

THE SCIENCE *Behind the Sale*

Visual impact can be more effective in point-of-purchase decisions than brand allegiance.

YOU THOUGHT DECIDING ON PRODUCT lines and class schedules was tough? Now you have to tackle point-of-purchase issues that include shelf talkers, signage, displays, and everything else that goes with it. You don't have to panic, though, because there is a science behind the mystery of P-O-P. Here are some winning concepts along with a closer look at one of the world's most effective retailers.

KNOW YOUR CUSTOMER

It sounds elementary, but really try to get inside your customers' heads. How do they shop? Where do they head when they enter your store? Are they typically drawn to new products? Do they go straight to a sale display? Slow-moving products may sell faster if they are located near sale merchandise. Changeable displays near the register are a great way to encourage add-on purchases. Also, think carefully about the fixtures in your store. Buy displays that work together and can be positioned and repositioned easily.

THE SCIENCE BEHIND THE PRACTICE

Tests have shown that customers middle themselves in an aisle. They go to a central location and then begin shopping in



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a four to six foot-wide field of vision. Usually, they begin looking at products that are slightly below eye-level, beginning with those that contrast greatest with the products around them. Keep this in mind as you arrange your products on the shelves. Try to place contrasting packages next to each other in order to increase interest. Create a signpost that will drive your customer's attention to certain products. Remember that customers are less likely to consider products that are placed to the far left of center and above eye-level. Also, customers shop like they read, typically from left to right and top to bottom.

According to the *Journal of Retailing*, position on the shelf is far more important than the number of facings allocated to a product in driving sales. For example, two facings at eye-level are more beneficial than five facings on the bottom shelf. The research also showed that shelf allocation should not necessarily be driven by market

share. Rather, visual impact can be more effective in point-of-purchase decisions than brand allegiance.

Additional research has shown that customers are less drawn to a brand as they are drawn to everyday low pricing, good customer service, in-stock merchandise and effective organization. In fact, brand shoppers can be swayed to purchase alternate brands even if the prices are the same. However, they need to feel that they are getting a better deal, which is where your shelf advertising comes into play. Use your shelves to educate your customers about the product's strengths. Differentiate similar products and help clarify the purchase process.

REMEMBER YOUR CEILING

Next time you get a moment, watch as your customers come through the door. Do they get stuck at the front of the store, or are they drawn to the back? Signs are a great way to keep your customer interested

in what you have at the back of the store. Keep the signs bright and hung just above the top of your display racks. This is an effective way to make sure your customers see all the fabulous product you have in stock.

KEEP AN EYE ON THE TARGET!

In an effort to better understand the power of effective merchandising, let's take a look at a case study of Target stores. Target's core customers, or guests as they are called, possess retail tendencies similar to scrapbook and craft store customers. Ninety percent of Target shoppers are female with a median age of 45 and median household income of \$57,000; 44% are college educated and 39% have children. In a recent study, 98% of American consumers recognized the Target bull's-eye logo.

Target relies heavily on point of purchase support of their brand by using ceiling hangers, shelf talkers and large wall posters. Signage depicting merchandise brands is extremely rare. Even in cosmetics, an area where vendors typically have free reign, Target controls display designs and gives brands a standardized template with which to work. When Target does break from policy and accept vendor-supplied displays, they must integrate closely with each store's motif.

WHAT DOES ALL THIS MEAN TO THE INDEPENDENT SCRAPBOOK STORE AND PAPER CRAFT RETAILER?

Spend a considerable amount of time understanding why your customers enjoy shopping at your store, and design a layout that caters to them. Try to keep displays clean and uniform, with large, easy-to-read signage. Be sure to have signage that represents your store rather than individual brands. Also, find out what products create the highest frequency of sale, and promote them. The more trips to your store, the more purchases. Finally, understand how your customers perceive value, and put those products near the front of your store. This will drive traffic and make you a regular destination for your most valued clientele. The more your customers feel they are getting a great deal, the more likely they are to return again and again.

SPECIALTY DEPARTMENTS

Some Target stores include a Starbucks coffee shop, ATM machine, one-hour photo center, pharmacy and a grocery store. The average shopper visits 8.3 times per year, however those buying groceries visit 20 times per year. You can clearly see that stores offering consumable products and specialty departments have stronger

foot traffic and a higher number of sales transactions annually.

DESTINATION DEPARTMENTS

Target's 1 Spot dollar-store department is one of its best success stories. This traffic-driving initiative was rolled out in September 2004 and was strategically located near entrances at discount stores and super centers nationally. The department was expected to generate \$400 million in sales. In the first week after the rollout, sales were four times higher than expected. Because it is located at the store door, customers begin shopping the minute they arrive and are encouraged by the deals with which they are greeted. It drives them straight to a shopping cart with thoughts of other deals to come.

There really is a science behind the shopper mystique. Product placement, shelf advertising and, of course, merchandise desirable to your specific customer will lead to a store's success. Remember that your customers want to buy; that's why they stopped in. Effective point-of-purchase advertising will help them accomplish their goal and leave them feeling happy and satisfied.

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