

# NURSERY PAPERS

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## Transforming a dead spot into a hot spot: how to make the most of your retail space

Making the most of your retail space is a key component of effective merchandising. Capturing the buying impulse of your customer is a science and an art that relies on an understanding of consumer behaviour in the sales environment.

This Nursery Paper, written by renowned retailing expert, trainer and speaker Debra Templar, examines how to transform your shop into a retail hotspot. It explains the science of consumer purchasing patterns and the art of creative product placement. Most importantly, the paper outlines simple and practical yet effective strategies to help you capitalise on potential sales opportunities.



# Transforming a dead spot into a hot spot: how to make the most of your retail space

Effective merchandising demands the most effective use of available retail space. It seeks ultimately to capture the impulse of the customer to buy more and buy better. An understanding of customer behaviour in the shop, often learned through trial and error and observation, can be used as a positive sales tool.

## Understanding your retail space

It is telling that large retailers employ policies of shop layout based upon research and understanding of consumers' purchasing patterns.

An initial consideration is a basic building floor plan, and every shop through its physical means will have areas which draw higher traffic, as well as areas of the shop which may not be explored so much for such reasons as congestion (perceived or real) or simply being at a distance from the point of entry.

An understanding of this can greatly affect stock turnover; a lesser known

product placed in a high traffic area in a large, attractive stack will certainly have a greater chance of selling than one buried in the back of a shop. Likewise, a popular, sought after product need not be displayed as prominently, as it already has an established demand. Nonetheless, it is worth noting that there is a balance between objectively using shop space and potentially losing sales through the false perception of a product's unavailability. 'Dead' spots within a shop may also make for a good space to display sales specials and discounted items, with regular customers eventually trained to seek these out.



Utilise your floorplan when planning your displays.

Small retailers need to promote a sense of difference whilst maintaining usability. If you don't create an environment that people like to be in, they'll only buy the essentials. You need a combination of science and art. Science comes into play with smart logistics for the shop and placing products in the right areas. Art comes into play when it's time to create a unique environment with good lighting, colour, displays and fragrances. The right environment can capture consumers and entice them to buy once they are inside your shop enjoying the 'feel' of the shop and browsing.

Do the big shops deliberately place merchandise in a specific location at a particular time? Is it pure luck that signs in fast food outlets are placed at particular locations or facing specific directions? Is a shopper who is keen to get to the plant area to buy a tree going to notice more on the way out or on the way back once they have made a decision? When would be the best time to present customers with the idea of some fertiliser to plant their trees?

Here are four things you may want to consider:

1. Which way do shoppers move through the shop?
2. Who buys the products?
3. How many shoppers actually buy?
4. How long do shoppers spend in the shop?

Placement of products is also part of the art. Don't use the 'WAG' system (wild-ass guess). Instead, look for 'hot spots' in the shop where merchandise is known to move. Plan where you will put things in order to get the most stock turns.



Change displays regularly for impulse shopping.

## Finding the hot spots

Within each shop, there are a number of areas that can provide better selling opportunities than others. These usually occur at points with the best exposure to shoppers and are often referred to as hot spots. The hot spots tend to be those that get the heaviest traffic, adjacent to the entrance and exits, and where a shop has a major featured spot such as meeting areas or a coffee shop.

As displays in these areas tend to be very visible, they can lend themselves to impulse shopping and should be changed frequently. Frequency can vary from business to business and with the time of year. Some shops have even changed displays in these locations by time of day. Changing displays is important to target a specific audience or keep a fresh, interesting look for regular visitors to the shop.

Hot spots can occur throughout a shop along the most frequently travelled routes. There are many hot-spot possibilities in each shop. Consider these:

- Points of exit and entry between covered sales areas and plant areas
- End caps facing the main traffic flow
- Island and feature displays in main traffic areas
- Displays in direct line of sight to shoppers
- Points where the traffic flow naturally slows down

As hot spots offer excellent potential for sales, special attention and planning should be given to these areas. Consider these products for hot spots:

- Seasonality topical merchandise
- Advertised specials and promotional items
- Products mentioned by the media
- High-impact products
- Products that help set an image



Seasonal and/or colourful merchandise are ideal for hot spots.



## Tapping into your creativity

Creative use of merchandising hot spots, feature displays and end caps can also be an invitation to browse. Ideally, hot spots take shoppers on a journey from the time they enter your shop to the time they leave, showing off your merchandise in stages.

Use displays like stepping stones. Move customers from one display to the next, presenting as much of the merchandise as possible on the way. The objective is not necessarily for the shopper to see everything at once, which can be somewhat overwhelming or even confusing. Just try to creatively and interestingly show as much as possible during their visit. This can also help limit the less travelled areas of the shop – the 'cold spots' or 'dead spots'.

To attract attention to displays in a plant area, consider:

- **Colour** – Striking, coloured foliage or flowering plants to attract attention. Yellow particularly draws the eye or can brighten a dark spot.
- **Focal points** – Use height, maybe a specimen plant or a prop. When using props, take care not to create obstructions to other areas.
- **Fragrance** – As shoppers pass one display, they could be drawn to another by a heady fragrance of roses or gardenia, for example.



