

## I. INTRODUCTION

### What Is Merchandising?

Merchandising is a critical marketing strategy that focuses on displaying products in a way that stimulates interest and increases sales. The layout of your store, use of displays, product presentation, color, lighting, signage and more, all work together create an environment that impacts “shop ability.” Good merchandising encourages customers to buy more, try new products and return frequently.

### Learning Objectives

This chapter will give you a better understanding of merchandising techniques. After completing the chapter, you should be able to:

- Explain why merchandising is important.
- Define merchandising elements.
- Describe types of merchandising displays and how to use them for best results.
- Build effective displays.
- Prepare your store for a sale.
- Complete necessary housekeeping and maintenance tasks.

## II. THE IMPORTANCE OF MERCHANDISING

### Merchandising Matters

Merchandising touches almost every aspect of how you and your store conduct business on a daily basis. Effective merchandising techniques generate a sense of excitement and innovation, increasing sales.

Experts report that almost 70 percent of buying decisions are made after shoppers enter the store. For pet centers, this means that a customer who comes in for a \$10 bag of dog or cat food will walk out with \$17 worth of products. By increasing the average ticket without increasing overhead expenses, merchandising makes critical contributions to your store’s bottom-line profitability.

Big-box pet stores, mass merchandisers and even grocery stores practice disciplined merchandising strategies. The competitive advantage your store has is speed. Independent pet retailers can react quickly to trends or new product lines by changing displays, sales floor layout, or actual merchandise.

### Customers Expect Good Merchandising

Customers are accustomed to shopping in stores that practice good merchandising, from mass impulse displays in power aisles, to feature caps packed with special merchandise. No matter how small your store, independent pet stores can take advantage of merchandising techniques that lead to additional sales.

### Merchandising Appeals to Customers

#### Make Shopping Easier—

Merchandising can attract customers by making shopping easier and giving them reasons to come back often and spend more money.

Since so many customers no longer consider shopping fun, a retailer’s challenge is to use merchandising to reduce the hassle factor. A pleasant environment, clear signage, and easy to locate and well organized products tell shoppers that your store is committed to helping customers with their pet and pet supply needs.

**Create Customer Loyalty**—Pet owners and hobbyists decide to shop at a particular store depending on what they are looking for at the time. Discount store pur-

chases often are driven by convenience or impulse buys; they require no interaction, education or employee knowledge.

Consumers shop where they are confident they can find the merchandise they want and the advice they need. Knowledgeable staff and well merchandised pet centers create loyal customers who return to your store time and time again.

**Promote Repeat Shopping**—Turning one-time shoppers into regulars is critical to your store’s success. Competing for consumers’ pet product dollars demands that you bring customers back more often and give them reasons to buy more each time they visit.

Experts on store loyalty say that customers who have an enjoyable shopping experience, visited your store recently and buy frequently are most likely to become repeat shoppers. Good merchandising ensures that they come back to your store, not the competition’s.

### Merchandising Improves Store Profitability

**Enhance Price Image**—Many independent pet center retailers battle consumer perceptions that their prices are higher than the competition, particular big boxes.

The independents' challenge is not to underprice competitors, but to convince consumers that their prices are competitive for the value and service they offer.

Merchandising can play a large role in helping your store develop a value priced image. Skilled use of product selection, displays and pricing suggests to consumers that they can, indeed, find competitive prices in independent stores.

**Allow Strategic Pricing Decisions** —Merchandising also can help pet supply retailers protect operating margins by increasing item sales while lowering prices. Studies show that simply moving a product from a shelf to a promotional location can double or even triple sales. This gives your store the flexibility to make strategic pricing decisions

**Increase Sales per Customer**—An effective merchandise arrangement encourages customers to remember products they may have forgotten, try new items and make impulse buys. This boosts your sales per customer and positively impacts store profitability.

**Promote Self-Service Shopping**—You can wait on only one customer at a time, but many customers can serve themselves. Good merchandising encourages self-service shopping, freeing up your

time to help customers who need knowledgeable advice and to sell higher-end merchandise.

### Merchandising Increases Productivity

**Increase Sales Floor Productivity**—Retail productivity improves when the same square footage and number of employees generate more sales. Merchandising affects virtually all measurements of retail productivity, including average transaction, sales per square foot, gross margin per square foot, sales per employee, gross margin per employee, and payroll costs as a percent of sales and as a percent of margin.

**Enhance Sales** —Merchandising can suggest related items at the point of sale and impulse items throughout the store. Merchandising should complement the efforts of salespeople by organizing the store, suggesting product ideas, reminding customers of forgotten items, promoting special buys and seasonal items, and providing self-shopping information.

