

By Jesse Carleton, jcarleton@nrha.org

Stack-Out Disaster

What's Wrong With This Picture?

Look at the photo below. Do you see anything wrong? Anything you would improve?

More than likely, you have a solid idea in your head about how good merchandising should look: Neat, full, clean displays arranged so attractively that every customer feels like a kid in a candy store.

Most of you will likely admit that, from time to time, there are displays in your store that might stray from your original intention. Merchandise gets misplaced, shelves go empty, point-of-sale signage gets damaged—there are many reasons why something goes wrong with a display.

This year, Hardware Retailing challenges you to improve your merchandising. Editors will choose a series of merchandising photos focused on basic retailing displays. These are displays that, even if they have some strong points of merit overall, still have room for improvement. There might even be some glaring errors.

In this issue, the focus is on stack-out displays. Study the display of dog food below to identify problem areas or where something could be improved. Then, turn the page for the answers and an explanation of some of the basic tenets of merchandising stack outs.



1 Price Check

There are several reasons why stack-out displays are effective. They're easy to create, they show you are well-stocked in a key product and they promote a low-price image. But they can't do much to promote that low-price image if the cost is hidden on a small tag. Make the price signage big and bold so it catches every customer's attention. If you are using the stack-out display to hold items you've advertised, consider placing them near other items in the category for add-on sales opportunities.

2 Unwanted Visitor

Since they sit in heavily travelled aisles, stack-out displays might collect strays. Whether it's an item a customer decided to leave behind or a coffee cup someone set down and forgot, anything that doesn't belong on the display needs to be discarded as soon as possible. Those items make the display look cluttered and detract from its overall appearance. Keeping merchandising free of debris is important in any area of the store, but especially for displays that sit in a power aisle.

3 Trip Hazard

Always be on the lookout for safety hazards around the salesfloor. A bag sitting on the floor in a busy aisle could get kicked, damaged or even trip customers as they pass. Always restack products as soon as possible. If items are not neatly stacked, straighten them so they are neat and symmetrical. That should be a part of each employee's regular routine. It only takes a few minutes to straighten up a display as you're walking past, but it makes a big difference in the store's overall appearance.

4 Inside Out

When you see damaged product packaging, move it to an area where you can sell it at a discount or discard it. Broken packaging that creates a mess in the aisle makes the store look dirty and leaves a bad impression on shoppers. Spills aren't always as benign as a broken package of dog food, either. If you have a spill in your paint and chemical aisle, for example, make sure all of your employees are familiar with the proper cleanup procedures and how to vent hazardous fumes. ➔



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Endcaps Askew

Can Your Staff Fix This?

Something's wrong in the picture of the endcap on the left. Can everyone on your staff figure out what it is?

In January, Hardware Retailing introduced a new series to help retailers and their employees strengthen their merchandising skills. Study the photo to identify where something is wrong or where you could make some improvements. Then, turn the page for the answers and a review of some of the basic tenets of merchandising.

You can use this article as a refresher for yourself or as a training tool for your employees. Next, you might ask employees to look around your store. Are there any endcaps that need to be fixed? You might not have had the chance to fix it yourself, so it's a good time to let your employees put their knowledge to practical application. There will be plenty to learn from each exercise.

Empower employees to fix merchandising errors as small as products that need to be fronted or as big as an endcap that needs to be reset. The more they know about merchandising best practices, the better equipped they will be to fix problems when they arise.

To take the learning opportunity one step further, allow your employees to create displays on their own. You might discover some hidden talent and someone who can be a regular part of your merchandising team. Staff who are allowed to use their own ideas in creating displays are likely to take more ownership of them and will be more motivated to keep the store looking good.

Combine hands-on training with formal training, too. You'll want staff to know the role merchandising plays in encouraging sales and some of the best practices in making an effective display. The North American Hardware and Paint Association (NHPA) offers both in its Basic Training in Merchandising course. It is available to all NHPA Training Members. You can learn more at yournHPA.org/online-training.



1 Eyes on the Price

Endcaps can boost your competitive price image, so price needs to be a big part of the signage. For best results, highlight prices that are good deals. It's also a good idea to have several endcaps with prices below \$15, because displaying lower prices give you a favorable price image overall. Signage with empty spaces can make the entire salesfloor look incomplete. Endcap signage tends to be some of the most prominent in your store, so use it to maximum effect to reinforce your brand and price message.

