

Promotional special display merchandising

Opening up the space allocation given to a product on-shelf temporarily is a promotional practice that many operators have re-examined. More attention and importance is being attached to accommodating the ever increasing number of items a store needs to carry, and to balancing stock holdings through good space allocation.



A big advantage of special displays is that they improve a store's space productivity. Not only can one put out more stock per m² on special displays such as gondola ends, but other forms of special display use space that would otherwise not be used for merchandise.

The importance of special displays

For maximum stock-turn in these circumstances, operators have found it better to concentrate their promotional activities off-shelf. So shelf space allocation adjustments are increasingly reserved for long-term merchandise movement trends, while off-shelf special display merchandising is kept for short-term, weekly or monthly promotions.

Experience also shows that it is almost impossible for store management and shelf packers to keep up with moving shelf merchandise displays back to their proper space allocations after they have been for promotions.

And in the long-term, scanning – with the special shelf discipline it requires when individual item pricing is removed and the consumer relies on the shelf-edge price ticket for information of the item price –

will make stability of shelf displays even more important.

In this situation the only thing that should change on-shelf when an item goes on promotion is its price to match the promotional price of the same merchandise on special display. It's a mistake to believe that the customer is going to take only your promoted line from the special display.

It is also impossible to expect cashiers to correct the price when the item comes to the checkout. They cannot be expected to remember 50 or 60 promotional item prices, and they will ring up the price they see marked on the merchandise, just as they have been taught.

Special display positions

Gondola ends are generally the biggest and most commonly used special display promotional merchandising positions. But there are many others.

An effective promotional display programme will incorporate a number of these, depending on the size of the store, the width of the aisles, the customer traffic loads and considerations of appearance.

Special display includes aisle stacks, blitz areas, bulk wall displays, Dillon dump baskets, stacks, L-stacks or shelf stacks (often used to increase visibility for house brands on which there is a higher gross profit) and shelf extenders and hooks which are frequently used for related item impulse displays, as are refrigerated foods department counter displays.

Many 'productivity' display methods have special promotional display overtones – including hyperbins in the gondola run, into which product is often tumbled for both productivity and special offer type sales.

Another example would be gravity feed bin displays for items like single toilet rolls, various types of pot scourers and plastic footballs. And a further one is cut-cover

displays built into the gondola by removing shelves.

Special display selling power – what it cannot do

Special display merchandising is not a cure-all for sick products, and for most items its power does not last forever.

■ Consumer attitudes

Special display promotions cannot change customers' attitudes to a product. If they don't like the product, the display will not make it sell. Similarly, it cannot change the quality of an item. If a line is considered poor quality, customers are unlikely to change their minds unless the price is so reduced that it might constitute value for money. Often, this is not enough.

■ Display life

The selling power of special display promotion is perishable. Stores with high frequency shopping will find that the selling power of special displays is more perishable than a display in a monthly shop store where the display life is longer.

Research into special display life length in the United States, where shopping tends to be weekly, shows a dramatic fall-off in the rate of sale in the second week of a display's life. The displays tested in the table were all gondola end displays which were supported in newspaper advertising in the first week they were erected.

The result of this US experiment shows that the rate of sale of most lines on special display will progressively decline after the first week no matter what you do for them. However, the rate of decline can be slowed by good housekeeping and maintenance of

A gravity feed bin display works well for items like single toilet rolls, various types of pot scourers and plastic balls.



the display. A rare few lines with seasonal sales patterns may maintain their rate of sale on special display beyond the second and third week.

■ Display location

The rate of sale of special displays can also be influenced by the display's location. A front gondola end is no guarantee of the fastest movement. Not only does selling power vary from one front gondola end to the next (dependent on its position) but at a store's busiest trading peak, on Saturday mornings, the front gondola ends in a small cramped store can be blocked by checkout queues and, become less productive than rear gondola ends.

