Report On

"The Merchandising procedure of Shams Design & Marketing"

By

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An internship report submitted to the Brac Business School in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)

Brac Business School Brac University May | 2023

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at

Brac University.

2. The report does not contain material previously published or written by a third party, except

where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted, or submitted, for any other

degree or diploma at a university or other institution.

4. I/We have acknowledged all main sources of help.

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Supervisor's Full Name & Signature:

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Associate Professor, Brac Business School

Brac University

Letter of Transmittal

Dr. Syed Mahbubur Rahman, PhD

Associate Professor

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Brac University

66 Mohakhali, Dhaka-1212

Subject: Internship Report on "The Merchandising procedure of Shams Design & Marketing".

Dear Sir,

I'd like to submit my report to you for review as partial fulfillment of the requirements for the degree of Master of Business Administration (MBA). This study was produced using research data gathered various ways, including the theoretical knowledge gained from the MBA. Giving you this paper, headed "The Merchandising Procedure of Shams Design & Marketing," which you accepted as a suggestion, offers me great pleasure. I tried my best to finish the report in the most informative and accurate way possible, including the essential information and recommendations.

I'm sure this report will live up to your expectations.

Sincerely yours,

Sirajul Islam Chowdhury

_

ID: 20264044

Brac Business School

Brac University

4th May, 2023

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Non-Disclosure Agreement

Non-Disclosure Agreement

• This paper will not feature any proprietary, sensitive, or confidential information about Shams Design & Marketing, nor will it contain any material which offers competitors a competitive edge.

This agreement is made and entered into by and between 'Shams Design & Marketing' and the undersigned student at Brac University.

Student's Full Nam	ne & Signature:	
-	Sirajul Islam Chowdhury 20264044	
Supervisor's Full N	ame & Signature:	
	Mohammad Kalim Ullah	_
	Director	
	Shams Design & Marketing	

Acknowledgement

First and foremost, I would like to express my sincere gratitude to Almighty Allah for giving me the stamina and endurance needed to finish this report.

I acknowledged the wonderful collaboration and guidance from my respected on sight supervisor 'Tania Akter Jeny', Merchandiser, Shams Design & Marketing. I also want to express my deep gratitude to all Sham's employees for their guidance during the internship.

Furthermore, I would like to take this opportunity to thank my honorary co-supervisor 'Sebastian Groh' and supervisor 'Dr. Syed Mahbubur Rahman', associate professors at the Brac Business School in Brac University for their outstanding guidance, inspiration, support, and supervision throughout the entire course. They were clear and concise in their ideas and directions, which gave me a lot of inspiration to do the job well.

Executive Summary

Shams Design & Marketing consists of intelligent and innovative individuals with the capacity

to implement their simple but effective strategies to accomplish their desired outcomes while

maintaining a very effective and efficient business-standard.

The foundation of "Shams Design & Marketing" is the merchandising division, which is in

charge of developing effective and efficient strategies to manage stakeholder relationships and

organizational goals while allowing recruits to hone their skills, knowledge, and capabilities.

This study primarily focuses on Shams Design & Marketing's Merchandising Department,

which provides all the required details about the merchandising operations as well as the

theoretical terms that are utilized throughout the report.

In conclusion, this report is a representation of the internship experience where the author tried

to make it informative while providing a SWOT analysis and appropriate recommendations to

help the management understand their overall conditions.

Keywords: Merchandising, Merchandising Procedure, SWOT analysis.

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1.1 Student Information:

Name Sirajul Islam Chowdhury

ID 20264044

Program Internship

Major Marketing

1.2 Internship Information:

Period 3 month

Company Name | Shams Design & Marketing

Department Marketing

Address House no 9, 1st Floor, Road:

04, sector: 03, Uttara model

town, Dhaka - 1230

Website Shams Design & Marketing

1.2.1 Internship Company Supervisor's Information:

Name Mohammad Kalim Ullah

Designation Director

1.2.2 Job Description

On January 21, 2023, I began working for Shams Design & Marketing as an intern in the department of merchandising. I work with merchandisers throughout this time and learn the basics of what they do daily. My main duty was to learn their follow-ups, which were initially supervised by my boss as well.

