Merchandising Made Easy

*"**Advertising** moves people toward goods.*
***Merchandising** moves goods toward people."*
–Morris Hite

Designing Your Layout

The first step in your merchandising plan is the layout of your aisles. Two trains of thought dominate this step. Do you plot your rows straight and long military-style or do you make them short and curvy with many twists and turns in a whimsical way?

Military Style: The pros of the military-style layout are that the rows are easy to navigate, the merchandise clearly organized, and the customer can quickly track through the store, make her purchase and move on.

If your store is about customer convenience, quick shopping, and a need for easy-to-find products (commodities), then a military style might be better for you. If your store is big and requires the use of a shopping cart, the straight rows work better. If your store has tons of merchandise that needs to be neat and orderly, then military way might be your way.

Drug, grocery stores and hardware stores serve better military-style. Boringly utilitarian but completely useful.

Whimsical: If your store is about long, slow browsing, surprise-at-every-turn, and stories to be told, then a more whimsical approach would work better. A truly whimsical layout has no defined aisles, but instead a loose collection of displays set in a pattern that encourages wandering. Whimsy gives a sense of fun, excitement and discovery. It heightens the senses, engages the customer, and slows her down.

It also makes it difficult to do quick trips, to find items easily, to navigate quickly from one department to another. Whimsy makes it harder to organize your merchandise easily. But the mood it creates moves that product more effectively toward the people because there is more product directly in front of the customers.

Toy & gift stores, clothing stores and smaller boutique stores are often better served by a whimsical layout.

Store Within a Store: The two styles are not mutually exclusive. In a larger store you can create pockets of whimsy within the more orderly design. Even in a small store you can

give an element of whimsy by turning the displays at slight angles while still keeping a simple straightforward aisle structure.

Organizing Your Products

The next decision is how to organize your merchandise, by category or by brand? There are pros and cons to both methods.

Branded Sections: Many vendors wish for you to keep all their products together, to make a *Branded* section.

Some will even give you the resources such as signage and displays to help you create a special section just for their goods.

The first advantage is that Branded sections quickly catch the eye of customers, sometimes even more so than category-organized sections. They are huge magnets for the fans of those brands who immediately flock to those areas.

Branded sections also give you credibility. The customer sees that section and it reinforces in their mind that you are the place to go for that brand's products.

And they are proven to increase sales for that particular brand.
If you want to become important to a vendor, one step is to work with them to create a Branded section. For them, it gives better exposure and sales of their entire line. For you it gives credibility and (usually) better ability to get the right products at the right times.

But if the brand has products that cross into multiple categories, it may not be the most customer-friendly way to display your products. Imagine having to lead a customer to four different sections just to find one category of product. She's not going to like that.

Categories: If you don't have enough presence in a brand or too many brands with multiple categories it may make more sense to organize by category. Put all the items from one category in one department, regardless of which brand makes them.

You see this in electronics stores. All the TV's are in one place. All the

computers are in another. For the customer who comes in looking for a TV but is not brand-specific, this is a big benefit. When cross-comparison is more important than brand-recognition to the customer, organize by category.

Once again, you can do both. If a brand strongly dominates a category, build a branded section within the category and you can get the pros of both.

Endcaps are the Beginning

The most important display is the one that directly faces the customers. In the military-style, these are your endcaps, the ends of each aisle. Endcaps are the beacons that direct customers where to go. The product you put on your endcaps should be carefully thought out.

The first step in planning your merchandise is to decide what to put on your endcaps. Since endcaps are seen by the most people, you should put products there that need the most exposure. It may be the products that only you

exclusively carry in your area. It may be the products that have the highest profit margins. It may be the products that require the most sales help (see "Signage").

Whatever merchandise you choose to put on your endcaps, it should be chosen with great care because your endcaps set the tone of your entire store. Sloppy, poorly organized endcaps tell your customers that you don't care. Carefully crafted endcaps that *wow* the customer tell her that you want to *wow* her as often as possible.

Each endcap should tell a story. It should have a solid theme, a point to make, and a consistent look. You can do that through many creative techniques. Spotlights set to shine directly on an endcap give it attention. A tablecloth over the shelf sets it apart from the metal or wood shelves that cover the rest of your aisles. A prop (an item obviously not for sale) on the display focuses the eye and makes the endcap feel special.

Even in a whimsical layout, you need to focus on your "endcaps". Those are the areas directly in front of the customer that she doesn't have to leave the main pathway to see. In fact, whimsical layouts are almost like having one endcap after another as every

twist and turn leads the customer to another special display.

The First Four Feet

In the military style, the rows can be daunting. Getting a customer to decide to head down a row is the main goal. The main way to accomplish this is to treat the first four feet of each row almost as important as the endcap.

You often don't get a second chance to make a first impression. The first four feet are that first impression. Load that part of the aisle with something that gets their attention. It doesn't have to be the stuff for which your customers come in asking. You can lead them there. But it should be designed to tell the story of that aisle. It should be enticing enough product to get the customer to head down the aisle.

Even if your stock is low and you can't fully fill the aisle, make sure your first four feet look great.

