

Store operations

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UST Internal

Agenda

- Sections of a Store
- Roles in a store
- Tasks in a store
- Checkout
- Direct Store Delivery
- Vendor Managed Inventory
- Demand Forecasting
- Store Ordering and Replenishment
- In-Store Merchandising
- DEX/NEX

Sections of a store

- A fixed set up or location offering merchandise in small quantities to the consumers for their end-use is called a store.
- A store area can be classified into three types:
 - Main merchandising
 - Display
 - Cash
 - Backroom



Roles in a store

Types of jobs/roles in a store

- There are a number of roles in a retail store for the efficient running of the store.
 - Store managers
 - Asst. Store Managers
 - Cashier
 - Order Writer
 - Bagging Clerk
 - File Maintenance Clerk
 - Night Stocker
 - Sales Associate
 - Inventory Control Clerk
 - Key Holder



Types of jobs/roles in a store

Store managers

- Person in charge of daily routines in order to run a successful business
- Make sure a store runs properly.
- Responsible for the store's overall profitability.
- All employees working in the store report to the store manager
- Main duties are:
 - Overseeing the hiring, firing and maintaining of personnel.
 - Deals with the money that comes into the store and goes back out as well
 - Inventory management
 - Manage customer service responsibilities.
 - Handle advertising and promotional displays

Types of jobs/roles in a store(Cont..)

Assistant store manager

- Person who helps the manager on less important things
- Provide support to the manager
- Provide focus and direction for the team.
- Main duties are :
 - Supervisory Duties
 - Scheduling Duties
 - Advisory Duties



Types of jobs/roles in a store(Cont..)

Cashier

- A person who scans the goods that the consumer wishes to purchase at the retail store through cash register .
- Collects payment for the goods or services exchanged.
- Records the amount received
- Giving change to customers and consumers.
- Issues receipts to customers
- Have to keep a record of money



Order Writers

- Places Orders considering various factors such as stock in hand, perceived demand, promotions, lead time to order, etc.

Types of jobs/roles in a store(Cont..)

Bagging clerk

- Works as customer assistants.
- Main duty is to put groceries into a shopping bag and then
- into a shopping cart.
- Depending on the store, other duties may include
 - Cleaning the store
 - Collecting carts
 - Giving customer assistance
 - Putting items customers initially intended to purchase but changed their mind about at the register back on the shelf
 - Reorganizing products on aisles to make a neater appearance



Types of jobs/roles in a store(Cont..)

File maintenance clerk

- Main duties of a file maintenance clerk include:
 - Documenting/Recording Information
 - Printing and maintaining of labels, tags, etc.
 - Print promotional material
 - Performing Administrative Activities
 - Organizing, Planning, and Prioritizing Work
 - Establishing and Maintaining Interpersonal Relationships
 - Interacting with Computers
 - Processing Information
 - Communicating with Supervisors, Peers, or Subordinates
 - Getting Information



Types of jobs/roles in a store(Cont..)

Night stocker

Person responsible for helping to get the store prepared every night for the next day's customers.

- Main duties includes:
 - Receive merchandise from delivery vehicles
 - Unpack the merchandise
 - Place identifying codes on the merchandise
 - Place it on the appropriate shelves
 - Inform customers who make special offers when the order is ready.



Types of jobs/roles in a store(Cont..)

Sales Associate / Courtesy Clerk

- Person who assists customers needs and answers their questions about different products, prices, and/or sale events.



Inventory Control Clerk

- Person who receives the goods at the store backstage and ensures the stock arrived matches with the stock mentioned in the PO.

Key Holder

- Person in charge of the stores' opening, closing, and operating procedures when a manager is not present.
- Like a supervisor or a shift manager.



Tasks in a store

Tasks

There are a number of tasks associated with store operations. The following are the main tasks:

- Store Administration and Management of premises
- File Maintenance
- Receiving goods
- Returning goods
- Out of Stock Scan
- Inventory Management (and replenishment)
- Displaying / Stocking goods
- Printing Labels and other merchandise
- Promotional merchandise
- Customers' shopping experience
- Staffing Levels, T/A, labor scheduling
- Store Schematics / Layout / Space Utilization
- Security and Loss prevention
- Cash management



Tasks: Store Administration and Management of premises

- Managing the operations of a retail store starts by determining how the tasks pertaining to the premises are to be performed.
- Following are the main duties in Store administration
 - Utilizing the store personnel effectively
 - Time keeping for the store staff
 - Keeping track of holidays and the shifts that the staff may be required to work for.
 - Keeping the store clean.
 - Arranging the merchandise before the first customer can walk into the store.
 - Ensuring that the health and safety norms as required by the law of the land, are met with and satisfied.

Tasks: Store Administration and Management of premises

- Firstly, the duration of the hours for business need to be determined.
- It is also necessary to specify with whom the responsibility of opening and closing the store lies with.
- Security of the premises is necessary in order to ensure that miscreants do not spoil the retail store.