1.2.3 Job Responsibilities:

Some of the duties I witnessed throughout my internship are listed below:

- Budget management
- ➤ Monitoring inventory levels.
- > Sales and profits forecasting.
- ➤ Handling stakeholder communication.
- > Collecting data on the market as a whole.
- > Preparing and creating merchandising strategies.
- Monitoring sales volume, progress, expansion, and shift.

1.3 Internship Outcomes:

The outcome of the internship are given below:

- > To mix theory with practice.
- > To establish a broad network.
- > To obtain professional experience.
- > To educate oneself about the business world.
- ➤ To research potential careers before graduating.
- > To become more visible to senior management.
- > To learn various work flows and their purposes.
- To evaluate their knowledge of and skills in their area of study.
- > To improve interpersonal, communication, and other crucial abilities.
- To cultivate the work habits and attitudes required for career success.

2.1 Introduction:

Shams Design & Marketing (SDM) started as a buying house in 2010 and has since grown significantly. They currently bring in more than \$100 million annually. They are currently one of the top 10 Inditex-buying houses due to their brilliance and effectiveness.

2.2 Merchandising Departmental Goal:

"To increase the overall productivity from the previous year in terms of quality, quantity, and efficiency".

2.3 Organizational Hierarchy:

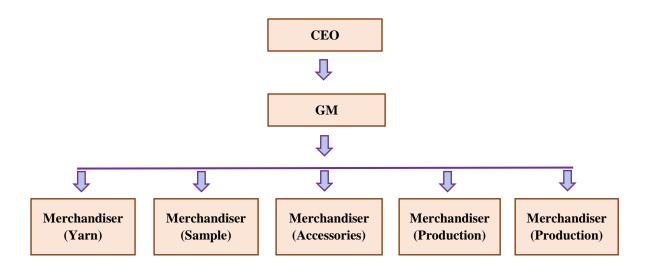


Figure 1: Organizational Hierarchy of Shams Design & Marketing

2.4 Specialization

Shams marketing & Design is mainly specialized at Sweaters manufacturing.

2.5 Overall Company Aim:

The company's goal is to raise productivity from the prior year as effectively and efficiently as possible. (Shams Design & Marketing, n.d.)

Common Buyers of Shams:







Figure 2: Buyers of Shams Design & Marketing

Raw materials providers of Shams:









Figure 3: Raw material providers of Shams Design & Marketing

Common Accessories Providers of Shams:



Figure 4 Accessories providers of Shams Design & Marketing

2.7 Products

Shams Design & manufacturing produce products for all ages. Some are given below

Kids Products:



Figure 5: Kids products of Shams Design & Marketing

Women Products:



Figure 6: Women's products of Shams Design & Marketing

Men products:



Figure 7: Men's products of Shams Design & Marketing

3.1 Background:

A professional learning opportunity known as an internship provides students with realistic, practical work connected to their area of study or career interest. Furthermore, it offers a student the chance to build new abilities in addition to the chance to explore and establish a profession. Moreover, it offers employers a chance to introduce fresh perspectives and enthusiasm into the company, cultivate talent, and possibly create a pipeline for future full-time workers. (*What Is an Internship?*, n.d.)

This internship report is a representation of the knowledge the author learned while acting as an intern at Shams Design and Marketing. He received a practical understanding of the Merchandising Department throughout his internship. Furthermore, this report is an approach to exhibit the overall real-life merchandising procedure of shams design and marketing.

3.2 Objective:

The main goal of this study is to comprehend Shams Design and Marketing's merchandising process and evaluate SWOT to grasp the overall state of the firm and make recommendations for it. Some of the report's goals are listed below

- > To gain insight regarding merchandising job nature.
- > To understand the merchandising procedure and the follow-up.
- To create a proper time frame for the overall procedure.
- > To understand and analyze problems in each step.
- > To identify and analyze SWOT.

3.3 Significance of this Paper:

This paper will emphasize my knowledge and experience while giving readers an outline of the full merchandising process and its obstacles, allowing readers to develop an understanding of the merchandising process as a whole.

3.4 Methodology:

Both Primary and secondary data collection methods was used to prepare the report.

