

10 **WAYS** **TO LIFT** *Center Store* **SALES**

*Fixture and Store Designs that Draw Shoppers
into the Center Store to Capitalize on Sales*

madix[™]

INNOVATION ON DISPLAY

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If store perimeter provides “sizzle,” center store must serve “steak”

Colorful, creative, winding and sometimes even whimsical in-store perimeter displays of produce, sampling stations, deli, sushi and coffee bars, and endless walls filled with everything from flat screen TVs to the hottest brands of clothing are no doubt here to stay. Engaging perimeter presentations are among the latest trends in fashionable and attractive retail merchandising that represent a sweet spot for today’s progressive merchandisers looking for fresh new ways to connect with shoppers.

However, while perimeter sales within many mid- to large-size shopping environments clearly represent a vibrant growth trend, a similar merchandising discipline and focus should be applied to the center store. After all, smart merchants understand that what’s good for the perimeter should also be good for the interior, because what good is the sizzle of the perimeter shopping zone without the steak -- and inherent profit margin -- of the center store?

Unfortunately, center store is more often than not treated as a warehouse of separate products on cold, uninviting rows of fixtures. While shoppers may find the products in center store they need, they seldom find the solutions they truly want to make their lives more enjoyable or productive. How will that new jacket or shampoo fit their lifestyle? How can that product, or combination of ingredients, help them make a better or healthier meal? Why will that dog food help their pet be healthier and happier?



Madix has introduced new products that improve merchandise visibility. Radius and Wraparound Shelves used on end caps make merchandise down inline runs more noticeable because these shelves do not utilize end panels, which normally obstruct merchandise as you look down a run.

What's actually happening in center store?

Retail store perimeter growth has come mostly from the pull demand from customers wanting fresh, unprocessed foods and products that exude health, youthful appeal and entertainment. Nowhere is the effect on center store sales more evident than in grocery stores and big food brands such as Heinz, Kraft and Kellogg. Published reports indicate sales or volume declines as large as 2.8-percent for some of these powerhouses due to the shifting consumer interest in healthier non-processed food choices most often found on the perimeter of grocery stores. As a result, packaged goods manufacturers are researching ways to leverage the popularity of the perimeter through cross merchandising to make the center store -- along with their profitable brands -- more exciting and appealing to shoppers.

Unfortunately, center store sales within most retail environments have been decreasing in recent years. The reasons why are akin to the proverbial elephant in the room. Rather than address this huge challenge head-on, many retailers have instead decided to ignore it and focus on what is working from a perceptual standpoint, which is the perimeter. Regardless of the center store neglect, and using grocery stores as an example, a report by John Lewis, president, consumer North America for The Nielsen Company, points out that the center store represents 73-percent of total store sales and 77-percent of profit despite growing shopper leakage from people who browse and think about a purchase but ultimately don't buy. This imbalance of sales and profits between center and perimeter can be addressed not only through SKU count, but also through lower margins in the perimeter due to high labor costs and shrink.

This tale of the two shopping zones is supported by a Center Store Mega Study of 2 million individual shopping trips that found as many as a quarter of shoppers walk the center store yet don't buy anything ("Shopper Sight News"). In addition, during the average 13-minute shopping trip, shoppers spend on average only two minutes in the center store. Clearly when analyzing the chasm between center store sales and the average time spent there by shoppers, the opportunities are enormous for progressive retailers to better integrate perimeter and center store merchandising efforts targeted at growing customers' overall baskets.

So, if bold, new methods of merchandising are working to drive traffic for the perimeter, why are retailers continuing to ignore the bread and butter represented by the center store? Within this vast and extremely valuable internal battlefield, most stores still stubbornly stick with outdated merchandising methodology including everything from shelving and lighting to traffic patterns and category management. The dichotomous relationship that currently exists between the perimeter and center store ignores how shopping patterns have shifted and, more importantly, represents lost sales opportunities.

When asked to comment, Blake Sloan, partner and store designer at the full-service architecture and design firm, Heights Venture Architects L.L.P., noted that the center store is often not addressed with the same creative thought process as the perimeter.

