

# CLOTHING AND TEXTILES INTERMEDIATE PROJECT GUIDE

## Unit II. The Economics of Clothing

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## Clothing and Textiles Intermediate Project Area Guide

Ctrl+click on each unit/activity number below to be taken to where it appears in the document.

<a href="#"><u>Activity 6 - The In's and Out's of Fashion Retailers</u></a>
<a href="#"><u>Activity 7 - How to Shop Online</u></a>
<a href="#"><u>Activity 8 - What's Behind the Retail Price of Your Clothes</u></a>

## Activity 6 – The In’s and Out’s of Fashion Retailers

### The Economics of Clothing

<b>Project Outcome:</b>	Differentiate between types of fashion retail stores (including resell stores) related to clothing/fashion offered and prices.
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When you shop for clothes, do you prefer to shop at a mall, in specialty stores, department stores or discount stores?



As you are shopping, have you ever wondered why prices of fashions are different when you shop from store to store?



In this activity you will learn the differences in various categories of retail stores related to what is offered and price difference.



There are many different types of clothing stores. No one type of store is right for everyone. Understanding the differences between kinds of stores and the characteristics of each will help you to make better buying decisions.

Think of your **favorite fashion store** and see if you can answer the following questions. If not, you may want to go online and discover the answers for the store you selected.

NAME OF STORE:	YOUR ANSWER:
1. Ask yourself about the price of the store's merchandise. Do the prices tend to be high, medium or low?	
2. Think about selection. How many different categories of clothing are carried?	
3. How good is the selection in the category for which you are shopping?	
4. How good is their selection of sizes that you need?	

<p>5. What services do they provide that you want or need? Examples of services are charge accounts, layaway, gift wrapping, delivery and alterations.</p> <p>6. Are these services free or is there a charge for them?</p>	
<p>7. One of the most important services to ask about is the store's return policy. Can merchandise be returned and under what conditions?</p> <p>8. Will you need the sales receipt? (It is always a good idea to keep it.)</p> <p>9. If you return a purchase, will the store give a cash refund or make an exchange for other merchandise?</p>	

## Types of Fashion Stores

So, what are the different categories of stores and how do they differ in what they offer? While you are exploring the various categories that follow, think about where you shop for clothes and answer the questions.

**Department Stores** — Department stores usually offer clothing in the medium to higher price ranges.

- The selection is wide; shoes to sportswear to underwear. Most also carry household goods and appliances.
- In addition, a variety of colors, sizes, styles and brands are available.
- Department stores offer many services but may charge for some of them.
- They usually have liberal return policies but be sure to ask.

*Examples:* Kohl's, Macy's, Dillard's, J.C. Penney, Belk.

List the department stores in which you or family members have shopped:

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**Specialty Stores** — Specialty stores sell only one type of clothing (shoes or jeans) or clothes for a particular group (men, children, women).

- The prices in specialty stores frequently range from medium to high.
- The range of clothing categories is narrower than that in department stores.
- The selection in terms of color, sizes, styles and brands is usually quite large.

- Some specialty stores offer services, such as free gift wrapping.
- Inquire about return policies, as they tend to be more strict than department stores.

*Examples:* American Eagle Outfitters, Forever 21, Gap, H&M, Rue 21, Old Navy.

What is your favorite specialty store and why?

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***Discount Stores*** — Discount stores appeal to the customer on the basis of price.

- Their prices are usually lower than those of either the department store or specialty store.
- Each store carries a wide range of goods and usually offers many color and size choices.
- Discount stores offer fewer services than do department stores, specialty stores or mass merchandisers.

*Examples:* Wal-Mart, Target.

What is the main reason you shop at a discount store?

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***Off-Price Stores*** — Off-price stores carry many of the same brands that department stores carry, but their prices are lower.

- The selection can be limited, especially in terms of size and color choices because many off-price stores obtain their merchandise from manufacturers' canceled orders, overruns and end of season close-outs.
- Off-price stores usually offer few services and have strict return policies.