The details of these sources are given below:

3.4.1 Primary Sources:

The primary data was mostly collected directly from the company employees and the author's observations. Based on that a conclusion was drawn regarding the merchandising process.

3.4.2 Secondary Sources:

Secondary data mostly used for theoretical elements. Most of secondary sources are

- Different books
- > Thesis reports
- > Articles
- Website and blogs
- > Other relevant sources

3.5 Limitations

In this study, every effort was made to gather, arrange, analyze, and interpret the pertinent data to achieve the best possible research outcome. Despite various initiatives, the most typical obstacles are listed below

- ➤ Company policy: The main limitation of this report is the company policy of not disclosing any data which the supervisor defined as confidential.
- ➤ Data access: As an intern I had a very limited data access.
- ➤ **Employee:** Due to work pressure employees could not find enough time to provide the information.
- **Website:** The website of shams design and marketing doesn't hold enough information.
- **Time:** twelve weeks internship was too limited to get practical experience.
- ➤ Analysis: As some assumptions were made based on limited information (official records and employees), some unintentional mistakes might happen in the report. Nevertheless, the author tried his utmost to avoid mistakes.

3.6 Theoretical background:

3.6.1 Merchandising:

The department which serves as a middleman between the marketing and production departments is merchandising. It performs pricing and costing as well. (*Apparel Merchandisers*, *Responsibilities of Apparel Merchandisers*, 2011) Furthermore, it maximizes efficient brand/package allocation, brand position, and brand exposure to all consumers, producing a uniform, orderly, and clean appearance for the items, and maximizing brand awareness through promotions. (Textile School, n.d.) Merchandiser is the interface between Buyer & Exporter. Generally, from order analysis to shipment, he bears all the responsibility. Moreover, he is in charge of planning, coordinating, and supervising the entire process of product development. (*Apparel Merchandisers*, *Responsibilities of Apparel Merchandisers*, 2011)

Merchandiser's hidden meanings are now provided here:

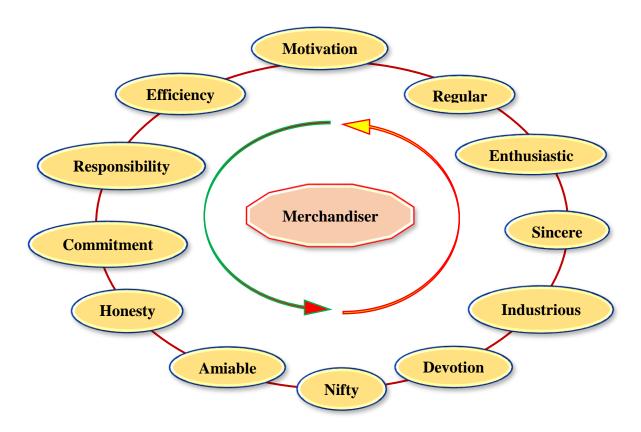


Figure 8: Hidden meanings of "MERCHANDISER".

3.6.2 Types of Merchandising:

Different types of merchandising are given below:

1. Product Merchandising

Both in-store and online stores are using these marketing strategies to increase product sales. It deals with packing products or displaying product images on websites in a way that encourages buyers to purchase physical or digital goods.

2. Retail Merchandising

It refers to advertising and marketing strategies employed in the presentation of products which include displaying products inside a retail store and organizing them efficiently beside the behavior of salespersons.

3. Digital/E Merchandising

They concentrate on the functionality and information about the products on the website because products on e-commerce websites are difficult to evaluate. Furthermore, they offer quick and effective customer support to handle queries from clients. Social media marketing and email marketing are examples of additional promotional initiatives.

4. Visual Merchandising

It is primarily a type of physical and digital store where the product design, packaging, advantages, and related information are shown to persuade customers to buy right away. The most effective ways to make this strategy means for improved product sales are through advertising, banners, and signs. Additional presentation components that may use include lighting, web design, online videos, spacing, and color choice.

