1. What is merchandising? Discuss principles of successful merchandising.

**Ans:** Merchandising is any practice which contributes to the sale of products to a retail consumer. At a retail in-store level, merchandising refers to the variety of products available for sale and the display of those products in such a way that it stimulates interest and entices customers to make a purchase.

In the profession of merchandising you are either employed by the store in which you work, or by an independent distributor. As a professional merchandiser, in a retail setting, you will not only know your products (i.e. coffee, juice, soda, etc.) but you will gauge other “vendors” like products as you tend to your job. Working with the store and other merchandisers, shelf space is often given or taken as need be in some locations (for some young merchandisers this is known as “war”)

In retail commerce, visual display merchandising means merchandise sales using product design, selection, packaging, pricing, and display that stimulates consumers to spend more. This includes disciplines and discounting, physical presentation of products and displays, and the decisions about which products should be presented to which customers at what time.

Merchandising helps to understand the ordinary dating notation for the terms of payment of an invoice. Codified discounting solves pricing problems including markups and markdowns. It helps to find the net price of an item after single or multiple trade discounts and can calculate a single discount rate that is equivalent to a series of multiple discounts. Further, it helps to calculate the amount of cash discount for which a payment qualifies.

**Principle 1:** Make the merchandise visible.

This point seems to be obvious, but this is not what I’ve found in many of the stores I’ve visited and analyzed over the years. Sometimes I found that merchandise was hidden behind large point-of-purchase displays. This may be great for the merchandise on display, but I strongly feel that the products in less prominent positions have a right to be seen as well. On other occasions, the products were missing from store shelves completely. They were simply not regularly restocked, and no effort was made to conceal the gaps. Shoppers will only buy what they see. Therefore, it is the essential task of visual merchandising to make products visible.

**Principle 2:** Make the merchandise tangible and easily accessible.

Shoppers tend to touch most products before buying them. Eyesight is the most dominant sense through which humans gather information but touch is important as well. Touching helps shoppers make an emotional connection with a product. Seeing is believing, but touching is feeling. Just think about the softness of a cashmere sweater, the steady and secure grip of a cell phone or the sensuous curves of a shampoo bottle, and the feeling of sitting on a soft sofa—they all sell the product. Giving the shopper a chance to feel products is also a major advantage that brick-and-mortar stores have over online retailers.

Many retail stores use locked display cases or find other ways to prevent customers from helping themselves and selecting the products. For example, they place them on high shelves that petite shoppers have no chance of reaching. It is understandable to keep expensive jewelry under lock and key to prevent shoplifting but the vast majority of products should be easily accessible.

For many products, shoppers don’t want to see just the packaging, but the product as well. Stores where such products are sold should display a selection of unpacked goods. For example, an electronic store should have a selection of demonstration cameras on display to allow the customer to feel each product, see how it works, and decide whether to purchase it based on their own experience. Many demonstration products may, of course be, unusable after having been touched by thousands of shoppers, but isn’t that a small price to pay for the many additional products sold?

**Principle 3:** Give shoppers good choices.

Consumers want to have full control of what they are doing. Visual merchandising should be used to give consumers a feeling of freedom of choice, not that they are being forced into making a purchase.

Some stores offer only relatively few choices on purpose. This strategy follows the scarcity principle. The scarcity principle is based on the assumption that because valuable objects are rare, artificially limiting their range or availability will increase the perceived value of those goods. Examples are limited editions or sales items that are available for only a very short period of time.

The scarcity principle can be part of a successful visual merchandising strategy. If it is used excessively, however, it can restrain a shopper’s perceived freedom, which will in turn lower the shopping enjoyment. At the same time, there is also a dark side to having choices. If shoppers are confronted with too many products, they get overloaded. Therefore, measures have to be taken to reduce the risk of overstraining customers and provide a balanced display of choices that works for the customer.

2. Explain Brand management. What are its characteristics?

**Ans:** Brand management is the analysis and planning on how that brand is perceived in the market. Developing a good relationship with the target market is essential for brand management. Tangible elements of brand management include the product itself; look, price, the packaging, etc. The intangible elements are the experience that the consumer has had with the brand, and also the relationship that they have with that brand. A brand manager would oversee all aspects of the consumer's brand association as well as relationships with members of the supply chain.

The important characteristics of most successful brands are:

1. Excellent delivery of desired benefits,
2. Maintaining relevance,
3. Perception of good value that matches customers expectations,
4. Proper positioning in the consumer’s mind,
5. Right balance between change and continuity,
6. Brand hierarchy and portfolio,