"It's extremely difficult to break away from product-centric category management and focus efforts towards a consumer-centric shopper management," said Sloan. "The potential profit power represented by the center store is too valuable to simply ignore. Instead, we suggest retailers envision the center store experience as a unique merchandising and marketing opportunity. Retailers should enhance the center store with creative fixturing, lighting and product identification as they would for the perimeter to create a holistic total store experience to build customer loyalty and improve sales and profits."

As a New York Times article entitled “In Grocery Stores, the Perimeters Take Center Stage” by Stephanie Strom recently stated, “Long, soldier-straight rows of shelves...have long been the heart of the American grocery store but are now showing signs of the grocery equivalent of atherosclerosis.” The same could be said of pretty much any mid- to large sized retailer offering hundreds, if not thousands of SKUs on the floor. After all, is there anything less inviting than staring down a narrow, 60-foot long aisle boarded by shelves upon shelves of cans and boxes that all seem to blend together?

The bigger, more important equation is how to create a more pleasant and inviting center store that works with, if not mimics, the perimeter? Solving the problem of how to keep shoppers in the center store longer than the average two minutes with a sexier, well-thought-out solutions-oriented approach would go a long way toward moving more high-margin goods and better leverage consumer needs to win more of their shopping trips.

While there is no single solution to the center store challenge, here are 10 smart tips that can go a long way toward creating a holistic shopping experience that leverages the entire store and drives up both sales and profits.

Solution #10: Take the edge off

Old-school thinking is that if you trap the shopper and force them to pass by lots of product facings, you’ll create more sales opportunities. Still, some retailers persist in creating canyons of metal shelving and expecting customers to willingly funnel through them. In fact, the opposite is true. Not only do shoppers dread entering long aisles, in their hurry to get through them they often scurry past products they might otherwise be interested in purchasing.

“Too many stores suffer from the ‘peek and run’ syndrome where shoppers simply refuse to enter long rows bordered by high shelving on either side unless they absolutely have to,” said Shawn Kahler, Madix Vice President of Sales and Marketing. “This effectively negates any hope shoppers will spend any meaningful time in the center store, and it certainly doesn’t create a pleasant in-store experience.”

Kahler says the answer is quite obvious: make aisles shorter, less linear and overall more appealing to remove the intimidation factor in hopes shoppers will choose to walk through the store, enter aisles, browse and shop.

“It’s actually possible to create many different types of unique, interesting and appealing aisles by using standard parts and fixtures rather than designing custom shelving that is often cost prohibitive,” he said. “For example, Madix, Inc. offers retailers several options such as its curved gondola system that actually use standard gondola and wall parts to better manage space and generate a maximum return on investment.”

He says that radius curves of 6 or 10 feet provide maximum flexibility to retailers who wish to transform their outdated straight aisles into something more inviting and productive. There are also much longer sweeping, curved fixtures that create a panorama effect of products that are also pleasing to the eye and create much more product visibility than do long, straight and narrow aisles. The key learning is that retailers have available to them the tools and professional expertise enabling them to create better, more effective center stores.



Madix's Radius end caps married with curved Maxi Line draw shoppers into the center store. The undulating shelves make merchandise stand out. Madix offers components to curve entire fixture runs, fixture sections, or individual shelves.

In combination with shorter and more organic-shaped aisles, Dr. Herb Sorensen, Ph.D., author of "Inside the Mind of the Shopper," advocates staggering the fixture patterns themselves from section to section to break up long sight lines. The outcome of this advice is that as a shopper looks down any aisle toward the center store, they actually see the end cap of the next shelving fixture or more inviting concave or radius shelving and not the other side of the store.

Solution #9: Drop the height of shelving

Merchants seem to love using vertical space. The higher, the better? Actually, according to Dr. Sorensen, people do not prefer to shop tall shelves crammed with products in the center store. Instead, they respond best when faced with shelving that's 66 inches or lower and 15 to 20 feet long or not longer than 30 feet. Such shelving ensures customers can easily see and navigate their way through the store without feeling trapped or lost. An exception would be a retailer such as JCPenney which has begun using tall walls on the perimeter of its stores where they do not interfere with sight lines to promote fashion accessories.