5. Omni channel Merchandising

It entails offering customer's strong customer service across all platforms, assisting them in deciding whether to buy a particular product or look for another. (Dheeraj, 2021)

3.6.3 Sample:

A sample is a condensed, controllable representation of a larger group. It is a subgroup of people with traits from a wider population. When population sizes are too big for the test to include all potential participants or observations, samples are utilized in statistical testing. (Kenton, 2023)

There are mainly eight types of samples that are used in garments export order. Those are-

- > Proto sample,
- > Fit sample,
- > Size set sample,
- > Counter sample,
- > Salesman sample (SMS),
- ➤ Pre-production sample (PPS),
- > Top overproduction sample (TOP),
- > Shipment sample.

All the above garments samples are discussed in the following:

1. Proto sample:

It is the very first sample that the client gets. It is made following the requirements of the buyer. It is a trial sample that the buyer is using to evaluate how it will seem after a new design has been applied to it. Here, any fabric and color may be utilized.

2. Fit sample:

Once the proto sample has been approved, the fit sample is created using the given measurement sheet. Similar fabric, fabric with a closer GSM, and any color can be used to make it. Stitching and measurement must be exact to the millimeter in the Fit sample. Here, the fabric and color can be changed, but the stitching and measurements cannot.

3. Size set sample:

After the fit sample has been accepted, all the other size samples are rated and used to create patterns for other sizes based on the patterns of the approved sample. The maker then sends one or two examples to the buyer for cutting approval while keeping one sample for himself.

4. Counter sample:

It is based on feedback from the customer.

5. Salesman sample (SMS):

The sales team of buyers uses salesman samples to increase sales of any outfit. To get customer input on the market, the buyer sends a sample through a salesperson. The primary goals of the SMS sample are to assess consumer feedback.

6. Pre-production sample (PPS):

P.P. samples are created on the real production line while conforming to all order specifications. Any sample may be approved or refused at this step, which is the major one for a garment order. Once the sample is accepted, the remainder of that order's process can begin. But, if refused, existing procedures will be revised.

7. Top of production sample (TOP):

A few samples, referred to as TOP samples, are provided to the buyer or buyers during the running order in the production line. The TOP sample is crucial to the certification of the entire order. The entire order will be halted if the TOP sample did not meet the required quality standards.

8. Shipment sample:

When the last inspection is complete and the products are prepared for transportation, a shipment sample is required. It includes the buyer's necessary Q.C., folding, tagging, bagging, labeling, and other processes. (*Types of Sample Required for Garments Export Order*, 2015)

3.6. 4 Garments Trims/ Accessories

3.6.4.1 Trimmings:

Trimmings are the materials that are sewn onto the main body of clothing. One thing to keep in mind about trims is that they are all used for functional purposes. (*Different Types of Trimmings and Accessories Used in Garments*, 2015)

Some trimming items are given below:

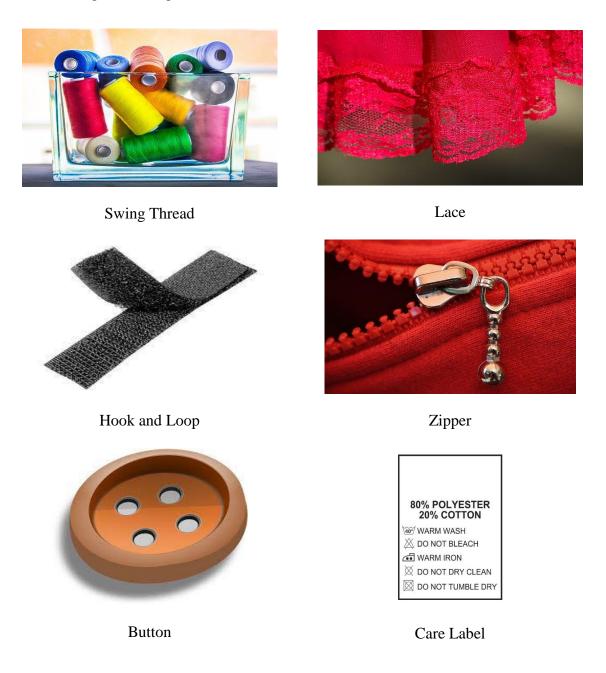


Figure 9: Trimmings.

