the special problems of buying abroad, and the similarities and

differences in the buying processes in various types of stores ranging from small specialty shops to major department store chains.

Part Three, "Planning and Managing the Merchandise Assortment," begins with a step-by-step explanation of the principles of inventory management and a clear discussion of the retail method of inventory. It then moves to planning of the assortment and the timing of merchandise flow. There follows an explanation of the use of computer technology in merchandising, together with a compendium of forms now in use in more advanced retail companies. Finally, it deals with the special problems of fashion merchandising and presents techniques used to identify and control the risks of this dynamic category of merchandise.

Part Four, "The Marketing and Selling Process," discusses the growing role of marketing in retailing and the need for marketing information in merchandising decision-making. It continues with chapters on three supporting areas vital to a buyer's success: the display function and how the buyer may gain from working closely with that division; the advertising department and its organization and how the buyer may maximize opportunities for successful advertising; and finally other sales supporting services and how the buyer may use them more effectively.

Part Five, "The Buyer's Responsibility for Profits," begins with a chapter on opportunities for the buyer to contribute to company profits in his or her day-to-day merchandising decisions and the need to maintain open-mindedness toward new merchandise ideas that may present profit potential. It continues with a unique treatment of turnover which contains some strong suggestions for turnover improvement. The final chapter discusses inventory shortage and how the buyer may help control and reduce this important source of profit loss.

Part Six, "Other Dimensions of the Buyer's Job," covers a wide range of subjects, each having its own unique importance to the success of the buyer in modern retailing. Reflective of our times, it deals at length with the many laws and regulations of which the buyer must be aware, as well as with consumerism and the challenges and opportunities it presents to retailers. It concludes with a study of the future of the department store in the next decade.

Part Seven, Appendices, contains a variety of useful information and concludes with a glossary prepared with the assistance of the staff heads of the various divisions of NRMA as well as several committees comprised of specialists of NRMA member firms. We believe it to be the most comprehensive and authoritative glossary of retail terms in print.

Certain chapters include brief discussions of subjects covered in other chapters. In these cases, the author felt it necessary to introduce such subject matter for background purposes. While this may imply redundancy, it yields the benefit of contrary approaches to the same problem. No

attempt has been made to edit differences of opinion or encourage unanimity of viewpoint or emphasis. Indeed, such divergence is healthy.

By the same token, no attempt was made to edit the authors' writing styles, of which there are many in the book. We believe each author can best present subject matter and viewpoint in his or her own individual way, adding both to the freshness and easy-to-read character of the book.

R. PATRICK CASH
Editor

ACKNOWLEDGMENTS

OUR FIRST THANKS, of course, go to the authors of the chapters of this book for their unselfish willingness to share their rich experience, for their countless hours of interviews, for their patience in yielding to deadlines. Their only reward is the realization that they have helped bring to print a great book for which all of retailing is indebted. Also due recognition are the members of their staffs for their cooperation and assistance.

Thanks are due many others; people in academia, in retailing, and in other fields, especially to the following who have contributed significantly with advice and counsel:

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We thank also those many educators and retail training executives who responded to our questionnaire and on whose suggestions and recommendations this book is built. We gratefully recognize the work of the late William Burston who edited the previous edition while serving as Vice President and Manager of the Merchandising Division, NRMA.

Finally, most special thanks to Irene Cumming Kleeberg, who served as editorial consultant to this publication and without whose outstanding contribution this book would not have been possible.

R. P. C.

Student's Workbook

As an ancillary to The Buyer's Manual a student workbook titled *Student's Workbook to the Buyer's Manual* has been developed by Professor Murray Krieger and published by the National Retail Merchants Association. The workbook parallels the chapters of The Buyer's Manual and includes a variety of student assignments such as discussion topics, essay questions, and multiple-choice questions to help the student achieve the professional skills needed in retailing.

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