

by Jared Davis, MCPF, GCF

<u>Sales</u> Strategies

Merchandizing Your Store

ave you heard the saying, "You only get one chance to make a first impression?" The way your products are presented in your store has a huge influence on your sales, and the key to making a successful first impression with your customers is merchandizing. For major retailers, merchandizing is a detailed and comprehensive art form. Merchandizing is a broad topic, as there are different strategies for different types of businesses and products. Department stores, for example, employ very different merchandizing strategies than discount stores.

As a retailer, it's important to consider your business beyond the concept of custom framing. There are many opportunities to sell other products that could cater to your target market, complement your current offering and, ultimately, increase your sales. For many picture framing businesses, this can come in the form of homewares,

Good retailers rely on merchandizing, which is all about going the extra mile. gift lines, art supplies, or even coffee. However, adding a few new products to your range is only part of the solution. The other part is understanding how to

properly merchandize these items. When it comes to understanding the principles of merchandizing, let's start with the big picture: looking at your overall store layout.

Store Layout

Large mass-market retailers apply thorough consumer research and psychology in understanding how to optimize their retail space for maximum



Customers shopping at The Frame Workshop in Appleton, WI can browse multiple seasonal and holiday related displays in the store, typically located toward the entrance.

results. One book that covers this in detail is "Retail Desire" by Johnny Tucker. My brief adaptation for framers: the overall design of retail space in a frame shop can be strategically considered to choreograph the customer experience. Logically divide your space and designate several key zones, all of which perform a separate and specific function:

Attraction: This zone is designed to capture people's attention and draw customers into your store. Consider this zone for seasonal and holiday-related window/entrance displays.

Decompression: This zone is a comfortable area for the customer to transition into moving through your space. In this zone, most customers need to get their bearings and absorb your store's layout for navigation. What this means for you: customers likely won't notice products located within the first 10 feet of the store after the entrance.



John and Sara Ranes, owners of The Frame Workshop, have learned how to successfully diversify their business by selling ancillary items such as gifts, seasonal decor, and home goods.

Discovery: This is where customers can browse and educate themselves about your offerings, finding new concepts and ideas that inspire them.

Engagement: This is typically your design counter, where the relationship is built through interaction and consultation with you and your team.

Transaction: Ideally, this is a separate area from the engagement zone, where all financial transactions are handled. Consider this: when you visit a theatre, the

area where you pay for your ticket is distinctly separated from the stage area. Separating the transaction zone avoids polluting the positive and enjoyable aspects of the experience.

The 3 Objectives of Merchandizing

There are three primary objectives when it comes to merchandizing your store: promoting, demonstrating, and selling.

Promote: Well-merchandized spaces, such as an eye-catching window display, should attract attention. The goal is to get someone walking by to stop and look twice. Or, in the case of a window display, to come inside the store.

Demonstrate: Merchandizing can help educate customers about the dif-

ferent products and concepts you offer, and add perceived value to the quality of your product.

Sell: Well-merchandized displays should create inspiration and desire, encouraging an impulse to buy.

The 3 Ingredients in Making a Sale

When you consult for a custom frame, you are actively involved in contributing to its sale. However, when it comes to items displayed and merchandized throughout your store, each of these items potentially needs to sell itself, without your consultative assistance. For a product to successfully sell itself, there are three key factors that work together to make this happen: selection, presentation, and price.

Selection: Many framers diversify their business by offering products beyond picture framing. The key here is having the right products that can be cross-merchandized with art and framing. When it comes to product selection, consider your customers and the types of items they would want. This may require some research, as it can be very different from business to business and depends on

location, demographic, seasonal opportunities, and nearby competition. Some essential considerations for impulse items, no matter where your store is located, are tabletop frames, mirrors, small artwork, and crafts.

The Frame Workshop of Appleton, WN is a multiple-award-winning business owned by well-known industry educator John Ranes and his wife, Sarah. With the collaboration of their longterm store manager, Candy Wiater, they have evolved their business over many years to offer a wide variety of ancillary products that both complement, and now exceed, their core custom framing business.

"What framers often forget is that they are in the home decor business,

and we are part of how people decorate their homes," says Ranes. "It really isn't a huge leap to go from a vase or candle to a photo frame to a custom framed piece of art."

This concept can be expanded into homeware, furniture, and other gift lines. John and Sarah Ranes and their staff regularly attend major annual gift shows, which can be great places to source unique gift and home decor products.

Presentation: You can't expect things to sell simply because they are arranged neatly into stacks and racks. As Ranes explains, "The key is to make our customers feel inclined to browse. Endless shelves and displays of

discovery discovery decompression decompression

Divide and designate your retail space into key zones, with each zone fulfilling a specific function.



Decorative homeware, such as candles and table-top frames, make great impulse items for customers to buy as an affordable "reward."



Shopping can be a form of recreation, and an attractive store display like this can tempt consumers to spend time exploring in the hope they can discover a new treasure or gift.