3.6.4.2 Accessories:

Accessories are materials that are simply used for finishing and packing clothing and are not sewn to the body of the garment. Trimmings are used for utilitarian purposes, whilst accessories are utilized for decorative ones. That's the main distinction between the two. (*Different Types of Trimmings and Accessories Used in Garments*, 2015)

Some accessories are given below:



Figure 10: Accessories.

3.7 Merchandising Activities of Shams design and marketing:

My investigation revealed that the marketing and merchandising of sham products revolve around communication among buyers, merchandisers, and manufacturers. The following describes Shams Design and Marketing's entire merchandising procedure:

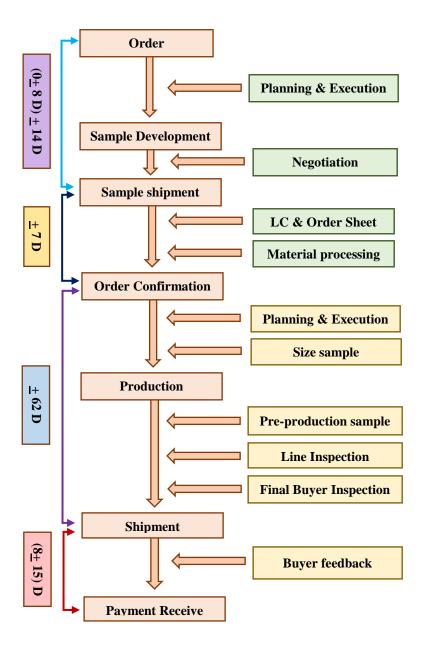


Figure 11: Merchandising Procedure of Shams Design & Marketing

3.7.1 Order:

In most cases, buyers either speak with the merchandiser directly or the merchandiser contacts various buyers to place orders. To arrange for a sample product and pricing negotiation, interested buyers send a mail to the merchandiser with the design requirements or samples. Samples typically take 1 to 2 weeks to reach merchandisers. Yet, it only takes a moment if samples were delivered via email.

3.7.2 Sample development:

If the order is a sample product, they send it to the lab for analysis as soon as they get the order. But, if the order is sent via email, they forward it to the factory of their choice for processing. The minimum time required to produce a sample is 14 days. The samples are then sent to the customers.

3.7.3 Negotiation & order confirmation:

Estimated pricing is offered to the purchasers based on the yarns, trims, and accessories and the overall procedure. Once the buyers have approved it, the merchandiser talks to the factories about a price. They then proceed to the following step, called L/C. The L/C terms and conditions are subject to negotiation between buyers and merchandisers. Then, the buyer places the order.

3.7.4 L/C Collect and distribution:

Following order confirmation, customers submit a contract sheet that has been signed and contains all pertinent information, including the price, delivery date, quality, and shipping terms and conditions. The buyer sent this document to the merchandiser bank in the interim. The merchandiser will then allocate L/Cs to the factories according to their capacity. A contract sheet is created in the meanwhile and signed by all parties as necessary.

3.7.5 Production:

After confirmation, production is initiated in accordance with the specifications. Prior to it, factories began their own planning and carried out their production process while being watched by merchandisers. For the buyers' pleasure, merchandisers send several samples, including development samples, fit samples, pre-production samples, and final samples, during the production phase. Following the completion of production, companies prepare the samples for shipment.

3.7.6 Total Quality Management:

Both the R&D departments of the factories and the merchandisers verify the sample at various stages of production to guarantee the highest quality of the goods. Any discrepancy with the specified sample is discarded during the inspection. Following quality control, samples are prepared for packaging.

3.7.7 Packaging of the garments:

The ready-made clothing is packaged according to the buyer's instructions at the finishing line, and it is made sure that certain accessories, such as the price ticket, poly bag, hang tag, cotton sticker, etc., are securely fastened.

3.7.8 Final Inspection:

The senior quality controller of shams design and marketing inspects the goods after packing. If all seems good, factories get ready to transport their goods.

3.7.9 Shipment:

Following compliance with Bangladeshi customs requirements, firm personnel check that the cargo is packed properly in the port's containers for shipment.

3.7.10 Payment:

The Bill of Lading is obtained from the shipping line once the cargo has been delivered to them. Following that, the bank receives the bill of lading and other documents listed in the LC for payment. After that, buyers make payments based on L/Cs.

