

## Merchandising 101

All merchandising companies strive to have the most professional, well-trained and competent merchandiser work force available.

As a merchandiser, what you do for one client might be completely different from the expectations of another client. Therefore, it is extremely important that you have the basic merchandising skills before working on your first project.

In the following pages, you will learn the basics of merchandising including:

- Starting Your Day
- Plan-o-grams
- Components of a Plan-o-gram
- Process for Setting a Plan-o-gram
- Reporting
- Fixtures

### Starting Your Day

In merchandising, every day can be different! It is the excitement of knowing that the work is not boring that brings thousands of people to the profession of merchandising.

While each day's work varies, there are some basics that you need to keep in mind for any project that you are working on:

- Be organized. Have all the information supplied by your company with you and review it prior to the actual store visit.
- If you have several stores to visit, make sure you have directions to each store location (if you are not sure, call the store for specific directions).
- Make sure you have all the necessary forms, plan-o-grams, company directives and instructions for that specific project.
- Know the person(s) names and titles in the store you are visiting.
- Are tools required? Have a box cutter, hammer, screw driver, measuring tape, packing tape, ladder and any necessary tools outlined in your instructions. Don't forget a pen/pencil.
- Do you need protective equipment? Protective eyewear, gloves, ventilation mask, etc. should be included in your instructions.
- Don't park in the prime parking spots. Those spots are reserved for customers.
- If the store requires you to sign in, do so. Greet the store personnel and introduce yourself and the company you are working for.
- Perform each visit according to your company's directives.
- Complete required reports.

### Plan-o-grams

The best way to describe a Plan-o-gram is that it is a design or "map" of where each item is placed on a shelf or peg hook on a fixture.

Plan-o-grams are computerized blueprints developed at a store's headquarters. They are designed to ensure that the retailer has the desired product displayed to the customer as well as the optimal inventory on each shelf after each merchandiser sets the display. Knowing how to read and implement a Plan-o-gram is one of the most important skills a merchandiser needs to have. It's not difficult to learn how to read and work with plan-o-grams and once you have mastered this skill, it will make your work far easier and rewarding.

### Components of a Plan-o-gram

- Cover Page — Some companies will have instructions, fixture accessories, signing and POP (Point of Purchase) materials listed on a cover page. Other companies will save the paper and list all information on a schematic page. It is important that you read any and all instructions on the cover page or the schematic.
- Schematic — all plan-o-grams will have a schematic. This is usually the computerized drawing of the plan-o-gram, showing all the details to set it accurately. It will show the set date, how many shelves and peg hooks you will need, details about the product placement, the width, depth and height of the plan-o-gram, and sometimes placement of promotional materials. Plan-o-grams are typically set in 4ft sections. Each box on the plan-o-gram represents a product facing. Numbers on the product facing are called Loc ID's and will cross reference the schematic to the SKU (Stock Keeping Unit) Listings which will give you more information about each product.



Schematic Example 1



UPC Code



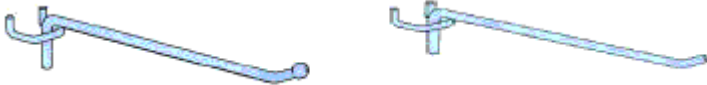
Schematic Example 2

- SKU Listing or Line Listing — This is a listing of all the products that go on the planogram. It usually will start with the Loc ID that is on the schematic followed by the number of facings, the SKU (Stock Keeping Unit) number, the UPC number, the product description and other information about the placement of the items. The SKU listing or Line Listing will give you information to identify the product.
- UPC Code or Universal Product Code — Standard for encoding a set of lines and spaces that can be scanned and interpreted into numbers to identify a product. A sequence of numbers and bar code on the back of each product.

### Process for Setting Planograms

#### Before you start:

- Before you start setting the planogram, make sure you have all the necessary supplies and materials (including cleaning supplies, labels, any new fixtures, or fixture accessories such as new shelves, peg hooks).