Tasks: Store Administration and Management of premises

Important terms in store administration

Transaction per hour

- $\text{Transaction per hour} = \text{number of transaction} / \text{number of hours}$
- Helps to keep track of the number of transaction that they are carrying out in an hour.
- Helps in setting store hours and staff schedule, particularly for cashier.

Sales per transaction

- $\text{Sales per transaction} = \text{net sales} / \text{number of transactions}$
- Gives the rupee value of the average sales, net of return and allowances .
- Used to study sales trends over time.

Tasks: Store Administration and Management of premises

Hourly customer traffic

- Hourly customer traffic = customer traffic in / number of hours
- Used to track total number of customer traffic per hour, day, week or season
- Can be applied to an entire store or to a single department to schedule hours and establish staff level.

Average selling price

- Average selling price = total values of goods sold/ total quantity sold

Average stock price

- Average stock price = total value of goods and stock / total quantity in stock .

Tasks: File Maintenance

- Apply price changes that come from the corporate to POS and other store systems
- Maintain the signage (labels, tags) in the store with the current prices
 - Print the signage
 - Arrange the signage in the store
- Receive promotional information handy so that signage can be printed out accordingly
- Ensure that the right pricing is on the new items
- Optimizing printing expenditure in the stores



Tasks: Receiving Goods into a Store

- There are 2 steps in the receiving process:
 - **Receiving merchandise**
 - The process a business uses to receive merchandise at their store.
 - Incoming goods must be received in a secure area of Store.
 - The goods would be delivered to the store based on a Master Schedule.
 - Bill of Lading – a form used to describe the goods received
 - **Checking Merchandise –**
 - Verifies that the correct merchandise and quantities were delivered.
 - Examining the containers for signs of damage, including leaks, tears or broken seals.
 - Verify the weight, if necessary, matches the amount charged.
- Any discrepancies, damage or suspected concealed damage must be brought to the attention of the delivery person and noted on the bill of lading or carrier's delivery receipt

Tasks: Receiving Goods into a Store(Cont..)

- Compare the vendors invoice with the order placed, to check the following:
 - Quantities received by the retailer match order
 - Product styles, colours, sizes received are identical to order
 - Merchandise quality equals, or exceeds, the buyer's expectations
- Problems and discrepancies should be documented and reported to the proper party responsible

Perishable Items / Items that Require Special Treatment:

- Must be clearly labeled on the exterior packaging detailing the storage requirements

Tasks: Receiving Goods into a Store(Cont..)

- There are 4 different methods of checking merchandise
 - Blind Check Method – one of the most accurate, yet time consuming, methods for checking merchandise. Employees open boxes and make a list of items sent. This list is then compared with the invoice.
 - Direct Check Method – used the most frequent. Involves checking off the merchandise on the invoice.
 - Dummy Invoice Method – combines the best features of both the blind check method and the direct check method. Employees take an invoice without the quantities and records the amount of each item in the shipment.
 - Spot Check Method – takes the least amount of time, but is the least accurate method. Involves spot checking a certain number of boxes.
- Once the shipment has been accepted, the next step of processing freight is checking in the merchandise

Tasks: Handling Returns to Vendors

- Reasons for Returns
 - An item may have been received that was not ordered
 - An order may have been cancelled after it already shipped
 - Too many items were shipped
 - Faulty merchandise
 - Merchandise arrived too late
 - Unsold merchandise may be returned for credit
- Procedures for Handling Returns – vary according to vendors
 - Credit memorandum – notification to the business that its account with the vendor has been credited for the return

Tasks: Out of Stock Scan

- Done by the Inventory Control Clerk
- Scans the shelves for 'holes' (out of stock items)
- Items are filled in from the backroom based on this information
- Input is given to the Store Ordering System / Order Writers
- Input can also be used to determine the effectiveness of demand forecasting

Tasks: Store Inventory Management

- It is to ensure that optimum inventory levels are maintained (Right product at the right time at the right place)
- Performed by planners
- Any excess inventory will result in:
 - Incremental costs of maintaining inventory
 - Affects the financials of the company as it blocks working capital.
- Shortage of inventory will result in:
 - Hamper the market share
 - Leads to customer dissatisfaction
- Inventory management and supply chain management are the backbone of any business operations
- Inventory management requires constant and careful evaluation of external and internal factors and control through planning and review

Tasks: Displaying / Stocking goods

- Most important aspects involved in marketing and gaining customer loyalty is your visual presentation.
- Location of the merchandise in a store is important . The goods which are of high demand should be located in such a way that it can be got very easily and quickly.
- Following are some of the tips used by the store to get customers' attention:
- **Create a focal point**
 - Plan what the customer should do when they see the display.
 - The focal point should be at eye level to most viewers.



Tasks: Displaying / Stocking goods(Cont..)

- **Use line and shape to plan your design**

- Practice drawing a quick layout to help you visualize the plan for your design.
- Don't just put your products unorganized.

