

# Basic Merchandising 101

By Tommy Lee Brown



# Start with the Merchandising Basics

In order to have a functional store design and layout you must think about the basics in their raw form. The items below are as important for retail as water, air and food are for life.

The basics of Merchandising:

- Theme
- Fixtures and Props
- Walls
- Lighting
- Media of Sight and Sound
- Safety, Functional Flow and Cleanliness
- Displays and Visual Merchandising

## THEME

First thing any good merchandising professional does is create a theme or themes within a store location so there is a direction. Never start any store without this most important step. You must decide if you will maintain one theme in your location or have many themes within sections of your store with a common thread (A basic design element that brings the store together as a whole) to pull them all together. For example most small gift stores in a zoo, aquarium or theme park will be tied to a featured exhibit/attraction and the theme should reflect that exhibit/attraction. If you are talking about a department store or a front gate store location then each pad (An outlined section of the store devoted to an internal theme) in the store will have its own theme. For example: in a department store you have home goods in one area and cosmetics in another thus creating the theme and environment around the goods being sold and not an exhibit or attraction. As with most department stores and front gate stores they all have a certain look or theme which is known as the thread that bines the location together for the one over all look but then breaks down pads for individual themes within the overall thread.

Themes should be supported in fixtures, graphics, building materials, lighting, sound and of course the right merchandise and props. Themes make shopping easier for consumers to understand what they are shopping for and how items relate to one another. In our very early origins, humans liked visual stories as seen in cave paintings and the retail setting of today is no different as we are telling a three dimensional story through the art and science of merchandising. Just remember how simple cave paintings were back then with a theme of hunting or family experiences. Just like back then keep your theme simple and easy to understand.

### **FIXTURES AND PROPS**

Once you have a theme or themes for your location you need to think about what is going to be sold at the location and how the items will be displayed and merchandised within the location. No matter how good an item for sale is, it cannot be sold effectively without the proper fixture. Think of each item you will have for sale in your store and think about what kind of fixture it will go on. For example: if you are selling a lot of jewelry a jewelry spinning rack maybe a good choice to sell this merchandise. If you are selling mixed soft goods and hard goods a 4X8 rectangular gondola unit with a retail system that can support face-outs, pegs and shelves maybe your best bet. Sometimes merchandise does not fit a normal mold for a standard rack and then you have to think outside the box and create a fixture just for a particular product. Remember if a product cannot be merchandised effectively, do not buy it, as it will become a liability and result in income loss. All fixtures and props should reflect the theme of the store or themed area even if it is just a color or trim on the furniture. One other thing to remember is never let your props outshine your merchandise. Props should support or highlight merchandise but should never be the highlight. Using crates, wooden spools, buckets and baskets are always great props to use for actual merchandising and height for display tables. Functional props are always the best as they have to support the merchandise unlike a flower or figure that is just there to soften a display or add interest.

### **WALLS**

**Walls have some of the greatest impact in retail locations because of their pure size alone. A wall can display merchandise with great height and can be combined with graphics for a great visual impact. Just throwing merchandise on a wall with no plan will not work and could actually harm your retail business. Keep walls as a main selling spot within your location and keep windows to the outside in the entryway to the store only, NEVER take up wall selling space for an outside window unless they are above 9ft off the floor to prevent interfering with the merchandising of the wall. Keep merchandise tight on the walls as well as you are using the walls to sell and empty space is losing you sales. A wall plan should be carefully considered when doing your retail location, as this could produce the majority of the sales for your location. Large walls should be thought of one wall with many sections. So always think of walls in 4'w X 8'h sections, as each section should be divided by a fin divider or other visual breaks to separate sections. Also, when planning your walls you need to think of which retail system is right for your location and it should work with most of your floor fixture systems as well. The most common systems on the market are: slat-wall, grid-wall, peg-board, puck and recessed standard. By having one system for your walls and fixtures it will save you money and help with back storage of hardware and shelves. Another plus is if you need to replace any hardware in the future you can with ease because walls and fixture systems are interchangeable.**