**Complement Advertising**—Some of the factors that go into improving sales floor productivity include stock turns by department, product line and items, peak selling periods for each department and customer traffic patterns. Gathering this

information for your store provides guidance on what items to promote, when to promote them and how to merchandise the items on promotion. Remember, advertising gets customers into your store and merchandising gets them to return.

### Merchandising Makes Your Job Easier

**Provide Better Customer Service** —It is your knowledge, experience and selling skills that help customers solve problems, satisfy their pet supply wants and needs, and fully enjoy their companion pets. Effective merchandising allows you to concentrate on answering questions, solving problems and selling related items, rather than simply directing traffic. Although many customers truly need assistance, others know what they want and only need to know where to find it. Good merchandising makes the shopping experience easier for these customers.

**Makes Retail Selling More Rewarding**—Rushing around the sales floor to make small sales can be frustrating. Effective merchandising frees up time for activities that challenge your selling skills.

**Develop New Skills**—Self-service displays give you time to involve yourself with other retailing activities, to learn new

skills and take on increased responsibility.

## III. ELEMENTS OF MERCHANDISING

### There's More to Merchandising than You Might Realize

Merchandising is much more than attractive displays. It incorporates sales floor design, product selection, product presentation, pricing and interior signage. Merchandising is the effective use of products, display fixtures, space, color, lighting and signage to encourage customers to buy. Most stores are departmentalized, and customers are accustomed to shopping this way. Shoppers like organized stores, and they want to be able to find merchandise quickly and easily on their own, even if they need help from a sales associate.

### Sales Floor Layout

**Grid Layout**—This is a simple, traditional layout for retail pet centers. Straight aisles lead off one or more main aisles into different pet departments. This particular layout creates a neat look, but does not provide maximum exposure for products on display.

**Loop/Race Track Layout**—This layout

has the main traffic aisle circling the sales floor. Every major department has exposure on the main aisle. It moves customers through the store and lets them see merchandise in more departments. The loop layout provides more locations for endcaps, creating a value price image.

**Diagonal Layout**—This is a modification of the loop/racetrack layout and can be effective in smaller stores. It creates several triangular areas in the store and pulls customers to corners they might otherwise miss.

**Power Aisle**—This design works well for smaller sales floors, where a loop or racetrack is not practical. The power aisle runs the full length of the store and typically is at least twice as wide as other aisles.

**Departmental Cross Aisles**—These aisles group related products, typically by animal (dog) and function (grooming). Depending on the store layout, they may lead off a loop layout, intersect a power aisle, or be part of a grid. Cross aisles typically include endcaps that highlight impulse buys or promotional displays related to their department.

**Cube Display**—Another way smaller stores can get the maximum amount of

merchandise on the sales floor is by using taller displays. An effective way to use cube display is to put the taller fixtures in the back of the store to make more merchandise visible from the entrance and draw customers through the store. Careful attention must be paid to the type of merchandise displayed on higher shelves.

### Interior Signage

**Make Shopping Easier**—Signage is key to make shopping easier for customers and give them information to make intelligent buying decisions. Signs keep customers in the store longer, move them from department to department and suggest more items to purchase.

In addition to department and aisle signs, shelf and product signs can convey shopping information. Remember, sharp, fresh signage sends a signal to your customers that your store is exciting, while old signage sends the opposite message.

**Provide Information**—Signs can convey information, such as price, savings, features, benefits and uses of products. They also can create urgency by identifying items as one-time-only bargains or closeouts.

Signs should be neat, easily read, eye

catching and informative. Informational signs should describe the product, state its price, identify advertised items, flag new items, etc. In addition to giving customers instantaneous information, item/price signs help establish a value-price image.

### Types of Signs

Signs typically can be grouped into two categories:

- Department signs help customers find general areas of the store. These signs should be visible from the entrance to help time-pressed customers quickly find what they need. Departmental signs should be a regular part of your merchandise arrangement and are essential on any sales floor that is 5,000 square feet or larger.
- Point-of-purchase (POP) signs provide information about specific products. They include header signs, shelf tags and free-standing displays. Manufacturers often provide free POP signs or POP displays to support new product or line introductions. Good POP signs can stimulate additional sales by:
  - Attracting the shopper's attention.
  - Identifying the item or service offered.
  - Describing what the product will do for the shopper.

- Giving the price and any savings.

### Cross Merchandising

Cross merchandising is the practice of displaying products that are used together with each other, making the shopping experience easier, faster and more convenient. Cross merchandising can suggest related items, help customers remember items they may have forgotten to buy, and suggest better quality items within a product family.

Related products may be displayed next to each other on the same shelf or fixture (horizontal merchandising), above or below each other on the same fixture (vertical merchandising) or across the aisle from each other (cross-aisle merchandising).

Cross merchandising is particularly effective for related items normally stocked in different departments. These items may be shown on an endcap or other display. (See Types of Displays later in this module for more information on display options.)

