

EBOOK

6 Merchandising Tips to Help Increase Sales at Your Store



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Introduction

Good merchandising is one of the keys to a successful retail business. Creating attractive visual displays, setting prices & discounting, arranging your store, and even the selection of products are core aspects of merchandising that every retailer should strive to excel at. The goal is to provide customers with the products they want, at the prices they want, in a setting that keeps them comfortable and coming back. In this guide you'll find a number of solid merchandising tips that will set your business up for success. Read on!

Success Starts With Signage



The importance of signage can't be understated – it's the first thing customers (and potential customers) see. And as you already may know, one of the major challenges faced by any retail business is getting customers through the door. In the end, making your business easy to find and attractive to would-be consumers is crucial to growing your customer base. And it all starts with signage.

FedEx commissioned a survey through Ketchum Global Research and Analytics in 2012 to see what role signs play in attracting customers and driving sales. The results prove what many business owners have always known: Signs are a major factor in driving purchases and affecting customer decisions.

According to the study, 76 percent of consumers have chosen to enter a store they had never before visited based purely on its sign. Even more interestingly, a similar percentage of respondents state that they had told someone about a store or recommended a brand based entirely on a sign they had seen for it. Finally, the study shows that 68 percent of customers admit to having made purchases of products or services after a sign caught their eye.

Clearly, signs play an important role in attracting customers to both a company and its individual products. An attractive sign is memorable and enticing. It makes the initial promise of what a store might offer, and it lays down the framework for what a customer might expect from interactions with that company. In other words, signs are a valuable part of branding, and their value should not be underestimated.

If great signage has a positive effect on sales and brand awareness, poor signage has a similarly major effect on consumer behavior. According to the FedEx study, 68 percent of customers believe that a store's sign is a reliable indicator of the company's products and services. In other words, customers believe that a company with a badly designed or unattractive sign will offer an inferior product or unprofessional service.

Additionally, 52 percent of people interviewed in the survey state that they're less willing to shop at a store with a poorly made sign, especially a sign with misspellings. If a sign is missing from the storefront entirely, 60 percent of respondents state they will not enter the business. When surveyed, customers say that they prefer two to three signs to be placed around a business's storefront.



Great Signs Don't Stop at the Door

In-store advertising can be a valuable tool for driving purchases. It's estimated that around half of all in-store purchases are made spontaneously, and many of these are based on the information available to shoppers at the time of purchase. In-store advertising, including signs, acts to introduce products, promote sales and educate customers about the goods or services offered in the store.

Signs naturally play a role in in-store advertising. These signs can help guide customers through the store, provide additional information about key products or draw attention to special promotions. They can also help to build your brand: By repeating key messages and stylistic components found in the business's main sign, these in-store advertisements help to provide cohesion to your marketing message and cement your brand's image in the customer's mind.

Based on the research available about consumer habits, it seems clear that a business's focus should always be on quality rather than quantity when it comes to marketing. It pays to invest in a few well-placed and well-designed signs to attract customer attention, provide valuable information and drive sales. By carefully choosing your message, you can target the right customers without alienating them with a battery of visual information.

Eye Catching Window Displays Draw Shoppers



For brick-and-mortar retailers, many things have changed over the last few years, but constructing window displays is still a powerful way to drive impulse sales and lure prospective customers into stores. When your goal is to stop pedestrians in their tracks, throwing a little merchandise in a window isn't enough. You need the right skills and knowledge to create effective sensory bait. If you're struggling with visual merchandising concepts and theme ideas for your display windows, the following tips can help.

Aim for Six Themes a Year

Some retailers only construct window displays to represent the four seasons, but viewers quickly become bored with winter snow and summer pool floats. Take advantage of opportunities to relate your merchandise to holidays like Father's Day and Teacher's Day instead of just Christmas and Easter. You can even base themes on technological advances and current news events. Try to feature at least six different themes per year in large windows.

Same Merchandise, Different Display

Even if your featured merchandise rarely changes, don't make the mistake of recreating the same display every year. Most customers don't have short-term

memory loss. Create a new look for an old standby. New colors, props and signage can transform last year's elegant formal dinner setting into a trendy New York nightclub scene. When choosing construction materials for displays, look for items you could potentially use in several different ways.