- **Keep it simple**

- The goal is to attract attention to the product.
- On a slat wall, often simple rows are the best way to show the merchandise.

- **Create balance**

- Larger, darker items would be placed near the bottom of a display, to avoid appearing top heavy.
- Placing too many items, or heavy looking items on one side appears unbalanced.

Tasks: Displaying / Stocking goods(Cont..)

- **Use proper lighting**

- Displays should not be lit directly from the top.
- Lights should be slightly off to the side, and to the front of the display to enhance the 3-dimensional quality of the product.

Tasks: Printing Labels and other merchandise

- Label
 - A concise explanation of any product
 - Given for purpose of identification
- Retail labels are used to :
 - Enhance the customers' experience
 - Promote a sale
 - Attract customers
 - Product coding
 - Attract attention to your products
- Labels can be with product description, pricing, barcodes and promotional messages.
- The custom retail shelf labels will keep your shelves organized and keep your customers coming back again and again.



Tasks: Promotional merchandise

- Merchandise used in marketing and communication programs.
- Given away to promote a company, corporate image, brand, or event.
- Usually imprinted with a company's name, logo or slogan
- Given away at trade shows, conferences, and as part of guerrilla marketing campaigns.
- Used in
 - Marketing research
 - Customer Referrals
 - Employee Service Awards
 - Internal Programs
 - Public Relations
 - New Product or Service Introduction
 - New Customer or Account Generation
 - To increase Brand Awareness



Tasks: Customers' shopping experience

- More choices available for consumers.
- Retailer needs to offer a differentiated shopping experience to retain the customers.
- Merchandising and display are important in enhancing customer shopping experience.
- It is about understanding the way customers shop.
- Hand written boards, posters covering the door and walls, lack of lighting, untidy displays convey that you are not serious about business.
- Store environment should give feeling of comfort and satisfaction.
- Following are the tips to make customer shopping an amazing experience for them:
- **Store Front and Windows**
 - Any information to be put on front should be attractive and in accordance with cultural norms.

Tasks: Customers' shopping experience(Cont..)

■ Product placement in store

- Put the most popular and latest products in the most visible place.
- Keep the display clutter free.
- Should give a balance view with respect to color as well as size of item placed.
- heavy looking items and darker items should be placed near the bottom of a display.

■ Effective Signage

- To convey message to the customers.
- To convey information about store name, pricing, promotions and product.

Tasks: Customers' shopping experience(Cont..)

■ Lighting

- Proper lighting on display can catch attention of customer.
- Lighting should enhance the three dimensional image of the product.
- Track lighting can be used as accent lighting to show up specific merchandise and adding excitement

■ The Store's aroma

- Pleasing aroma can create a wonderful ambience

■ Music

- Music is another technique of pleasing the customers.
- The types of music to be played depends on product and target customer.
- Slow music reduces the pace of human traffic and increases sales.

Tasks: Staffing Levels and Labor scheduling

■ Staffing level

- The numbers of employees required in a department of a company for it to work efficiently
- Optimal staffing levels improves efficiency and productivity
- Overstaffing reduces performance by not keeping employees fully occupied
- Understaffing reduces productivity

■ Labor scheduling address all areas of workforce planning including;

- Staff planning
- Shift planning
- Staff tracking
- Planning and tracking of the work done by staff
- Planning the resource requirement.

Tasks: Store Schematics / Layout / Space Utilization

- **Floor plan** is a schematic that shows
 - Where the merchandise and the customer service departments are located
 - How customers circulate through the store
 - How much space is dedicated to each store and each department
- **Store Layout**
 - The floor plan of a store with what it is going to look like with shelves, counter, etc
 - Determining how to best allocate total category, aisle, department, and center of the store space, across all sections and stores, is essential to the optimization of space productivity and consumer need satisfaction.
 - Two approach for space planning
 - Top-down approach
 - Bottom-up approach.

Tasks: Store Schematics / Layout / Space Utilization(Cont..)

- Top-down space planning
 - Focus mostly on floor space
 - Fails because it doesn't take into consideration key constraints or lower level merchandising strategies.
- Bottom-up space planning
 - Focus on one category and the space requirements to optimally allocate and balance space on the shelf.
 - Drawback is that it focus on meeting the space allocation of a single category and lacks the understanding of the space constraints of the aisle or total store.
- The optimal approach is a top-down/bottom-up methodology in which space planning is performed and optimized in a unified fashion, where macro level planning has visibility into the micro level constraints and strategies .

Tasks: Security and Loss Prevention

Retail loss prevention

- A profession that is responsible for reducing inventory shrinkage inside stores.