*Examples:* Marshall's, T.J. Maxx.

Off-price stores offer brand name fashions. Name a brand of fashion (label) you like:

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***Outlet Stores*** — Outlets are owned and operated by clothing manufacturers.

- Instead of selling their close-outs, styles at end of selling season and discounted merchandise to off-price stores, manufacturers open their own retail stores.
- These stores frequently offer only one brand of merchandise and the overall selection is usually limited.
- Prices are lower than the same brand sold in department stores.
- Services are nonexistent or very limited and returns may not be allowed.

*Examples:* Tommy Hilfiger Outlet, Gap Outlet.

Have you shopped at an outlet store? \_\_\_\_\_

If yes, what did you like the most about your experience?

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***Secondhand Stores*** — Secondhand stores have become more popular recently. Look online for secondhand, thrift shops or resale shops.

- They offer low prices to their customers. The selection may be very limited in terms of sizes, colors, styles and brands.

- You may be able to find unique or like-new clothing here.

- Services are nonexistent and returns not allowed.

*Examples:* Goodwill, small town, local secondhand stores.

Have you shopped at a secondhand store? \_\_\_\_\_ What is the main advantage of shopping at a secondhand store for you?

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### **What to Do with What You Have Learned**

Now that you have learned about the different categories of stores and price differences:

1. Select two fashion stores, one you already shop at and one where you would like to shop. Explore the internet and learn additional information about both stores. Hint: When you go to the store's web site, scroll to the bottom of the page and look for a link titled "About." You will find a variety of information about their brands, sustainability efforts, philanthropy and careers. You may also find information about customer services at the bottom of main pages.
2. For the same fashion stores above, visit the stores and interview an employee. Create a list of questions you want answered ahead of time.
3. Create a presentation and/or poster about your findings.
4. Share what you have learned with other 4-Hers.



## Activity 7 - How to Shop Online

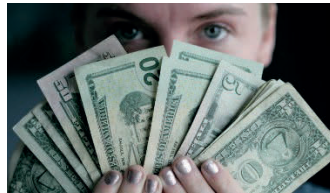
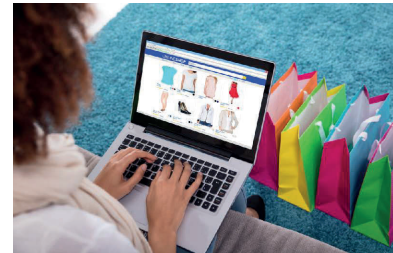
### The Economics of Clothing

#### Project

Compare and use online shopping sites effectively.

#### Outcome:

More and more people are opting to shop for their fashions online. This is probably because of the ease of access to so many online stores and sites with our devices: computers, tablets and phones for accessing online sites. With so many choices online, this could be overwhelming. In this activity you will learn how to shop online effectively for the fashions you need.



Buying online can save you time, money and probably an unnecessary trip to the store. Online shopping is very convenient. You can get your entire wardrobe delivered right to your front door, without leaving the comfort of your home.

However, this also comes with the burden of buying clothing items sight unseen. They might not fit or it might not be what you really wanted or worse, you wasted your money. We can't totally eliminate all concerns of shopping online but we can make sure these issues don't happen often.

#### To Do

1. If you have purchased clothing or accessories online, describe the item, and your experience with the purchasing process (Did you spend a lot of time finding what you wanted? Did the item come in a timely manner? Were you satisfied with what you got?)

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2. Think about a fashion item you would like to buy online and list it with a description.

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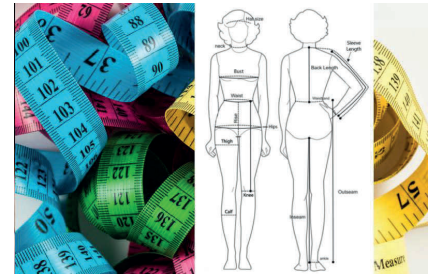


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## Tips for Shopping for Clothes Online

### 1. ALWAYS CHECK THE SIZE CHARTS

Just because you're a size eight at one retailer doesn't mean you're the same size at another. Measurements matter — and it will save you a ton of time if you click over to confirm the size of your bust, waist and hips against the store's sizing charts.