Be Original

People love the unique and unexpected. Why would anyone drop everything to look at a Christmas tree with presents under it? If your displays are becoming too much like the ones in stores around you, search the Internet for fresh ideas. Don't create exact replicas of what you find; make ideas your own by incorporating your merchandise and your own brand's values.

Think Big and Bold

If you want to sell lots of tiny things, you must draw attention to them with something big that no one can miss. Consider using oversize cardboard props, large decorated signs and lots of bright, bold colors in the display's background.

Study Design Principles

Brushing up on the principles of interior design can help you craft more effective and artful windows. Contrast,





proportion, rhythm and pattern all work together to catch the eye and dazzle the senses. Learn to create a focal point and balance color with space and shape. Many free design resources are available online.

Focus on Sensory Input

Dynamic elements like interactive and multi-media display components appeal to today's technologically savvy shoppers. Boring presentations of even simple products just don't suffice in the current retail environment. Keep up with your customers' connected lifestyles to gain their interest.

Keep Up Your Store's Exterior

From the street, the external appearance of your store is the first thing people notice. If it's a messy, neglected eyesore, even your best window won't stand a chance. Be sure that your exterior paint, awnings, signage, banners, marquees, landscapes and entranceways look their best at all times.

Don't Skimp on Signage

Although some window displays speak for themselves, shoppers love clear and distinctive signage. If you're offering a special discount, a new brand or a unique product, make sure people who pass by your window know about it. You can also use signs to incorporate a little humor into your display. Laughing can put anyone in a

better mood, and happy customers are more likely to be curious about what you have to offer.

Merchandise in Action

Use window displays to show shoppers how your merchandise will look and function in their homes. Place books or magazines on a coffee table. Set dining tables with elegant silverware. Wrap fuzzy throws around a mannequin's shoulders and place her by a faux fireplace. Pair pots and pans with cookbooks or displays of gourmet oils or spices.

It's All Relative

Incorporate merchandise from several categories that share a related theme. This method can drive impulse sales by reminding customers what else they need. For example, a set of dishes can be accompanied by drinking glasses, tablecloths, kitchen towels or potholders

No Results? Change Things Up!

Visual merchandising is an art form, and many variables play into its success. If your new window display isn't generating the excitement you hoped for, try something else. Take note of which types of displays seem to work best for your store. Try to keep an open mind, and actively change and adapt to your customers' needs. If you pay attention, you'll soon discover what types of visual and sensory stimulation best influence your target demographic. Keep trying until you get it right; your perfect profit-boosting window display is always just around the corner.

Keep an Eye on Trends to Find Profitable Items



We've all seen them: companies that seem to have a precise line on the trendiest products and marketing tools. Bloggers write about them, the youth demographic worships them, and — above all else — customers throw down loads of cash to own the goods. Business owners everywhere look to brands like Urban Outfitters, Apple and MTV to demonstrate what's new and next, but how do those enterprises do it in the first place?

The answer lies in two simple words: trend spotting.

Rising to prominence in the early 90s, trend spotting — also known as cool hunting — is the process by which companies observe various cultural subsets in order to predict upcoming trends. Fashion magazines have been doing this for decades; by curating ideas and making educated guesses about what customers are likely to love, cool-hunting companies are able to garner a sense of gotta-have-it urgency for their products. What's more, when it's paired with smart sourcing and marketing, the strategy can virtually create demand from thin air.

What's the best part? Your store can reap the benefits of this concept almost immediately. Here, we look at



specific ways to identify trends and source products so that you can amp up your cool factor in the blink of an eye.

Know Your Competition

When it comes to cool, you need to be realistic: You're likely not competing with big-box behemoths like Walmart or Amazon. To put it bluntly, the on-trend crowd simply doesn't congregate there. Though forward-thinking companies like Target have managed to convert their customer base from deal hunters to fashion seekers, you'll do better to separate yourself from the mass-market mentality altogether. Take inspiration from the most well-heeled boutiques and in-the-know online shops; more often than not, that's where the cutting-edge culture is really making waves.