2 Empty Spaces

Endcap promotions are designed to move products quickly. But endcaps also need to be full so customers have the confidence you have everything they need. When you do sell through an endcap product, replace it with something else or change out the entire endcap. Remember, it's a good idea to rotate endcaps, on average, at least once a month. A shorter cycle may be more practical for selling promotional products when you only have a limited quantity.

3 The Misfit

Effective endcaps group related items together. In the case of the photos below, the overall theme is floor care, but it's also focused on a specific manufacturer. Having only a couple of items that do not relate to that manufacturer, even if they relate to the general theme, weakens the overall impact. This display also shows all the items a customer needs to complete a particular project. Finally, project endcaps will be most effective if they are seasonally relevant, in this case, during spring cleaning.

4 Unbalanced

Consider symmetry and balance when creating endcaps. Put larger items on the bottom and smaller items toward the top. In this case, the dusters on the bottom shelf are better sized for the hooks at the top. Putting them there also means similar items are grouped together, so customers can easily see all of the sizes available. A project endcap is a convenience for the customer and encourages add-on sales for a larger transaction size. ➔



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Aisle in Disorder

Can You Fix This Merchandising?

The rows of gondola shelving spread throughout your salesfloor may not be as flashy as your endcaps or power aisle displays, but they do a lot of work. That's where you put the rank-and-file products that make up your core departments. Customers will be looking there for destination items that can make or break their shopping trip, so it's critical you keep up with your housekeeping. Messy aisles mean it is more difficult for customers to find what they need. They might leave with a bad impression of your business.

Don't let it happen to you. Especially for departments that get a lot of traffic during the busy spring and summer, it's critical that employees know how to fix a merchandising issue when they see one.

You can even use the photo below as a test. Something has gone wrong in this lawn and garden accessories aisle; can you and your employees spot what needs to be fixed? Do you have any suggestions for making the aisle easier to shop? Identify what needs attention, then turn the page for the answers and a review of some best practices of in-aisle merchandising.



1 Missing in Action

Shooting the outs (or identifying empty spaces on the shelves) on a weekly basis is the best way to keep ahead of empty peg hooks. A product that is completely out may be a sign you need to adjust your minimum/maximum levels of how much you order. Or it could be a sign of other errors in your inventory records. Regardless, don't let that peg stay empty for long, or customers will start thinking you can't fulfill their needs.

2 AWOL

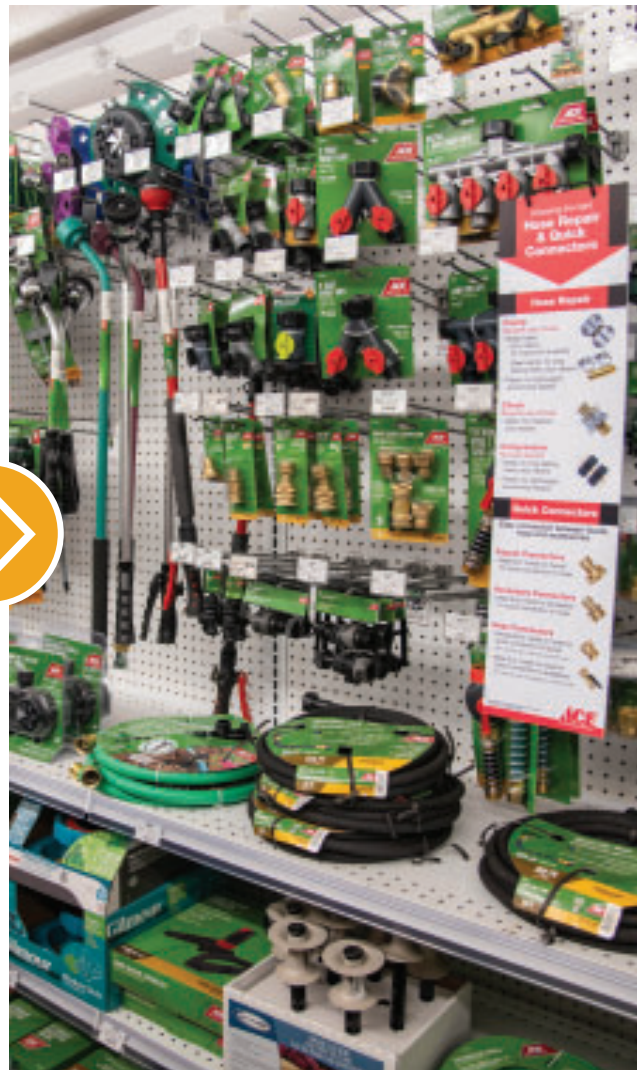
It's difficult for customers to find what they need if products are not in their proper places. It's also difficult to keep accurate inventory records if a product is separated from its bin tag. In this photo, the long-handled sprayer nozzle gets a double demerit for being absent from its hook and also protruding into the aisle, a potential hazard. Long-handled items in particular can easily get messy. Check each aisle regularly for offenders.

