

MERCHANDISING STRATEGIES

USING THE 5 PS OF MARKETING

Product, Placement, Pricing, Promotion & People

PRODUCT

Feature top selling items

- Work with vendors for discounts
- Price competitively on popular items

Incorporate high margin strategies

- Combine discounted, sale items with higher margin, non-sale items
- Take advantage of vendor discounts, buy forward and sell after the special has ended
- Scale displays to inventory and avoid running out of sale items
- Include VT products in displays

Limit items in display

- 2-5 items will maximize sales in a display
- Include primary & secondary items to broaden appeal and round out the display

Create seasonal and local food themes

- Encourage sales by highlighting holidays in displays
- Take advantage of in-season items and feature local producers
- Feature “Harvest of the Month” products

PLACEMENT

Take advantage of high traffic areas—for example, near checkout—and use those spaces effectively. Create a consistent ‘specials’ area where customers know to look for deals. Show abundance.

- “Pile it high and watch it fly” (just don’t do so in a way that will damage the food)
- Make it easy to shop with heavy weighted items on the bottom
- Use props and dummies as needed to create the look of abundance

Maximize visual impact within the display

- Use colors and shapes
- Combine horizontal and vertical features
- Include other props as needed to round out displays

Cross merchandise to create excitement and promote impulse purchases

- Feature VT products with national, high profile brands

PRICING

Price with a plan to generate volume sales

- Work with vendors to secure sale prices, estimated volumes and timeline for the sale
- Offer special in-store pricing, including case deals, 2 for deals, buy 1 get 1 free, etc.
- Add sale pricing to POS system
- Round up price to enhance margin, or lower price to promote higher perceived value
- Calculate prices to generate margin dollars

PROMOTION

Promote the deals and specials

- Signage should include sale details, including beginning and end dates, prices, size, etc.
- Use social media, e-news, and website to promote sales

PEOPLE

Update staff of specials, including cashiers and receivers

Work among departments for effective cross merchandising

Collaborate with prepared foods to tie in sale ingredients with meals ready to eat

Create a promotional plan to tie multiple departments into a strategy

Provide samples for customers

Communicate effectively with vendors, and honor payment terms