Shrinkage

- Reduction in inventory due to shoplifting, employee theft, paperwork errors and supplier fraud
- Loss prevention plan is implemented to reduce shrinkage
- Loss prevention professionals manage in-store security programs that focus on reducing inventory losses due to employee theft, shoplifting, fraud, vendor theft, and accounting errors
- Techniques to prevent shrinkage:
 - Prevent employee theft from the point of sale (POS) terminal by using an efficient POS software solution.
 - Maintain a strict employee theft policy
 - Install security cameras, security tags and hire a security guard
 - Provide good employee training

Tasks: Cash Management

- Series of activities aimed at efficiently handling the inflow and outflow of cash.
- Deals with the management of liquid cash and near-cash assets such as marketable securities and time deposits, which can be readily converted to cash.
- Objectives
 - To ensure availability of cash as per payment
 - To minimize the amount of idle cash
 - To maximize the return on surplus funds
 - To reduce bank charges and keep transaction costs as low as possible.
- Components of Cash Management
 - Account reconciliation
 - Cash concentration
 - Financial risk management
 - Liquidity management



Checkout

Checkout

- Known as Point of sale (POS) or Point of purchase (POP)
- The location where a money transaction occurs.
- Refers to a POS terminal or more generally to the hardware and software used for checkouts, the equivalent of an electronic cash register.
- Functions
 - Manages the selling process by a salesperson accessible interface
 - Allows the creation and printing of the receipt
 - Record and track customer orders
 - Process credit and debit cards
 - Connect to other systems in a network
 - Manage inventory



Checkout (Contd.)

- Terms to be familiar with
 - **Fast Checkout / Express Lanes**
 - Lanes that will serve customers who have less than a specific number of items
 - **Self-Checkout (SCO)**
 - Self-checkout points are POS terminals available for customers to manually check their items in
 - There would be one attendant for several SCOs, who would be available for assistance.
 - **Mobile checkout**
 - Increasingly popular way of checking out items using mobile checkout devices in stores.
 - The store personnel can scan and checkout the items for a customer in the merchandising area itself using his/her handheld device.

Checkout (Contd.)

- **Kiosks/Vending Machines**

- These are booths/machines from which select products are dispensed by making payments in cash
- These are available within or outside the stores

Direct Store Delivery (DSD)

Direct Store Delivery

- A key method of selling and distributing perishable and high-turnover products such as food, beverage and home & personal care products directly from the supplier to the stores.
- DSD bypasses the warehouse.
- Manufacturer will get more access to the customers than traditional system.
- For perishable or high-turnover product, direct arrival from the manufacturer to the store shelf, bypassing distribution centers and warehousing minimizes the number of days in the supply chain.
- Direct Store Delivery is
 - Efficient
 - Economical
 - Ensures that products are fresh and consistently in stock



Direct Store Delivery(Cont..)

Benefits of DSD

- For retailers
 - Products are delivered and merchandised by the vendor, saving retailers valuable labor costs.
 - Results in Increase in volume at the store which translates to more sales
 - Improved contribution margin from DSD sales as the supplier assumes the costs for delivery, inventory management and merchandising
 - Accelerate Working Capital and Cash Flow as the replenishment and payment cycles of DSD processes are faster than traditional retail
- For vendors, DSD allows them to have a direct hand in the display and stocking of their merchandise.
- For customers, merchandise is fresh, in stock and easily found.

Direct Store Delivery(Cont..)

- **Maximizing DSD potential**

The power of DSD can only be ignited through retail and supplier collaboration against joint objectives that drive value for the shopper. Following are the methods to maximize this potential:

- **Drive Innovation at the shelf**

- With increasing levels of R&D spending, deep demand insights, and trade funds focused to deliver the customer experience, the retailer can partner with the supplier on innovation and adding more variety and choice to the customer.

- **Partner with suppliers to improve store merchandising**

- By partnering with suppliers, Retailers can improve cash flows and store sales by bringing in-store programs quickly to market

Direct Store Delivery(Cont..)

