

Challenges of Merchandising in Pridebay Holdings: a  
Garments Buying House

Internship Report

On

Challenges of Merchandising in Pridebay Holdings: a Garments Buying House



Submitted to

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January 20, 2018

Letter of Transmittal

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Subject: Internship report on challenges of merchandising in garments buying house

Dear Madam,

I have the honor to state that as a student of BRAC Business School, BRAC University, Bangladesh, I have prepared my internship report on “Challenges of Merchandising in Pridebay Holdings: a Garments Buying House”. I have tried my best to insert as much data as I could to make the report enriched yet concise. However, there were certain limitations without which the report could have been even better.

Therefore, I sincerely hope that you would be kind enough to keep those limitations of the project in mind while assessing my work.

Sincerely,

Anindita Mahmood

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\_\_\_\_\_ / \_\_\_\_\_

Signature

Date

## Acknowledgement

First of all, I would like to thank my internship supervisor, Ummul Wara Adrita ma'am, who has guided me throughout the entire journey of writing this report. I would also like to show my gratitude towards my on-site supervisor, Monaf sir, who has patiently helped me gain practical knowledge. I am proud to be a student of BRAC University, the top private university of our country, and also grateful it gave me the opportunity to have this wonderful experience.

Last but not least, I would like to thank Almighty Allah from the bottom of my heart because without His grace, none of this would have been possible.

## Executive Summary

Garments buying house is like a link that holds the chain of buyers and suppliers of readymade garments together. Pridebay Holdings is one such buying office that is constantly trying to give the best service to its international clientele, as well as bringing in more orders to the apparel manufacturers of Bangladesh. As I had the privilege of doing my internship in this organization, I got to see the whole process of merchandising first hand. Merchandising department keeps a buying house alive, but it is a challenging occupation that requires a lot of focus and persistence. Keeping the merchandising process running smoothly can have its fair share of hiccups. A small piece of wrong information has the power to disrupt the entire process and cause serious trouble for the organization. That is why I have chosen challenges of merchandising as my study topic. By collecting Primary data from observation, speaking to my on-site supervisor and other employees, and a survey questionnaire, and collecting secondary data from company documents, relevant articles, I tried to identify some of the problems that hinders the effectiveness and efficiency of Pridebay Holdings' merchandising department. Using descriptive analysis, the issues have been numerically represented. Finally, I came to the conclusion that Pridebay should embrace certain changes such as arranging workshop for its staff, being more cautious while placing orders in factories and so on.

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## Chapter 1: Introduction

The Ready Made Garments industry has been making crucial contribution to rebuilding the country and it is now the single biggest export earner for Bangladesh. The RMG sector is responsible for 81% of total export earnings of the country.

An apparel buying house is one of the most notable fields when it comes to the garments export industry. It acts as a trading partner between the buyer or retailer and the manufacturers. Buying house is an umbrella term that can describe a buying agency - the regional office of an independent buyer, a buying office - works with multiple brands/buyers, or marketing office of a manufacturer that is performing the activities of a middle man when it comes to garments export.

### 1.1 Company Profile

Pridebay is a Cyprus-based trading company. It specializes in serving the international garment industry. The impact of globalization on economy is that it enables sourcing of products and services from anywhere in the world. Hence, the importance of cost efficiency is increasing by ten folds. The garments industry is a labor intensive industry and it is gaining a lot of advantage from this global environment by making use of the low cost natural resources as well as human resources available in the third world countries. This is the reason for western garment wholesalers and retailers have moved their garment production operations to third world countries. Through its Nicosia office, Pridebay provides its services to garment wholesalers and retailers in USA, Canada, France, Spain, Greece, Russia, Ukraine, and other E.U. countries.

