

EBOOK



THE ESSENTIAL GUIDE TO

Retail Merchandising

FIELD AGENT

Merchandising: One Tool to Rule Them All

Brands have many tools for generating in-store, retail sales. Broadly speaking, they have product, price, promotion, and place. The 4 Ps, as many of us learned in Marketing 101.

However, there's another tool out there—one to rule them all. **An “M” to rule the 4Ps.**

That tool is merchandising.

Without effective merchandising, no retail program—that is, no combination of the 4Ps—can win retail sales.

Heck, you can't even give away products in-store without merchandising, let alone sell them.

Merchandising makes retail possible—and brands rely on it to move their products off shelves and through checkout lanes.

Welcome to *The Essential Guide to Retail Merchandising*.

On the pages to come, we answer some fundamental questions about this all-important retail activity.

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Let's dig in →

What is merchandising in retail?

In retail, few concepts are at-once more important and yet more hazy than merchandising.

While merchandising generates, to some extent, trillions in annual retail spending, few people—even longtime brand and retail professionals—will agree on what it is exactly.

After all, merchandising assumes many different forms, and serves many different stakeholders.

Generally speaking, we might define merchandising as...

The fulfillment, organization, placement, and presentation of products within a retail environment to encourage purchases by shoppers.

Given this definition, it stands to reason that both brands and retailers are acutely concerned with merchandising—with different yet overlapping aims. Moreover, as a function, merchandising transcends retail channels. It's crucial to driving in-store *and* online sales.

Here we're focused on in-store merchandising, specifically as it pertains to brands.

You'd agree, brands face many problems at-retail:

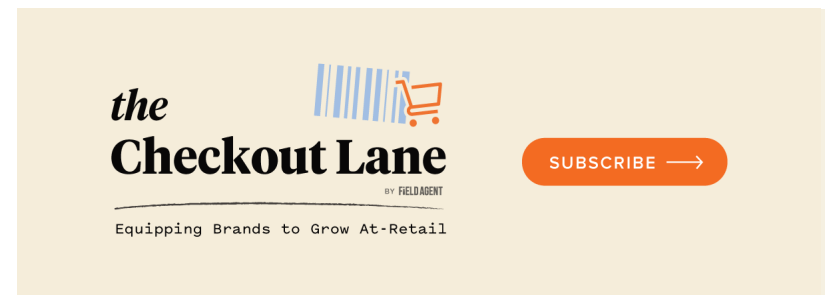
- Shelf tags that don't reflect sale prices
- Displays stocked with the wrong product
- Soon-to-expire groceries pushed to the back of shelves
- Stock languishing in the store's backroom
- New products slow to arrive on-shelf

And they're not uncommon. Brands lose billions in sales every year to problems like these.

But, they're all problems effective merchandising can prevent or, at least, correct.

Merchandising has both a quantitative and qualitative dimension. For example, merchandising seeks to ensure the right quantities of products for shoppers, but it also cares about the quality of the product's presentation.

Most importantly, understand this: Merchandising is **always about driving purchases**. That's the common denominator, regardless of how, when, or where it takes place.



What does merchandising involve exactly?

In other words, what are some common elements of merchandising among brands? What does merchandising look like in the real world of stores, shelves, and shoppers?

There's a lot we can say, so to the right we offer a graphic to say it a little more easily. As you can see, brands often focus their merchandising techniques on things like:

- › Product display execution
- › Planogram/modular compliance
- › Inventory rotation and replenishment
- › Product/promotional removal
- › New product sell-ins

Working backwards from these real-world merchandising activities, you can see how we arrived at our definition of merchandising on the previous page, with its focus on fulfilling, organizing, positioning, and presenting products.

But who exactly does all this merchandising work?

Common On-Demand Merchandising Solutions

Display Execution

Setting up promotional and endcap displays to drive in-store sales

Signage Installation

Assembling and installing promotional signage

Planogram/Modular Compliance

Monitoring and correcting the placement of SKUs on store shelves relative to other SKUs

Planogram/Modular Resets

Monitoring planogram resets to ensure they reflect plans and fixing any problems

Shelf Management

Maintaining stock levels, pricing, and positioning on shelves per agreements with the retail buyer

Demo Execution

Setting up in-store demos to ensure they're in the right place and right time with the right amount of product

Shelf/Promotional Tags

Monitoring and fixing shelf tags, including pricing and promotional information

Seasonal/Surge Projects

Ad hoc merchandising work done to meet the demands of a particular season or surge

Inventory Rotation

Shuffling on-shelf units to minimize product loss that might result from spoilage or obsolescence

Inventory Replenishment

Transferring stock from the back room to the sales floor in a timely manner

Product Removal

Removing damaged, mislabeled, or defective merchandise from store shelves

Promotional Removal

Removing expired or damaged displays, signage, or other POP materials from the sales floor

POP Marketing Distribution

Installing and setting up point-of-purchase materials on shelves, endcaps, etc.

