

Effective Cross-Merchandising

LESSON OBJECTIVE: To help employees understand cross-merchandising and why it is effective.

ESTIMATED COMPLETION TIME: About 5 minutes to discuss the worksheet.

HOW TO USE: Hand out the worksheet, then follow the discussion guide below.

DISCUSSION GUIDE: Before starting the worksheet, have students define cross-merchandising.

1. There are a couple of different ways to understand cross-merchandising:

Two products from different departments.

- Displaying products from two different departments in one location for the purpose of generating add-on sales. Generally, a secondary product is placed next to a primary product in the primary product's home department.
- Primary products are often project starters. Secondary products are often add-on sales.

Two products from the same department.

- Displaying two products from the same department, but a secondary product is displayed next to a primary product. This is also to encourage project sales.

2. Have students complete the worksheet. Below is an answer guide, but you should modify the answers to fit the product mix in your store. There may also be other answers than what is listed below.

Following is a list of secondary items you could easily cross-merchandise in departments throughout the store. For each item, list a primary product next to which you could cross-merchandise each item.

Item	Cross-Merchandising Opportunities
Batteries.....	Flashlights, Smoke Alarms
Gloves.....	Power Tool, Garden Tool
Extension Cords.....	Work Lights, Corded Power Tools
Utility Knives.....	Weatherstripping
Penetrating Oil.....	Fasteners
Hand Cleaner.....	Paint, Weed Trimmer

Following is a list of primary items you might sell. What are some other items you could cross merchandise nearby?

Item	Cross-Merchandising Opportunities
Electric Weed Trimmer.....	Trimmer String, Garden Gloves, Two-Cycle Oil
Wall Mirror.....	Wall Anchors
Interior Light.....	Voltage Tester, Wire Nuts, Light Bulbs
Wood Stain.....	Sandpaper, Wiping Clothes
Lengths of Pipe.....	Pipe Cutter, Thread Seal Tape, Pipe Glue
Grills.....	Meat Seasonings, Lawn Furniture

3. Discuss why cross-merchandising is effective.

- It helps organize products in the way they are used.
- It makes shopping easier and more convenient because products that are used together are merchandised together.
- It reminds customers of the products they need to complete a particular project.
- It encourages add-on sales.
- It's also a good reminder to sales associates of add-on sales they can suggest.

ADDITIONAL TRAINING: To learn more about merchandising, take NRHA's Retail Merchandising course, available to NRHA members on nrha.org.