

RIGHT PRODUCT
PLACE 

MAKING SENSE OF MERCHANDISING

WELCOME TO VISUAL MERCHANDISING
FOR CATERING ENVIRONMENTS – PART 1
21ST MAY 2020 2PM WITH JUDY ROBERTS

MAKING SENSE OF MERCHANDISING



Workshop Objective

To gain an understanding of what influences the product choices our customers make, & how we can positively alter (disrupt) that selection process.



What Will We Look At Today?

1. What is Visual Merchandising (VM) – why bother?
2. Customer behaviour
3. The value of impulse buys/ add-on sales
4. Recap & Quiz



What is MERCHANDISING?

♥ Different to 'Marketing'?

♥ **YES**

♥ All about the POINT OF SALE (or POS)

♥ And about making a direct connection with your customer

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TUCO
The University Caterers Organisation

MAKING SENSE OF MERCHANDISING



VISUAL MERCHANDISING:

“Using colour, theatre, action, lighting and signage to influence customers’ action & decisions, so they spend more on the products

YOU WANT TO SELL”



Two Main Types of Product

Type of Product	Definition	Key Features
PULL	These draw people into the space in the first place. They are what they have come in for.	Need to be found without frustration, but not immediately. Typically lower average margin (but not always)
PUSH	These are the things we want them to see, try and buy while they are with us.	Higher margin, shorter self-life, new, supplier offers, demonstrating positive messages about the operation



Why Is It Important?

- ♥ Increase your market-share
- ♥ Make the most of your customer-base
- ♥ Improve the reward for your efforts
- ♥ Achieve everyone's higher expectations
 - ♥ Organisation heads – variety, best caterer, attracting new students & staff
 - ♥ Customers – outside competition, aspirations
 - ♥ Our bosses – delivering greater productivity – doing more with less
- ♥ Who does it well?
- ♥ What happens if you get it wrong?



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2: CUSTOMER BEHAVIOUR



What Makes Our Customers Tick?

- ♥ Level of need, e.g. hunger
- ♥ Time of day
- ♥ Price of product/ disposable income available
- ♥ Time pressure
- ♥ Peer pressure
- ♥ Recommendations/ ratings



What Else Is Influencing Choice?

- ♥ Human anatomy and evolution
 - ♥ Our eyes
 - ♥ Our hands
 - ♥ Our brain
- ♥ How does that impact our choices?
 - ✓ **Right in front of us**
 - ✓ **Easy to reach**
 - ✓ **Familiar/ understandable**



1. Right in Front = Hot Spot

- ♥ Entrance
- ♥ Till point/ exit
- ♥ Somewhere with MAXIMUM visibility
- ♥ Eye level (is BUY LEVEL) – shelving or displays, field of view
- ♥ Wherever queues occur (often next to PULL products)
 - ♥ Tills, Deli bars, Hot food counters, Coffee machines
- ♥ The first thing we see – everything else is compared to this



2. Easy to Reach

- ♥ Hand height, no need to bend down – 80% right-handed
- ♥ First thing on the shelf/ counter
- ♥ Easy to grab – not balanced precariously or at the far back of the shelf
- ♥ Somewhere to put a tray or bag down
- ♥ Bag or tray available



3. Most Familiar/ Understandable

- ♥ Habitual purchase (a PULL product)
- ♥ Logical layout of products
- ♥ Well-known brands
 - ♥ Winner? → in a hot spot
 - ♥ Loser? → in a dark corner
- ♥ Clear signage – simple messaging *

*especially if it's a new product!



Disrupting These Effects

- ♥ Use eye-level and hot spots effectively
- ♥ Use social media/ influencers
- ♥ Create eye-catching displays – Part 2 for more tips and How to's
- ♥ Stay up to date/ timely
- ♥ Use colour and signage well
 - ♥ Destination
 - ♥ Pavement
 - ♥ Counter-top
 - ♥ Not all in CAPITALS – too rude!
 - ♥ High-contrast colours to catch attention



Colour Choice Makes A Difference

NEW!

RED – energetic, heart-rate increase, urgency, SALE!

NEW!

ORANGE – social-able, aggressive, creates a call-to-action

NEW!

GREEN – wealth, easiest colour for eyes, relaxing, eco

NEW!

BLUE – trust & security, safe, calming, cold, less foodie

NEW!

YELLOW – optimistic, youthful, attention grabbing

NEW!

BLACK – powerful, sleek, luxurious, especially with gold

NEW!

PURPLE – royalty, soothing, calming, premium/ exclusive

NEW!