3 Read the Handbook

There's a way to improve this aisle. Help customers understand the project they're working on. Signage with product information will give customers greater confidence they are purchasing the correct product for their needs and offer tips on how to use it. It will also help them find what they need faster. In addition, informational signage can boost every staff member's product knowledge if they review it during their downtime.

4 Step in Line

Clean merchandising means all product packaging is aligned, with boxes in neat, orderly rows. Hanging products should be hung squarely. A product that is out of line may more easily get damaged, too. Consider removing damaged packaging and selling it at a discount or returning it to your supplier. Damaged packaging gives shoppers the impression your inventory is subpar. If packaging is damaged, verify all parts are present and that nothing has been stolen. ➡



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Grill Neglect

Can You Clean This Up?

How does a once exemplary merchandising marvel slowly turn to cluttered chaos? It often happens gradually. You might not notice when one small piece slips out of place, but if left unchecked, more disorder will follow. That's what has happened in the grill display below. It's time to clean it up.

This year, Hardware Retailing is challenging you to improve your merchandising through some simple exercises. Look at the photo below, decide what's wrong or what could be improved, and then see Page 71 for a review

of some basic tenets of maintaining effective displays. It's a great exercise for all employees.

Prevent the slow decline of your own merchandising by establishing some basic housekeeping habits. All employees should be trained to fix a problem as soon as they spot one. It might help to make a checklist of all the cleanup tasks that need to be done on a daily basis, such as removing trash, fronting product and straightening signage. Use the list to do an occasional walk-through audit of the store, and make sure no display suffers neglect.



1 Hide Your Work

As you're restocking the shelves, don't let packing totes and boxes sit out longer than necessary. Resist the urge to stash them somewhere on the salesfloor unattended instead of hauling them to the backroom. This goes for overstock, too. Keep these boxes out of the way and preferably out of customers' sight. Boxes sitting in the aisle not only make the store look messy, but they are also a tripping hazard.

2 Cross-Merchandise

A grill is a great example of a display where you can easily merchandise multiple products. Look for items outside the immediate category that would make a natural add-on sale. If, for example, the grill was in your latest circular, pair it with nonadvertised items in the display. This technique can help your customer see the breadth of products you carry. It will also lead to add-on sales, usually with items that carry higher margins than the advertised product.

3 Read About It

When selling high-ticket items such as grills, it's important to have product literature nearby. In addition to the knowledge your employees can provide, this literature can help answer questions customers may have about the product. Also use signage that compares similar products of different price points so customers can compare features and benefits. In order for customers to feel satisfied they've made the best decision, it's important for them to know all of their options.

4 Face the Front

Merchandising isn't something you set perfectly once and then forget. Customers like to pick up products and read the packaging, and they don't always put them back the way they found them. To keep displays from falling into disarray, face and front products regularly. When product labels face the front, you are able to maximize the colorful packaging the manufacturer has developed. The products also look as if they belong, not dropped there by accident. ➡





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Ghastly Sights

Can Your Team Revive This Endcap?

Soon (if you haven't started already) it will be time to decorate for fall festivities. The endcap on the left is appropriate to the season. It also might give you the creeps, but for all the wrong reasons. Instead of an engaging display that draws in customers, disorganization has left this one lifeless. Do you have any suggestions for resurrecting it?

This year, Hardware Retailing is challenging you to improve your merchandising. Look through the displays in your store and see if you can spot the ones that need cleaning up. Then, use this exercise to help you recall some of the basic tenets of good merchandising. Decide what is wrong or what could be improved and then see Page 72 for one option for cleaning it up. Let your employees give it a try, too.

There are many reasons an endcap might decay into disarray. One reason is that you might not have a plan for regular maintenance. A good endcap maintenance plan should include someone assigned to regularly making sure everything is in order. It also should include a plan for rotating each endcap, generally once a month. If endcaps always have the same items and start to look like every other aisle in the store, customers might overlook them. When that happens, you are wasting a valuable merchandising opportunity.