When creating cross-merchandized vignettes, think in terms of themes and/or color coordination to pull products, framing, and art together, as demonstrated in this fun Halloween-themed merchandise display.

products can be too much and end up feeling like a collectibles store. This is definitely to be avoided: it doesn't allow you to soften and make your business more warm, friendly, and inviting."

Instead, Ranes focuses on creating cross-merchandized vignettes and displays located throughout the shop, creating points of interest that keep customers' attention while they browse. He suggests thinking in terms of themes and/or color coordination, as both can pull your products, artwork, and frames together. When positioning your display fixtures and gondolas, minimize

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dead zones by positioning them at angles to create paths for the customer to follow. Strategically obstructing the most direct routes helps maximize use of your space, and provide more inspiration (and temptation) for your customers as they explore.

"When putting together displays and vignettes, keep in mind the type of products that will naturally soften the presentation: pillows, flowers, blankets, and throws," manager Wiater suggests. "Remember that many items in a frame shop and gallery have sharp edges and are square and angular. Adding these components help soften dis-

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plays and make them more approachable."

It's also a good idea to rotate stock and move things around in the store to keep everything feeling fresh and interesting. When customers notice this, it'll give them a reason to keep coming in and looking to see what's new. Wiater suggests refreshing or changing displays every 30 to 90 days. Remixing items into new displays, she adds, will give products new life and help with stock turn.

Pricing: Strategically, it is wise to offer a variety of products at different price points. Ranes says he mixes products at different price tiers together within a display. Having a \$40 item next to a \$400 item can help customers appreciate the average cost of the products being sold. The prices of your ancillary products should be comparable to or less than your core product (custom framing) so customers will be comfortable with the cost of your expertise.

New and low-cost products can be positioned close to payment areas, making them easy add-on buys for customers: and don't forget seasonal opportunities. Ranes cautions retailers to be careful with their pricing. "The old formula 2x keystone mark-up doesn't quite cover retail expenses for most businesses these days," he says. "You may need to allow yourself more room for sales promotions and markdowns, while still retaining some profit."

Merchandizing Psychology

What goes on in a customer's mind when they're considering an add-on or impulse purchase? It's important to think about discovery and reward. For many people, shopping is a form of recreation—and for this kind of person, it doesn't feel good to come home from a day of shopping without something to show for it. They need their shopping experience to be gratifying and worthwhile, so they need to find a "reward" of some sort to show for it. An important part of what makes someone's shopping experience successful is discovering something they like and being able to buy it as something they can show; a trophy from their day out.

Consider adding products to your mix that can potentially be "discovered" by a customer on a shopping mission. Look for products that can be easily justified in price and make a person feel good. Then, adapt these into merchandized displays that encourage customers to explore and discover that special "reward" they're trying to find for themselves.

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THE NATIONAL CONFERENCE AT THE WEST COAST ART & FRAME EXPO Paris Las Vegas Hotel & Casino, Las Vegas, Nevada • www.wcafexpo.com It's also crucial to consider the psychology behind temptation. We as consumers psychologically flirt with the temptation to buy things we see that we like and want. But to stop ourselves from buying everything we see and like, we manage this inner temptation by looking for reasons not to make the purchase. This control over our temptation is managed by many silent and subliminal decisions made during the buying process. When it comes to merchandizing your displays, if you aim to eliminate the reasons a customer may come up with to not buy your product, then you dramatically increase the reasons to buy.

Price can be a key factor in this regard, but there are many additional elements that contribute to this that are well within your control. For example: a sparse display, a cracked or damaged item, poor lighting, and a build-up of dust can send a don't-buy signal to a customer. Research has shown that other external factors may come into play as well, such as the background music, the smell of a store, and even the color of the walls.

Assess this with your merchandizing by standing back, looking at your display, and asking yourself, "What are the reasons why I would not buy this product?" Then, see how you can solve as many of these obstacles as you can. Retail is detail, and sometimes, effective merchandizing lies in eliminating all the little negative reasons customers can find to not buy your products.

Conclusion

To find success in today's environment, framing business owners first need to acknowledge that they're no longer just craftsmen and artisans; they're retailers as well. And good retailers rely on effective merchandizing, which is all about going the extra mile. You may have the right product, but do you present it well? I encourage you to explore new ways to enhance and complement your core concept—custom picture framing—with fresh and innovative products that align with the principles of merchandizing. **PFM**

Want to learn more about connecting with customers? Jared will lead several sales seminars at The National Conference in Las Vegas in January.

Jared Davis, MCPF, GCF, has 25 years of industry experience and is the business development manager for Megawood Larson-Juhl in Australia as well as a consultant for Gunnar International. In addition to writing for PFM, Jared also travels extensively as an educator and speaker, teaching at many industry shows and seminars around the world including The National Conference. Jared also serves on the PPFA Board of Directors and is the author of the book "Getting the Most Value From Your CMC."

