



tricks of the trade

shhh!

Our GearTrends® merchandising expert *pulls back the curtain* to reveal a few *secrets* of retail merchandising.

▶ **T**HE RETAIL WORLD HAS CHANGED DRAMATICALLY IN THE last few decades. Anyone on the specialty retail frontlines knows it's getting more competitive out there: Consumers expect more from their shopping experiences, the big-box boys are driving price on categories, and consolidation is rampant. In response to the changing retail landscape, savvy retailers create competitive advantages—some obvious, some subtle—to heighten the chances their customers will buy. To create these advantages, retailers work on capturing the attention of customers by paying greater attention to store layout, signage, displays, add-on sales and the overall store environment.

WHAT THE BIG BOYS DO

Grocery stores are experts at creating competitive advantages. It's common knowledge that grocers put the dairy case in the rear of the store to force customers to walk by rows of other items on their way to retrieve the milk. They also pipe the aromas of baking bread and sweet rolls throughout the store to entice bread buying. Have they no mercy?

Grocers position large displays of special items up front, but guess what? Often, that merchandise is priced higher than other items elsewhere in the store. They also place the high-priced items at eye level on their shelves because research has shown most customers walking down a store aisle look only at the shelves that are at eye level.

Grocery stores also use something called “triangular balance” very effectively. It's based on the idea that your eye will always go to the center of a picture. In a retail environment, that means the biggest, tallest products with the highest profit margin are placed in the center of each shelf and products of other sizes are placed around them. Low-priced items will be either high or low on the shelf. When customers look at the shelf, their eyes go straight to the middle and the most expensive item first. In merchandising parlance, this product positioning is known as “shelf psychology.”

BY SHARON LEICHAM



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It may be sacrilegious to say, but it wouldn't hurt outdoor retailers to check out and adopt some of the techniques that grocery and big-box businesses are using to increase sales. It certainly can't hurt and may result in some pleasant, and profitable, surprises.

"X" MARKS THE SPOT

Store aisles that are designed to run crooked, with lots of merchandise displays, force customers to slow down and look instead of just walk by. The longer customers are in a store, the more they are exposed to the merchandise—and the more likely they are to buy.

Positioning sale racks at the rear of the store requires bargain hunters to pass the regularly priced merchandise before finding the less expensive items. If the retailer has done a good job of merchandising and display, chances are some full priced merchandise will end up at the cash/wrap counter.

Two identical pairs of new Nike sneakers were placed in two identical rooms. The difference? One room was sprayed with a floral scent, while the other was left unscented. Then, researchers asked the test subjects to rate how much they liked the shoes. The result? Respondents said they would spend an average of \$10.33 more on the pair in the scented room than on the other. Perhaps the aroma of pine would work the same in an outdoor store?

HEARD IN THE AISLES

Music can also help promote sales, particularly when it is used discriminately. A research project conducted in England showed that French music played in a supermarket's wine aisle boosted sales of French wine. The following day, German folk music caused German wine sales to peak. Who knows? Piping outdoor sounds, like flowing water or chirping birds, into the camping department could make a difference in sales.

LIMITLESS POSSIBILITIES

Loss leaders attract shoppers and can be a valuable tool during holiday and back-to-school seasons. A loss leader is an item that retailers mark down or buy on closeout. They are priced low to attract customers who will usually end up paying full price for other items in the store.

Additionally, retailers like J.Crew and Ann Taylor are beginning to offer limited quantities of hot fashions. This technique promotes the "If you love it, you have to buy it when it's here" mentality, creating a sense of urgency. Also, it prompts customers to visit your store more often, so they can snap up the latest items before they disappear. Limiting quantities allows retailers to have leaner inventories and avoid markdowns.

STAR APPEAL

Mainstream retailers are promoting celebrity appearances in their stores, and you can too. The industry is filled with high-

▶ It's been found that when a store moved its cash/wrap area from the right to the left side of the store, freeing up space on the right for inventory, sales increased *as much as 15 percent*.

Also, when items are displayed on end-caps (the ends of aisles), customers tend to think the merchandise is on sale even when it isn't.

NOW READ THIS

Properly worded signage can be a powerful tool to prompt customers to buy merchandise. For example, if a sign says, "Limit 2 per Customer," customers will want to buy more because they think it must be going fast and they should stock up. If there is no limit to the number of items customers can buy, then shoppers will pay less attention to these items.

Research shows that if a sign reads, "Buy Socks Now," customers may buy one or two pair or none at all. But if the sign says, "Buy 5 Pair Socks for Winter Now," shoppers will buy at least one-and-a-half times more than they would have without a specific number on the sign.

Signs that feature uneven numbers, like "3 for \$10" or "4 for \$15," are often difficult to divide at a quick glance. This technique also encourages customers to buy more.

SMELL OF SUCCESS

An interesting test was conducted to find out if pleasant aromas encouraged buying.

On a different note: When salespeople speak with customers, the odds jump 50 percent that they will buy something. And, if dressing rooms are nice (that is, clean and tidy), the more likely it is that customers will buy.


MESS IT UP

Watch those too-perfect stacks of folded shirts, sweaters or tees that you merchandise on a table. Neat, folded clothes make customers more reluctant to rummage through them. Plus, the sales staff spends all day refolding instead of selling.

WALK THIS WAY

The area to the right inside the store entrance is called the "invariant right." Most retailers recognize that their customers move to the right when entering the store. Ever wonder why? The movement to the right happens unconsciously because most people are right-handed, and, in the United States, we drive on the right side of the road. It's been found that when a store moved its cash/wrap area from the right to the left side of the store, freeing up space on the right for inventory, sales increased as much as 15 percent.

profile athletes and adventurers, who speak, do slide shows, and sign posters or their latest book. Celebrity-endorsed special events help retailers bring in new and different customers. Thirty-five percent to 40 percent of people who walk into a store for a celebrity event say they are there solely for the celebrity. Of that group, half are new customers. Getting new customers to walk in the door is priceless. And remember, just because they came for the celebrity, doesn't mean they won't cruise the aisles and shop.

Whether you consider these ideas tricks or techniques, their true worth can really only be quantified at the cash register. If we could find a "buy button" in the brain that would tell us how to get customers to buy, we might not need all these fancy methods. Unfortunately, no such button has been discovered despite researchers and marketers using brain scans and EEG machines to try to find it. Until that day comes, retailers need to continually experiment and find ways to keep customers interested, energized and engaged enough to part with their cash. 

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