In addition, traditional straight-faced shelves in most stores are designed to hold a maximum capacity of products from top to bottom, but they are not shopper friendly. Such a design stifles the ability to view products on lower shelves, often forcing the shopper to take a few steps back into what may be a crowded aisle to see what's on the bottom shelves. Such fixtures also visually create a closed-in, claustrophobic feeling as shoppers walk down an aisle.

One solution is to install pyramid-style fixtures on both sides of an aisle. Such fixtures have top shelves that are recessed from the shopper by about 16 inches, giving shoppers nearly three full feet of apparent extra aisle width. This allows higher-velocity products to be inventoried on lower shelves while featuring higher-priced or lower-velocity items toward the top where they can gain more exposure.

A less radical alternative to pyramid fixtures is an offset shelving design that moves one or more of the top shelves back in small increments between 8-12 inches. While slightly less effective than pyramid fixtures, offset shelving still helps reduce the train-tunnel effect and allows the use of sloped signboards that can be used for various in-store marketing devices such as digital media.

Regardless of the type of fixture that's used, Dr. Sorensen points out that there is a delicate balance between trying to capture the shopper's time, holding a shopper at a product display, and closing the sale. Trying to sell too much within a small space can actually harm sales conversion, because the longer it takes a shopper to make up his or her mind, the more angst they feel, the more likely they are to abandon that area of the store, and the less time they are apt to linger in other areas of the store. The rule of thumb should be convenience, which translates into fast.



Madix's product lines are available in numerous sizes, so a retailer can deploy fixtures that best meet its sales objectives.

Solution #8: Widen the aisles

Using pyramid or offset fixtures are simple methods to effectively open up aisles visually and literally from the feet up to head height, but another more obvious solution is to simply widen the entire aisle. Some retailers serve up just enough room for two carts to pass by one another in an aisle, while others make it almost impossible for even a single cart to pass between displays. While the solution will vary between retail formats, the outcome should always cater to what makes the shopper most comfortable and put them in a buying, not evacuation, mode.

In general, shoppers equate open space with the freedom to shop. The best way to generate traffic is to allow traffic to flow without restrictions. A shopper at a store with tall, narrow aisles is less likely to enter the aisle if it has but one other shopper in it, much less several. With such aisles, a single shopper with a cart stopped in an aisle can occupy as much as 10 feet of shelf facing, effectively blocking that merchandise from other potential buyers. Obviously, this leads to far fewer sales opportunities.

On the other hand, a shopper at a store with aisles able to accommodate multiple shoppers shoulder-to-shoulder is less likely to turn away. In this scenario, even if another shopper is camped in front of a shelving unit another shopper can stand to the side and browse. The key is to allow a relatively free flow of multiple shoppers through any aisle at any time.

Dr. Sorensen states that open space combined with short and low fixtures are open invitations to shop. Likewise, he says, "Narrow, crowded aisles like packed highways can lead to social pathology and even 'aisle rage,'" whereby shoppers become angry at one another for blocking each other or even blame the store for failing to be customer friendly. Ironically, retailers who do a good job merchandising their perimeters typically do so with wide aisles, low fixtures and a sense of openness. So why not apply the same principles to the center store experience where upward of 75-percent of all sales occur?



*Madix designs its products to more efficiently utilize space,
which means a retailer can devote more space around fixtures to its shoppers.*

Another, less obvious reason to expand aisles is what Paco Underhill, author of “Why We Buy: The Science of Shopping,” calls the “butt-brush effect.” During research his firm conducted for Bloomingdale’s department store, they inadvertently observed shopper interaction with a clothing fixture near a ground-floor entrance they were monitoring. The fixture was adjacent to a high-traffic aisle, and they saw that customers interacting with the fixture would typically get “butt-brushed” from behind by people heading into or out of the store. After a few such bumps, shoppers abandoned the fixture and moved on without buying. As a result, sales from the fixture were well below expectations. After moving the fixture to another location that eliminated the possibility of butt-brush, the retailer found that sales from the fixture immediately and substantially increased. It simply boiled down to location.

