

## 11.3: Merchandising Decisions

### Learning OUTCOME

- Explore the techniques used to evaluate merchandising decisions.

Like all businesses, retailers must evaluate their performance on a regular basis in order to continue success, improve results, or turn-around sub-par situations. Based on the condition of the retail industry today, one might say that it is more crucial than ever to get it right. Given the different kinds of retailers it is difficult to make general statements regarding the methods used to evaluate merchandise decisions. Dick's Sporting Goods would have a somewhat different perspective than 7-11. Macy's would review their business differently than Big O Tires.

Despite the differences between retailers, there is one major common factor: the degree of complexity within their businesses. A review of retailer merchandise decisions reflects this complexity, revealing all of the dimensions of merchandise organization. Retail merchandise organization can be broken down from a product perspective: group, division, department, vendor, classification, sub-class and SKU. Another dimension of review could be a location perspective: region, area, district, store, department, classification and SKU. Layer on to that the time dimension: year, season, quarter, month and week. Retailers then take these various dimensions and find points of intersection depending on the level of the business undergoing analysis.

Retail merchandise analysis is usually performed both at a financial level and a unit level- again owing to the degree of complexity and level of detail needed to manage and analyze merchandise decisions.

### Practice Questions

<https://assessments.lumenlearning.co...sessments/9263>

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