### How to Use Cross Merchandising for Best Results

- Display products together that are used together.
- Look for opportunities to combine prod-

ucts from different departments.

- Take advantage of seasonal opportunities.
- Create a value added price point.
- Display items in the department where customers are most likely to go first.
- Look for vendor planograms that take advantage of cross merchandising.
- Use informative signage to compare benefits of good-better-best quality products, and remind customers of items that complement each other.

#### Some Good Products to Cross Merchandise Together

- Grooming products—combs, brushes, clippers, shampoos
- Flea/tick products—collars, combs, tweezers
- Cat litter—trays, boxes, scoops
- Birds—toys, food, supplements
- Fish department—fish tanks and tank decorations, fish food

#### Use of Space

**Make Productive Use of Space—**Merchandising should organize products to make the most productive use of space. This involves setting shelves at heights that will clear merchandise but not waste space, and adjusting hooks and bins to the size of the item.

#### Determine Which Products to Put

**Where—**Retailers advertise products they think customers are most likely to buy. That same rationale should govern what items are put in prime display space in the store.

Keep the best display areas for high-demand, fast-moving products. Putting slow-movers in prime space won't make them sell faster; it will only suggest to customers that you don't have the merchandise they want.

#### Use of Color

**Attract Attention—**Color attracts customer attention, whether it's part of the packaging or in the product itself. Try to take advantage of color in organizing displays. Surrounding color—walls, fixtures, etc.—should compliment the merchandise, not distract customer attention from products and packaging.

**Set the Mood—**Lighting does more than let customers find their way through the store. It sets a mood and creates a shopping environment.

Bright, well-lit stores are more appealing than dark, poorly-lit ones. Lighting also can draw attention to feature departments, highlight special areas of the store and

enhance the color and appearance of merchandise.

For maximum effect, lighting should be replaced on a regular basis and before bulbs burn out. Fixtures should be cleaned every time lighting is changed.

#### Mass Displays

Mass displays group a large quantity of merchandise. Good candidates for mass display include bagged goods, stackable items, consumables, special buys, seasonal items, advertised specials and special purchases. Depending on the featured product, dump bins, feature endcaps, movable racks, stack displays and special promotional areas are all effective vehicles for mass displays.

Mass displays work well to:

**Enhance Price Image—**Mass displays help enhance a store's price image. In the consumer's mind, high volume equals low price.

**Display Loss Leaders—**Placing bargain-priced products at the front of the store guarantees they are the first thing customers see. These "loss leaders" may be sold at or below direct cost to bring customers into the store and develop the store's value price image.

#### Interactive Technology

**Create Fun and Excitement—**Using interactive technology can help add fun and excitement to shopping, especially for younger customers who are accustomed to computers and other kinds of technology.

**Encourage Self Service—**Technology also can help customers help themselves. Techno-savvy customers can use interactive computer kiosks and touch-screen computers on the sales floor to get information on specific types of pet products, find out about product availability and even place their own special orders. Technology is not a replacement for knowledgeable salespeople, but it can make your job more productive.

#### Planograms

Multiple store operations may use planograms, or diagrams of fixtures and products that show where merchandise should be displayed. Planograms ensure that different stores are arranged identically and provide a consistent shopping environment for customers.

Independent stores may not have formal, detailed diagrams, but should have some documentation of store layout and displays to speed stocking and direct effec-

tive merchandising .

## IV. TYPES OF DISPLAYS

### Many Different Techniques — One Goal

Your store uses different types of displays to present products. Endcaps, dump bins, checkout and service counter displays, rolling racks and bulk stack displays all play an important role in merchandising efforts.

Each type of display can increase sales dramatically when used correctly. Together, they provide a more organized shopping environment for customers, stimulate impulse purchases and enhance your store's price image.

### Endcap

**What It Is**—The displays at the end of each permanent fixture or shelving section (also called a gondola or gondola run) are prime real estate and referred to as endcaps or feature ends. Whether or not endcaps offer reduced prices, customers often assume the items stocked in this location are on sale.

Endcap effectiveness depends on a number of factors, including display attractiveness, location, accessibility, product

price, and whether merchandise has been advertised or promoted.

### Why Feature Endcaps Work

- Consumers expect to see endcaps in a retail store.
- Create a perception of value or discounted merchandise.
- Promote seasonal products.
- Highlight new and different items.
- Help close out overstocked inventory.
- Draw customers off the power aisle and into departments.
- Help your store develop a competitive price image.
- Appeal to customers' desire to save time and money.

### How to Use Feature Endcaps for Best Results

- Promote price specials or special buys.
- Choose low-priced consumable items.
- Promote new items.
- Call attention to seasonal items.
- Tie in with advertised specials.
- Mass display items to clear out overstocks.
- Display related items.
- Limit to two or three items.
- Choose related items.
- Design displays to increase customer convenience.