The question retailers should be asking themselves is how often their customers are spooked by being too close to one another or being brushed against other shoppers trying to navigate around them? The solution may be something as easy as a realignment of a fixture or a more complicated readjustment of the entire aisle space.

Solution #7: Go mobile

Part of the challenge of store fixtures is that they are by definition “fixed,” meaning they often are anchored in place and unlikely to be moved outside of major store resets. Rather than be entirely tethered by immovable fixtures, some of the world’s most successful retailers have embraced the more fluid flexibility of mobile displays to complement or, in radical cases, supplant stationary displays.

Granted, fixtures on castors are not a new concept, but the use of such shelving is not necessarily widespread, especially in the center store area. An example of a retailer that lives by mobile fixtures is one of Europe’s most successful shoe store chains, Leder & Schuh’s. L&S has virtually no immovable fixtures. Instead, every eight weeks or so the latest shoe fashions are



Madix offers a variety of caster kits that convert conventional shelving systems into flexible mobile runs.

displayed in a new retail theater created by set designers using mobile fixtures, lighting and props. This has helped cement their reputation as a progressive, forward-thinking retailer with its finger on the pulse of the rapidly changing world of fashion. Other retailers, such as RadioShack, Ross Dress for Less, BestBuy, and numerous department and grocery store chains, have experienced their own successes with the flexibility of mobile fixtures.

Mobile fixtures give retailers the ability to easily change the store layout to fit the changing needs of shoppers, accommodate special sales and offers, and even cater to "event" opportunities with integrated solutions for big events, holidays or celebrations. Have perishables that are about to go out of date? Put them on mobile fixtures and place them near checkout lines or in natural product adjacencies to stimulate purchase and reduce shrinkage. Coming up on "Go Pink" breast cancer awareness day? Use mobile fixtures and round up different pink merchandise such as clothing and accessories near front entrances for people who want to support the cause. Have overstock of something that might take weeks to clear out? Use mobile fixtures to create sales opportunities throughout the store to get shoppers to purchase what you want to sell. The possibilities are endless.

Solution #6: Shorten or break up long runs

Hand in hand with banishing railroad tunnel aisles, Dr. Sorensen suggests rethinking the concept of aisles altogether. He advocates that the length of shelving from one end to the other be between 15-20 feet and not longer than 30 feet.

Shorter aisles in length and height accomplish multiple purposes. First, they are more inviting to navigate and provide a natural break between product facings. Next, if the fixtures are of varying heights, shoppers can actually see across multiple shelves and gondolas. Shorter,



Madix's shelving lines can be ordered to accommodate shorter run lengths.

staggered fixtures also serve as artificial road bumps that force shoppers to slow down, navigate left, right and around product displays, and be more aware of what they're passing. Also, one of the most potent sales opportunities exist with end caps, and the shorter the fixtures in length, and the greater the number of fixtures that are used, the number of end cap merchandising areas increases exponentially.

A similar outcome can be accomplished by interspersing concave or radius shelving that softens up center store aisles and visibly pulls customers in. Rounded or organically-shaped shelving units such as the Madix Y-Gondola can add a pleasant visual impact to the sales floor and create multiple focal points allowing retailers to highlight important items, sales or promotional offers. Such shelving also actually improves the visibility of more SKUs when compared to straight shelves, because they are typically viewed from more of a frontal perspective than through a side view while walking down an aisle.

Of note, some retailers, such as Walmart, have actually reverted back to taller, warehouse-style shelving and what has been described as shelves stacked full of many different products, narrow aisles and conspicuous pallet stacks. Why? Because their sales results support the notion that such a shopping environment better supports their brand proposition of being a value-oriented retailer.

Explaining this perspective in a national best seller book entitled *Why We Buy: The Science of Shopping*, Underhill says, "Historically, the more a store is packed (with merchandise), the more people think of it as value — just as when you walk into a store and there are fewer things on the floor, you tend to think they're expensive."