You will need to take accurate measurements for your body using a tape measure. Store this information on your computer or whatever device you use when ordering online. Get someone who knows what they are doing to take them for you. Be sure to wear something snug fitting like leggings and fitted camisole or t-shirt.

Record your measurements here then record them someplace where they will be easy to find.

#### MY MEASUREMENTS:

Bust/Chest (fullest part) \_\_\_\_\_

Waist (over belly button) \_\_\_\_\_

Hips (7-9 inches from waist) \_\_\_\_\_

Sleeve length (from shoulder blade over bent elbow to wrist bone)  
\_\_\_\_\_

Thigh circumference (largest part of thigh) \_\_\_\_\_

Inseam of pants (measure pants that are the correct length; measure inside seam from crotch seam to hem) \_\_\_\_\_




## 2. KEEP A LIST OF THE SIZES YOU TYPICALLY WEAR

If you usually shop at the same set of stores (whether in person or online), it's worth jotting down a list of the sizes you most commonly wear. And, again, keep a note on your phone or computer.

## 3. READ THE PRODUCT DESCRIPTIONS

Once you've determined the right size for a specific item, it's time to dig a little deeper and check out the product description. This description will give you invaluable information on things like the fit, the materials used, the cut, etc. Know what fabrics types you like to wear (woven/knit, cotton, polyester, with spandex, etc.).

Here is an example of product descriptions:

	<ul style="list-style-type: none"> <li>• Our Ballerina jeggings are super-duper comfy and stretchy for the ultimate spins, twirls and high-kicks.</li> <li>• Interior adjustable waistband expands for a perfect fit.</li> <li>• Snap-button closure in sizes 5-8; regular button closure in sizes 10-16.</li> <li>• Soft, medium-weight denim, with comfortable super stretch.</li> <li>• 69% cotton, 29% polyester, 2% spandex</li> <li>• Machine wash.</li> </ul>
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## 4. ANALYZE THE FABRIC

Sometimes it is difficult to determine the quality of the fabric of a clothing item you see online. Here's a trick that will help: If possible, select the lightest color of the garment that's not white, even if you want it in another color and look it over carefully before purchasing. Light pastels or creams show flaws in fabric/details you wouldn't pick up on if the item is in black or white.

## 5. KNOW YOUR BRANDS

When you know the general quality of a brand, it can help you predict the quality of an item. To minimize returns, take notes on the sizes and fabric quality of your favorite brands.

While it's helpful to have a go-to brand, sometimes we want to explore new brands. But discovering new brands can be tricky online — sometimes it's just hard to take that risk when you have no experience with their clothes. So be sure to use the tips in this activity when you venture to buy an unfamiliar brand.

## 6. CONSIDER SHIPPING CHARGES

When you are shopping online, many sites will offer free shipping if you order a certain amount or discounts on shipping if you aren't in a hurry to get what you order. Retailers also offer free shipping to a physical store for pick-up. So, you have lots of ways to save money on shipping.

Examples:

ORDER SUBTOTAL	\$30.00	Subtotal:	\$39.00	Subtotal	\$17.96	
SHIPPING	\$8.99	Shipping:	\$5.00	Shipping	\$2.99	
SALES TAX	\$3.81	Shipping Discount:	\$5.00	Sales Tax	\$2.04	
ORDER TOTAL	\$42.80	Sales Tax:	\$3.80			
		ORDER TOTAL:	\$42.80	ORDER TOTAL	\$22.99	

## 7. COMPARE PRICES

Store 1: \$20	Store 2: \$9.95	Store 3: \$14.45
		

When you are looking for cheap clothes online, it's important to do a little competitive shopping to compare prices before you buy. Often, clothing websites that carry the same merchandise are priced differently. Check prices across various sites to ensure you are getting the best deal on your purchase. Sometimes the styles may be slightly different, so be sure to read the product information to determine if the less expensive garment is exactly what you want.