As some of the most looked-at displays in your store, endcaps are a prime venue for displaying new products and promotional pricing. They can also highlight some of the unique items you have to offer. Coordinate what you put on an endcap with the seasons to give the shopper a sense of urgency to buy. As with all displays, creativity will help your endcaps stand out, but it won't make up for a messy construction or dirty shelves.

1 The Abandoned Shelf

Having an empty shelf anywhere in the store can make a bad impression on customers. It gives them the idea that you are low on inventory and might not have what they need. But having an empty shelf on a prominent endcap is a particularly wasteful use of space. As a general rule, if you are running low on whatever product you are promoting on an endcap, it's time to rotate that product out and bring in something new. Then, assign someone to keep an eye on it throughout the day to keep it full. Also, if shelving is starting to look dirty, clean it or give it a new coat of paint.

2 Colorful Costumes

These brown boxes are bland and hide whatever is inside. When choosing what goes on an endcap, look for items with color that will catch shoppers' attention. Many products have colorful, informative packaging that can be an effective sales aide. However, there are times when it's better to put emphasis on the product. In these cases, take the item out of the box so customers can pick it up and examine it. Once they have it in their hand, the chance that they will buy it increases. Leave the plain brown boxes in the storage room and put some color on the shelf.

3 Strangers in the Night

Endcaps should not be a catchall for merchandise you can't fit somewhere else in the store. Every item on an endcap should be related in some way, whether they are similar items or part of a project. You can also combine an advertised item with nonadvertised items to suggest something customers might not have otherwise seen. Be on the lookout, too, for products customers may have left on an endcap that they decided not to purchase. Returning orphan items to their proper home will keep displays clean and help with inventory management.

4 Extra Treats

These baskets offer a creative twist on the standard sidewinder. They hold a few extra items customers might also be interested in when they're looking at what's on the endcap. Grouping similar items together or promoting the entire project will build the transaction size with add-on sales. It will also reinforce the breadth of product you have available. Unfortunately, there may be a lot of items customers don't know you carry because they haven't explored the entire store. Endcaps are one of the best ways to get them in front of customers and into the shopping cart. ➔



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Stop the Chaos

Can You Restore Order to This Display?

The dump bin is a fairly simple concept. Grab a big container and dump a lot of product in it. NHPA's Merchandising for Profit Study found products placed in a permanent dump bin have an 86 percent sales lift over their regular place on a shelf. Customers associate this type of display with bargain merchandise, making dump bins ideal for impulse buys.

With a display that's easy to create and will sell a lot of merchandise, what could go wrong? A barrelful. Look at the photo below and you'll see a dump bin in chaos.

Look at the display here, decide how to fix it and then check out the next page to review a few merchandising best practices. Then, look around your own operation and see if you have any dump bin displays spiraling toward mayhem.

Have your employees try the exercise, too. The more they know about maintaining displays, the more they can help you keep order with the merchandising in your business.

If you missed any of the merchandising exercises in this series, go to the Fix Your Merchandising Trainer's Toolbox at nrha.org/training.



1 Clear the Confusion

Dump bins create a sense of urgency. Customers may think the product and price you're offering won't be around for long. To heighten that sense of urgency, it's important to have clear, well-maintained signage. If it gets torn or wrinkled, replace it. Poorly maintained signage creates a bad impression for the rest of the salesfloor. Even if you're not offering a special price, dump bins, by nature, compel shoppers to buy more than other types of merchandising.

2 Product Is King

Take away anything that distracts from the product. Dump bins easily attract trash or stray products, so all staff should make a regular habit of picking out what doesn't belong. Generally, depending on their size, the best dump bins hold a single product at a time. Since nearly all shoppers pass by strategically placed dump bins, you also want to choose products that have broad appeal and customers might use every day.

3 Keep It Fresh

The product in this dump bin is starting to disappear. If you run low on whatever you're selling in a dump bin display, swap it out for something different. It's also a good idea to regularly rotate the products. If customers get accustomed to seeing the same item in the dump bin, the merchandising will start to lose its effectiveness. Showing a full bin also helps enhance your price image, as customers tend to equate large quantities of product with lower prices.

4 Find What's Lost

This display took a wrong turn on the way to the main aisle. In order to be effective, a dump bin should be in a heavily trafficked part of the store, not a back corner. Good places include power aisles and service counters. Being strategic about the location will boost sales. Sometimes the location will determine the products you place there, as you might want to suggest an add-on sale. Sometimes you just want to surprise customers with something they don't expect. ➡

