

CROSS-MERCHANDISING YOUR WAY TO RECORD PROFITS

Cross-merchandising is one of the innovative sales strategies independent retailers can develop to ensure their profitability and survival.

BY DIANE CHIASSON

Cross-merchandising gives independents a competitive edge over the larger retailers, offering unique specialty items, personalized service and a warm, friendly neighbourhood environment. Customer-oriented retailers have a definite advantage over larger stores, offering one-stop convenience and the lower prices often associated with bulk buying.

What exactly is cross-merchandising? It's

a retail sales method that simply combines two or more products in a single striking display. Naturally, these items often complement one another; but, they represent very different categories. For example, water crackers and strawberry jam obviously go together, but so do a variety of food and non-food products, such as coffee pots and gourmet coffee beans, chocolate toppings, biscotti and cookies. Herbal teas can be combined with mugs or cups, as well as bath products, candles and music CDs.

Gourmet food products are an appealing focal point in any display. Normally produced in smaller quantities, and made from all-natural ingredients, gourmet items are premium-priced and distinctively packaged. A versatile gift item, they are particularly popular with independent retailers. Specialty oils, gourmet sweets, nuts, condiments, jams and jellies,

teas and coffees, sauces and spice mixes, play their roles in cross-merchandising scenarios well. In addition, manufacturers often offer reduced product rates, point-of-sale and promotional materials as well as free give-aways with featured items.

To source gourmet and housewares product, check out the Gourmet Housewares Mart at the CGTA Fall Gift Show in Toronto and *Retail News'* CGTA Product Review.

When cross-merchandising, consider every sense. Take it beyond the visual to include sound, smell, texture and taste. To create a "sensual" scenario, mix music, candles,

incense, chocolate body paints, truffles, massage oil and a massage mitt, with a recipe that helps the consumer create her own chocolate-dipped strawberries with the chocolate she buys from you. Use fresh flowers, fruits and vegetables as props. You could even include an elegant tray for serving or displaying the scenario's components. You can put another spin on it and, by changing some of the components, create a "fun" scenario for a child's birthday.



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PRODUCT SELECTION AND THEME

Selecting the right combination of product can be easier than you think. Only one common link is required to cross-merchandise effectively, so a short brainstorming session is recommended. As the theme is the common element, establishing that theme should be your first priority.

Cross-merchandising ideas are all around us. Think about the broad trends as well as those in gourmet and giftware specifically. Look at the trends and the products, then pull it all together to cross-merchandise. Spirituality, environmentalism, multiculturalism, gardening, small indulgences - start with broad ideas and develop the details.

When developing themes, let your imagination go. Get your creative juices flowing. Brainstorm with staff, suppliers, friends and family. Think about your own life. What would add to your life? To the routines of the people you know and love? Let the ideas flow fast and furious. Put every idea out there. Accept that some will be terrible and others will be brilliant. Fill your dreams and fantasies in these sessions. Envision your perfect summer BBQ, romantic evening, de-stressing afternoon alone or a kids' party. Remember, a classic idea may have been done to death and you'll need to give it a new twist.

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THIS CREAM CHEESE PRODUCT COULD BE SHOWN WITH A VARIETY OF RELATED PRODUCTS, SUCH AS BAGEL HOLDERS OR CUTTING BOARDS, SERVING AND BREAD PLATES, BREAD AND BUTTER KNIVES, NAPKINS, JUICE GLASSES AND PITCHERS, COFFEE MUGS, EGG CUPS AND MUCH MORE.

Something as simple as the Romantic Weekend can have endless possibilities. Tailor it to your customers. Drape a beautiful tablecloth over a waist-high display table. Fill the table with frosted champagne flutes, non-alcoholic sparkling wine and dried flowers in crystal vases. Frame your table at each end with shelving that includes bubble bath, incense and decorative scented candles. Top the display off with some mood music and your display is complete.

The Family Barbecue is also popular. Set up a gas BBQ or a grill as your focal point prop. Dress one of your employees in a chef's hat and apron to give the display life. Provide sample dishes of chips, crackers, dips and more. Fill shelves with gourmet barbecue sauces, oven mitts, barbecue utensils, marinades, spices, scented BBQ chips, aprons, corn holders and more.

Use Hollywood as a guide. How about Breakfast at Tiffany's? Brew fresh coffee that's also for sampling. Hold an espresso-

making demonstration each half hour to show customers just how easy it can be to make quality coffee at home. Cross-merchandise the espresso machines with beans, cups and treats. Add gourmet cheeses and baguettes on cutting boards. Dazzle them with an array of large coloured mugs, espresso cups, bean grinders, coffee pots, teacups, tea towels, coasters, chocolate-covered beans, chocolate-covered spoons and rock candy swizzle sticks. Get a poster showing a steaming cup of java or an evocative black and white photo of an Italian or Parisian coffee shop. Help your customers dream.

Whether they're imported or locally produced, gourmet products are the ideal gifts for the people who have everything. On any occasion, they're wonderful hostess gifts or customers can treat themselves.