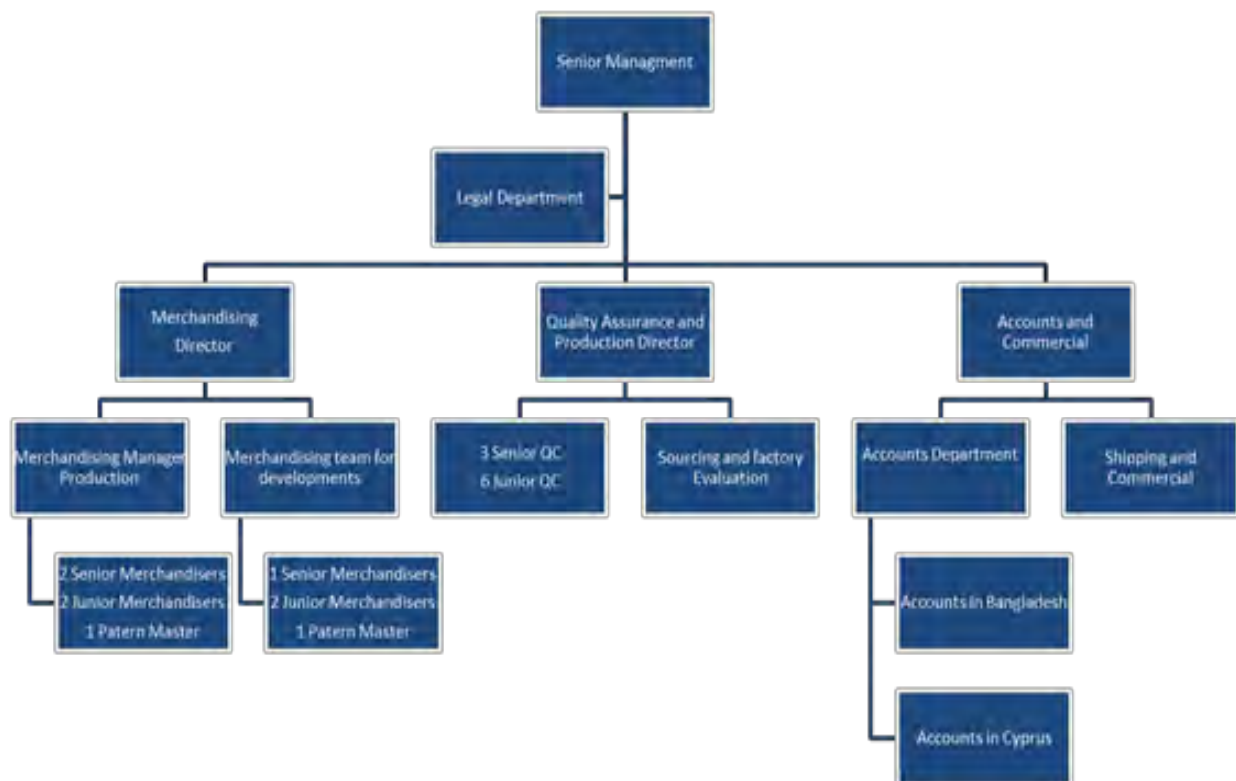
Pridebay Holdings is the buying office in Dhaka, Bangladesh that I have been associated with for the purpose of completing my internship. It is working for its parent company in Cyprus to maintain the strategic partnership they have with the garments manufacturing factories in Bangladesh, India and Pakistan. Pridebay has also started working with factories in Uzbekistan on an experimental basis for the running season as the garment industry there is in their booming phase and cotton for thread is locally available.



The organization is run by an international team of professionals who have extensive knowledge and experience about the garments industry and clear understanding of the entire supply chain, so that inefficiencies can be eliminated to the greatest extent. It is the organization’s mission to create an elite club of customers and suppliers, linked by Pridebay’s unique package of services which enables them to work together as partners and gain a better understanding of each other’s needs.

## 1.2 Organizational Structure

Pridebay Holdings is a flat organization. This makes the organization very flexible to making changes. As the chain of command is shorter, communication is more direct. It ensures that the informed decisions can be made faster, everybody has a clear sense of individual duty and responsibility and there is no confusion regarding who answers to whom. An organogram is provided below for a clearer understanding:



### 1.3 Key people in the organization

Managing Partner: George Moschonas - Responsibility: International operation, Sales, Finance and Legal Matters.

Managing Partner: Inna Abdul - Responsibility: Sales in CIS countries, costing liaison with buyers.

Managing Director: Imrul Bin Monaf - Responsibility: Overlooking the operations in Bangladesh.

Merchandising Director: Dissanayaka Andreea - Responsibility: Production merchandising and developments.

Quality Assurance and Production Director: Rosalina U. Lopez - Responsibility: Quality assurance, timely deliveries and factory assessments.

Production Merchandising Manager: Antonis Alexiadis - Responsibility: Day to day production follow up and liaison with factories.

Sample Development Manager: Shafiqul Islam - Responsibility: Day to day sampling follow up and liaison with factories.

### 1.4 Suppliers

All the garment factories that Pridebay Holdings is working with are constantly assessed over certain key factors such as: Child labor, Forced labor, Discrimination, Work hours, Health and safety, environmental practices, Management system, Disciplinary practices etc to ensure they are complying with the legal and ethical standards that are required to be maintained.

