

Module 2: The Elements of Merchandising

There's more to merchandising than just having attractive displays. It incorporates the design of the salesfloor, the placement of the signage and the presentation of the products. When you learn how to merchandise, you learn how to effectively use space, color and lighting to encourage customers to buy. A well-merchandised store is also a well-organized store. Customers like organized stores because they can find merchandise quickly and easily on their own. All of the elements of merchandising contribute to making a store more organized. In this module, we'll discuss eight elements of merchandising: salesfloor layout, interior signage, cross merchandising, the use of space, color, lighting, mass displays and interactive technology.

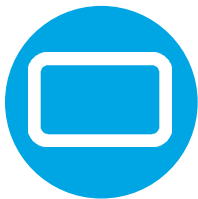
Salesfloor Layout

Most stores are organized into departments, and customers are accustomed to shopping this way. Here are five ways the salesfloor can be laid out in a typical store.



Grid Layout

The grid layout is the simple, traditional layout for a home improvement store. It has straight cross aisles leading off one or more main aisles into departments. This layout is neat and makes good use of space. Its main drawback is that it does not put the maximum amount of product in front of customers.

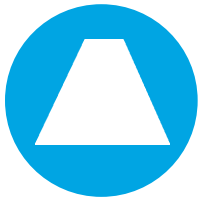


Racetrack Layout

The racetrack layout, also called a loop layout, has the main traffic aisle circling the salesfloor. It gives every major department exposure on the main aisle. It moves customers through the store and lets them see merchandise in more departments. It also provides more locations for endcaps, which helps create a value-priced image.

Diagonal Layout

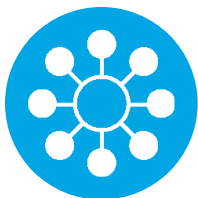
The diagonal layout is a modification of the racetrack layout and can be effective in smaller stores. It creates several triangular areas in the store and pulls customers to corners they might otherwise miss.



Power Aisle

The power aisle design works well for smaller salesfloors where a racetrack is not practical. It is a double-width aisle that runs the full length of the store.

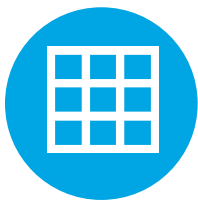
This design often includes departmental cross aisles that feed off of the power aisle. The power aisle gives exposure to most major departments through the use of feature endcaps or promotional mass displays in the center of the aisle. It makes maximum use of the display area.



Project Centers

Project centers and demonstration areas can be developed with any salesfloor layout. They can be used for classes, workshops or product demonstrations. They are also useful areas for collection points for how-to information, such as books and product information.

These areas should present products related to projects and focus attention on promoted merchandise. Signage should suggest projects, explain product features and benefits, talk about prices and highlight the value of home improvement projects.



Cube Displays

Cube displays are another way smaller stores can get the maximum amount of merchandise on the salesfloor. These displays use higher fixtures with careful attention to the kinds of merchandise displayed on higher shelves. An effective way to use cube displays is to put the higher fixtures in the back of the store to make more merchandise visible from the front and lead customers through the store.

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Store Design and Product Presentation

In addition to the layout of the salesfloor, here are some elements of merchandising you may encounter in the store.



Interior Signing

- Signage is an important part of merchandising because it makes shopping easier for customers and gives them the information to make informed 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.
- Some signs provide information about specific products. Signs may also be used to describe the product's features, benefits and uses. They should always be neat, easy to read, informative and compelling.
- Signs are also used to provide information about price. They can create urgency if they are used to identify items as bargains or closeouts. They can also identify advertised items and help establish a value price image for the store.
- Department signs are used to help identify the location of departments in the store, such as paint or tools. These signs should be visible from the front of the store so customers can quickly find what they need.



Cross Merchandising

- Cross merchandising is a term used to describe the placement of products together that are used together in projects. It is an effective way to show related items that are normally stocked in different departments. For example, you might show garden gloves next to the shovels. You can merchandise these items next to each other on the same shelf or across the aisle. Cross-aisle merchandising is the practice of displaying related merchandise on facing shelves.
- Cross merchandising is an effective technique because it makes shopping easier and more convenient when customers can see several items they need in one location.
- This appeals to a customer's desire to save time because they don't have to go to multiple areas of the store to get what they need.
- It's also an effective tool suggesting add-on sales, since related items are together.
- Cross merchandising organizes products in the way they are used. In this way, it gives customers project information. It can also suggest better-quality items.
- Here are some ways you can effectively use cross merchandising:
 - Combine products from different departments.
 - Promote seasonal projects.
 - Promote common household repair and maintenance projects.
 - Display the pairs in the department where customers are most likely to go first.
 - Look for vendor planograms that utilize cross-merchandising.
 - Incorporate signage to compare benefits of good-better-best quality.

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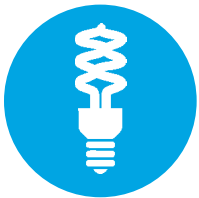
Use of Space

- Merchandising should organize products in the most productive use of the space. Shelves should be far enough apart that the merchandise fits comfortably, but not waste space. In the same way, hooks and bins should fit the size of the item. Long- and short-handled items should go together.
 - The use of space in merchandising also involves placement in the store. Reserve the prime display areas in the store for items customers are most likely to want. Keep the best display area for high-demand, fast-moving products. Putting slow movers in prime display spaces won't make them sell faster. It may only suggest to customers that they may have to go somewhere else to find what they need.
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Use of Color

- Color is an important part of creating an attractive and effective display. Color will attract customers' attention, whether the color is in the packaging or in the product itself. Take advantage of color in organizing displays. The color that surrounds displays, such as on the walls or on the fixtures, should complement the merchandise. It should not distract attention away from products and packages.
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Use of Lighting

- Lighting does more than let customers find their way through the store. It sets a mood and creates the shopping environment. Bright, well-lit stores are more appealing than dim, poorly-lit ones.
 - Lighting also draws attention to feature departments and highlights special areas of the store. It can enhance the color and appearance of merchandise. It's best to replace bulbs on a regular basis before they burn out. Also remember to clean the fixtures every time the bulbs are changed.
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Mass Displays

- Mass displays put a high volume of merchandise in front of a customer. In the customer's mind, high volume means low price. The main function of mass displays is that they enhance a store's price image because they send a message that the store has value pricing. Dump bins, feature endcaps, moveable racks, stack displays and special promotional areas can all be used to display a high volume of merchandise.
 - Because they naturally convey a value message, mass displays are often the way you can promote low-priced, loss-leader items. Place these at the front of the store, and customers will see the bargains first, creating a value-priced image for the rest of the store. Products that are good candidates for mass displays include bagged goods, special buys, seasonal items, advertised specials and closeouts.
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Interactive Technology

- Interactive computer kiosks and touch-screen computers on the salesfloor provide a way for customers to get information so they can plan their own projects. They can also use kiosks to find out about product availability and to place their own special orders. Technology can also add excitement to shopping, especially for customers who are comfortable using computers. Remember, technology is not a replacement for knowledgeable salespeople, but it can make your job more productive.
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