- Locate the new product to put on shelves.
- Check with store personnel about obtaining containers to store deleted and back-stocked items. Verify what you need to do with deleted/damaged items.
- Section size can vary by store; insure that you will be working from the correct planogram. Count the shelves already in place. Make sure you have the correct size shelving before you start removing product. Typically the shelf part number will be on the cover or schematic page.  
Always have the correct number of Peg Hooks/J-hooks and holders before you start. Hooks come in many shapes and sizes. Make sure you have the correct sized hooks. Typically the part number of the fixture accessory will be on the cover page or schematic page.
- Find out if there is Point of Purchase (POP) needed for this planogram. Typically the POP material or any additional signing needs will be listed on the cover page or schematic page.



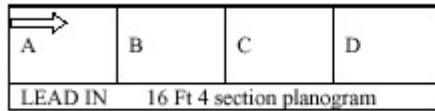
Point of Purchase Materials

### Setting the Planogram; Three important concepts

**Setting 4ft sections vs. the entire POG** - Setting a planogram during store hours can be a challenging task. In most cases you will have customers making purchases off the planogram that you are working on; therefore it is best to keep the area as shoppable as possible. Many stores will want you to work in 4ft sections vs. resetting the entire POG at one time. If you are resetting the POG after store closing it may be easier to set all sections at the same time.

**Concept of Lead In** — Many planograms will have an arrow on the lower left hand corner of the schematic that shows which direction a planogram should be set. This arrow is called the lead in arrow. Setting a planogram with a lead in can get a little tricky so understanding the concepts are very important.

When setting a planogram with a lead in arrow you will need to be aware of the location of the gondola in relation to the main aisle. It is important to ask store personnel where the main aisles are.



To help explain lead in, say you have a 16 ft planogram that has 4-4 ft sections A,B,C,D and the **Lead In** arrow goes left to right.

Some companies will give you x and y measurements from left to right or right to left to help you set a planogram, some will give you measurements only for setting a planogram left to right and you will have to extrapolate the measurements to set the planogram correctly right to left.

**Planogram reset vs. Revision** — Knowing the difference between a Planogram reset and a Planogram revision will save you lots of time. A revision means you will only remove certain products and replace them with new ones. You will always change the shelf labels. It also means you will not have to take down the entire Planogram and rebuild it saving valuable time. Study your instructions, it will tell you if the change is a reset or a revision.

### Removing the old Planogram

- If discontinued product has not already been pulled by store personnel, pull it and place it in the designated container.
- Remove all product that will remain with the planogram reset and group it on the side of the aisle.
- Always clean shelves and shelf tag channels as needed. Use a good cleaner (use your protective wear if applicable). Remove stickers, price tags and POP materials (be sure you do not destroy POP materials that may reused). Do not skip this step unless directed by store personnel.
- Remember to keep product, cleaning supplies and additional shelving out of the main aisles and away from customers. It is your responsibility to keep the work area safe and shoppable.
- Most planograms will tell you where to set the shelves height above the base either by inches or notches along the side. You will need to count these to set the shelf correctly. Usually the height indicated is the top of the shelf.
- Place one product for each facing listed on the planogram to insure that SKU will fit. If the product doesn't fit, you need to adjust the shelves.
- Work each section separately. Start on bottom shelf and work up one shelf at a time. Please remember line item numbers start on the left and move right.
- When setting a planogram with peghooks, take the time to count the holes on the pegboard correctly. The peg holes will either appear on the schematic or measurements will appear on the line listing that give you inches up from the base and inches over from the lead in.
- If you are setting a combination shelf/peghook planogram, set the shelves first from the bottom up and then set the peghooks from the top down. Adjust where needed. There are a variety of peghooks (J-Hooks, Skyhooks, etc.). Make sure you have the correct peghooks for the planogram.

