

MERCHANDISING – THE ART OF SELLING

Diana Soca*

Abstract

Merchandising is that part of marketing that brings together a series of marketing techniques as well as product promotion techniques in shops. Synthetically we can call merchandising the art of selling. This syntagme refers to aspects like the interior and exterior design of a shop, the merchandise display as well as the practiced selling methods and the services offered.

Keywords

Merchandising, product promotion, marketing techniques, shopping services

The term “merchandising” was taken over from English and according to the definition given by well known specialists it stands for “that part of marketing which encompasses the commercial techniques which allow the presentation in the best material and psychological conditions of the product or service intended to be sold.”

In other words, “merchandising” can also be described as having the perfect products, at the perfect price, in the perfect place, at the perfect time thus determining the perfect sale through the perfect approach for the target customers of the shop.

Synthetically, we can say that “merchandising” is the art of selling based on the relationship between the customer and the seller which implies the utilization of very numerous and at the same time very diverse techniques. Selling is a complex act with multiple aspects: provisioning, exposition, information, which is carried on in well dimensioned and appropriately equipped commercial spaces, the commercial employees being asked to assure the success of this demanding operation by underlying the complex qualities of the merchandise.

The problem of merchandising contains three main aspects:

- the actual implementation of the selling point;
- the arrangement of the shop (its interior organizing);
- the esthetic display of the merchandise in the shop, the color, the light and the promoting at the selling place.

* Diana Soca is Associate Professor of Marketing at the Romanian American University in Bucharest.

The first aspect is meant to bring answers to certain questions such as – where will the commercial center be placed (in the center of the town or at its periphery?), how close to the consumer's house will it be situated?, will there be available parking spaces or not?, on how much space will the merchandise be displayed on?, will it be situated or not near a possible competitor?

According to these parameters, the attractiveness of the shop will vary in a very sensitive way. Specialists in marketing and especially American researchers, after some empirical research, have underlined the fact that two commercial units situated in vicinity of one another have an attraction force and a greater efficiency than if they were situated by themselves. This principle stands at the base of grouped evolving of the commercial endowments inside different malls.

Group placement of commercial units is advantageous not only for the retailers but also for the consumer, who has a wider possibility of choosing the merchandise, thus reducing the physical and nervous energy consumption necessary for shopping effectuation.

Through group development the cumulative attraction of commercial units situated in vicinity is created, which leads to reaching a higher selling level.

On the Romanian market, many international distribution companies are currently active, each having developed a chain of units according to their targeted sector of the market and the specifics of the respective group. A challenge for traditional commerce is constituted by the development of modern commerce forms on the background of the augment of the marketing struggle for occupying the available niches on the market and identifying new ones, as well as the quest of responsible authorities to realize the commercial equilibrium between the center of the city and the peripheral areas.

The attractiveness of a shop does not depend entirely on its emplacement. It varies according to its image, its interior and exterior design, with the practiced selling methods and with the services offered, including the type of products offered and the practiced prices.

The interior design of the shop, the product presentation, its wrapping, the atmosphere of the shop, the image of the shop, all these have an enormous impact on profitability.

The ideal situation is created when the avoidance of the three fluxes is created: the merchandise flux, the customers flux and the personnel flux, this ideal situation being usually met in large commercial centers.

The design of the shop refers to the style (atmosphere) which contributes to the creation of its image on the market. This includes exterior and interior elements (for example the shop window, the sign, the symbol, the coloring, the illumination, the floor, the equipment, the furniture and the commercial equipment).

Consumer's behavior in the shop is being researched more and more. Generally, the consumer always has a formed opinion on a shop in which the diversity of the products or the quality of the merchandise or the service

predominates. Customer's satisfaction is part of the general objective plan of a shop next to the maximization of sales and profits.

In the process of organizing the commercial-consumer relationships, a high emphasis is placed upon researches on consumer's reactions and the motivation of these reactions, in order to create the favorable background for the shopping decisions to be made.