## **LIGHTING**

**You cannot sell what you cannot see and that is why proper lighting is so important in retail locations. We are also living in an energy conscience world now and we must reflect this in our retail locations using LED and natural lighting when possible. 2 rules to follow when doing lighting is you should have flood-lighting and spot-lighting in place throughout the retail location. Flood-lighting should wash an area with light to make the store bright and welcoming and then use spot-lighting to highlight displays and merchandise. Focused light draws people attention, so use spots on all table displays and highlighted merchandise. Use flood lighting DIRECTLY overhead at register counters because you do not want to cast shadows and some scanner units are affected by spot**

**lighting. Use jells, up lighting and specialty projection effects to create fun and interesting displays within the store.**

### **MEDIA OF SIGHT AND SOUND**

**As we move into the future of interactive screens, surround sound and holograms, these items will affect how we sell merchandise within brick and mortar stores. In the earlier days of retail we had a hand written sign with what the product was and the price of the item. Later we moved into color graphics with pictures of the item on a nicely printed paper sign in an acrylic frame. Then back in the 1980's we had TV monitors that were demonstrating products that were for sale in the store. Now that we are moving into the future; we have interactive flat screens that can talk about the product being sold and assist you in buying the product, we have QR codes on products and displays so a smart phone can tell you more about a product you are buying, and holograms will be able to assist you in buying choices and provide information when needed. All of these new advances in visual electronic media display will enhance the shopping experience in the store but be careful not to overdo it with all this sight and sound because the actual merchandise you are featuring should still be the star of the display or fixture. Sound is also an important element to your retail location as it is the pulse or heartbeat of the store. The music you choose for the background music of the location should fit the theme of the location. For example: if you have a Safari themed gift shop you should be playing international African music and not 80's hair band music. In keeping with any theme both sight and sound needs to fit the whole picture. You are selling an experience in your store through human interaction with sight, sound and touch that can translate into a positive revenue flow for the location if you keep these elements within a theme.**

### **SAFETY, FUNCTIONAL FLOW AND CLEANLINESS**

**“Safety first” is always a good slogan to live by in retail as it is the responsibility of everyone in the store to keep the guests and staff safe from harm and hazards. You should have a safety book in place for your store that includes all emergency and MSDS sheets, inspection check lists, ADA requirements, code**

requirements, basic food handling and health codes, fire and emergency plans and anything else that relates to safety. Two items that directly impact safety is a functional store flow and good housekeeping. Your store must flow in a logical order with a clear entrance and exit and must have 3 feet of space for walking areas as required by law. Keep walking areas free from clutter and place wet floor signs out as needed for slick surfaces. Keep things dusted on a weekly schedule, mop or sweep floors daily and ensure things are kept in good repair. Remember a broken fixture or a loose light bulb could hurt a child because they are not looking out for their own safety. Also, do a daily check of displays and fixtures to ensure they are safe and secure.

## **DISPLAYS AND VISUAL MERCHANDISING**

Some may say display and visual merchandising are the 100% creative side of retail but that is not necessarily true. There is also scientific thought that goes into displays and visual merchandising. For example: color blocking from light to dark is actually easier for the eyes and brain to process color information, done in this way makes buying choices simple and easy. The Pyramids were some of the first great structures of the world and today we use that simple pyramid form to set many store displays, as it is easy for people to understand and it is pleasing to the eye. As we progress in advances in science and computer science, more and more algorithms will be used in merchandising to convince the shopper into buying more goods. Retail is America's number one industry and everyday more research is going into what gets people to buy. It is important to keep up on all merchandising research and use new proven retail ideas in visual merchandising as soon as you can roll them out in your store location. Many people just like "something" but cannot tell you why they like that "something" they just do. Keeping things organized, balanced, colors used appropriately, using numerical rules and wow factors all play a part in why people like "something" and will hopefully buy that "something."

Display and Visual Merchandising does not just stop within the doors of the store it should carry into enclosed outside display windows, porch merchandising or focal kiosks to introduce your store to outside shoppers to

entice them to come in to the location. Keep your doors open to your location if possible to eliminate barriers and keep a focal within the door opening to feature your best sellers as your doorway should also be treated as a way to draw people in off the street.