New Product Sell-Ins

Making sure store managers know about a new product and how to merchandise/reorder it

Continuity Services

Ongoing maintenance of a brand's program, including product, pricing, placement, and promotion

Retail Auditing

Monitoring in-store conditions to ensure retailer and merchandiser compliance with a retail program

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MOST IMPORTANTLY, UNDERSTAND THIS:

Merchandising is always about driving purchases. That's the common denominator, regardless of how, when, or where it takes place.

Why does merchandising matter?

If retail were a static environment, one that never changed, merchandising wouldn't matter.

But the retail environment is dynamic—constantly changing, constantly shifting, constantly surprising. We're talking about a complex ecosystem with many, many moving parts.

Merchandising matters because it introduces an element of **consistency** to a brand's retail operations. With effective merchandising, CPG companies can be more confident (never fully confident) **that they're giving their products the best possible audition for purchase-minded shoppers**—regardless of what changes or surprises arise at-retail.

This consistency, this attention to operational detail, carries some critical benefits for brands:

- Commanding the attention of shoppers as they pass by

- Minimizing shopper effort/confusion/frustration
- Guiding shoppers' eyes, hands, feet, and even thoughts
- Building brand recognition and equity
- Using in-store resources (especially, space) as efficiently and effectively as possible
- Winning the confidence and goodwill of retail partners

Ultimately, however, all these merchandising benefits reach their crescendo in the form of two principal benefits:

🔄 **Higher conversion rates (turning shoppers into customers)**

💎 **Higher retail sales**

That's ultimately why merchandising matters: higher conversions and sales.

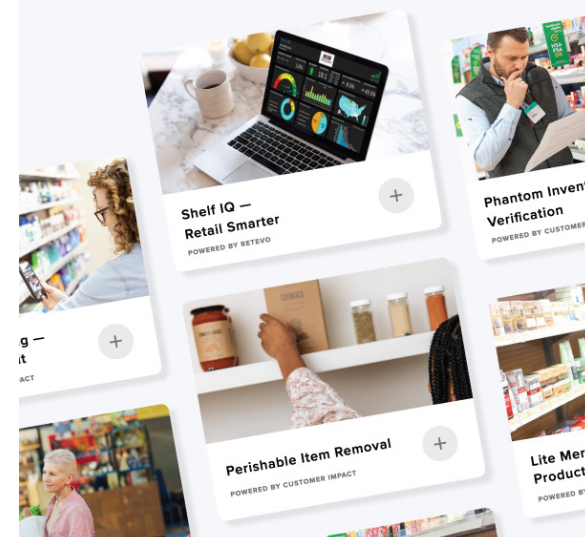
And that's why brands care about it.



Merchandising Made Simple

The Field Agent Marketplace contains an assortment of merchandising solutions that can be launched with just a few clicks, in just a few minutes.

[VISIT THE MARKETPLACE →](#)



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WHAT IS MERCHANDISING? Q

PODCAST

How Data and
Insights are
Changing
Ecommerce

Who does the work of merchandising?



That's a lot of merchandising activity back there. So who does it?

Naturally, retail employees do much of it. Yet, many brands don't (or can't) rely on a store's staff to do all their merchandising work, for multiple reasons.

Retail employees...

- › Work for the store, and care more about its overall sales than a specific brand's sales
- › Take directives from store management rather than brands
- › Can only spread so far. They're limited in number, scope, and workload
- › Divide their attention over many categories, brands, and SKUs
- › Generalize, and thus may lack experience and expertise merchandising a particular brand or category

- › Lack permissions, knowledge, and/or skills to perform all the activities above

Many brands, consequently, find it advantageous or even necessary to provide their own merchandising labor in stores. Whether that's...

- › Field staff (employed directly by the brand)
- › Third-party merchandisers
- › On-demand merchandising solutions

You've probably heard of third-party merchandisers, but maybe on-demand merchandising solutions are a new one on you.

First, third-party merchandisers →

What are third-party merchandising services?

Their names are widely-recognized in retail and CPG circles. Names like...

- › Acosta
- › Advantage
- › Anderson
- › Crossmark
- › Customer Impact
- › Observa
- › Premium

To one degree or another, all of these companies offer “retail services,” including third-party merchandising (TPM).

TPMs, while not directly employed by the manufacturer or retailer, can be hired by a brand to ensure its products and promotions are set up and maintained correctly inside stores.

They stock, position, assemble, organize, and fix. In other words, they merchandise.

Here’s how Customer Impact describes its third-party merchandising services:

“Our goal is to keep you looking your best in-store and on-shelf. Whether it’s ongoing brand improvement or a one-time project, our merchandising services provide flexibility and support to help you drive sales at retail.”