Front and Center

No matter what, you always want your shelves to look and feel full. Your displays should be built so that whatever white space you have is there on purpose. A properly stocked and straightened aisle would have products lined up by type, size and vendor (in order of which is most important to the typical customer).

All boxed products should be pulled even to the front of the shelf to give the appearance of fullness and make it easier for the eye to track. We read in rows, so uneven shelves and different sized boxes break up our line of vision. Do this to separate categories or vendors, but try to be consistent in shelf and box height within a category.

Signs Sell

Signs are one of the single most important parts of your display and often the one most forgotten or overlooked. According to nationally recognized, best-selling author and retail consultant Rick Segal, signs increase your sales of that merchandise by 43%.

It makes sense when you stop and think about it.

Who Reads Signs? Men. It is widely accepted that men don't like to ask for directions. This is because men speak "vertically". *Did what I say make you think higher of me or lower of me?* To ask for directions is to

admit you don't know. Most men are not comfortable with this because it may make someone think lower of them. Therefore, when they enter a store the first thing they look for is a sign that tells them where to go, followed by another sign that leads them to the product followed by a sign (or info on the product) that leads them to the purchase. No signs? No sale!

Women, on the other hand, speak more "horizontally". *Did what I say draw me in closer or push me away?* To ask for help is to get drawn into the inner circle. A woman in a store, if she doesn't know where to go, looks not for a sign but for a person.

But not all women.

Introverts are also sign readers. Introverts are people who want information before interaction. They want knowledge before they speak to someone. And then they need time to process that knowledge. Signs are their best friends because signs answer their basic questions before they have to interact with someone. Signs also help them formulate new questions they may need to ask.

Therefore, 75% of the population (all the men and half the women) are served by signs.

Proper Signage: A good sign is one that answers questions. It gives the right amount of information in a quick and easy-to-read format. Sometimes the only question is, *How much?* More often, the question is, *Why?*

When you design your signs think about the purpose of each sign. Then craft the sign like you would a FAQ list. Put on the sign the answers to the most likely questions a customer would ask.

Signs also raise the Perceived Worth of an item, making it more likely a customer will be inclined to buy that item. (For more on this download the free eBook ***Pricing for Profit***)

Handwritten signs are great for temporary use, or if your store's character is all about handmade. But for more permanent displays make the investment in printing quality signs that have a professional appearance. Check with your vendors, too. Many of them already have quality professional signs they can send you.

Sight Lines

Most importantly, walk your store and pay close attention to the sight lines.

What do you see when you first enter the store? Where is your eye drawn?

This is the first impression a customer has of your store. Put some really hot, high-profit merchandise right where the eye naturally goes. Then follow it and look around from there. What display

do you see? Where does it lead you? If it doesn't lead you deeper into the store, you need to change it.

Also look deep into the store. Often there are natural breaks in the displays that allow you to see the back wall. Is the signage on the back wall big enough to draw you back there?

Are there blank spaces that need sprucing up, or areas where signs are blocked?

Follow the path through your store paying close attention to the hidden, blind spaces, too. Hidden areas are a heaven for shoplifters and a hell for moving merchandise.

Quick Tips For Better Displays

No matter the size of your store or the inventory you carry, here are some tips to always keep in mind.

1. If you typically serve moms of young children make sure you have wide enough aisles to accommodate strollers and that merchandise the kids should not touch is not at stroller level.
2. Wider aisles are better for navigation and seeing product. It is difficult to see the bottom shelf in a narrow aisle. *(Put bigger boxes on bottom shelf if you have to use that space. They are easier to see and read than smaller boxes.)*
3. Just below the chin is the prime viewing area. Put your best merchandise there and build your display around that point.
4. Mirrors are good focal points. They attract the eye and slow people down. Include a mirror by the front door or use a mirror attract people to a display.
5. Make sure signage is easy to read. Large fonts, plenty of white space, and easy-to-understand. Your second grader should be able to read your signs.
6. Watch and observe. Even the best layouts have dead zones. See how your customers flow through your store and spot the areas where they just won't go. Put the stuff they come in asking for there.

Moving Goods

The bottom line to merchandising is to sell products, to put the goods in the hands of the people. If you have a display and the goods aren't selling, you need to change the display.

How *often* should you change a display? As soon as the display stops working.

If your store has a regularly changing inventory either because it is seasonal or because the merchandise is unique, then you need to change your merchandising displays more often.

If your store has a more stable inventory that doesn't turn over as fast, you might be better served to keep things where they are so customers can find them more easily.

You can still rotate your endcaps to keep your store looking fresh. You can add a splash of color by painting one wall. You can change your lighting to focus it on new displays. Just keep in mind that your goal is to get customers to stop, look, touch and buy.

Keep those shelves spruced up. Replace worn or faded signs. And pay attention to what is or isn't moving.

If the product isn't selling where it is…

…move it someplace else!

"Having a product languish on the shelves doesn't do much for our image."
– Norman Melnick

"No profit grows where there is no pleasure taken." -William Shakespeare