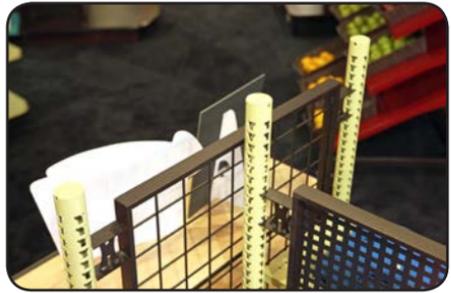
This simply means that it's critical for retailers such as Walmart to understand the mindset of their customers to know what it is they want. Regardless of a retailer's brand proposition — whether it be value, quality, selection or brand names — they must strike a balance between the volume of products displayed and the physical and visual presentation to create an optimum buying atmosphere for its customers. In other words, what works for a discounter may not work for a specialty retailer, and vice versa.

Solution #5: Integrate specialty merchandisers

Specialty merchandisers are an ideal mobile way for retailers to experiment with product displays and presentations on the sales floor without making major, permanent commitments to space or marketing.

Retailers can experiment with specialty "solution stations" that tie product categories together without totally realigning product groupings or fixtures. Common fixtures for such specialty presentations include the use of T-Racks and mobile caster kits.

Grocers could consider staging certain ethnic food nights, weeks or months to stimulate trial and impulse purchases by shoppers. For example, a mobile fixture or end cap could be ideal for "Italian Night Solutions" complete with recipes and suggestions for combinations of products that otherwise would be spread throughout the store: pots, pans, utensils, spaghetti, lasagna, pizza kits, sauces, spices, olive oil, cheese, meat and vegetable appetizers, bread, desert, wine and even flowers. Another possibility could be "Pamper Your Pet" with a selection of high-end food, treats, supplements, collars, bowls and toys. Evergreen events such as birthdays and anniversaries also lend themselves to turn-key specialty merchandisers featuring apparel, gift boxes, cards, candles, desserts and even alcohol.



Madix manufactures specialty merchandisers to suit any market segment. Luxe, a new display that features an attractive round upright and standard Madix slotting, accepts Madix's thousands of shelves and accessories.

Retailers should experiment with integrated presentations for different topics and locations to see what does and doesn't resonate with their customer base and tweak them accordingly. In addition, Dr. Sorensen points out that something as simple as scattering static or mobile merchandisers around the store in non-obvious locations almost always increases sales of those products. For example, placing a merchandising display of cookies outside of the bakery, or t-shirts and socks near the check-out queue, can stimulate incremental sales of those items outside of their natural environment. The beauty of such displays is that they lend themselves to experimentation.

Solution #4: Make smart use of in-store marketing

Point-of-sale marketing is found to improve the find-ability of merchandise and usually leads to improved brand recognition. However, it's important to effectively judge the use of such point-of-sale material and be smart about leveraging the sales of merchandise the retailer wants to sell, not necessarily what the manufacturer or supplier wants to push. After all, why take up valuable shelf space and fight for shoppers' attention for a low-margin or low velocity item or product category? It's better to focus on merchandise that has a higher profit margin, introduces new or innovative products to customers, or supports the retailer's particular point-of-difference (better selection, higher quality, well-known brand names, etc.).

Digital print and video signage are excellent ways to cut through the clutter and grab shoppers' attention in the noise of the typical retail environment. Such signage can be designed to educate, entertain and engage shoppers with key messages they might not otherwise see. The Bissell brand of vacuum cleaners in Lowe's Home Improvement Stores is one example. Their use of digital and video signage on end caps and mid-aisle displays stop shoppers in their tracks to deliver short, concise sales messages about the benefits of clean floors and carpets and how Bissell products deliver the best outcome and value.

Other, less extreme example of digital signage and even low-tech coupon and recipe pads and dispensers are also effective in garnering attention for specific products and brands. Products such as Lumicanopy by Madix, Inc. use LED lighting to illuminate graphics and promote categories or brands. The typical Lumicanopy consumes little power, emits virtually no heat, exhibits uniform light distribution that's visible from many feet away, and is reusable over several years. Other displays such as the Madix Easel SB retail shelf and point-of-sale display educates and entertains shoppers with relevant information and does not protrude into aisles to interfere with shoppers. The key is to be smart about what and how information is communicated to ensure its effect on shoppers is maximized.