### Rahmat Group

They conduct vertical operation in the field of knits that includes:

- ✓ Yarn Dyeing
- ✓ Knitting
- ✓ Dyeing and Finishing
- ✓ Ready Garments
- ✓ Printing Factory

Certifications: ISO 9001, OEKO TEX 100

### Rupashi Group of Industries

They conduct vertical operation in the field of knitted goods that includes:

- ✓ Knitting
- ✓ Dyeing and Finishing
- ✓ Embroidery
- ✓ Printing and All Over Print (AOP)
- ✓ Ready Garments

Certifications: OEKO TEX 100, ISO-9000, WRAP, BSCI

### Esquire Knit Composite Ltd

They conduct vertical operation in the field of knitted goods that includes:

- ✓ Yarn Dyeing
- ✓ Knitting
- ✓ Dyeing and Finishing
- ✓ Ready Garments
- ✓ Printing Factory

Certifications: OEKO TEX 100 ISO-9000, WRAP, BSCI

Barnali Fabrics Ltd.

They conduct vertical operation in the field of knitted goods that includes:

- ✓ Knitting
- ✓ Dyeing and Finishing
- ✓ Embroidery
- ✓ Printing and AOP
- ✓ Ready Garments

Certifications: OEKO TEX 100, ISO-9000, WRAP, BSC

## 1.5 Customers

Elvina: Pridebay Holdings is Elvina's sole representative in Asia.

NRG Global Sourcing: NRG Global Sourcing is a Canadian private label company.

SELA: SELA is a Leading retailer with 800 stores across CIS countries.

MODIS: This is a leading garments retailer in Russia.

Trespass (UK): Trespass is a privately owned international sportswear brand.

Minerva: Minerva is the leading Greek undergarment manufacturing and trading company.

MAX Direct Sourcing: This is a Canadian importer specializing in value added items for boutique stores.

Explorer SA: Explorer SA is a Greek wholesale company which is heavily involved with supplying garments to the Greek Army.

Activo SA: Activo SA runs retail stores in Athens, Greece.

## 1.6 Products

Pridebay Holdings works with readymade apparel which is mostly knitted. However they do handle a relatively smaller quantity of woven and sweaters. Some of the products that they deal with are:

- T-shirt
- Henley
- Tank Top
- Trousers
- Denim
- Shorts
- Leggings
- Underwear
- Sleepwear
- Pullover
- Sweater
- Jacket
- Hoodie

## 1.7 Overview of Operations

The merchandising department is the heart of Pridebay Holdings. Just like a heart pumping blood throughout the body, keeping the limbs agile, Merchandisers keep the organization alive through careful, thorough, and regular activities that they perform. During my internship at Pridebay Holdings as an assistant merchandiser, I have had the opportunity to accumulate some practical knowledge of how the process of merchandising takes place.

The process begins with Customer acquisition. Pridebay already has some loyal buyers; however, their marketing department keeps active when it comes to finding new clients with whom they might form a continual working relationship. The clients begin by sending technical package (Tech pack) of the product that they desire via e-mail or through FileShare website. The tech pack is downloaded and kept into a distinct folder assigned to the buyer in the database. There the tech pack is kept in folder that is named according to its style (style number is given by the buyer). The tech packs consist of Size-set table, Color page, and Art files (when there are prints in the garment). The tech packs are checked to ensure all the documents are included in it. If anything is missing, the buyers are contacted to send them.

Next, a physical copy of the tech pack is sent to the sample room where the fabric consumption of the said product is calculated. The fabric consumption is needed for the costing of the product. In Pridebay, the costing is not done manually. They have CRM software for assistance throughout the process. Costing is done using this CRM software by entering required data such as fabric composition, consumption, fabric price, cost of making, cost of print, cost of accessories etc. and per unit price for the said product is found. The price per unit is sent to the buyers. If it meets the buyers target, and if the order quantity is agreeable for Pridebay Holdings, then the final order for the product is placed. On the other hand, to the factories, the tech pack is sent along with a target price. Whichever factory gives the best price, and has production capacity gets the order from Pridebay.

The final order is inputted in the CRM software. The software generates a task schedule that is to be followed till the order has been shipped to the buyer. The schedule includes sending lab dip swatches/ yarn dip swatches, receiving lab dip/ yarn dip comments from the buyer, sending size-set sample (SS), receiving SS comments and designer comments from the buyer, sending Pre-

production sample (PPS), receiving PPS comments and designer comments from the buyer, sending Shipment sample (Sh/S), receiving Sh/S comments and designer comments from the buyer, Production inspection 1, production inspection2, final inspection for shipment, and shipment. A merchandiser's job is to follow this flow of work according to schedule. To do so, s/he has to constantly maintain communication with the buyers and factories and patiently send reminders to them till the required task is complete (for example, asking for designer comments from the buyer, or, nudging the factory to finish a sample that needs to be couriered in time).