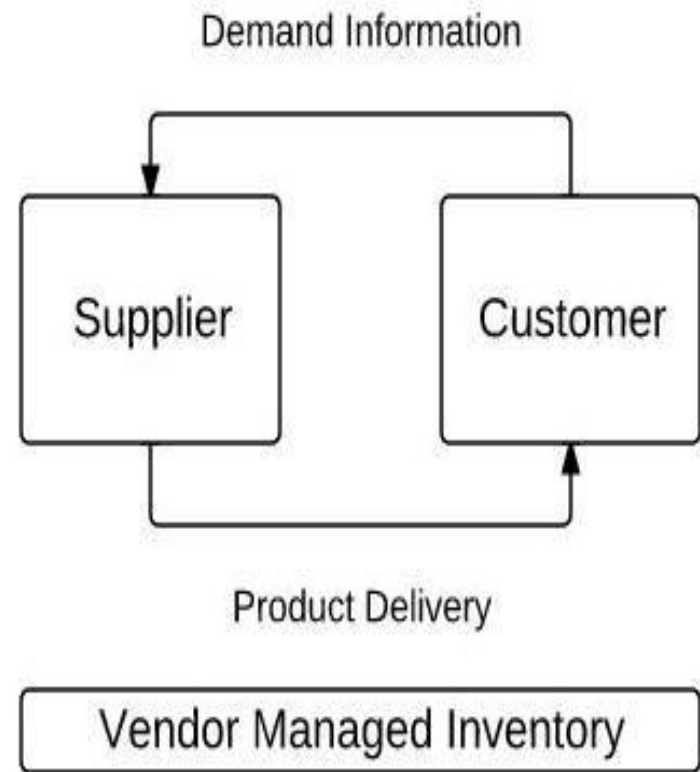
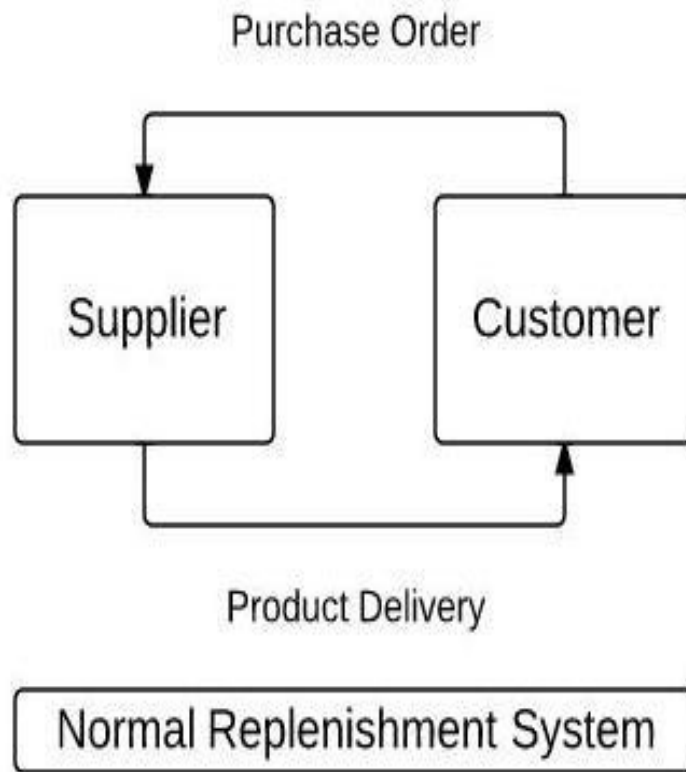
- **Leverage Information**
 - In the modern world, Retailers collect a lot of data on their transactions and apply business intelligence to it to arrive at targeted marketing and customer reach. By sharing this data with the suppliers, the latter can make informed decisions thereby cater to the changing demands of the consumer.
- **Devise collaborative processes to sustain store performance**
 - As technologies and processes morph based on the availability of data and insights on store execution, there is an opportunity to partner to drive even greater value

Vendor Managed Inventory

Shelf Inventory Management/Vendor Managed Inventory (VMI)

- VMI is a process where the supplier maintains and replenishes the Inventory of the customer at customer's location
- Based on demand information sent by the retailer using EDI
- Necessary to maintain just enough merchandise to meet customer demand
- This enables the supplier to better project and anticipate the amount of product it needs to produce or supply
- The supplier is required to fulfill mutually agreed objectives for inventory levels, transaction costs and product price
- Also known as 'backward replenishment model', where the supplier does the demand creation and demand fulfillment
- The VMI concept is being widely used in many packaged consumer goods processes where the end-user's demand for products is relatively stable with short-term fluctuations in supply chain.