## **CHECK LISTS**

Now that we have gone through the basics of merchandising, we will go onto a simple checklist for your store to use to ensure you are getting the most selling potential. The check list is as follows:

- 1) Look at your location from a guest's point of view, what do you see?**
- 2) What are your eyes drawn to when you enter the location?**
- 3) Can you shop with ease in the location?**
- 4) Can you maintain and restock displays easily?**
- 5) Is the location set up logically; adjacencies in-line and 4-ways girded?**
- 6) Is the entrance inviting, lit well and clean?**
- 7) Can you see to the back of the location from the registers?**
- 8) Are your focal points current, clean, signed and full?**
- 9) Are your aisles 3' wide and do you have an ADA register unit?**

Since we are on check list, here is a daily one to provide to all staff so they each have a role to play in keeping the store in tip top shape:

- Has stock been replenished**
- Has the merchandise been straightened and sized**
- Is everything dusted and clean**
- Are floors clean and free of clutter**
- Is all trash emptied and thrown away**
- Are counters clean and restocked**
- No hand written signs in the location in public view**
- All glass cleaned and shined**
- All lighting checked and aimed appropriately**
- All music or video turned on for the day**
- Stock rooms are orderly and safe**

- Signs are in good repair and current
- Everything you need for the day is at the counter: bags, tape, pens and scissors
- Ensure the staff is clean, smiling and in uniform (if required)

## **CREATING STATEMENTS IN MERCHANDISING**

Creating statements are used to bring clarity to the merchandise and makes shopping easier encouraging multiple sales within a section. This can be done with the 5 main criteria:

- Programs – Artwork that connects goods together
- Classifications – Goods of the same type ( e.g., tee-shirts)
- Fabrications – Goods made out of the same materials (e.g., glass mugs)
- Stories/Messages – Goods from a certain region or have a cultural identity that are connected with graphics to tie them together
- Theme – The “look” or grouping of merchandise connected by a common factor (e.g., animal prints)

**WRITE DOWN THE WAYS YOU CAN MERCHNDISE YOUR STORE:**

## TABLE DISPLAYS



When setting displays remember the pyramid approach as it will give you a fun and interesting display. Look at the above photo, the lamp is the high point of the pyramid and works down to the rest of the merchandise on the table. Also, notice the product all “looks” the same and it flows well together. Keeping similar merchandise together helps sell the pieces as a set, rather than one at a time. Remember when buying or working with the buyer that buying things in sets and stories helps make visuals so much easier to set in the store locations.



This display table is featuring many different products from hard goods to soft goods but there is a common theme of animal prints. Notice that the display is still creating the pyramid with Forms to give the table height and using 2 and 3 tier risers to give the hard goods more interest. The last thing you ever want on a table display is a flat table with no height as it is not interesting and hard for the guests to shop. Also notice that shirt folding is to a minimum. Themed retail should use t-stands to the sides of the table to display shirts or clothing because folding goods is too time-consuming and hard for the guests to shop. Just a sampling of folded goods on the table is all that is needed. Make sure the display is balanced and has a pseudo-mirrored look on each side as it keeps it appealing to the eye.



This is a great example of kitchen-wares all brought together in one statement. Notice how it has the needed height and is well balanced on each side. The hanging element actually ties into the whole visual pyramid technique. This is also a good use of connecting art work and fabrications together. Please notice how clean everything is as well in the photo. Glasses, spoons, bowls and other items with depth need to be cleaned weekly as they hold dirt and can distract from your display.

## MERCHANDISING FOR WALLS



One thing you always want to remember when merchandising walls is to keep the same item or style of item the same hanging all the way down the wall vertically. The reason you want to do this is because a guest in your location can tell what is on that entire wall from a distance. In the case of Toys as pictured here, a child can reach the toys on the bottom and make for more impulse sales. So matter what height the guest may be they have merchandise within their reach.



When merchandising shirts on the wall you want to run them 2 or 3 across depending on size. Remember to keep them tight (little to no wall showing) and color-block them from light to dark (left to right). Keep art programs together and size however your place prefers as there are many ideas on sizing. Hangers should always look like a question mark (?). Also, make sure your shirts can be shopped, as all sizes should be within a 6ft reach.