A gondola end may also be a victim of location as a result of some activity nearby. For instance, a rear gondola end that faces a store's bakery counter positioned in a corner of the store would normally be a very good special display position. But if a live demonstration or other activity was to take place in front of the bakery, shoppers walking down the side wall perimeter aisle towards the bakery would have their attention focused on the demonstration. They would in all likelihood walk right past the usually productive end.

To make rear gondola ends more productive some supermarkets in the US carry signs at their back wall perishables departments' service counters to draw the attention of shoppers, queuing at the counters, to the rear ends. For example, 'Look behind you for fantastic value'.

■ Housekeeping

Poor housekeeping is a common cause of lowered special display selling productivity. Gondola ends can become very ugly and unattractive, and need topping up to maintain their sales productivity. This need not be to the original height, but it should still project some stock pressure. Multi-item display ends can in particular become very ragged looking, because of the different rates of sale of the different items on display.

Another cause of diminished sales power of special display due to poor housekeeping is the disappearance of stack cards and price tickets that fall off the display and are not put back.



There's an important question to ask about every item being promoted: Is it making a price statement? In other words, is it a reminder to the customer at the Point of Sale (POS) that you are honouring your advertising claims made in the press or television?

■ Display method

Another regular cause of low special display productivity is poor stacking methods. When a stack looks unstable and the customer feels she might pull the whole display down by removing an item, sales will suffer. Interleaving cardboard or other materials into the stack to stabilise it will often make a huge difference to its rate of sale.

■ Timing

Special displays of products with very defined seasons have to be well timed. Easter eggs after Easter are not going to be a very profitable idea. Similarly displays of mosquito insecticides aren't going to move fast after the mosquitoes have stopped biting.

What special displays can do for a store

■ Store image

Special displays contribute positively to store image by creating an awareness that the store promotes, that it gives its customers value and that it is price competitive.

■ Impulse purchasing

Special display capitalises on impulse buying. That impulse can come from the bargain price the line is featured at. It can come from highlighting a line that is often forgotten, or from a line that is only desired when seen. Lines that are often forgotten include items like dish cloths and light bulbs. A typical case of 'desire on sight' would include biltong, sweets and chocolate.

Back to basics

■ New item launches

Special display is a common way of drawing shoppers' attention to a new item. It is a form of advertising. Special displays' high visibility draws shoppers' attention to the item, which they might easily miss if it was merely placed in the shelves. Special display is also one way for the manufacturer to get stores to buy the product in quantities over and above that which the normal introductory discounts would encourage, so creating stock pressure and attention for the product by the retailer.

■ Maximising sales floor productivity

A big advantage of special displays is that they improve a store's space productivity. Not only can one put out more stock per m² on special displays such as gondola ends, but other forms of special display use space that would otherwise not be used for merchandise.

This is true of shelf extender baskets, hooks, L-stacks, service department counter displays and even Dillon stacks. Not only

do special displays let one put out more merchandise per m² but they sell more per m² – and in the case of cut-case displays – they can also lower labour costs.

Locating special displays

In any store there are better and worse special display positions. Often it is difficult to identify a single best position.

While the density of customer traffic affects the sales power of a special display position, it does not mean that these positions with the highest density customer traffic will be the best position in the store, or even the best for a particular product.

As noted in the Back to Basics feature on store layout in Issue 1 this year, customers often walk quite far into the store before they adjust to the store environment and settle into a proper shopping mood. While the gondola ends facing the entrance to the self-service area are usually good, they may not necessarily be the best in the store even though they enjoy 100% customer traffic density. It can also depend on the product.

A customer shopping a large store may think twice about loading her trolley with a 25kg dog food special, or even a 10kg pack, at the start of her trip. She'll think of the distance that she'll have to push that weight around the store and want to leave it to later. Equally, she may also defer picking up a large item that is light; for instance a giant teddy bear as a present, if it is going to fill her shopping trolley or risk being soiled by a leaking meat package.

Also not to be underestimated is the importance of the surrounding products to trigger the impulse to buy.