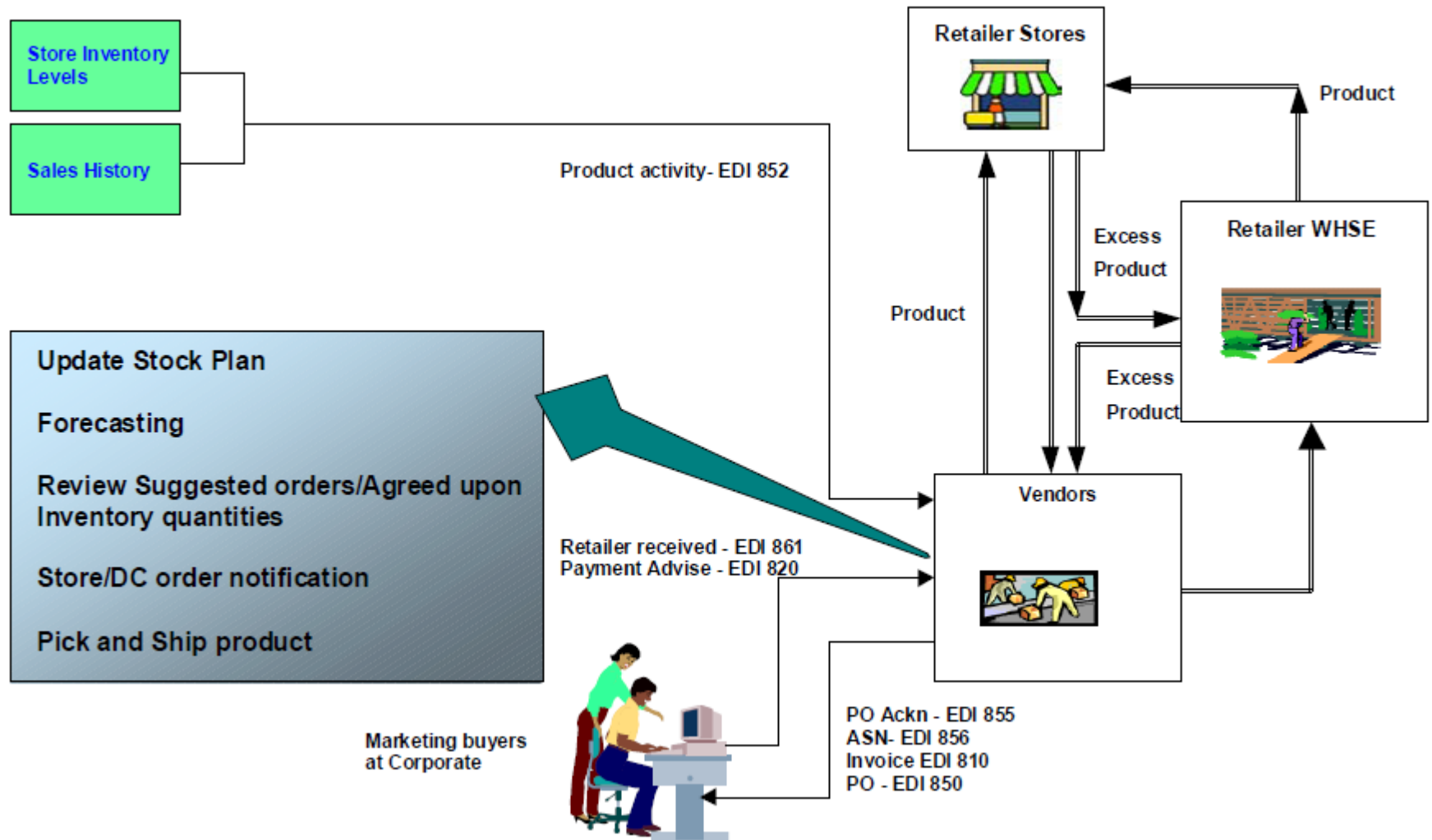
Shelf Inventory Management/VMI(Cont..)



Shelf Inventory Management/VMI(Cont..)

- A third-party logistics provider can also be involved to make sure that the buyer has the required level of inventory by adjusting the demand and supply gaps.
- Means of optimizing Supply Chain performance in which the manufacturer is responsible for maintaining the distributor's inventory levels.
- Promotes a strong partnership between the Manufacturer and the Distributor.
- The manufacturer has access to the distributor's inventory data and is responsible for generating purchase orders.
- The manufacturer receives electronic data (usually via EDI or the internet) that tells him the distributor's sales and stock levels.
- The manufacturer can view every item that the distributor carries as well as true point of sale data.

Shelf Inventory Management/VMI(Cont..)



Shelf Inventory Management/VMI(Cont..)

■ Benefits of VMI Process

■ Retailer Benefits

- Reduced Inventory
- Reduced Stock-outs
- Reduced Forecasting and purchasing activities
- Increase in Sales

■ Supplier Benefits

- Improved visibility results in better forecasting
- Reduces PO errors and potential returns
- Improvement in SLA
- Encourages Supply Chain cooperation

Shelf Inventory Management/VMI(Cont..)

- **Other terms used in the context of VMI**
 - Scan-based Trading
 - Consignment Sales

Demand Forecasting

Demand Forecasting

- It is a proactive process of determining what products are needed where, when, and in what quantities.
- Involves techniques including both informal methods, such as educated guesses, and quantitative methods, such as the use of historical sales data or current data from test markets.
- Used in :
 - Making pricing decisions
 - Assessing future capacity requirements
 - Making decisions on whether to enter a new market.
- Helps supplier to keep the right amount of stock on hand.
- If demand is underestimated, sales can be lost due to the lack of supply of goods.
- If demand is overestimated, the supplier is left with a surplus that can also be a financial drain.
- **Demand forecasting is a consumer based activity.**

Demand Forecasting(Cont..)

Importance of Demand Forecasting

- Demand forecasts are necessary since the basic operations process, moving from the suppliers' raw materials to finished goods in the customers' hands, takes time.
- Most firms cannot simply wait for demand to emerge and then react to it. Instead, they must anticipate and plan for future demand so that they can react immediately to customer orders as they occur.
- In other words, most manufacturers "make to stock" rather than "make to order" – they plan ahead and then deploy inventories of finished goods into field locations

Demand Forecasting(Cont..)