But why do brands use third-party merchandisers?

CPG companies could, after all, rely on retail employees or dispatch their own field staff to merchandise their products inside stores.

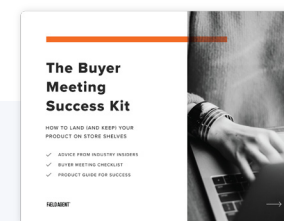
So why TPMs? Consider that TPMs...

- › Work on the brand’s behalf, not first and foremost the store’s
- › Can be held accountable by the brand that hired them
- › Maintain large workforces across the country, a costly and complex function for brands to bring in-house

- › Specialize in merchandising, with major implications for efficiency and effectiveness
- › Have reps who are acquainted with local stores, managers, and conditions

And, naturally, TPMs provide a highly valuable service: merchandising. As seen, brands need it.

For many brands, however, there are challenges to engaging traditional merchandising methods...



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Buyer Meeting Success Kit

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What are common merchandising challenges?

Various obstacles stand in the way of brands doing merchandising, doing it more often, or doing it more effectively. Among these are...



Cost

The hefty price tag on many traditional merchandising services can be prohibitive for some brands, particularly smaller CPG companies.



Speed & Flexibility

Brands rarely have time to waste when merchandising problems or opportunities arise, but many traditional merchandising services can only move so fast.



Retailer Requirements

Brands may be limited to certain merchandising services/solutions approved by the retailer (e.g., Walmart's Preferred Service Provider [PSP] program).



Scarcity & Reputation

Shelf space and merchandising opportunities are limited in stores, and retailers often favor brands with a long sales history and years of built-up brand equity



Supply Chain Efficiency

Inventory replenishment and promotional execution are only as strong as the supply chain responsible for getting cases/materials to the store in the first place.



Necessity

The ROI on merchandising services depends on the *need* for merchandising services. Brands often don't know which stores need attention, which is why tools [like this one from Retevo](#) can be so valuable.



Performance

Brands may find it difficult to know if retail employees, field staff, or third-party merchandisers are maintaining products/promos per the brand's specs. Field staff and merchandising reps may be watching a brand's products, but who's watching the merchandisers? Which is why retail auditing, [as described here](#), makes a powerful one-two punch alongside merchandising.

Given these challenges, a new approach to merchandising is on the rise.

It's called on-demand merchandising →

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MERCHADISING MATTERS

That's ultimately why merchandising matters: higher conversions and sales.

What are on-demand merchandising solutions?

On-demand merchandising (ODM) solutions combine the **expertise and coverage of third-party merchandising services with technology and UX design to simplify and streamline the merchandising process.**

ODM is “on-demand” because it’s flexible. Brands can, for example, launch a one-time merchandising project inside a single store, or use ODMs for ongoing merchandising support across thousands of stores.

They’re also distinguished by their pricing structure. ODM is merchandising à la carte, and brands can pay for such solutions on a per-visit basis (e.g., \$19.50 for a single shelf-management visit by Observa reps). No contracts necessary.

ODMs also remove certain hassles and frustrations of procuring traditional merchandising services, like presentations, contracts, and paperwork.

The graphic contains examples of on-demand merchandising solutions fulfilled by Customer Impact, Observa, and Retevo. Explore these products and others by [clicking here](#).

ODMs start with the strengths of third-party merchandising services, but **incorporate technology and a simpler user-**

experience to deliver a more efficient, convenient, and affordable approach to merchandising.

They’re bringing simplicity and accessibility to a crucial retail function.

Common On-Demand Merchandising Solutions

PRODUCT CARE VISIT	Reps check on-shelf availability, placement, and pricing, working with managers to fix any problems
NEW ITEM SELL-IN	Basic product care visit (above) + reps will discuss product with management and provide reordering info
SEASONAL DISPLAY EXECUTION	Reps build, set-up, and position in-store, seasonal displays per the brand’s specifications
PRODUCT RECALL	Reps remove defective, mislabeled, or damaged products from store shelves
MULTI-PRODUCT SHELF MANAGEMENT	Reps audit up to five SKUs and work with managers to restock or reorder inventory
SHELF IQ	An analysis that ensures brands direct reps to stores with the highest potential ROI

Merchandising at a Click 🖱️

From new item sell-ins to product recalls, display execution to promotional removal, the Field Agent Marketplace features a variety of on-demand solutions for brands that need merchandising now—not later.

It's merchandising made simple.

DISCOVER ON-DEMAND MERCHANDISING →

Removal
IER IMPACT

Recall
OBSERVA

Shelf Management
POWERED BY OBSERVA

M
MERCH

Phantom Invento
POWERED BY CUSTOMER

Peri
POW