The shopping decision represents an important part of consumer's behavior due to the fact that it is an act of resource allocation in which rational, economical and emotional-physiological motivations interfere.

Due to the fact that emotions play a higher and higher role in the decision-making process of shopping, it is observed that nowadays commercial companies try to organize certain commercial actions such as "shopping-show". These companies try to transform their shops in veritable attractions for the population, the idea of walking for shopping being determined by the new image of commercial units. An image of this type is created by assuring a specific ambiance for the assortment of commercialized merchandise, through artificial acclimatization processes, through water and lights games, like a veritable spectacle in which the consumer can enjoy the euphoria created by the acquisition of the wanted product.

These type of units use a super-qualified personnel and highly sophisticated services (providing specialized consulting, suggestions and recommendations, assuring assistance for children etc) In order to best stimulate consumers' emotions but also to differentiate themselves from the competitors, commercial companies are more and more preoccupied with the "personalization" of the offer.

Marketing specialists consider that there are four service categories which have to be developed in order to personalize the offer in a shop:

- The commitment (the functioning schedule, the absence of stock limitations in shop departments.)
- The pedagogy (demonstrations, tasting, shopping guides)
- The assistance (personnel availability, service)
- The comfort

A major component of commercial technology at the level of the shop, the display of merchandise plays a particular role in the overall efficiency of the shop. Having an extremely important promotional role, the displaying action is currently the beneficiary of a special attention coming from the entrepreneurs.

In a shop the display of merchandise can have three forms:

1. Closed – in a window shop or other piece of furniture (for jewelry and other highly expensive articles)
2. Opened – when the products are freely presented on the furniture in the selling room, customers having direct access to them (in case of self-service, free choice or model service etc)
3. architectural – decorative display

In the display process an extremely important step is constituted by the placement of merchandise on the specially designed furniture display which implies a previous determination of the exposure surface for each article, mainly according to its percentage in sales but also taking in consideration the minimum required space for each article.

Furthermore, the actual display of the merchandise assortment from each section on the furniture takes place, in this purpose an intercalated presentation of the fashionable, current and semi current articles being indicated.

The best usage of the display space is differentiated according to the height of the shelves (bottom and upper shelves are not as important as the ones which are situated at the height of the eyes and of the hands, which are more appealing to the customers).

In the case of self-service practice, the gondola constitutes the main furniture type from the selling point. The gondola heads must be used as much as possible for the special advertising of certain products.

The walls furniture is made up of closets, fridges (closed and semi opened fridges). Fridges must be grouped on a single part of the selling point in which all perishable products should be presented (milk based products, meat and products which contain meat, vegetables and fruits).

When it comes to merchandise display in the selling points, specialists take into consideration numerous other principles such as commodity's special characteristics, the wrapping style, the complexity of the assortment, the circulation speed and the consumption relationship with other goods.

A good merchandise display helps the customer pick and decide, thus favoring the sale. A light and inventive display which would suggest at only one glance as many merchandise qualities as possible, their variety and their abundance is highly recommended.

The light and the color are highly influential aesthetic factors. The light emphasizes the merchandise and the color could offer a relaxing background which is favorable in order to keep the customers focus on the merchandise. Light colors reflect more light that is why the color of commercial rooms should be as light as possible, in contrast to the main merchandise.

Moreover, the merchandise display in the shop window implies the combination of certain elements such as color, sets, space, light – in such a way that the result are as pleasant results as possible.

Being considered “the business card of the shop” the shop windows is a permanent offer, being considered an informatory for the passer-bys, it being a miniature of the shop as a whole, a true mirror of its organizing form. The window display must allow, during the day and at night, a good perception of all exhibited articles. The prices of the products must be displayed and lighted so that they can be read without any difficulty. The window should always be actualized, adapted to the season, expressive, attractive, containing original

ideas, the whole ensemble offering an equilibrium impression, art and good taste. That is why big commercial areas need specialized designers in order to arrange their windows and the merchandiser job knows an increasing appreciation all over the world, its essential role being the one of finding the best emplacement places for products, to visualize all emplacement places, to animate the presentation and selling process through the initiation of some practical demonstrations.