Approaches of Demand Forecasting

- **Judgmental Approach:** Assuming that someone else knows and can tell you the answer. E.g, Surveys, Consensus, Delphi Method
- **Experimental Approach:** To past data on demand and a demand experiment is conducted on a few customers. E.g., Customer surveys, Test Marketing
- **Relational Approach:** Understanding the reason why a specific item is bought and building the demand based on that. E.g., Econometric models, Input-Output models, Simulation models
- **Time Series Approach:** A time series is a collection of observations of well-defined data items obtained through repeated measurements over time. E.g., Simple moving average, Simple exponential smoothing.

Demand Forecasting(Cont..)

Benefits of Demand Forecasting

- Reduces future uncertainties
- Helps study markets that are dynamic, volatile and competitive.
- Allows operating levels to be set to respond to demand variations
- Allows managers to plan personnel, operations of purchasing & finance for better control over wastes inefficiency and conflicts.
- Helps in setting Sales Targets and Pricing policies.

Store Ordering and Replenishment

Store Ordering and Replenishment

- Store Ordering is the process of ordering items based on the type of item, current and future demand, sales and various other factors so that the items that the customers demand are always available at the store and **'out of stock' situations are avoided.**
- Orders are usually placed by Order Writers
- Order writers take various factors into account while placing the orders:
 - Stock at hand
 - Lead time to Order
 - Stock in Transit (FOB = Freight-on-board)
 - Safety Stock (level of stock at which the order is placed)
 - Seasonal Information
 - Demand (Current and Perceived)
 - Sales
 - Promotions

Store Ordering and Replenishment

- Various applications are now available in the market that automate the ordering process.
- These applications also consider the same factors that an order writer considers, but removes the subjectivity associated with manual ordering and employs various algorithmic models to arrive at the optimum order quantity.
- The Ordering applications provides a recommended order to the order writer, who submits the orders to the replenishment system after making changes, if required.
- Automation could improve availability, decrease inventories, and reduce the time and labor required for ordering.
- **Store replenishment is key to improved shelf availability and cost efficiency.**