PINK – Romantic/ feminine, ice-cream



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3: IMPULSE SALES

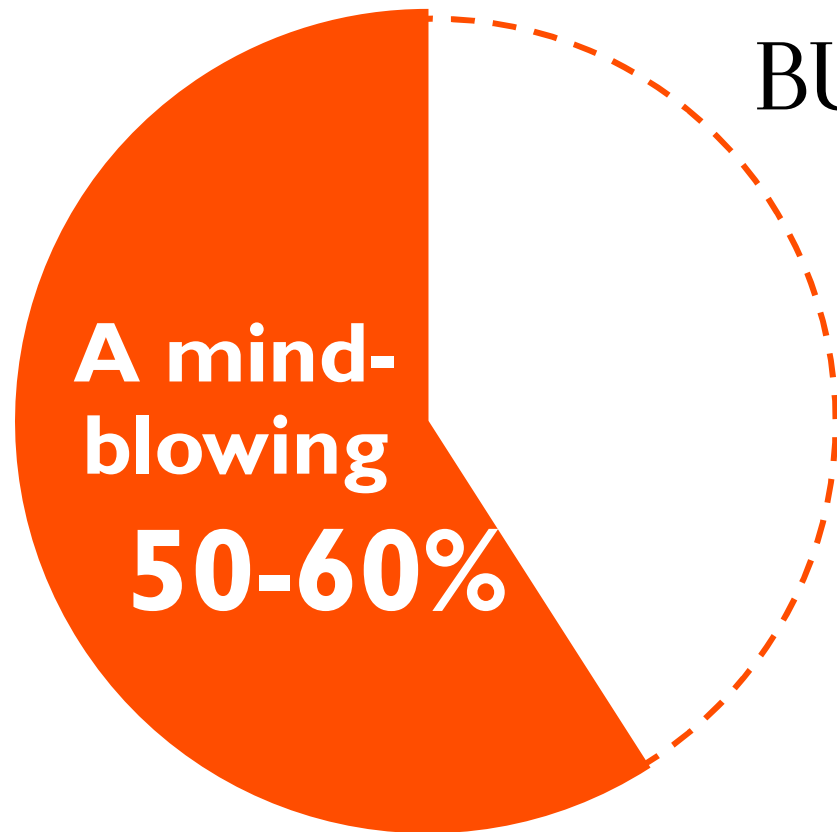


Learning From The Big Boys

- ♥ Where are the milk and bread to be found?
- ♥ Ends of aisles – what's displayed here?
- ♥ Checkouts – what's here?
- ♥ Entrance lobbies – what's here?
- ♥ Shelf spacings/ layout – what are the rules applied here?
- ♥ What's the effect?
- ♥ Impulse sales – what proportion?



Proportion of Impulse Buys



BUT... Customers will only buy what they feel they need

UNLESS YOU SHOW THEM SOMETHING

they “can’t live without”