In a gist, as an assistant merchandiser in Pridebay Holdings, my major duties included data collection, classification and physical and digital filing, Assisting with costing, sending prices to buyers, sending tech packs to suppliers, data entry, and most importantly, constant communication with buyers and factories. What I have learned from this experience is that the key to being a good merchandiser is being regular, thorough, and persistent. New information regarding the production is coming in from both the buyers and suppliers constantly. Without creating an open line of communication with the buyers and suppliers, key information might be missed that can create misunderstandings that can cost the organization greatly. Since merchandisers deal with a large amount of data, it is crucial that special attention is being paid when collecting and organizing this data. It is also important to eliminate unimportant data that might create confusion and inefficiency. Finally, a merchandiser has to be patient, do constant follow-ups as they remain the only link between the clients and factories.

## Chapter 2: Overview of the Study

### 2.1 Introduction of the Project

As per the BBA program, in order to graduate, the students are required to complete a three month long internship from in any organization. For my internship, I had been offered a position at Pridebay holdings, which is a readymade garments buying house. In this organization I have served from September 10, 2017 to December 10, 2017. Within this time frame I have had the opportunity of observing the real scenario of a buying office very closely. There are many reasons why the process of merchandising can collapse. Some of the key problems that remain in this field are that merchandising requires a lot of attention to details. A lot of the merchandisers lack that level of focus. A relatively surprising problem is that merchandising employees lack communicational skills, especially when it comes to English. A lot of them can read and write rather well, but cannot speak it very well. It becomes a problem especially because in Pridebay Holdings, a lot of the administrative positions are held by foreigners. One of the other problems I have also noticed is the lack of organizational skills. Disorganized files, wrongly named folders, misplaced documents can cause a lot of inefficiency and confusion and disrupt the work flow. Merchandisers often times do not get to enjoy that many holidays. Especially during delivery period they even work during weekly holidays to ensure the goods can be shipped on time. Moreover, they do not have typical work hours as they are dealing with foreign buyers with whom we have a time difference. Hence, merchandisers often end up working from home after hours. All in all I found this whole situation quite intriguing and wanted to highlight it in my report somehow.



## 2.2 Problem Statement

The topic for my study is “Challenges of Merchandising in Pridebay Holdings: a Garments Buying House”. Since I have been working as an assistant merchandiser during my internship period, I wanted to work on a topic related to merchandising in general. Due to the aforementioned reasons, I ventured into the challenges and activities of garments merchandising.

## 2.3 Purpose of the Project

The primary purpose of this research study is to shine light to the major activities of merchandising as well as the challenges merchandisers face while performing their everyday duties.

Merchandising is a field that has not been studied extensively yet. The little study that has been done is mostly limited to merchandising in garments factories. Therefore, merchandising in a buying house is an almost untapped area to study.

The secondary purpose of this project is to create a base-work on merchandising in buying house so that further research can be done on this topic.

## 2.4 Limitations

While working on the project, I have met with a few drawbacks. These are:

- Unable to gather sufficient information: The organization did not share certain data with me as it is a matter of confidentiality.
- Time constraint: I had to finish the study within a fixed duration. Given more time, the report could have been more detailed.
- Small sample size: For the survey, I had to use a sample size of 15 which is not ideal. Using a larger sample size would hail more accurate results.

- Lack of cooperation from colleagues: There was a lack of enthusiasm from the merchandisers when it came to participating in the survey.

## 2.5 Methodologies

For the report, I have collected data from both secondary source as well as primary source.

The secondary sources that I have used are:

- ✓ The company website
- ✓ Relevant articles
- ✓ Company documents etc

The primary sources that I have used are:

- ✓ Observing the organization's environment
- ✓ Directly speaking to my boss and other merchandisers and assistant merchandisers working at Pridebay Holdings
- ✓ For the statistical analysis, I have conducted a survey among the employees of the merchandising department using a structured questionnaire.
  - The sample size for the study was 15. It is a very small sample. However, only people from the merchandising department were eligible to be included in the sample. Using a bigger sample size for this project could have yielded more reliable results.
  - The questions that have been included in the questionnaire were based on data I have gathered from observing different problems that have arisen during the period of my internship, and also from consulting with my on-site supervisor, who happens to be the head of the merchandising department at Pridebay Holdings.
  - The software that I have used for data analysis is called SPSS statistics software.
  - I have conducted two types of analysis. The first one is Descriptive Analysis. For this, I have analyzed the Mean, Standard Deviation, Minimum Value and

Maximum Value. Another kind of Analysis that I have done is Frequency Analysis which would reveal the answer given by the majority of the study sample to each question. I have also done a reliability test to ensure the data I have used is valid.