- Design signage to inform customers.
- Change frequently on a rotating schedule.
- Place a TV with a video demonstrating the product next to the product on the endcap.

### Good Items to Use on an Endcap

- Dog or cat grooming products, including brushes, shampoos, nail clippers and flea products
- Nutrition display with organic or natural treats.
- Halloween seasonal items, such as pet costumes or decorated cookies
- Christmas displays with impulse items like pet stockings and appropriate stocking stuffers
- A summer display near a small pond that includes cleaning products and items to maintain a healthy environment for pond fish

### Permanent Dump Bin

**What It Is**—Permanent dump bins are power aisle displays that should be used to merchandise one-time special buys or close outs. They generally are made of wire so the color in the product packaging can help attract additional attention.

### Why Permanent Dump Bins Work

- Create a sense of urgency to buy at a

value price.

- Promote a closeout type sale.
- Promote a special deal the retailer is passing on to customers.
- Project the image of a special price that will not last long.
- Contribute to a competitive price image.
- Appeal to consumers' desire to save time and money.

### How to Use Permanent Dump Bins for Best Results

- Choose products that have broad appeal.
- Feature items that customers use everyday.
- Select consumable products (items that customers will use up and replace).
- Choose low-ticket items.
- Promote items that can be sold for a very good price.
- Choose items that can be easily picked up.
- Feature special one-time buys.
- Promote seasonal items.
- Use colorful items to attract attention.
- Fill the dump bin with a single product and keep it full.
- Use signs to suggest a special sale or blowout price.
- Change the product selection frequently.
- Tie in with advertised specials.

### Good Items to Use in a Permanent Dump Bin

- Toys
- Fish food
- Treats
- Pet dishes

### Temporary Dump Bin

**What It Is**—Like permanent dump bins, temporary (or disposable) dump bins are power aisle displays that should be used to merchandise one-time special buys or closeouts. The difference is that their disposable nature suggests a limited time offer, which appeals to bargain hunters. They generally are made of cardboard and are supplied by manufacturers.

#### Why Temporary Dump Bins Work

- Produce significant sales increases. A neat display with a Special Sale sign will boost sales dramatically.
- Create a sense of urgency.
- Project the image of a special price that will not last long.
- Appeal to consumers' desire to save money and time.
- Contribute to a competitive price image.
- Promote extra bargains in the power aisle.
- Make shopping more enjoyable and fun.

### How to Use Temporary Dump Bins for Best Results

- Choose seasonal products.
- Feature low-ticket items.
- Choose items that can be easily picked up.
- Limit product selection to two or three items.
- Keep the display full and neat.
- Use signs to suggest a special sale.
- Change the product selection frequently.
- Replace damaged or worn dump bins.

### Good Items to Use in a Temporary Dump Bin

- Pet food
- Litter boxes
- Cat litter
- Pet beds
- Chews (raw hide)
- Toys

### Checkout Display

**What It Is**—Checkout displays are impulse-driven displays that remind customers of something they might have forgotten, such as dog chews, pig ears, pizzas, raw hide and other assorted treats. They can be contained in a cardboard merchandiser, placed in wire racks, hung on peg hooks next to the checkout or simply

placed on the sales counter. Checkout displays create a great profit center that gives a better return than any other square footage in your pet center.

#### Why Checkout Displays Work

- Seen by everyone who comes into your pet store passes the checkout on the way out.
- Remind customers of something they may have forgotten.
- Promote impulse sales.
- Put products within easy reach.
- Create a sense of urgency.
- Turn the unattractive back side of a checkout counter into prime selling area.
- Appeal to consumers' desire to save money.
- Add excitement to shopping.

#### How to Use Checkout Displays for Best Results

- Choose items that excite consumer interest.
- Feature impulse items.
- Select consumable items.
- Choose items most customers recognize and use.
- Promote low-priced items.
- Include items that will not be damaged by handling.
- Keep merchandise off the checkout counter by using the display area at the

front of the checkstand.

### Good Items to Use for Checkout Displays

- Identification tags
- Cards, mugs, license plates and other gift items
- Dog cookies in a bakery case display or other treats
- Toys
- Seasonal items
- TV running video for higher value products

### Service Counter Display

**What It Is**—Service counter displays usually consist of plastic or cardboard merchandisers or items placed directly on the counter. As customers wait for technicians to clip their dogs' nails or to schedule aquarium tank cleaning, these displays encourage impulse buys.

#### Why Service Counter Displays Work

- Suggest an additional purchase.
- Remind customers of something they may have forgotten.
- Give customers something to look at and think about while they wait.
- Suggest other tie-in items.
- Generate conversation that can lead to another sale.