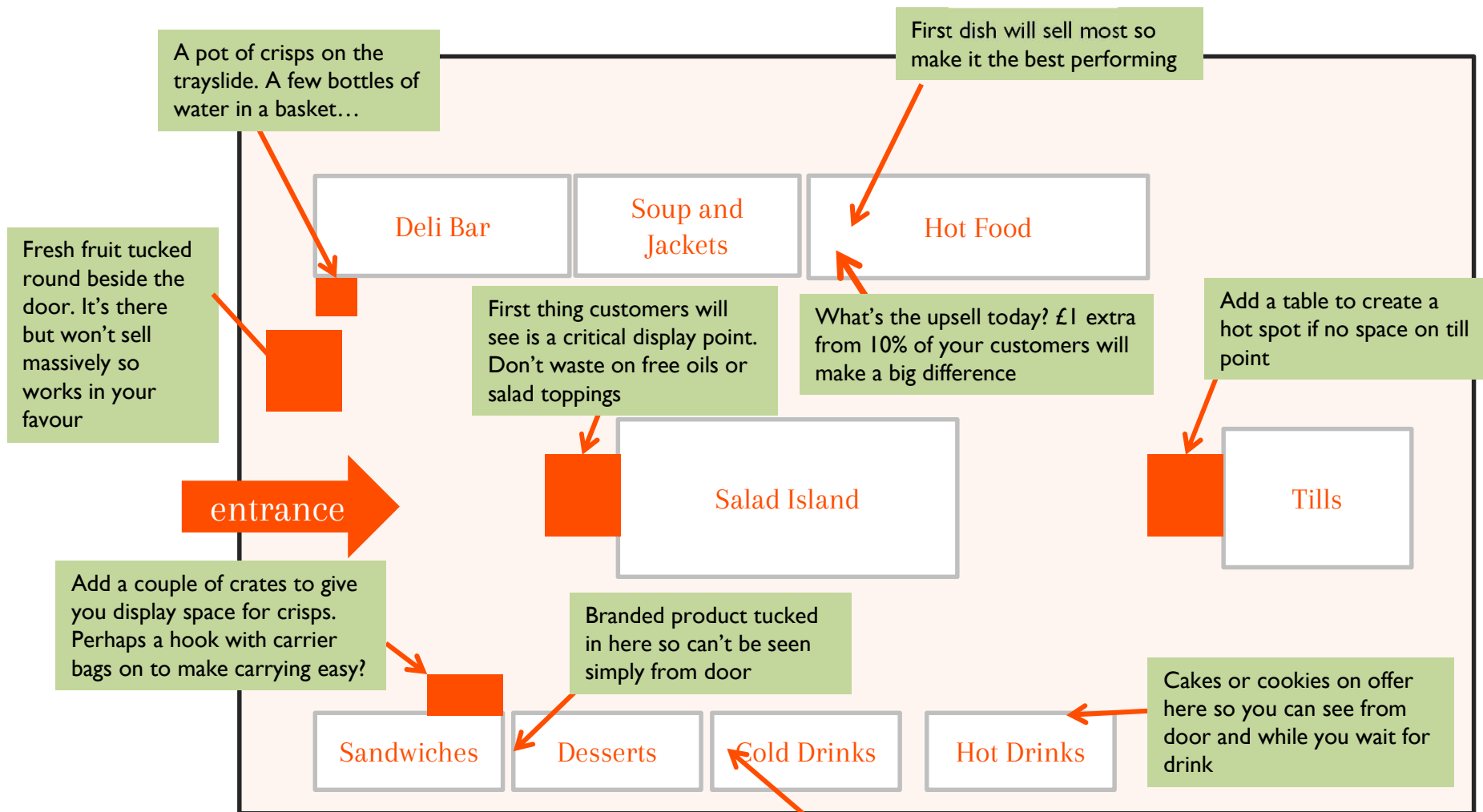


Good Impulse Items

- ♥ Sells itself – staff interaction is not critical
 - ♥ Position – in relevant place or hot spot
 - ♥ Interesting or unusual product
 - ♥ A great story behind it
 - ♥ A natural combo or associated purchase deal
 - ♥ Personal recommendation – verbal or visual
- ♥ Good profit margin but also excellent value to customer
- ♥ Upgraded purchase from intended – power of suggestion
- ♥ Short-dated stock/ supplier deal/ exclusivity
- ♥ Easy to produce from our perspective
- ♥ Easy to pick up from the customer's perspective



CLEVER POSITIONING BOOSTS SALES OF THE THINGS YOU WANT TO SELL...



Got it right? Stand at the entrance and view it from a customer perspective. What can you see? That's what will be bought first but only if it is priced!

Branded products tucked in here so it can't be seen obviously from door

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WHAT HAVE WE LEARNT?



Recapping Key Points

I. Purpose of effective merchandising

- ♥ Increase sales and spend
- ♥ Sell MORE of the products you WANT to sell (& less of those you don't)
- ♥ Make sure you know which is which



Recapping Key Points

2. Customer behaviour

- ♥ Types of products:

 - ♥ Push and Pull

- ♥ Physical limitations:

 - ♥ hands, eyes, brain

- ♥ Influences on our choices:

 - ♥ Peers, time of day/ month/ week, prices, colour & fonts on signage

- ♥ Hot spots:

 - ♥ high traffic areas, identify them and look after them



Recapping Key Points

3. Impulse products

- ♥ Positive contribution to profitability and spend
- ♥ Customer feels their needs and tastes considered
- ♥ Must sell themselves as much as possible



In summary:

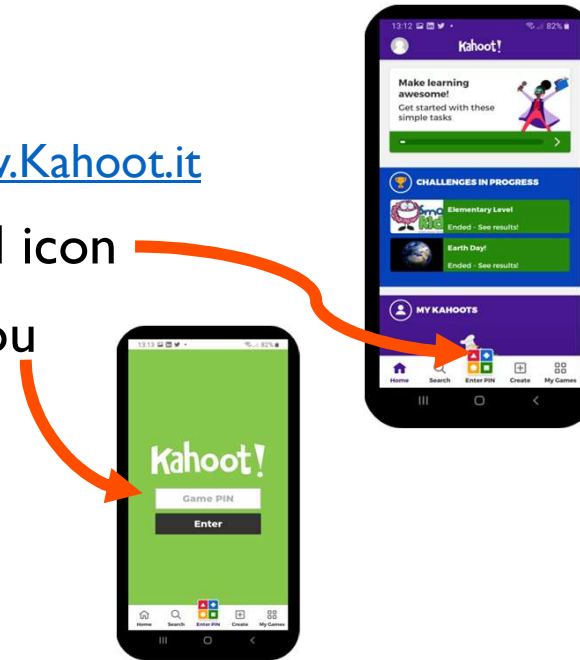
Top Tips for Merchandising

- ♥ Price everything clearly
- ♥ Look after your HOT SPOTS
- ♥ Make it REALLY EASY for your customers
- ♥ Think about order of products on a display – prioritise them to suit **YOU**
- ♥ Group associated items together to increase spend
- ♥ Duplicate offers to catch more people & increase familiarity
- ♥ Provide impulse items on as many areas as you can
- ♥ Keep it exciting and relevant for you and your customers
- ♥ Stand back & **LOOK from a customer's viewpoint**



Short Multiple Choice Test

1. Using the Kahoot! App
 - a. Download from your App store OR
 - b. Open a fresh browser window www.Kahoot.it
2. On the App, press the ENTER PIN icon
3. Enter the PIN I'm about to give you



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Thank you! 😊