Notice this wall is keeping all drink-ware together but instead of just having a ton of shelves with mugs on them they broke up the wall with pegs creating a more interesting display. When merchandising with shelves on a wall sometimes you need to merchandise horizontally for certain areas but keep the same type of items together when doing this type of display work. Take notice of the fin-dividers placed every 2 to 4 feet as this helps break up big walls and makes it easier to create multiple statements for one large wall.



In this picture they are using walls as an opportunity to boutique the merchandise instead of just mass merchandising the wall. Each section of the wall has a story or theme. This way of wall display is very popular among boutiques and specialty shops. This way of merchandising walls will also help a store not buy as much merchandise but yet it will look full to the guests entering your location. You can also use this technique when merchandise is dwindling and all you have left are odds and ends at the end of a season. Note the “display only area” on the top of each section as that fills space the guests cannot reach.



Experience Walls are but yet another way to capture a guest to buy. These walls create a feel with specialty props and fixtures. In this picture the retailer wants you to feel like you are at a roadside shop in Africa. These walls are more about creating a mood or emotion to get the guests to look at your items. Walls like this are usually focal points and have great exposure; they should be treated like indoor display windows that can be shopped.

## TOWERS AND UP MERCHANDISING



Floor space is always a premium as you want to make as many sales per square foot as you can. One way to increase your space is use Tower Units as shown above. If you are in a small location think “up” to utilize selling space and create wonderful displays on each level with their own theme. These free standing units can be shopped from all sides and no need for wall support. This is a perfect solution to giftware areas in stores that only have 1 or 3 pieces of an item where you must boutique the product.

## SPECIALITY FIXTURES



When in a location that carries plush or other items not typical of a retail store, creative fixtures are a must. The Plush Stage as seen above is a highly recommended fixture, as it keeps plush at a child's reach and is easy to merchandise and maintain.



Snake-Trees as shown above are a great way to merchandise plush snakes, as they give the product visibility and accessibility to children.

So when a product is different, your display and fixture has to be as well. Never “just make it work” as you are giving up sales.

## GRAPHICS, SIGNS AND MESSAGING



Remember when it was discussed about keeping merchandise within reach of the guests, well here a solution for using the space the guests cannot reach. The spaces that are too high for the guests to reach use graphics to support the products on the wall as shown above. If you do not have access to big graphics create a display and type out a sign to compliment the products below. You should also be clever with your graphics as they should tie in with your merchandise and your cause or mission if your institution has one. In the graphic above being used by a zoo clearly shows they care about conservation and you can help by buying a mug or other glassware. Always keep signs and graphics professionally done and keep away from any hand written signs within the public view.

## JEWELRY DISPLAYS



Jewelry can be massed out on wall displays or on spinner racks. From a visual point of view it is recommended to have themed header cards match on all the jewelry in the same area. It creates a nice look and is easy to tag the products. Locked jewelry cases can also be used but keep these to a minimum as merchandise that can be touched sells much better and makes for a friendlier shopping environment. Do not merchandise for loss prevention, work your losses into your cost of sales and merchandise for the buyer. Remember locks on doors keep people honest but if a thief wants in your house he/she will find another way into your residence. Try to keep most of your items out in plain view and not locked up or behind a register. If you are concerned about theft consider a 4-5 times mark-up on your low end jewelry items as Jewelry has a great perceived value.

## MULTIFUNCTIONAL FIXTURES



When thinking about fixtures think about the versatility of the fixture. The gondola above is a great example of a multifunctional fixture, as you can shelve it, hang t-shirts off it with face-outs or peg it for hanging goods. It also has lockable casters to move it easily, a detachable top to install face-outs and slat-wall as an easy merchandising system. This fixture is strong and can be themed to fit any gift store. Remember “function” is very important for displaying merchandise on the floor and keep your visuals for tables, windows and 6 feet or higher off the floor. The system types that can be done in these fixtures are as follows:

- 1) Slat-wall with metal inserts 3 inch on center (recommended)
- 2) Recessed Standard (recommended for very high end as it is costly)
- 3) Peg system
- 4) Puck System
- 5) Grid-Wall

## BASIC CLOTHING FLOOR FIXTURES



**ROUNDER**



**T-STAND**



**4-WAY**

**Rounder:** A rounder is used for bulky shirts or for sale items. They get their name from the round rail at the top. They can hold a lot of merchandise and the tops can be used for display.