- Put products within easy reach.
- Turn empty counter space into productive selling area.
- Appeal to customers' desire to save money and time.
- Add interest to shopping.
- Create a sense of urgency.

**How to Use Service Counter Displays for Best Results**

- Choose items that are small.
- Select items that are not likely to be knocked off or spilled.
- Feature items that will not be damaged by handling.
- Choose impulse items.
- Promote consumable items.
- Include items most customers recognize and use.
- Choose items that relate to the type of service being offered.
- Position items carefully where consumers will see them but are not in the way.
- Consider items that need a little explanation to generate questions that could result in sales.

**Good Products to Use in Service Counter Displays**

- ID tags
- Cookies

- Key chains

**Rolling Rack**

**What It Is**—As the name suggests, rolling racks are display units on wheels, usually consisting of a steel frame with several shelves or hooks made of wire. They are easily moved from place to place on the sales floor to make productive use of limited space.

**Why Rolling Racks Work**

- Highlight related products in high-visibility areas.
- Make productive use of small space.
- Usable anywhere in the store, even outside.
- Display several different products but require minimum inventory.
- Can be moved easily and frequently.
- Create a sense of urgency when used in different locations.
- Can be effective with seasonal and everyday products.
- Appeal to consumers' desire to save money and time.

**How to Use Rolling Racks for Best Results**

- Choose products related to items that are displayed nearby.
- Feature products that are easily picked up.

- Select products that are relatively low priced.
- Combine impulse items with needed items.
- Keep the racks in high-traffic, high-visibility locations.
- Use signs to increase sense of urgency.

**Good Products to Use in a Rolling Rack Display**

- Animal signs
- Greeting cards
- Pet treats
- Aquarium decor

**Stack Display**

These displays stack merchandise on a pallet or other fixture on the sales floor. Stack displays can include products in boxes, bags or nested together (such as litter boxes). They are one of the easiest display methods to use. Some manufacturers offer incentive programs for retailers using their products in stack displays, particularly dog food.

**Why Stack Displays Work**

- They bring excitement and urgency to large items and big-ticket merchandise.
- They put lots of product in a small amount of space.

- They focus consumer attention on the product.
- They create an image of value.
- They enhance a store's price image.
- They require no special fixtures, although platforms could be used.
- They appeal to consumers' desire to save money and time.
- They add excitement to shopping.

**How to Use Stack Displays for Best Results**

- Choose bagged or boxed items.
- Use colorful packaging to catch attention.
- Choose unpackaged items that stack conveniently.
- Choose items that require assembly and set them up.
- Tie in displays with advertised specials.
- Place strategically near checkout or adjacent to high traffic departments.
- Assemble "starter kits" for new pet owners that include needed items.

**Good Products to Use in Stack Displays**

- Dog beds
- Bird cages
- Dog food, cat food or bulk bird seed
- Cat litter, small animal bedding or reptile substrate
- Fish filters

## V. EFFECTIVE MERCHANDISING DISPLAYS

### Part Art, Part Science

Merchandising is part art and part science. The overall aesthetics or look of the display grab the customer's attention and make products more appealing. That art is backed up with hard science, based on extensive research on what types of products work best in various displays and how to present them for maximum impact.

### Keep Displays Stocked

For merchandising to be effective, shelves, hooks, bins, feature endcaps, dump bins and other display areas must be full. Out of stocks can't be tolerated! It takes only one experience of not finding the items they need for customers to shop elsewhere. Accurate inventory tracking, appropriate ordering and disciplined merchandising are all critical to stock management.

### Put Some one in Charge

One of the best ideas for creating and maintaining effective displays is to have one employee in charge of planning and building. If you feel you have a flair for

merchandising, propose taking on this responsibility to your manager.

### Effective Endcaps

**Density Matters**—Plan at least one endcap for every 400 square feet of retail sales floor.

**Fill'er Up**—Make sure endcaps look full. When items are sold, restock or move in new items.

**A Balanced Approach**—There is an ongoing debate on how many items should be merchandised on any particular endcap.

Studies suggest single-item endcaps make the most powerful impact and drive the largest sales increases with their massive display of products. However, limited inventory levels make building single-item endcaps difficult.

A good compromise is a balanced approach, with some of your endcaps having one item, while others have two or more related items.

**Color Grabs Attention**—Look for colorful packaging and eye-catching products that will grab customers' attention when stocked on an endcap.

**Feature Non-Advertised Items**—It makes sense to put certain items advertised in store circulars on an endcap or other prime space, but don't limit your choices to these products. Customers looking for advertised specials will search them out in their regular locations. Your goal is to draw customers through the entire store with advertised items in each department.