### Resetting the new Planogram

- Place one unit of each product on the shelf or peg hook based on the schematic and line listing. Ensure that all product fits on the shelves and peg hooks that you have placed on the POG.
- If there are issues with fit, have the store personnel make adjustments to ensure the fit of each product.
- Before filling in the POG with product, place all the point of purchase materials or additional signing on the POG.
- After all changes have been made and all product are placed on the shelf, place labels correctly according to the planogram. Decide what labels are missing and ask store personnel for new labels. Labels are usually placed under the left hand edge of the product.
- Once all products, labels and POP materials fit, it is time to fill in the planogram with stock. Any excess product should be put into containers to go to the stock room. If there is product missing from the POG you can have store personnel bring additional product from the stock areas to fill in. Break down boxes as you go. Ask store personnel where to take boxes.

### Finishing Up

- Have the lead person of your merchandising team check your finished planogram. Make any necessary adjustments.
- Clean up — Make sure you leave nothing behind. Check that debris and supplies have been removed from the aisle.

- Return any cleaning materials supplied by the store.
- Throw away any trash; put back any unused shelves, pegs, etc.
- Discontinued, damaged and outdated merchandise has to be brought to the attention of store management for disposition. Never take any product home with you.
- If damaged goods or returns are being handled, be certain to follow the store's specific procedures on where to put the merchandise and how it should be boxed.
- Inform the store manager that you have finished your work and ask them to review the completed display.
- Sign out on your way out of the store.
- Follow up with the necessary paperwork, computer reports, etc. in a timely manner (according to your company's requirements).

## **Reporting**

There are several ways to get information from the office to the field, from the field to the office and feedback from the office to the client.

### **Reporting from any source must contain all pertinent information.**

Some companies fax or mail paperwork, while others have web-based reporting systems, IVR (Interactive Voice Response), e-mail, computerized voice mail systems, or hand-held pocket PCs or laptops. Although there are many avenues that transport reports, the information contained in the reports is pretty standard.

- The client and the company agree on the merchandising project.
- The company needs to distribute the information to the merchandiser, either directly to the merchandiser or through the supervisor.
- As the merchandiser completes the assignment, the reporting process continues. Information contained in the report is the date, job identification, merchandiser identification, client or product identification, start and end time, questions pertaining to the particular project, and room for comments. Store management will sign or stamp this report. If this information is hand written, it is very important that it be legible and organized.
- This information is relayed to the company in whatever means the company uses.
- Reports are completed for each job, each day.
- In some cases odometer readings and reimbursable expenses with receipts are also forwarded to the company.
- Know how your company handles reports and the time frame you have to get the report in to your company.
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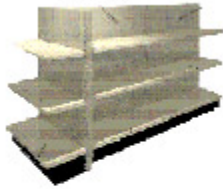
The information gathered from your reports is made available to the client for review.

**Reporting is a necessary part of every job and it is very important to keep this information neat and organized.**

### **Multiple Fixtures:**

90% of planograms are set on the gondolas varying in sizes from 2ft to over 40 ft. There are other types of fixtures that will also use planograms to show the placement of product. Some other types are 4-ways, Spinners, Greeting Card Fixtures, Promo tables, Endcaps, Cosmetic Fixtures and finally Walls. The basics that we talked about above can be used with all fixtures and it will enable you to set most any planogram.

**Gondola**



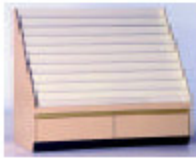
**Four-sided fixture**



**Spinner Rack**



**Greeting Card Fixture**



**Small Spinner Rack**



**Promotional Table**



**Endcap**



**Cosmetic Display**



**Glass Case**



**Giant Display Bags**



**Shelf Labels**



**Brochure Holder**



**Shelf Extender**



**Product Dividers**



**Pusher Dividers**



Shelf Talkers



Images courtesy of William Merit and Associates

### Additional Information:

- Most products will have a sequence of numbers and bar code on the back. These numbers are called a UPC code.



- When products are merchandised in more than one category in the store it is called "Cross-Merchandising". An example of cross-merchandising would be batteries; customers will find batteries in a variety of locations such as toys, sporting goods, cameras, end caps, etc.
- The abbreviation "UOM" on a planogram means Unit of Measure.
- "Preferred Product Location" is a term used to indicate product that is located between hip level and eye level.