## 2.6 Findings

### Reliability

Reliability testing is basically the first step when it comes to analyzing the accumulated data. Before proceeding with further analysis, it is crucial to know if the data that we are using is valid or invalid. I did not accept any partially completed data from the survey questionnaires. In the table below we can see that I had 15 samples, and none of them were excluded for missing data. This means that 100% of my data had been used for the data analysis.

Table 1:Case Processing Summary

		N	%
Cases	Valid	15	100.0
	Excluded	0	.0
	Total	15	100.0

The next part was finding the reliability statistics. Cronbach's Alpha value is used to determine whether the data is acceptable or not acceptable. There are different levels of values to find the consistency of the data. These are:

- ✓ 0 - less than .5: These values signify that the data is completely unsatisfactory.
- ✓ .5 - .6: The values within this range signify that the data is acceptable, but not satisfactory.
- ✓ .6 - .7: This range of values suggests that the data is satisfactory.
- ✓ .7 - .8: This range of values suggests that the data is good.
- ✓ .8 and above: This range of values signifies that the data is excellent.

From the reliability statistics table below, we can see that our Cronbach's Alpha value is 0.546, and Cronbach's Alpha based on standardized items value is 0.530 for my sample size of 15. It means that the values fall under the range 0.5 - 0.6 and signifies that the data is acceptable, but not quite satisfactory.

Table 2: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.546	.530	15

### Descriptive Statistics

Descriptive statistics provide the basic feature of the data in a study. For this study, I have produced the Mean, the Standard Deviation, the Minimum and the Maximum found in the data for each question in the survey.

- ✓ Mean is the most commonly used method to describe central tendency. We find the Mean or Average by adding all the data points and dividing it by the sample size. The mean value for each question in the table below represents the average value point for the answers of the said question. As an example, for the question “How do you feel about buying offices staying open along with factories to ensure delivery on time?” the average value point for the answer is found to be 2.67.
- ✓ Standard deviation is an accurate tool to measure the spread of the values around central tendency, also known as dispersion. I have found the Standard deviation of answers for each question to portray how much the answers have deviated from the average answers. These values can be seen on the table below.

- ✓ Minimum indicates the lowest value point of answer found for each question. In the table below, for the question “How do you feel about buying offices staying open along with factories to ensure delivery on time?” the lowest value point we see is 1.
- ✓ Maximum indicates the highest value point of answer found for each question. Using the same example as Minimum, we find the highest point of answer for this question within the data is 4.

Table 3: Descriptive Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
How do you feel about buying offices staying open along with factories to ensure delivery on time?	15	1	4	2.67	.976
To what extent does the time difference with the buyers affect the work flow?	15	1	3	2.20	.676
How frequently do you need to communicate with the buyers?	15	2	5	3.73	1.033
How often do factories over book for orders?	15	2	5	3.33	.816
How frequently do you need to communicate with the suppliers?	15	3	5	3.87	.743
Does your job require a lot of travelling?	15	1	3	1.87	.743
Do you need to negotiate with the suppliers?	15	1	5	3.33	1.113
Do you need to negotiate with the buyers?	15	1	4	2.33	1.113
How important is the knowledge of English in your field of work?	15	2	5	4.00	.926
How important is communication in your field of work?	15	3	5	4.13	.743

Does your work duration and timing vary from a traditional 9-5 job?	15	1	4	2.67	1.047
Is oral communication more important or written communication?	15	1	4	2.87	1.060
What method/s is/are used to endure delivery on time?	15	1	4	2.27	1.163
What is the most common reason for shipment to be rejected?	15	1	3	1.40	.632
What is the main reason for making errors in the merchandising process?	15	1	4	1.87	.990
Valid N (list-wise)	15				

### Frequency Analysis

I have conducted a Frequency Analysis in order to decipher the answers that the majority of the sample consisting of merchandisers has chosen. This Analysis is important for this study because we can get the idea of the attitude that the largest number of merchandisers possess regarding different aspects, activities and hurdles involving their job within Pridebay Holdings.