**Highlight New Products**—Endcaps are perfect for merchandising new products. Use your endcaps to help develop a reputation for having new products, and be sure to include signage that tells customers which items are new.

**Don't Confuse Customers**—Remember, endcaps need to make a strong visual statement and quickly tell customers what you are offering. Make sure your signage and point-of-purchase materials relate to the featured product and are easy to understand.

**Rotate Products**—Rotating endcaps is a way you can outperform the competition. Pet centers with the most productive sales floors rotate endcaps about every two weeks. Rotating featured displays exposes customers to new products and encourages them to drop in more often to see what is new.

**Enhance Your Price Image**—Make sure several of your endcaps contain consumable items with retail pricing less than \$10. This will help enhance your store's pricing image with cost-conscious consumers.

### Effective Use of Shelf Space

**Don't Waste Shelf Space**—Pet centers do not waste floor space nearly as often as they waste shelf space on sidewall fixtures and gondolas. Shelf space is wasted when a store:

- Overstocks one item while understocking another.
- Fails to refill bins or shelves when the basic stock is reduced.
- Stocks the same items in several places.
- Uses the wrong shelf profile.
- Does not relate shelf space to customer-demand fluctuations.

**Think Vertically**—Displaying similar goods above and below each other (vertically) usually is more effective than side by side (horizontally). A vertical display allows the shopper to see the various options while standing in one place. These displays often are more attractive and easier to reorder and restock.

**Shelf Configuration**—Although the shelf profile is only one element in an

effective display, it is an important one. Using the wrong shelf profile won't generate maximum sales. The way the shelf is placed on the fixture is only one element in successful merchandising. How you arrange the merchandise on the shelves is also important. Remember these four quick tips:

- 1. Eye Level Profitability**—Display the most profitable items between the belt and eye level, as this represents the best selling height on any display.
- 2. Show as Much as Possible**—Display as much merchandise on the shelf as possible to avoid backroom stock. This also gives customers an impression that your pet center is well stocked and can fulfill all of their product needs.
- 3. Shop and Compare**—Use the “good, better, best” approach whenever possible so the shopper has a choice of quality at different price points.
- 4. Adjust the Shelves**—If shelves are too far apart vertically, you waste space and the sales floor looks understocked. If shelves are too close together or not set back properly, the shopper cannot see merchandise on the lower shelves without bending over.

### General Display Suggestions

**Use a Pyramid Profile**—This is where the widest shelves are at the bottom. It lets the shopper see the most merchandise. Shelves the same width, however, are best to mass display items the same size and shape.

**Don't Hide the Merchandise**—Never place shelves so close together that the top shelf hides binned or boxed merchandise on the lower shelves. Shelves are for display, not for storage.

No top shelf should ever be wider than those below, except on a sidewall or gondola over six feet high where the shelf is used more for storage than for display.

**Don't Feature Slow Movers**—Display slow-moving and low-priced items farthest from the customer's reach. Always use prime display space for high-demand, seasonal, impulse or promotional items.

**Make Your Merchandise POP**—Use point-of-purchase signs to call attention to hot items in each department.

**Make Pricing Consistent**—No display is fully effective or complete until the merchandise is priced. Not only must each item be priced, but identical items

should be priced identically and competitive items should be priced to communicate “good, better, best.”

**Front the Merchandise**—Keeping displays neat and full is one of the most effective “tricks” in merchandising. Fronting—pulling products to the front of the shelf, hook or bin—makes them easier to see, makes effective use of product color and packaging, and reinforces an in-stock image. Fronting should be done throughout the store on a daily basis, usually first thing in the morning or last thing at night.

## VI. PROMOTIONAL MERCHANDISING

### Creating a Special Atmosphere

Perhaps more than at any other time, merchandising for a storewide sale must be carefully planned. Setting up displays full of sale merchandise is not enough. You must have a game plan for success, from planning and preparing the store to restocking and re-pricing merchandise after the sale is over.

### Prepare the Store for a Sale

**Create a Sales Atmosphere**—Sales should be thought of as events. Many of the most successful sales events have special

themes to generate excitement.

Make it easy for shoppers to identify the advertised specials with attractive signs and feature displays. Use departmental signs so customers can find what they want without having to ask for directions. Clear all the aisles and leave them wide enough for shoppers to browse without bumping into each other.

**Merchandise Solutions**—Remember that customers do not really want products. They want solutions to their problems. Customer don't want diet dog food; they want their dog to lose weight.

Advertising will attract two kinds of shoppers. The first kind of shopper knows what he wants. He does not demand a lot of conversation and you can serve him best with complete, well-marked displays.

The second kind of shopper needs help. Your promotion attracts him to the store, but he needs help to select the right product to solve his pet's needs or his own wants. You serve this customer best by providing courtesy and product knowledge.