3.7.11 Buyer's feedback:

Buyers provide their feedback regarding the products' quality and conditions after receiving the shipment. If they discover any products that they believe should be rejected, the corporation will either replace them or refund the price, either through an order or financially.

3.8 Findings and Analysis

3.8.1 SWOT analysis

The SWOT is made based on my observation during my internship. The strength, weakness, opportunities, and threats are given below

3.8.1.1 Strength

- ➤ Market leader: Ranked one of the top 10 Inditex. So, they are already a market leader.
- ➤ Management: The company is very efficient and effective for its products
- **Communication:** Company has a very good internal and external communication.
- **Culture:** Over the year company developed a very good culture.
- **ESG&D** and sustainability: Company strongly follow ESG&D and sustainability.
- ➤ **Relation:** Company developed a very reliable & cordial relation among its stakeholders.

3.8.1.2 Weakness

- ➤ Crisis: Raw materials are imported oriented. So, the ongoing crisis has a very serious impact on its supply chain.
- ➤ **Raw materials:** Raw materials sacristy has a negative impact on overall production of the product.
- ➤ **Communication:** Sometimes miscommunication regarding materials happens which may cause problems.
- ➤ Cyber security: Company lacks knowledge and training regarding cyber-attacks. Most employees lacks proper knowledge regarding it. Moreover, employees hold a lack of interest regarding cyber-attack which can be a problem later on.
- ➤ Management: Employees stated that they sometimes failed to manage proper timeline due to the lack of digitalization.
- ➤ **Dependency:** Since it's a buying house it is fully dependent on factories. Due to this their goodwill may hampered, if factories failed to comply.
- Cognitive Hurdle: employees are resistance to change and they don't welcome change warmly.
- ➤ Web site: Company website is not very robust and lacks proper data.

3.8.1.3 Opportunities

- ➤ **Demand:** The increasing world width demand of garment product brings, more order opportunities.
- ➤ **Factory:** Company is interested to develop their own garment factory, which will help them to reduce their overall cost and increase efficiency.
- ➤ Blue ocean strategy and shift: Right Now Company is mainly focus on the red oceans only, even though they have the opportunities to make a blue ocean. Due to this if they apply Blue Ocean properly they can develop new job opportunities.
- ➤ **Artificial Intelligence:** By utilizing the Ai technology, company can develop a more effective strategy for their business.

3.8.1.4 Threats

- **Cyber security:** Cyber-attack pauses a greater threat regarding sustainability.
- Order: Sometimes, company do not accept order from a foreign buyers due to overall costing. This brings opportunities for the rival companies which may become a threat later on.
- **Political Situation:** Instability in the political situation of Bangladesh sometime hamper the production and distribution of the products.
- **Product distribution:** In recent years, a group is actively stealing products during shipment which can become a serious threat for the company goodwill.

4.1 Conclusion:

The ready-made garment manufacturing industry is highly competitive. Although the marketing and design of shams are succeeding, sustainability is still in danger due to political unrest. Due to this instability in our country, many buyers have decided to go for a better alternative. If it is not handled in properly, Bangladesh's garment industries would be seriously threatened. Moreover, buying houses should look for untapped geographical regions for new opportunities. It's because buying houses will have the most impact on this tactical initiative to open up new markets for Bangladesh's garment industries.

4.2 Recommendations

Shams design and marketing has a very good relationship not only with the locals and but also with the global marketplace. Still there are plenty of opportunities to explore to further improve position of the company in a highly competitive market. The following recommendations are advised based on internship program

- ➤ **Buyers:** Currently company is only concentrating on the existing buyers. They should look for new buyers which may bring more opportunities.
- ➤ Cyber security: Company should develop a robust cyber security for their sustainability and train employees accordingly.
- ➤ Communication and time frame: Since company sometimes failed in communication and timeframe management, employee should use different digital software to maintain their schedule effectively and efficiently.
- ➤ Website: A well designed professional website can be set up which can act as a catalogue for a new buyer.
- **Employee training:** Shams design and marketing should focus more on employees training and development programs.

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