Table 4: Frequency Tables for Individual Variables

Table 4.1: Does your work duration and timing vary from a traditional 9-5 job?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Both are same	1	6.7	6.7	6.7
	Work duration is same but timing is different	8	53.3	53.3	60.0
	Work timing is same but duration is different	1	6.7	6.7	66.7
	Both are different	5	33.3	33.3	100.0
	Total	15	100.0	100.0	

According to the table 4.1, 8 (53%) merchandisers among 15 think that the work duration is the same but timing is different in a buying house compared to that of any typical 9 - 5 job. 5 people think both their work duration and timing differ from a 9 - 5 job.

From what I have experienced during my internship I that Pridebay begin their workday at 11 am instead of 9, and ends at 7 instead of 5. This is done to ensure that some of the time difference with foreign buyers can be reduced. Sometimes, in order to get hold of the buyers, merchandisers need to work outside office hours from home.

Table 4.2: Is oral communication more important or written communication?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Only oral communication is important	2	13.3	13.3	13.3
	Only written communication is important	3	20.0	20.0	33.3
	Both are equally important	5	33.3	33.3	66.7
	Both are important at varying degrees	5	33.3	33.3	100.0
	Total	15	100.0	100.0	

According to table 4.2, 5 people (33.3% of the sample size) believe that oral communication and written communication is equally important in their line of work. Another 33.3% think these are both important at varying degrees.

From what I have observed, being skilled at both oral communication and written communication is equally important since most of the communication with the buyers is done in a writer manner (via e-mail), and a significant portion of communication with factories take place orally (over the phone, face to face).

Table 4.3: What method/s is/are used to ensure delivery on time?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Giving a buffer deadline to the factories	4	26.7	26.7	26.7
	Rigorously maintaining order schedule	7	46.7	46.7	73.3
	All of the above	4	26.7	26.7	100.0
	Total	15	100.0	100.0	

46.7% of the sample size believes that rigorously maintaining order schedule is the preferred way of ensuring delivery on time. Giving a buffer deadline is preferred by 26.7%. And another 26.7% believe in applying any method necessary.

Table 4.4: What is the most common reason for shipment to be rejected?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Factories not following instructions properly	10	66.7	66.7	66.7
	Negligence of the Quality Control Inspector	4	26.7	26.7	93.3
	Merchandisers relaying wrong information to factories	1	6.7	6.7	100.0
	Total	15	100.0	100.0	

According to 10 merchandisers, shipments get rejected when factories do not follow the orders properly. Negligence of the QCI is the reason behind rejection of goods, believes another 4 people.

While working for Pridebay, I have witnessed cases where factories tried to get away with lesser quality goods or defected products mixed in with proper goods. The Quality Control Inspectors



sometimes do not do a thorough inspection resulting in order rejection. Order rejection not only incurs losses for the organization and the involved factory, but also stains the company's reputation.

Table 4.5: What is the main reason for making errors in the merchandising process?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lack of understanding	7	46.7	46.7	46.7
	Lack of experience	4	26.7	26.7	73.3
	Lack of attention to detail	3	20.0	20.0	93.3
	Lack of interest in work	1	6.7	6.7	100.0
	Total	15	100.0	100.0	

According to table 4.5, 46.7% of the sample size holds lack of understanding responsible for making process related errors. Another 26.7% believe it is because of lack of experience.

From what I have witnessed, not understanding the basic concepts of merchandising results in the most errors. Even experienced merchandisers often times don't have a solid understanding of the process. It is a major problem since Merchandising is a step by step process. If there are errors in the previous step, you cannot move forward with work.

Table 4.6: Does your job require a lot of travelling?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	5	33.3	33.3	33.3
	Not very often	7	46.7	46.7	80.0
	Sometimes	3	20.0	20.0	100.0
	Total	15	100.0	100.0	

46.7% of the sample size believes that they do not need to travel frequently as a part of their job. 33.3% believe they do not require traveling at all for work related purposes.

From what I have seen, almost of the merchandising related work is done from within the office. Since Pridebay has a separate QCI department, merchandisers do not need to visit the factories to keep update of the production.

Table 4.7: How important is the knowledge of English in your field of work?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Little important	1	6.7	6.7	6.7
	Somewhat important	3	20.0	20.0	26.7
	Important	6	40.0	40.0	66.7
	Very important	5	33.3	33.3	100.0
	Total	15	100.0	100.0	

40% of the sample size thinks that knowing English is important in their field of work. Another 33.3% thinks that it is very important.

In Pridebay Holdings, majority of the administrative positions are occupied by foreigners. Moreover, any kind of written communication whether it is with buyers or with factories, is done in English. Not having proper command over the language results in inefficiency in work.