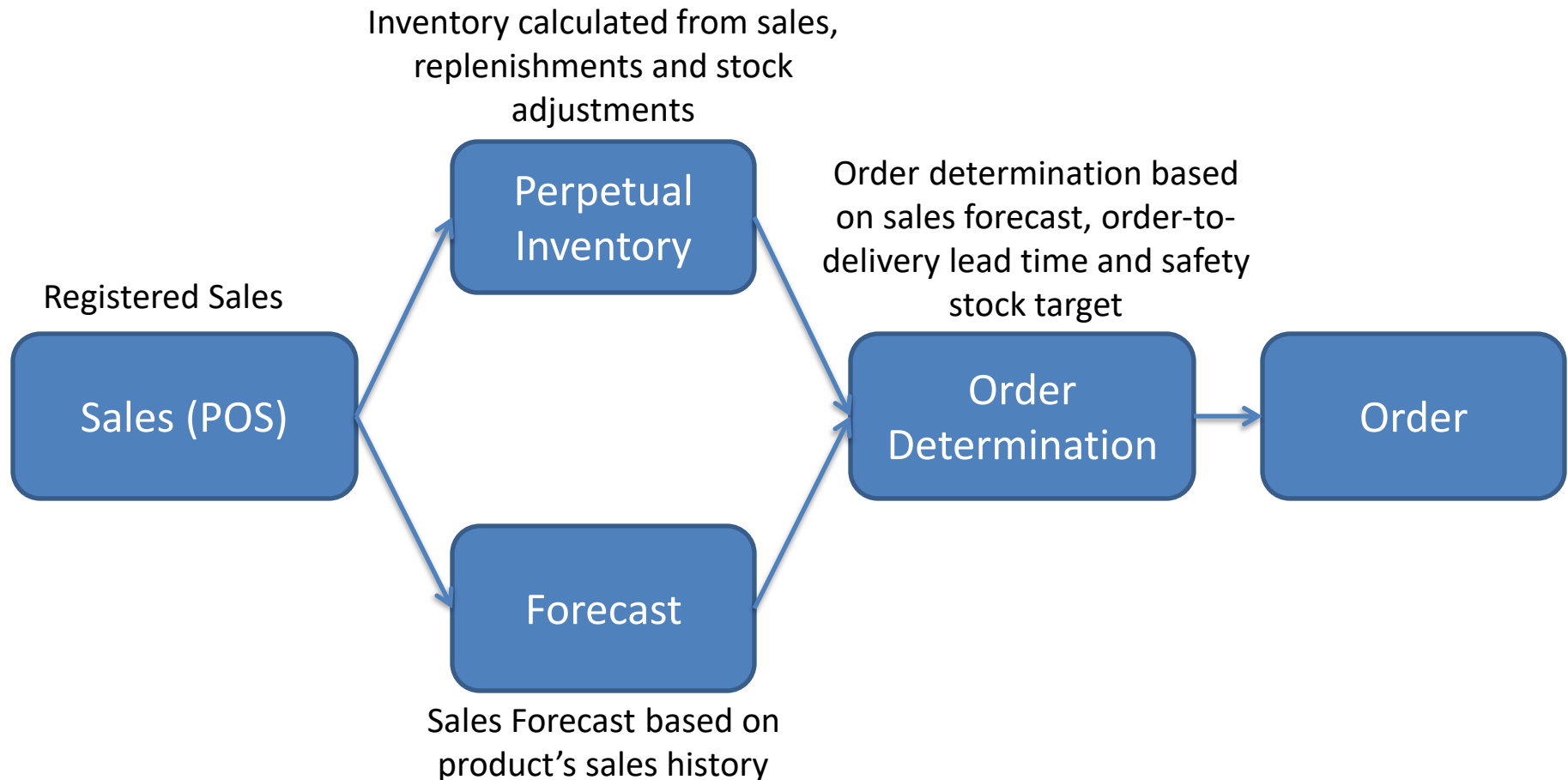
Store Ordering and Replenishment

■ Benefits of Automated Store Ordering

Challenge	Benefits
Out of Stocks	<ul style="list-style-type: none">• Lower out-of-stocks• Improved Shelf Availability• Elimination of human errors in ordering
High inventory Levels and Spoilage	<ul style="list-style-type: none">• Shrinkage Reduction• Replenishment based on demand or forecast• Reduction of price-markdowns
Cost of Store Operations	<ul style="list-style-type: none">• Lower Inventory Costs and higher margins• More efficient use of working hours• Reduced time spent on ordering• More efficient promotion management• Store Order Levelling and Truck-Load optimization

Store Ordering and Replenishment

- Automated Store Ordering



In-Store Merchandising

In-Store Merchandising

- In store merchandising refers to the variety of products available for sale and the display of those products in such a way that it stimulates interest and entices customers to make a purchase.
- It is a method for maximizing sales at the retail level by making a product stand out from competing products .
- It ensures that:
 - Product is displayed properly
 - With sufficient quantity
 - In its allotted space
 - With the appropriate merchandising materials
 - And without other products encroaching on its shelf space
- Used to present shoppers with information about a product's features, benefits, price, and positioning.

In-Store Merchandising

- Merchandising sets the mood and the character of your business and attracts the attention of customers so that they are aware of the products on offer and are then motivated to buy them.
 - Merchandising incorporates:
 - Store layout
 - Fixtures
 - Display
 - One of the most important areas of merchandising is the look of your products. How merchandise is displayed, grouped and promoted can mean the difference between a busy cash register and an empty store.
- The following key points need to be kept in mind to improve the merchandising and layout of the store:
- Window Displays
 - Color and Décor
 - Shelf Displays
 - Product grouping
 - Internal Signage
 - Shop Layout
 - Impulse Buying

In-Store Merchandising

- Challenges involved in In-store merchandising
 - **Category management.** A manufacturer's merchandising strategy, focused on its specific brands, might be at odds with the retailer's, which is aimed at increasing sales--and profitability--of the merchandise category as a whole.
 - **Category captains.** Many retailers rely on the largest supplier in a particular category to help plan and manage the category as a whole. This tends to squeeze out smaller vendors.
 - **Carrying out the program.** Retailers are looking to shift more and more of the burden of putting products on display to manufacturers and their representatives.
 - **Floor-ready merchandise.** Larger retailers are trying to eliminate the time and cost involved in ticketing merchandise and otherwise preparing it for display.
 - **Slotting fees** are often an issue for new-product merchandising. Since new products are inherently risky, some retailers will demand an extra payment in exchange for making shelf space available.
 - **Store decor.** Upscale retailers may resist displays and POP materials that violate their standards or create a cluttered retail environment.

In-Store Merchandising

■ Display Options

- Displays come in a variety of shapes and sizes, but what they have in common is that they are designed to perform a specific function for a product or promotion.
- That function might be
 - To create an appealing environment for the product
 - Facilitate restocking
 - Enhance product image
 - Demonstrate how the product is used
 - Grab the attention of shoppers.

In-Store Merchandising

- Here are the various devices used for In-store merchandising
 - Assortment display
 - Audiovisual display
 - Bunkers
 - Case stacking
 - Display stock
 - Dump bin
 - Dump display
 - End-aisle display or end-cap display
 - Environmental setting
 - Floor pyramid
 - Floor stand
 - Gondola
 - Island display
 - Light box
 - Lobby Area Display
 - Pallet display
 - Shelf-extender
 - Showcase
 - Split rounder
 - Tie-in display
 - Theme display or setting display
 - Vignette
 - Wall display
 - Wrap-around

DEX/NEX

DEX/NEX

- There are two ways of electronic invoicing in the retail facility for product being delivered:
 - DEX (Direct Exchange)
 - NEX (Network Exchange)
- **DEX**
 - A process that links the computers of supplier and retailer at the store back door.
 - EDI standard for Direct Store Delivery.
 - Used by many grocery retailers in direct store delivery.
- **NEX**
 - Stand for network exchange.
 - A process that links the office computers of supplier and retailers over telephone lines

Thank You!