## 8. KNOW THE ONLINE RETURN POLICY BEFORE YOU BUY

Have you ever *meant* to get an item in the mail to return it but didn't get it done within the return policy deadline? Don't let this happen to you by buying from a company that has a liberal return policy. You may have the tendency of making fast decisions about your purchase, but always take the time to browse the return policy just to be sure you know each company's policy. Some policies are more liberal than others, of course, but it's better to have all the information before you hit the order button.

## 9. READ CUSTOMER REVIEWS

Most online retailers leave an area for shopper reviews. That's where you're likely to get the most accurate information on how a garment actually fits. Of course, with all online feedback, you should take some of the comments with a grain of salt. But if the general consensus is that the item runs a tad small, heed the advice and size up.

## 10. SET A BUDGET

Determine how much you can spend on clothing. Your parents may give you a clothing budget for each month or you may earn your own money in order to be able to buy the latest fashions. Regardless, make sure you have an idea of your limit before you start shopping online to prevent overspending. Then take your time. Don't be in a hurry. The true beauty of online shopping is convenience. When you are shopping online, you can add items that you like to a wish list or put them in your online shopping cart. This will give you time to go to several sites and compare prices and find other fashionable items.

Determine how much you have to spend on clothing.

*My Clothing Budget:*

Amount Available (check one and fill in amount)-

\_\_\_\_\_ Monthly \$\_\_\_\_\_

\_\_\_\_\_ Seasonally \$\_\_\_\_\_

\_\_\_\_\_ I don't have a set amount but parents won't let me spend more than \$\_\_\_\_\_ on any individual clothing item.

## 11. LOOK FOR PROMO CODES

If you are on a budget, getting discounts on what you buy can stretch your clothing dollars. No matter what time of year you are shopping, you can find promo codes to help you save money on your purchases. Search online for coupon codes, coupons or promo codes, along with the name of the website where you want to shop. Then look for active promo codes. If you are on a clothing website, be sure to check the homepage for current sales and offers to save you money on your order.



## 12. LEAVE ITEMS IN YOUR SHOPPING CART

Sometimes you will find a fashion or accessory you like, but it costs a little more than you want to pay and you can't find an online discount. If you don't mind waiting a couple days (and you're confident they won't sell out), try leaving it in your shopping cart for a day or two. Online retailers now have the ability to keep tabs on your shopping activity — and may just ping you with a 20 percent off coupon to encourage you to buy (and save). You may also find that by waiting the item will go on sale or you may find it cheaper on another site. So be patient.

## 13. SHOPPING ON SOCIAL MEDIA

A new trend for retailers, especially small retailers, is to offer items for sale on social media. Sometimes you can place and order as with any other online shopping, while other times there is just one of an item that is posted. Be sure to research the company and know how they operate online including their return policy.

### To Do with What you have Learned:

1. Review the 13 tips for shopping online. Develop a plan for buying a clothing item online, outlining what you will do to be prepared to make the best choice. Then carry out your plan and enjoy your online shopping experience.
2. Share what you have learned with other 4-Hers through a presentation, demonstration or poster.

Resource: [https://www.huffpost.com/entry/5-tips-for-shopping-for-clothes-online\\_b\\_58b59675e4b0658fc20f9a2c](https://www.huffpost.com/entry/5-tips-for-shopping-for-clothes-online_b_58b59675e4b0658fc20f9a2c)

## Activity 8 – What’s Behind the Retail Price of Your Clothes

<b>Project Outcome:</b>	Identify and compare factors in the retail price of garments including production location, labor costs, cost of materials and advertising.
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Have you ever wondered why you pay what you do for the fashions you buy? That final price you see on a price tag, called retail price, is the result of many factors.

There are many steps involved in getting a garment to the retail store to sell. Many people have a part to play in the production of the garment. Each person that comes in contact with a garment adds cost to the final price.



