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# Merchandising

**You have approximately 2 seconds to attract the attention of your customers.  
If you haven't successfully gained their attention, you are throwing away your profits.**

## What is merchandising?

Merchandising sets the mood and the character of your business and attracts the attention of customers so that they are aware of the products on offer and are then motivated to buy them. Merchandising and customer service are the two most powerful influences on retail sales. Good merchandising will support your sales staff to sell and to deliver exceptional customer service. Poor merchandising will make it difficult for even the best sales staff to sell.

Merchandising incorporates:

- store layout.
- fixtures.
- display.

## How merchandising can make a difference

Merchandising is one tool that can turn potential customers into actual customers. It can give your business a competitive edge, which may mean the difference between success and failure.

If you operate or are planning to operate a retail business, ask yourself the following questions:

- Are fixtures and signs placed in the best positions for my customers?
- Does my layout help to move customers throughout my store and incline them to browse?
- Are items arranged by price to help my customers make fast, easy selections?
- Are impulse items (like chocolate) spread among demand items (like flour)?
- Do I have an adequate system for checking on staple items?
- Do I have adequate records to help plan for future purchases?
- Do I have a balanced stock in each of my stock classifications?
- Does the stock promote the right image for my trading area?
- Am I on the selling floor often enough and long enough to listen to customer demands?

## How to improve the look of your store

One of the most important areas of merchandising is the look of your products. How merchandise is displayed, grouped and promoted can mean the difference between a busy cash register and an empty store. The following key points will help you improve the merchandising and layout of your store:

### Window displays

- Window dressing should be changed regularly.
- The display should have a theme - be it colour, style, design, fabric or product - which should be carried over to the rest of the store, linking all the displays together.
- Items displayed in the window should be easy to locate in the shop.



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## Colour and décor

- Colour, decor and arrangement of stock should be interesting, appealing, and inviting to draw the attention of your potential customer into the shop.
- Start with darker colours at the front and bright high contrast colours to the rear of the shop.

## Shelf displays

- Most products sell more quickly when located between eye level and knee level.
- Arrange your stock from left to right and increasing in size and price.
- You should change your displays regularly to give a fresh image to your product.
- Keep your stock clean and arranged to the front of the shelf.

## Product grouping

- Group your products together to achieve companion sales (when two different products are put together to form one unique product) and add-on sales (when, as a result of selling one product, you create the need for additional sales).
- Grouping is also an easy and effective way to present your products.

## Internal signage

- Each product grouping should have a story board or a sign (located above eye level) telling customers why they would want to buy the product (promoting the benefits).
- These headers will then direct the customer's eye toward the products.

## Shop layout

- The flow of customers, location of aisles and registers can also help you to close the deal - for instance your shop should look uncluttered and allow easy access to the products you are selling.

## Impulse buying

- Your highest moving products should be located in hot spots, displayed between eye and knee level.
- You should then position impulse items around these hot spots to increase your chances of impulse buying.
- Displaying suitable products close to the cash register and behind the sales assistant can also produce impulse buys.

These suggestions are just a small number of ideas to help you improve the way your products are presented. Other factors, such as your selling techniques and customer service, should complement and enhance your presentation and work together with your merchandising to boost your sales and profits. Further reading and study is recommended if you would like to gain skills in merchandising and other areas of retail management.



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Expert advice is also recommended – contact a reputable retail consultant or one or more of the following industry associations:

- Queensland Retail Traders and Shopkeepers Association on telephone 3352 6088 or [www.qrtsa.com.au](http://www.qrtsa.com.au)
- National Retail Association on telephone 3251 3000 or [www.nra.net.au](http://www.nra.net.au)
- Commerce Queensland on telephone 3842 2244 or [www.commerceqld.com.au](http://www.commerceqld.com.au)
- Motor Trades Association of Queensland on telephone 3237 8777 or [www.mtaq.com.au](http://www.mtaq.com.au)

There are also a number of industry associations that represent businesses from more specific areas (industry sub-sectors) of the retail industry. For general information and advice, contact your local State Development Centre.

Additionally for further information and assistance on other topics relevant to business, contact the Business Hotline on 1300 363 711.

## Further information

The following fact sheets provide further information on these issues:

- Location and premises