**T-Stand:** A T-Stand is used to support a display table, other large furniture piece or used in corners; they should never just stand on their own. They are 100% a supporting merchandise fixture.

**4-Way:** A 4-Way is used to get multiple styles on the floor. It is recommended to only have 2 styles on a 4-Way.

### NOTES:

- 1) Straight arms are recommended for all floor fixtures as seen above.
- 2) Keep 6-8 pieces of each size out on the fixture.
- 3) Make sure all the hangers are faced like a question mark (?).
- 4) Add signs as needed on these fixtures to indicate "SALE" or other....

## MERCHANDISING TERMS

**Adjacency:** This is the logical flow of merchandise and how it interacts with each other

**Base Bunker Units:** Units used at the foot of wall displays to keep merchandise off the floor

**Boutique Merchandising:** catering to specialized, luxury items in small amounts displayed in an eclectic manner

**Buy Book:** A book made by a buyer to discuss new products to the staff

**Bubble Gram:** First stage of creating plan-o-grams

**Cash Wrap:** Counter unit where sales are made

**Class:** Merchandise based on a common factor

**Color Blocking:** Pulling colors together in an certain order (light to dark)

**Concept:** A merchandising statement with a particular theme

**Elevation:** The flat drawing of a wall with merchandise and wall fixtures

**End Cap:** The end of a row facing an isle with merchandise

**Experience Wall:** A wall that is a main focal within a location

**Face-Out:** Hardware used to merchandise shirts

**Fin Divider:** A fixture or item that is used to break up wall space

**Flood Lights:** Lighting used to drench an area with light and not focused

**Floor Plan:** The overhead view of fixture placement and boundaries

**Form:** A torso of a body used to display clothing

**Focal Points:** Store sets that attract the shopper's eye and highlight merchandise

**Gondola:** A fixture used to house merchandise

**Impulse Items:** Items that are placed by the cash wrap for quick sale

**Mannequin:** A full bodied pseudo person used in display

**Mass Merchandising:** Merchandise is bulked out and is very systematic; this is used by many big box retailers

**Negative Space:** blank space with no merchandise

**Pad:** An area that creates a store within a store concept

**Peg:** Small hardware used to merchandise hanging items

**Plan-O-gram:** A detailed plan that specifies merchandise placement in the store location

**P.O.P:** (Point of Purchase) Refers to any supporting signs or materials that features merchandise for sale within the location

**POS:** (Point of Sale) Refers to the inventory system used within the store

**Programs:** Merchandise that is related in art, message or other defining characteristics

**Pyramid Merchandising:** Using the shape of a pyramid to set displays

**Rack:** Common name for a fixture that holds merchandise

**Risers:** (AKA Bumps or Saddles) items used to create height in displays

**Schematics:** Showing the basic form or layout of merchandise

**Signs:** Information placed on paper used to tell a price point or information about the product

**SKU:** The number assigned to a merchandise item for inventory tracking

**Slum Bins:** (dump bins) Fixtures that hold inexpensive small merchandise

**Spot Lights:** Lights that are used to highlight merchandise

**Theme:** The story that is being told through the store or product mix

**Traffic Pattern:** How people flow throughout the store

I truly hope this Merchandising Guide has helped you in merchandising your store or stores. Merchandising is forever changing but some of these basics have been around for hundreds of years. What is contained in these pages is best practices and does not guarantee sales or increased revenues. This material is not intended to express personal views and all photo and written examples are for educational purposes only.

Thanks,

Tommy Lee Brown

Updated: 6/01/2014

# BONUS EXAMPLE PAGE



**Before Visual Merchandising**



**After Visual Merchandising**