4.8: How important is communication in your field of work?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Somewhat important	3	20.0	20.0	20.0
	Important	7	46.7	46.7	66.7
	Very Important	5	33.3	33.3	100.0
	Total	15	100.0	100.0	

7 merchandisers think that communication is an important skill to have in the line of merchandising. 5 think it is very important.

A big portion of merchandising revolves around internal and external communication through multiple channels.

Table 4.9: Do you need to negotiate with the buyers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	4	26.7	26.7	26.7
	Not very often	5	33.3	33.3	60.0
	Sometimes	3	20.0	20.0	80.0
	Often	3	20.0	20.0	100.0
	Total	15	100.0	100.0	

33.3% of the sample size state that they do not need to negotiate with the buyers very often. 26.7% assert that they do not need to negotiate with the buyers at all.

From what I have observed in Pridebay Holdings, negotiations with the clients is done by the senior merchandisers. Mid-level, junior, and assistant merchandisers do not get involved in price negotiations.

Table 4.10: How frequently do you need to communicate with the buyers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not very frequently	2	13.3	13.3	13.3
	Sometimes	4	26.7	26.7	40.0
	Frequently	5	33.3	33.3	73.3
	All the time	4	26.7	26.7	100.0
	Total	15	100.0	100.0	

33.3% of the merchandisers say that they need to frequently establish communication with the buyers. 26.7% think they communicate with the buyers all the time. Another 26.7% think they sometimes require communication with the clients.

Exchanging e-mails with the buyers is almost a daily occurrence for the merchandisers from what I have observed. Asking for tech packs, sample comments and designer comments,

reporting missing documents, clearing confusions, providing production update etc are some of the major reasons to communicate with the buyers.

Table 4.11: Do you need to negotiate with the suppliers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	1	6.7	6.7	6.7
	Not very often	2	13.3	13.3	20.0
	Sometimes	5	33.3	33.3	53.3
	Often	5	33.3	33.3	86.7
	All the time	2	13.3	13.3	100.0
	Total	15	100.0	100.0	

33.3% merchandisers say that they negotiate with the suppliers often. Another 33.3% say they do it sometimes.

As negotiation is done with the buyers prior to suppliers, merchandisers already have a target price for the products. Based on these targets they negotiate with the factories.

Table 4.12: To what extent does the time difference with the buyers affect the work flow?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Does not affect significantly	2	13.3	13.3	13.3
	Somewhat affects it	8	53.3	53.3	66.7
	Affects significantly	5	33.3	33.3	100.0
	Total	15	100.0	100.0	

53.3% of the merchandisers think that time difference somewhat affects the work flow. Another 33.3% think it affects the work flow significantly.

Time difference can sometimes be bothersome while working with clients, especially those who are from North American countries. Having a time difference of almost half a day sometimes

delays the responses to urgent queries. Managing time difference with European, especially Eastern European countries is relatively easier.

Table: 4.13: How frequently do you need to communicate with the suppliers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sometimes	5	33.3	33.3	33.3
	Frequently	7	46.7	46.7	80.0
	All the time	3	20.0	20.0	100.0
	Total	15	100.0	100.0	

46.7% merchandisers assert that they are frequently in communication with the factories. 33.3% think they sometimes communicate with the suppliers, and 20% think they communicate with the suppliers all the time.

While Production is ongoing, there is a greater need for communication to get production update and relaying any information affecting the production. Other than this, asking for price quotations, placing orders etc are some of the major reasons for communication.

Table 4.14: How do you feel about buying offices staying open along with factories to ensure delivery on time?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disrupts work-life balance completely	2	13.3	13.3	13.3
	Mind it to some extent	4	26.7	26.7	40.0
	Indifferent to it	6	40.0	40.0	80.0
	Do not mind it much	3	20.0	20.0	100.0
	Total	15	100.0	100.0	

40% of the merchandisers are indifferent to the fact that the office remains open even during holidays to make sure goods are produced and delivered on time. 26.7% merchandisers mind it

to some extent. 20% say they do not mind working during holidays much. 13% think it is disrupting their work-life balance.

Staying open during lesser significant holidays and weekly holidays is one of the unique features of a buying house. When production falls behind schedule, this is how the organization copes with the situation.

Table 4.15: How often do factories over book for orders?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Often	2	13.3	13.3	13.3
	Sometimes	7	46.7	46.7	60.0
	Often	5	33.3	33.3	93.3
	Every time	1	6.7	6.7	100.0
	Total	15	100.0	100.0	

46.7% merchandisers say that factories sometimes book orders that they do not have the capacity to produce. 33.3% people feel like it is an occurrence that takes place often.