Find Your Focus

Before you can embark upon any cool-hunting venture, you'll need to take the temperatures of your current and future customer bases. Pull together a focus group to discuss which trends your clients can't live without, or create an online survey that solicits opinions from the demographic you're targeting. Not only will this help you understand what's trending for your customers now, but it'll also give you the opportunity to begin cracking

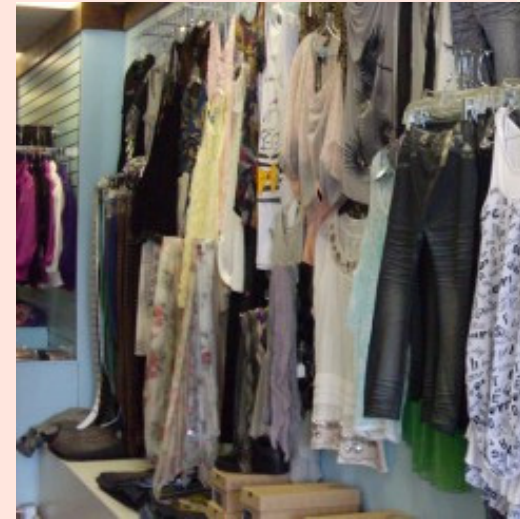
a new market. Make sure to incentivize the groups or surveys; a discount card or free gift always does the trick.

Follow the Early Adopters

Here's where the fun truly begins. Think of this step like a treasure hunt: By seeking out people who aren't afraid to try new ideas, you'll be able to position those ideas as future trends. The trick here is to look for recurring themes and patterns; browse photo-based websites like Pinterest, Tumblr and Instagram to get a sense of what's happening in the real world, and keep abreast of the latest news through cool-cache media sources such as Gawker and Vice. Following industry-specific sites like Coolhunting and Trend Spotter is equally worthwhile, and you can even enlist a particularly in-the-know employee to hit the streets and see what's hot.

Go Straight to the Source

Once you've spotted a few trends, you'll need to know how to nab the goods. This is sometimes as simple as rounding up a list of links from your social-media sources or asking someone on the street where they found that iPhone case, but you'll likely have to do a little digging. Popular events like New York's buzzed-about Brooklyn Flea and Chicago's Randolph Street Market have been goldmines for merchants, and even direct-to-consumer services like Etsy can lead you to some high-quality products that aren't being sold elsewhere.



Mix Low- and High-Margin Items

Before you stamp your seal on the products and call it a day, however, there's one last thing you need to check: your margins. This can be an understandably vicious cycle; you want to keep your overhead low by buying and selling products on the cheap, but inexpensive items take quite a bit of time to show any major returns. Don't completely do away with the low-threshold inventory – plenty of customers will drop \$15 on a super-unique item that only cost you \$3 to product – but try to incorporate a few big-ticket stunners into the fold. Welcome to the world of trendsetting.

| Create a Great Atmosphere in Your Store



No one is under any obligation to spend time or money in your store. As a result, it is critical to create an inviting and pleasant atmosphere that will keep people coming back for more. If your store is too bland, too boring or simply unpleasant, people are going to go elsewhere to buy what they need. By putting a little extra time and effort into the atmosphere of your store, you can create a space that people actually like. As an added bonus, it will make employees happier and more enthusiastic about working there. A handful of helpful tips about creating a great atmosphere in your store are presented below.

Figure Out the Personality and Style of Your Store

If your store is having an identity crisis, it's time that you sorted it out. People will respond more favorably to your store when it has a distinct personality and a unique style. A good way to pinpoint the overall image that you would like to project is by considering your ideal customer. What kind of atmosphere would appeal to her? Would she feel more comfortable in a sleek, coolly modern store, or would she be happier in one that had a more traditional feel? Would background music make sense, or would it only be a distraction? These small but important points will help you develop a unique atmosphere for your store.

Select Fixtures that Match Your Store's Personality

Once you have decided the general direction in which you'd like to go in terms of atmosphere, you need to invest in fixtures that bring it into living color. Achieving a trendy, shabby-chic look is easy when you decorate the store with vintage furniture and pieces of decor. If you're looking to create an upscale ambiance, you should select sleek, modern items. These types of things form the backdrop of your store and make it easier to achieve the kind of atmosphere that you want.