Overall, it will be found that some positions sell well for virtually all products in the store but others only sell well for selected products.

One way of identifying the general potential of various positions in a store in relation to the customer traffic patterns is to plot the patterns on a plan of the store floor. A way of doing this would be to hire four or five high school students, arm them with plans of the store floor layout, and



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In general it is usually best to relate an item's special display position as close to its normal shelf location as possible. Shoppers tend to prefer to buy items where they usually find them in the store.



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get them to track customers one at a time from the time they enter the store to the end of their shopping trips, obviously at a discreet distance, tracing the routes on the floor plan.

Using different coloured felt-tip pens, each student could track a number of shoppers on the same floor plan. Instead of tracing the customer routes on paper, copies of the floor plan could be made in a copying machine on overhead projector acetates (clear plastic A4 sheets). After tracing the customer routes on the acetates, they could then be laid one on top of each other to produce a composite picture of many individual shopping trips. The many lines would reveal the volume and pattern of the customer traffic moving through different

parts of the store. The thicker and darker the line, the greater the traffic.

A refinement would be to track customer shopping patterns at different times of the day, especially the early morning and lunch time convenience shopping patterns, as opposed to the evening shopping and the peak trading shopping pattern. Such a study could reveal quite different traffic patterns and customer shopping densities of various positions for different times of the day and lead to identifying special display positions for products used for morning tea, lunch time convenience snacks and evening meals.

There are a number of other important considerations in locating the best special display position for a promotional product.

■ The item's selling characteristics

Is it new? Is it impulse? Is it a self-liquidating item (i.e. an in-and-out item; for instance, folding garden chairs)? To what other items is it strongly related in its use?

Identifying the item's selling characteristics can provide a good guide as to the optimum special display location for it in your store.

There's an important question to ask about every item being promoted: Is it making a price statement? In other words, is it a reminder to the customer at the Point of Sale (POS) that you are honouring your advertising claims made in the press or television the previous day? In this instance, it may be important to put the item right at the start of the shopping trip in the front of the store, even if from other considerations it is not the best position for it, simply to help create an environment of customer trust in the store as she steps inside.

Two further important selling characteristics of items: Is it a basic item which the customer needs, or is it a 'cherry on the top' type – a reward item such as for a shopping job well done? The reward type item is probably best positioned in one of the last important special display positions before shoppers finally move to the checkouts, or possibly at the checkouts, which are in themselves another type of special display position.

■ In-store distractions

Are there any distractions near where the special display would be that would work

against the display's productivity? The earlier example of the wet demo in front of the baker would be a case in point.

■ Size and shape of item

To promote plastic balls through special display, an important consideration would be the kind of display equipment needed as well as where it would be located in the store. A large gravity-feed net suspended from the roof and feeding into a large bin would make an outstanding display. But what is the best location in the store? Obviously, mechanical influences on the decision would be adequate free standing floor space and a strong attachment point to the roof or ceiling.

Then considerations of the item's size and weight are important. There is no point in clogging your customers' trolleys with a low value, low margin bulky item that will prevent them from filling their shopping trolleys with all the other items you wish to sell them. So, in the case of the plastic balls, a prominent last stop position before the checkout would be logical. This would also tie-in with the product having an end-of-shopping-trip reward item overtone.

Special display position versus normal shelf position

In general it is usually best to relate an item's special display position as close to its normal shelf location as possible. Shoppers tend to prefer to buy items where they usually find them in the store. This is more than habit. They may well want to make price comparisons on the promoted item as against the regular brand they buy.

Many regular customers use the store layout as a shopping list and have problems in making up their minds when they find products away from the usual place they buy them. A number of stores use the gondola end as the aisle marker. Where customers see the washing powder gondola end they know that is the washing powder aisle.

All in all, some positions sell well for virtually any product. A careful consideration of the product and all the other factors involved will result in the maximum productivity of a store's special display capacity.