AMPLE SAMPLES

Food sampling is often a key aspect of a cross-merchandising program. If related

food items are to be merchandised together, you must allow customers to experience how wonderful the combination can be. While your customer is busy reveling in the taste sensations, they've become a captive audience and you can make your sales pitch. A question that's astutely asked as the customer swallows the last mouthful naturally draws them into a conversation. It also makes it harder for them to refuse what has already been sampled.

MAKE STAFF MEMBERS YOUR EXPERTS

Your staff will be selling the product. Make sure they're excited and knowledgeable about the product. Give them the opportunity to sample the food and operate the gadgets. Educate them about the product's history and origin. They should also be familiar with the ingredients, production methods and processing. Expert staff means expert service.

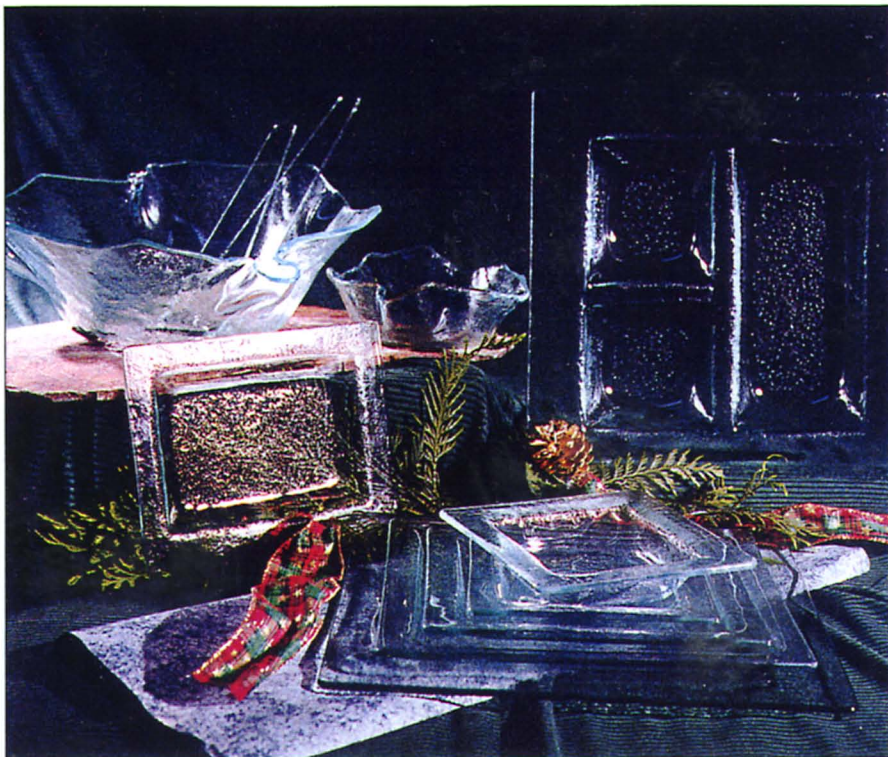
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TIPS FOR EFFECTIVE CROSS-MERCHANDISING

Focal and Vocal: A powerful focal point is the key to your cross-merchandised display. It might be a product, a prop or signage. Typically it's the largest, most eye-catching item. Sound can help create a specific atmosphere and evoke a particular mood. For example, when selling pasta or espresso, play Italian ballads or opera. If displaying Caribbean foods with an island theme running through the merchandise, play calypso or reggae.

Put the Wall to Work: Your display should incorporate at least one wall if possible. You can put the writing on the wall, but the wall can act as more than a backdrop for signage. It can display gadgets, tools, napkins, tablecloths, tea towels, spice racks and much more.

Tight Means Might: Display shelving should be tightly packed with no empty space. But to avoid the creation of random visual confusion with all of that product,

group the product so that a distinct pattern emerges. For example, arrange all products of a certain size, shape or colour together.

Step Right Up: Build your display as you would steps, with the higher products and props to the rear and the smaller items at the front. All products should be visible, but remember that products at eye level sell best, so decide which products are your sales priority when planning displays.

Signage: Bright and attractive signage that is easy to read should be at the point-of-purchase and throughout the store. It should offer mouth-watering descriptions and reflect the character of the featured items. It should educate and inform the consumer about what they are about to purchase. Additionally, operators can win valuable customer service kudos by providing recipe cards tailored to the gourmet food products. Symmetrical signage tends to look traditional, while asymmetrical groupings suit contemporary displays.

Light it Up: Lighting brings the display to

life. Try it with and without lighting to see for yourself. Customers need to see what they are buying and directional lighting can put featured items in the spotlight.

Maintenance: Dust it, mop it, stack it, stock it. Shelves should be clean, tidy and fully stocked at all times. Make it part of your staff's daily routine.

Gourmet food products are an ideal solution for independent retailers, because they tend to turn quickly, they're perfect all-occasion gifts and they can be the key to record profits, particularly when cross-merchandised well.

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