A Note about Music

Music is a touchy subject among retailers. Some stores take things a little too far; you don't want your customers to have the urge to plug their ears when they walk into your store. If you are going to play music, keep it at a very reasonable level. The right music can certainly enhance the atmosphere of a store. Consider the kinds of music that your target demographic would enjoy and go from there. Older clientele will appreciate low-key jazz, soft rock or oldies; a younger crowd will approve of hip indie tunes and music that's currently at the top of the charts.

The Small Things Matter

By putting special touches on the small things, you can really drive home the style and atmosphere of your store. Don't overlook things like shelf labels and price

tags. If possible, find options that are unique. If you sell clothing, seek out stylish and eye-catching hangers. Find small, creative decorative pieces to keep things interesting. The goal here is to show just how thoughtful and discerning you are when it comes to setting up your store; your customers are sure to appreciate the extra effort.

As you go through the process of creating a great atmosphere in your store, you may be unsure about where the finish line is. Here's the thing: You'll know it when you see it. After updating those hangers or switching the soundtrack, everything will suddenly just click. You will also know you are on the right track when you hear appreciative remarks from your customers. While you will want to make occasional changes and updates from time to time, you should try to stick with the same overall style. It's one that your loyal customers will come to expect, and it's sure to get you a lot of word-of-mouth business too.

Engage a Shopper's Senses



In order to keep shoppers returning to your store again and again, you have to provide more than just great products and exceptional service – you need to engage their senses. When people leave your store with favorable impressions about its overall ambiance, which includes things like how it looks, smells and sounds, they will be happy to return in the future. Even if you have the most amazing prices and exceptional products, a lackluster environment will doom you to failure; at best, it will prevent you from reaching the highest levels of success. Advice about appealing to your shoppers' senses is outlined below.

Sight

Make efficient use of the space that you have. Resist the temptation to cram a lot of things into a limited amount of space. Whether you have a lot of room or very little, it's perfectly possible to achieve a balanced and uncluttered look. Be creative with the visual displays that you use; look for sleek styles, bright colors and unique designs. Above all else, invest in decent lighting. Cheap, utilitarian lighting produces a harsh effect that can diminish the appeal of just about anything. It's well worth it to splurge on top-quality lighting; better still, bring in an interior designer to help you achieve the best look possible.

Touch

People love being able to interact with things. Setting your merchandise in glass cases, where it can't be looked at too closely, should be avoided at all costs. It pays to have display models for just about every piece of merchandise. If you have staff, train them so that they know how to use everything that you sell. Nothing is more alluring than seeing a cool product being used in the right way. Encourage people to try things on, if you sell clothing, and give out free samples whenever you can. They will leave with a very positive impression of your store – and they'll probably buy something on the way out!

Smell

There's no denying the power of smell. When a store has a fresh, clean smell, it produces a positive and welcoming feeling in those who visit it. No one wants to give their business to a shop that has a hideous odor or to one that seems dirty and disorganized. Institute a strict cleaning schedule for your store, no matter what you sell. Wipe down counters with a pleasant-smelling cleaning product on a regular basis. Get carpets cleaned regularly so that they don't harbor unpleasant scents; better still, stick with hardwood or tile floors, which don't run the risk of giving off unpleasant odors. If you use room deodorizers, go easy on them – you don't want to knock people out.





Sound

There is a fine line when it comes to playing music in a store. Whether or not you play it at all will depend on your target demographic. If you cater to young, hip types, it may pay off to pump up the volume on some kind of trendy music; if your ideal customer is older, though, you'll probably scare them away with loud music. Quiet background music may enhance the atmosphere of your store; on the other hand, it may come across as irritating Muzak that does more harm than good. You probably already know whether or not music makes sense for your store; if total silence is best, there is nothing wrong with that.

Taste

This one's a little trickier. Unless you own a bakery or something, there's not a whole lot that you can do to entice a person's sense of taste. If you run an upscale boutique, though, it never hurts to provide ice-cold water with lemon wedges; that's especially true on hot, sticky days. No matter what kind of shop you own, you could leave a jar of mints or candies on the counter. The choice is obviously up to you, and doing this may not be appropriate in all instances.