Next to the emplacement mode on the shelves and in the windows, the selling techniques used in shops are of a high importance in sales stimulation.

Promoting techniques can be initiated by the producer or by the distributor or can constitute conjugate operations which unite the two partners. The utilized techniques are very varied combining promotion techniques with sales, prices, coupons, lotteries, games and contest, demonstrations and tasting, promotional gifts etc

Publicity at the selling point is distinguished through the high variety in what concerns the ways of presenting the merchandise especially of the new merchandise, from graphic ones (such as posters, fliers, prospects, signs – general, floor, shop, assortment, merchandise and size) to audio ones (with the help of commercial personnel and audiovisual techniques)

Among the most efficient promoting techniques we can include exhibitions with sale, organized in shops, or catwalk presentations, practical demonstrations on how to utilize the merchandise (especially for electronic products), sampling, other supplementary services – before, during and after the sell of the merchandise.

The next table presents a list of main services which could be offered by shops, services which contribute substantially to the differentiation and to the promoting of the offer:

Pre shopping Services	Post shopping Services	Auxiliary Services
The acceptance of an order made by telephone	Home delivery	Accepting Checks
The acceptance of an order made by post	Wrapping	General Informations
Commercial	Wrapping for gift	Free parking
Window display of merchandise	Adjustments	Fixing
Inner display of merchandise	Giving back unsatisfying goods	Interior designs
Dressing Rooms	Adjustments	Credit sales
Overtime schedule	Adjustments	Rest rooms
Exchange of older products with newer ones	Installations, monograms engraving	Children surveillance services

Nowadays, merchandising or the art of selling deals with new challenges determined by the changes in the economical and social background. The passing from an industrial economy to a service based economy, together with market globalizing, the apparition and the development of electronic commerce, which challenges the classic commerce in many countries, and Internet as a channel for information and communication, all these led to great changes in the products and services consumer's behavior.

As an answer to all these changes, retailers and producers realized that they can obtain important changes if they unite their forces to hit and enchant consumers, designing business processes for the efficiency of both partners, sharing a common agreement of the consumption request collaborating in promotions in oared to raise the profitability of the sales, developing creative ideas and permanently innovating the design of the products and the selling techniques used.

Nowadays, we assist to the coexistence of classical selling forms with modern ones, interactive ones, in which the shopper might obtain consultations through the TV line or through the internet facility, consultations regarding the brand, the price, the quality, the way to be used, comparisons and, at his/her request at the assistance of some demonstrations. During the same process and through informatics techniques that commercializing system assures order-receiving, order processing in the shop, order honoring and the electronic receiving of the contra value of the merchandise. Doing business under a franchise constitutes an eloquent example of sustenance by producers of the distributors in the applications of efficient techniques specific to merchandising, this type of arrangements of commercial cooperation all through semi integration constituting the object of some contractual clauses in these cases.

No doubt that the social-economic contemporary dynamism will continuously produce spectacular leaps in the distribution and promotion techniques on the market of good and services and implicitly, in the arsenal of merchandising techniques.

Under the pressure of an increasing challenging environment, both producers and sellers must beneficiate as much as they can from the advantages that merchandising, as a tactical marketing element, provides.

References

- V. Adescăliței – Tehnologii comerciale – suport de curs , București 1994-1995
- P. L. Dubois și A Jolibert – Marketing teorie și practică, Imprimeria Ardealul, Cluj 1994
- Ph. Kotler – Managementul Marketingului , Ed. Teora
- M. Papuc – Tehnici promoționale, Ed. Universitară, București 2006
- D. Patriche – Tratat de economia comerțului , Ed. Eficient , București 1998
- Th. Purcărea – Distribuție și Merchandising . Disciplina valorii și angajamentul privind valoarea pentru client , Ed. Universitară Carol Davila, București 2007