**Tell Shoppers About the Sale**—Give shoppers a chance to review your store's promotional offers with ad reprints as they enter the store. Put a copy in their

bags as they check out.

Not everyone who comes into the store during the promotion knows you are having a sale, so be sure to let them know. Give shoppers a copy of your store's ad and encourage them to return for an item they may have overlooked.

**Show Them the Value** — Many customers are skeptical about sale prices. To help protect your store's reputation:

- Put a "Sale" tag on every reduced item.
- Show the regular price and the sale price so the shopper can see what he saves by purchasing the item during the sale.
- Be sure the sale price offers a genuine savings.
- Make sure that identical items carry identical prices. When shoppers find three different prices on the same product, they might develop distrust for the store.

**Set Up Window Displays** --Make shoppers and passers-by aware of your store's promotion. Display your ad and the featured item in your store window. When possible, set up the display before the ad runs.

### Prepare Yourself for the Sale

**People Make the Difference**—The

store is not ready for a promotion until every salesperson knows what is advertised. You have to know where the item is located, as well as its regular and sale price. Even more important, you have to know how the value of a sale item compares to a comparable item at its regular price.

**Upselling Opportunities**—A shopper may come to the store to look at the brand of pet food you advertised. But he really may need a specialty food that addresses a specific problem, or a supplement to complement the basic diet.

You do the customer and the store a disservice if you do not point out the more expensive food's benefits. At the same time, never make negative comments about a sale item. If the customer still wants the sale product, that's what you should sell him.

### Build Displays of Featured Items

**Let the Merchandise Sell Itself**—Retailers sometimes wonder if ads really sell the merchandise. The answer is probably "No." Advertising creates an interest in, or a desire for, merchandise. But this interest only brings the customer into the store where he can examine it. The merchandise must sell itself.

**Clearly Identify Sale Items** —How you display merchandise impacts its ability to sell itself. A clearly identified, attractive display of advertised items:

- Helps shoppers who saw it in the ad find it quickly and easily.
- Saves you time and effort in helping shoppers locate the item.
- Lets shoppers who did not see the ad know that the item is an advertised special.

**Display Related Items** —It is always good to display related items together to increase impulse sales, even when one of the items is not on sale. The shopper who comes in for food may pick up a treat, or the shopper who comes in for a fish may pick up products to redecorate her fish tank.

When you display related items together in the same general area you do the following:

- Let the shopper compare the sale item with those of different types and quality. This helps him understand that the sale item is really a bargain.
- Encourage the shopper to buy non-advertised items. In many cases, a store makes little or no money on the advertised items. If the shopper buys only the advertised product, the store probably doesn't make any profit on the sale. But when you sell other items at normal margins, you

make the promotion pay off.

- Help the shopper buy the right product. In many cases, the promotional item is not the shopper's best buy just because it's on sale. When you display related items with the advertised special, you help her make the best choice.

**Re-price After the Sale** —It's not really a sale unless the items return to their regular price after the event. If customers can buy the item at the reduced price on Monday, you have deceived any shopper who came into the store for a weekend special.

When you fail to re-price at the end of a promotion, you:

- Cheat those who bought during the sale.
- Reduce the store's credibility.
- Prevent shoppers from fully appreciating the savings offered.

**Restock All Displays** —Restocking after a sale is a chore, but absolutely necessary. If your promotion has been effective, your stocks are low or totally exhausted. Your display is probably in disarray.

If you do not restock with merchandise rearranged, re-priced, and, in some cases, moved back to its regular location, the store can end up losing more profits than the promotional effort produced.

## VII. HOUSEKEEPING & MAINTENANCE

### Cleanliness Is Top Priority

The most important thing people will remember about your pet center is how clean it was—or wasn't. Dirty products or companion pets sitting in messy displays give the wrong impression.

Careful and regular housekeeping creates a bright, clean, cheerful, uncluttered sales floor. Regular maintenance helps customers find the items they are looking for and improves the store's image. Follow your store's housekeeping procedures and schedule to merchandise for maximum effectiveness.

### Housekeeping Checklist

**Clean Out the Clutter**—Clear aisles of obstacles such as boxes and totes being unpacked.

**Keep it Safe**—Make sure there are no sharp items or boxes protruding from shelves.

**Keep it Current**—Check shelf labels and price stickers to be sure they are neat, clean, complete and current.

**Find Them a Home**—Check displays for orphan items and empty packages. Orphans are items that are in the wrong place, usually left by a customer who picked up an item in one department and left it in another. Empty packages should be removed and inventory checked because they could be a warning that a shoplifter has been at work.

**Remove Damaged Packaging**—Check displays and remove any shopworn or torn packaging. Customers view damaged packaging as dated goods, which can contribute to a perception that the store is not current in its product selection.