Engaging the Shopper

In addition to the traditional five senses that are outlined above, you should always work to provide an environment that generally appeals to your ideal customer. If you sell upscale, high-end items, your store should be tastefully appointed and should suggest quality and elegance. If your ideal customer is a teenager or young adult, you can get away with cheaper materials; however, it pays to kick up the style a notch with funky designs and modern twists. Not sure how to proceed? Spend some time in your competitors' stores; it will give you a general direction in which to head.

Get Feedback

To ensure that you're striking the right balance, it pays to solicit feedback from your customers. Chat with them and ask them how they like the look and feel of your store. The next step is even more important: listen to them. If you keep hearing the same criticisms again and again, implement some changes. It might take you a while to find the sweet spot when it comes to appealing to your customers' senses; once you do, though, it will increase your odds of success by a considerable degree.

Think About Optimizing Your Store



Website optimization is all the rage these days. It makes sense, too, since a properly optimized website can draw a whole lot of profitable traffic for an online retailer. But just because you run a brick-and-mortar retail store doesn't mean that you should disregard the concept of optimization. In fact, there are plenty of ways to tweak and optimize your physical retail location to increase your odds of exceptional success. Instead of switching up the colors and fonts of a webpage, though, you need to switch up various aspects of your actual store. Here's a couple ideas for you to consider at your store.

Keep Displays Fresh and Interesting

If there's one thing that you should always keep in mind, it's this: Customers are fickle. When a new or existing competitor adds an exciting new element to their store, your customers might be intrigued. A great way to keep them coming back to your store instead is by continually updating and refreshing the displays in your store. When people return to your store, they will be greeted with new and interesting things. In some ways, they will feel like they've stumbled upon an entirely new store. That feeling of discovery could translate into additional sales and referrals.

Depending on what you sell, you should be able to switch up the types of merchandise that you have on

hand on a fairly regular basis. If people come in again and again and keep seeing the same exact products, they are bound to lose interest. Always be on the lookout for new and interesting products to showcase in your store. Shuffle things around so that items that may have been ignored before have a shot at the spotlight. It's amazing what the placement of a product can do for its sales figures.

In addition to switching up your merchandise regularly, it's smart to change the visuals and decorative pieces that you use in your store. Signage is huge, for instance. While signage can be pricey, it can also make a huge difference in how your store is perceived. Splurge on new signage every few months to keep people's attention. Rearrange the lights in your store every now and again, too, to achieve new and different looks. You don't have to completely remodel your store in order to optimize it – you just have to take the time to update it here and there.

Choose a Flexible Layout

While there may be little that you can do about the permanent fixtures of your store, there's a lot that you can do about its layout. Unless you're dealing with a series of built-in counters and shelves, for instance, you should be able to rearrange the overall layout of your store to keep it fresh and engaging. To that end, invest in





light, easy-to-handle racks and shelves. If possible, find modular pieces that can be put together in a variety of different ways. Make note of any compliments that you receive so that you can pinpoint a really fantastic layout.

Try Different Merchandise Groupings

The way in which you group products together can make a major difference in what sells – and what doesn't. A person may enter your store with the intention of buying one specific thing; if it is arranged next to another attractive item, though, he may leave with more than he'd planned. Be creative when coming up with pairings and groupings; ask friends, employees and family members for suggestions, too. If something fizzles, don't worry – you can always switch it around on the fly. There's no harm in trying, and you won't get anywhere without a little experimentation.

Find Out How People Find Your Store

Store optimization is supposed to bring existing customers back; it's also supposed to garner you new customers. The way in which optimization generates new customers is by playing up what works. When you think of it, ask your customers how they found you; did they simply wander in, were they referred to you by a friend or did they see an ad? Find out whether they found you online or through some other means. Train your employees to do the same. You might even want to

include a flyer with a link to your website. You could also encourage people to fill out a quick, easy online survey in exchange for a special offer. The point is that you need to find out how your store is being discovered; in doing so, you can kick its optimization into overdrive.

Get Customer Feedback

As you are doing all of the preceding things, try to get a feel for how various changes are going over. Do customers seem pleased with the layout of your store, or is it causing problems? Have people complimented you on the décor, or do people seem to be indifferent about it? Take note of product pairings that seem to work and those that fall flat. Over time, you will become savvier about the optimization of your store. That skill will translate into increased sales, a skyrocketing reputation and greater levels of success than you ever thought possible.



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