Factories sometimes book order even though they do not have enough resources to begin production according to schedule. This results in discounted payment, air-shipment of goods, and cancellation of order due to shipment delay beyond grace period.

By conducting the survey, I have been able to collect data about Pridebay Holdings' merchandising department that had not been recorded and analyzed before. The survey questionnaire allowed me to collect quantitative data, analyze the data using statistical tools, and express my findings in numerical terms. I believe that using this scientific method of research I have added some extra value to my report.

## 2.7 Conclusion

From the frequency test, we find the opinion of the majority of the Merchandisers working in Pridebay Holdings. Most of the results from the study do resonate with what I have witnessed during my internship tenure at that organization. Therefore I would like to propose certain changes in practices that could make the work flow smoother, and aided by less error and confusion.

First of all, as the merchandisers agree that most of the error occur from lack of understanding or misunderstanding. In order to lessen such confusion, Pridebay may hold workshops to develop the knowledge of the employees, clear any misconception that they might have regarding the basics. They could also hold workshops for improving their communication skills. The crash course can include simple conversational English, going over business related terms, e-mail etiquette etc.

Second of all, to deal with factories that take in orders way more than what they have capacity for, it is important to identify which factories tend to practice such dishonest practices, and in future before placing order in those factories, a thorough inspection regarding their factory capacity needs to be done.

Moreover, some stubborn factories who want to pass off their poorer quality goods regardless of constant warnings from the merchandisers from Pridebay tend to ruin the organization's reputation. It is extremely important to beware of such suppliers. In the long term, abandoning such supplier would be the wisest choice. If any order has already been places with them, it is absolutely crucial to make sure the Quality Control Inspectors are keeping an eye on their production activities.

## Chapter 3: Supplementary

### 3.1 Appendix

#### A Survey on Challenges of Merchandising

1. Does your job require a lot of travelling?
  - a) Not at all
  - b) Not very often
  - c) Sometimes
  - d) Often
  - e) All the time
  
2. Does your work duration and timing differ from a traditional 9 - 5 job?
  - a) Both are same
  - b) Work duration is same but timing is different
  - c) Work duration is different but timing is same
  - d) Both are different
  
3. How important is communication in your field of work?
  - a) Not important
  - b) Little important
  - c) Somewhat important
  - d) Important
  - e) Extremely important
  
4. Is oral communication more important or written communication?
  - a) Only oral communication is important
  - b) Only written communication is important
  - c) Both are equally important
  - d) Both are important at varying degrees
  
5. How important is the knowledge of English in your field of work?
  - a) Not important at all
  - b) Little important
  - c) Somewhat important
  - d) Important
  - e) Extremely important



6. Do you need to negotiate with the buyers?
  - a) Not at all
  - b) Not very often
  - c) Sometimes
  - d) Often
  - e) All the time
  
7. Do you need to negotiate with the suppliers?
  - a) Not at all
  - b) Not very often
  - c) Sometimes
  - d) Often
  - e) All the time
  
8. How frequently do you need to communicate with the buyer?
  - a) Not at all
  - b) Not very frequently
  - c) Sometimes
  - d) Frequently
  - e) All the time
  
9. How frequently do you need to communicate with the suppliers?
  - a) Not at all
  - b) Not very frequently
  - c) Sometimes
  - d) Frequently
  - e) All the time
  
10. To what extent does the time difference with the clients affect the work flow?
  - a) Does not affect significantly
  - b) Somewhat affects it
  - c) Affects significantly
  
11. How do you feel about buying offices staying open along with factories during weekends to ensure delivery on time?
  - a) Disrupts work- life balance completely
  - b) Mind it to some extent
  - c) Indifferent to it
  - d) Do not mind it much
  - e) Do not mind it at all

12. How often do factories overbook for orders?
- a) Never
  - b) Not often
  - c) Sometimes
  - d) Often
  - e) Every time
13. What method/s is/are used to ensure delivery on time?
- a) Giving a buffer deadline to the factories
  - b) Rigorously maintaining order schedule
  - c) Ask for delivery time extension
  - d) All of the above
14. What is the most common reason for shipment being rejected?
- a) Factories not following instructions properly
  - b) Negligence of the Quality Control Inspector
  - c) Merchandisers relaying wrong instructions to the factories
15. What is the main reason for making errors in the merchandising process?
- a) Lack of understanding
  - b) Lack of experience
  - c) Lack of attention to detail
  - d) Lack of interest in work

### 3.2 Reference

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