**Maintain Displays**—Make sure displays are fully stocked and well organized. Shifting the height of shelves or the position of hooks to cover empty displays can destroy their organization and eye appeal, making it difficult for customers to find items. The best solution is to review inventory order quantities and restock displays as needed.

**Dust, Dust, Dust**—Dust merchandise regularly, especially in departments that have a fashion element. Dusty merchandise is perceived as old and out of date.

**Fronting Is Key**—Make sure fronting is done throughout the store, typically on a daily basis.

**Keep it Dynamic**—Effective merchandising tells a story, and that story should change frequently. Keeping your store fresh for returning customers requires an ongoing commitment to re-merchandise at least part of the store every week or two. This takes planning and effort, but when approached in an organized way, it has tremendous impact on sales and profits.

## VIII. GLOSSARY

**Back-Up Card:** A card placed on the hook behind merchandise indicating size, item number, selling price and other information.

**Consumable:** A product that is used up regularly and has to be replaced, such as pet food or cat litter, etc.

**Cross-Aisle Merchandising:** Displaying related merchandise on facing shelves.

**Cross Merchandising:** Displaying products together that are used together. Especially effective for related items normally stocked in different departments.

**Departmental Lead-In:** Items with greatest impulse value displayed on the edge of the shelf and near the main traffic aisle to draw customers into the aisle.

**Display Board:** Board or panel displaying assembled merchandise. Shows customers how merchandise is used or how projects can be completed.

**Dump Bins:** Bulk display units in which fast-moving or impulse items can be "dumped" without stacking or placing on regular fixtures. Used in heavy traffic areas, such as power aisles or near check-out counters.

**Endcap:** Prime display space located at the end of a run of gondolas or fixtures. Also called feature-ends. Used for promotional items, specials, advertised items, seasonal items, new items and impulse merchandise.

**Eye-Level Merchandising:** Displaying the fastest-selling and most profitable merchandise at eye level.

**Facing:** The number of similar products on a shelf; the number of facings should relate to sales demand and available shelf space.

**Fronting:** Pulling merchandise to the front of the shelf, hook or bin.

**Gondola:** A section of permanent store fixture or shelving on which products are placed, typically the primary stocking location for products. A set of fixtures or shelving also is referred to as a gondola run.

**Grouping:** Organizing merchandise in logical groups, such as color or related use.

**Hands-On Displays:** Removing items from packages so customers can handle or use the product before buying it. For example, displaying a fish filter out of the box, or a retractable lead out of the packaging.

**Hang Tags:** Informational tags that hang on merchandise and list quality features, performance specifications and benefits to help consumers reach a buying decision.

**Headers:** Signs for use in a merchandising display that include a selling message, product identification, brand name identification, or similar information.

**Horizontal Merchandising:** Displaying related product items in horizontal sections. For example, a fish filter could be stocked next to products to support it, such as cartridges, air stones, gang valves, tubing and ornaments. Or a video on pet grooming might be shown next to shampoos, combs, brushes and other grooming products.

**Impulse Displays:** Dump bins, movable racks, stack displays and feature endcaps that promote seasonal items, special buys, advertised specials, new products, close-outs or price specials in power aisles and other high-traffic areas.

**Left-to-Right:** Used for merchandise of different sizes. Smallest sizes are at the upper left of the display; largest sizes at lower right. This format lets customers move through the assortment as though they were paging through a book.

**Loss Leader:** An item that is sold at a retail price below its landed or direct cost. Helps retailers develop a low-price or value-price image with customers.

**Pallet Displays:** When merchandise that arrives on a shipping pallet is placed on the salesfloor while still on the pallet. For example, a special purchase on a specific size of dog food or a display of 10-gallon aquariums.

**Pegging:** Placement of merchandise on shelf hooks. Some items are binned and some hung on hooks. Pegged items must be carded or have some way of being hung on perfbboard display or shelf hooks.

**Planogram:** Diagram showing where and how merchandise is displayed within the store. It tells store personnel and management where every item is located.

**Platform:** Flat unit used to display seasonal or bulky merchandise.

**Related Items:** Products that are used

together.

**Sampling:** Putting one item in its designated area to check spacing, arrangement and overall effect before all items are stocked.

**Shelf Profile:** Refers to the width of shelves, the distance between them and whether they are straight or inclined.

**SKU (Stock Keeping Unit):** Refers to every item carried by a retailer. Each size, style and packaging variation will have a its own vendor number or Universal Product Code (UPC) and is considered a unique SKU.  
**Stock Out:** When a shelf is empty, indicating a product is sold out.

**Vertical Merchandising:** Displaying related product categories in vertical sections. Gives customers full view of related merchandise in one spot and encourages related item sales. Larger items should be displayed on lower shelves.