**To Do:** Before exploring the many different aspects of what is behind that retail price, take a shirt with sleeves you have in your closet/drawer and examine it.



Make a list of the following based on the information on the label and by looking at how the shirt is made:

- Type of shirt (check):  
T-Shirt \_\_\_\_\_ Button up \_\_\_\_\_ Pullover (other than T-shirt) \_\_\_\_\_  
Other (describe) \_\_\_\_\_
- Fiber content (Ex: cotton/polyester):  
\_\_\_\_\_
- Color of shirt:  
\_\_\_\_\_
- Country where shirt was manufactured:  
\_\_\_\_\_
- Are there buttons and buttonholes on the shirt?  
\_\_\_\_\_
- Type of hem: Invisible from outside \_\_\_\_\_ Stitching on the outside \_\_\_\_\_

## Steps (Costs) from Production to Retail

The steps that a garment passes through in being produced are surprisingly numerous. All of these steps add to the final price you see in the store. In addition, there are other costs that are figured in that you will learn about.

### Steps

<p>Growing the fibers or raising the animals if garment is made from natural fibers.</p>	
<p>Converting the natural fibers into yarn or producing synthetic fibers/yarns (beginning with petroleum) and making into fabric.</p>	<div data-bbox="743 625 1192 835" data-label="Image"> </div> <p data-bbox="792 840 1143 873">Natural fibers to yarns</p> <div data-bbox="565 877 906 1339" data-label="Diagram"> <pre> graph TD     Petroleum --&gt; Para-xylene     Petroleum --&gt; Ethylene     Para-xylene -- Oxidation --&gt; Terephthalic acid     Ethylene --&gt; Ethylene Glycol     Terephthalic acid -- Polymerization --&gt; Polymer     Ethylene Glycol -- Polymerization --&gt; Polymer     Polymer -- Melt Spinning --&gt; Spinning1     Polymer -- Melt Spinning --&gt; Spinning2     Spinning1 -- Drawing --&gt; Crimping     Spinning2 -- Drawing --&gt; Winding     Crimping -- Cutting --&gt; PolyesterStapleFibers     Winding -- Drawing --&gt; PolyesterFilamentYarn     </pre> </div> <div data-bbox="958 953 1149 1339" data-label="Image"> </div> <div data-bbox="1156 1163 1370 1339" data-label="Image"> </div> <p data-bbox="565 1339 1338 1373">Producing synthetic fibers/yarn    Weaving fabric</p>
<p>Transporting fabric to garment manufacturer</p>	



Garment manufacturers' costs:

- Paying for fabric, thread, notions
- Paying people who do the work and people who manage plant
- Cost of operating plant and the machinery (sewing machines, irons, cutting machines)
- Process: cutting and sewing of garment



Transportation to retailer (retailer usually pays this cost)



Explore more about the cost to produce garments at:  
[textileguide.chemsec.org/find/get-familiar-with-your-textile-production-processes](http://textileguide.chemsec.org/find/get-familiar-with-your-textile-production-processes)

## Costs to Retailers

Now that we have gotten the garments to the retail store, there are additional costs that contribute to the retail price. Note: The price the retail store pays for a garment is called the *wholesale cost*. The retailer usually doubles the wholesale price to come up with the *retail price*.

The difference in the wholesale price and retail price covers the following expenses:


