

## Retailing 101 Presentation

To fully understand the importance of proper presentation, you must first be aware of the benefits that proper presentation can bring to your customers, and ultimately to the success level of your store. When a customer enters your store it should immediately make a statement, to what your store stands for.

*Presentation can create consumptive behavior, it can increase customer count, upgrade sales from a single item to multiple items to cover projects, increase the average sale per customer, increase market share, and increase gross profit dollars.*

Lets take a look at each benefit of proper merchandising:

- 1. Creating consumptive behavior**  
Consumptive behavior is the act of purchasing an item or items when your original intent was to shop for a specific item. You can achieve this by the proper use of endcaps, dump bins, bulk stack areas, outside display, clip strips, closeout tables, or our impulse areas at the checkout. The effect is obviously more sales, higher transaction sizes, and more gross profit dollars. Look at your own store through the eyes of a customer, and ask yourself if there is any "temptation" presented to buy more items from your store.
- 2. Increasing customer count**  
Increasing customer count can result from a multitude of variables. Relating to presentation, a store must first establish a "Top of Mind" awareness in the customer's mind. By this, we mean that your store should be known for 1, 2, or 3 departments or categories of goods. Your store should be the first store that enters the consumer's mind when he or she is thinking of purchasing a product or products for a project in one of these 3 departments or categories. How do you gain "Top of Mind"? You must be sure that your departments and categories are set in a manner that is organizational, neat, all inclusive of product, and presents a price image on category drivers, (those items that are price sensitive to the customer).
- 3. Upgrading sales from single items to multiple items to cover projects**  
To accomplish this, retailers need to be aware of "project", and what is included in a project type sale. This stresses the importance of being dominant in the presentation of the categories or departments where you've chosen to be "Top of Mind".
- 4. Increasing the average sale per customer**  
Take note of the importance of this goal. Assume that a store is doing \$500,000 at retail, and the average transaction size for this store is \$14. An increase of \$2 per customer transaction size would increase sales to over \$570,000, which could potentially provide an additional \$20,000 profit dollars. This can be accomplished with "Presentation" of product to create consumptive behavior.
- 5. Increasing market share**  
By proper merchandising and presentation, you can better serve existing customers, but equally important, you can gain new customers. By offering a neat, clean, complete, organized, and promoted store, a retailer keeps his existing customer base, and hopefully, gains customers. This requires doing or offering something better than your competitors. That can range from being more complete, better priced, (which needs to be conveyed with signage), or offering a shopping environment that is favorable to the consumer.
- 6. Increasing gross profit dollars**  
This also has been previously discussed, but seems to be the ultimate reward from proper presentation or merchandising of a store. As already shown, you can increase transaction sizes, sell more profitable merchandise, gain more customers, which all result in increased gross profit dollars.

Your field representative at United Hardware is standing by to assist you with the P of "Presentation" or any of the other P's of Project 200 within the Looking Good process.