Remember that signs reinforce your message.

- **Sound** – Moving water, such as a waterfall or water feature, adds interest to a display.

As hot spots tend to invite impulse purchases, you should have a clear purpose and message in mind when merchandising these areas. Consider these ideas when merchandising prime locations:

- Limit the selection to a maximum of three related items; use one primary product and cross merchandise with up to two other related products. Ideally, use at least one product that could be purchased in addition to the primary product rather than as an alternative to it. A third item could perhaps be a larger size.
- A single item displayed en-masse can be very effective, especially with colourful plants.
- Use appropriate signs to reinforce the message as required.
- Keep it looking as full as possible. As items sell out, restock or replace them with another item or dress forward according to the season.
- Change stale, dated displays and point-of-sale material as soon as the promotion or theme ends.

## Heating up cold spots

These tend to be areas less frequently visited by shoppers, subsequently generating fewer sales. For example, they may be off the beaten track, long or dead-end aisles with nothing apparent to draw shoppers, dark or hidden areas, or against the normal traffic flow. There may be many reasons why shoppers don't frequent these areas. Some problems may be overcome by re-merchandising or reducing visual obstructions however others can be more challenging.

In working with cold spots, there are many things to consider:

- Keep aisles as wide as practically possible and resist the temptation to merchandise the floor with overflow product.
- Use focal points to draw shoppers down dead-end and long aisles
- Creative lighting helps draw attention to darker areas inside a shop
- Sound and movement from a water feature or fountain attract attention.
- Creative merchandising, such as colour, signs and interesting props, draws customers.
- Maintain visibility and use lines of sight.

There are many possible products for cold spots:

- Advertised loss leaders
- Commodity/demand items
- Colourful items that attract attention
- Service items, product that has to be held to provide full range and service
- Clearance merchandise

## Getting in the zone

As shoppers enter a shop, there is usually an area where they first familiarise themselves with their surrounds. This orientation area is commonly called the Adjustment Space or Adjustment Zone. Merchandise placed too close to the entrance, usually within the first 6 – 10 ft, can go largely unseen (this can vary with shop layout and size). By placing merchandise a few feet further into the shop, it has a better chance of being noticed.



The entrance of a shop where customers familiarise themselves with their surroundings is commonly called the 'adjustment zone'. Merchandise placed in this orientation area can often go unseen.

## I need one of those...

The counter areas are another good spot for last-minute reminders. Product selection needs to be made carefully, as these would largely be pick-up/impulse purchases. Products here tend to be items that customers may have forgotten, smaller consumable items and seasonally topical merchandise.

CHECKLISTS	
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p><b>Considerations</b></p> <ul style="list-style-type: none"> <li>• Is it warm but not too hot?</li> <li>• Is it dramatic?</li> <li>• Is it magnetic? (attracts and holds attention in the area you wish to control the customers' eyes)</li> <li>• Is it persuasive?</li> <li>• Is it well organised and neat? (Could you find what you wanted if you were the customer?)</li> <li>• Has anyone dusted?</li> </ul>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p><b>Daily checklist</b></p> <ul style="list-style-type: none"> <li>• Look at your windows and interiors daily. do they look: clean? bright? attractive? informative?</li> <li>• Are the light fittings clean?</li> <li>• Is the floor clean and not a clutter of merchandise to trip up the customers?</li> <li>• Is the door free of stickers/incorrect information?</li> <li>• Is the light level fine – all lights working?</li> <li>• Are there dark areas in the shop?</li> <li>• Would you shop here?</li> <li>• Are all spots positioned correctly on the merchandise?</li> </ul>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p><b>The shop layout</b></p> <p>Can the merchandise be put into the following categories:</p> <ul style="list-style-type: none"> <li>• Demand</li> <li>• Convenience</li> <li>• Impulse</li> <li>• Specialist</li> </ul>
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<p><b>Silent selling</b></p> <p>The silent sale is concerned with:</p> <ul style="list-style-type: none"> <li>• Presentation</li> <li>• Product</li> <li>• Persuasion</li> <li>• People</li> <li>• Purchase</li> </ul>

## The bottom line

Understanding consumer behaviour can help merchandising efforts. Identify your key selling areas. Recognising if, how and when they change and determining problem areas can contribute to capitalising on potential sales opportunities.

Although many principles remain the same, key selling areas and merchandising techniques may vary according to each shop and location. An excellent publication on consumer behaviour is *Why We Buy – The Science of Shopping* by Paco Underhill.

## Acknowledgements

Debra Templar is an expert speaker, trainer and business coach, much sought-after both in Australia and internationally. Part of the team at Australian Retail Services, Debra has years of experience in direct sales and the retail industries. For more information visit [www.retailservices.com.au](http://www.retailservices.com.au) or email [d.templar@retailservices.com.au](mailto:d.templar@retailservices.com.au).