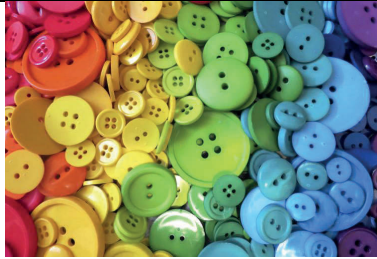



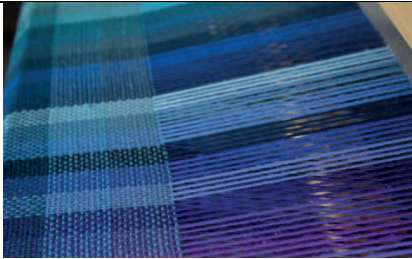
- Personnel
  - Buyers who visit the wholesale market and place orders for the merchandise that will come to the store
  - Managers of the stores or different parts of the store
  - Sales associates who sell the clothes
  - Visual merchandisers who set up displays in the store
  - Marketers who develop the advertisements
- Advertisements – cost of newspaper, magazines, radio, TV and other advertising
- Amount lost when items are marked down for sales and loss because of theft
- Cost of the actual building or facility: rent, utilities, cleaning and security; computers, supplies, fixtures, etc.
- State and local taxes
- Profit that the store will make; stores have to make money to survive. This is a very small percentage of the total markup.

To learn more about how small businesses determine retail prices and strategies that can help a small business be successful, go to: [www.shopkeep.com/blog/how-to-price-a-product-for-retail#step-1](http://www.shopkeep.com/blog/how-to-price-a-product-for-retail#step-1)

**Exercise 1:** Now that you know what goes into the *retail price* of a garment, match the image with who pays the cost.

Choose from the following:

1. Cost to garment manufacturer
2. Cost to retailer
3. Cost to both the garment manufacturer and retailer

<p>A.</p> 	<p>D.</p> 
<p>B.</p>  <p>Manager</p>	<p>E.</p> 
<p>C.</p> 	<p>F.</p> 

Answers: A=2; B=3; C=2; D=1; E=3; F=1

**Exercise 2: Test your Knowledge - True or False**

\_\_\_\_\_ 1. If a garment is made in China, the transportation cost will be more than if it is made in the U.S.A.

\_\_\_\_\_ 2. Dyeing the fabric is a direct cost for which the retailer pays.

\_\_\_\_\_ 3. A retailer needs to be more concerned about a garment being stolen than does a garment manufacturer.

Answers: 1=True; 2=False; 3=True

**Exercise 3:** Review the answers you gave when examining a shirt at the beginning of this activity and discover the costs of your shirt based on your description. Create a poster, PowerPoint or other presentation materials, then share with other 4-Hers. Include pictures in your portfolio.

Consider the following:

1. *Type of shirt:* the more complicated the construction of the shirt, the more it will cost.
2. *Fiber content:* Natural fibers involves growing a crop or raising animals (Ex: Cotton, Wool) while synthetic fibers can be manufactured (Ex: Polyester).
3. *Color of shirt:* Adding color is a cost.
4. *Country where shirt was manufactured:* If a shirt is made internationally, there are additional transportation costs. However, this is usually offset by the low wages paid in other countries to factory workers.
5. *Buttons and buttonholes on the shirt:* Special equipment is used to make buttonholes and sew on buttons which may add to the cost.
6. *Type of hem:* A special kind of sewing machine is needed to sew a hem that is invisible which may add to the cost.

**Exercise 4:** Explore the difference in wages of garment production workers, comparing the U.S. with other countries. Create a chart and share the information you find.

Here are some resources to explore:

[www.statista.com/chart/17903/monthly-minimum-wage-in-the-global-garment-industry/](http://www.statista.com/chart/17903/monthly-minimum-wage-in-the-global-garment-industry/)  
[shenglufashion.com/2018/03/04/wage-level-for-garment-workers-in-the-world-updated-in-2017/](http://shenglufashion.com/2018/03/04/wage-level-for-garment-workers-in-the-world-updated-in-2017/)

One of the challenges internationally is for workers to make enough to provide for their families. Learn more about what the retailer *H&M* is doing to try to provide a living wage for those who make their fashions.

[www.vox.com/2018/2/27/17016704/living-wage-clothing-factories](http://www.vox.com/2018/2/27/17016704/living-wage-clothing-factories)

## Congratulations!

You have now completed the second unit of the Intermediate Clothing and Textiles Project Area Guide. Throughout this project guide, you have learned more about the things you need to be successful in this project.

More information can be found on the Tennessee 4-H Clothing and Textiles project page, including the project outcomes. You are now ready to move on to the third unit of this project, Global/Ethnic Fashion.



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