Being able to deploy large format, illuminated graphics either in Madix's canopies or within the fixtures' surfaces facilitates in-store marketing initiatives. The bright, colorful graphics appeal to shoppers across the store.

Solution #3: Turn up the lights

Lighting is one of the most important -- yet probably one of the least understood -- merchandising techniques in the retail environment. Done correctly at the point-of-sale with fixtures such as the Madix LEDge Light Versa and the Beam LED alternative to fluorescent canopy lighting and retailers can improve mood, create the desired ambiance, and more importantly create a measurable impact on shopping behavior.

An article published in *InformeDesign* by Delores (Dee) Ginthner, an associate professor in the Interior Design Program, Department of Design, Housing and Apparel at the University of Minnesota, states several basic truisms that must be addressed when lighting a space to ensure both psychological and behavioral issues of users are met. This includes the observations that lighting must ensure safe navigation through a space; people always follow the brightest path; brightness can focus attention; people like to face walls that are illuminated; and lighting can cause people to alter body positions.

Ginthner further states that criteria created several years ago by Dr. John Flynn to evaluate lighting remain true today. This criteria states that designers must use cues to determine the users' subjective response to space lighting in order to create space that makes users say something is pleasant versus unpleasant, public versus private, spacious versus confined, relaxed versus tense and visually clear versus hazy.

Needless to say, the science of lighting and how it applies to curved fixtures, pyramid or recessed shelving, wider and shorter aisles, end caps, on-shelf merchandisers and even mobile fixtures is critical to maximizing the impact and desired outcomes. The days of one-size-fits-all overhead or fluorescent canopy lighting are being replaced by new efficient alternatives such as environmentally friendly LEDs that produce light intensity similar to T5 fluorescent fixtures while using only half the energy and lasting nearly three times longer. Lighting considerations should be incorporated into the initial store design at the onset by true lighting professionals who understand shopper psychology and how best to use lighting to stimulate sales.



Madix is the first store fixture manufacturer to design energy-efficient, point-of-sale lighting products that are specifically designed for store equipment applications. Madix's lighting solutions either attach underneath shelves, or they replace the fixtures' surfaces to pin-point light (e.g., back panels or shelf skins).

Solution #2: Optimize traffic flow

The art of converting visitors into shoppers and shoppers into buyers is accomplished in no small part through optimizing traffic flow through the store. Dr. Sorensen suggests there are several changes, some subtle and some overt, that can make a major impact on a store's visceral appeal while exposing shoppers to buying opportunities that may have gone undiscovered in a traditional linear layout.

One idea requires a significant reconfiguration of fixtures to change their orientation and layout to the front of the store. Dr. Sorensen supports the theory that when shoppers within the interior of a store look down aisles and see checkout registers, especially ones with no lines, they subconsciously tend to hurry through their shopping experience so they can quickly check out before the lines fill up: a sort of quick in, quick out mentality. To combat this and reduce the “railroad tunnel” visual effect, he suggests shifting the aisles at a 45-degree angle to the front of the store. An important benefit of such a design is that as shoppers enter the store they will be approaching aisles from a less acute angle, which will make them more inviting to enter.

Another way to increase traffic flow and lure shoppers is to determine new and relevant product categories and bring them into the center store. Along the way and throughout the entire store, the goal should always be putting the “right” products in the direct path of the customer. Dr. Sorensen says, “There are patterns of movement... (in a store) that are not driven by products as much as by open spaces and natural flows.” By observing, determining, and directing traffic flow with smart shelving fixtures, lighting and merchandising materials, it’s possible to conduct “anticipatory retailing.” This is when the retailer anticipates and meets the needs of shoppers rather than making shoppers find things on their own.

In support of an enhanced traffic flow, Dr. Sorensen advocates putting high margin merchandise rather than discounted goods in the customer’s path. Research shows that the most important determinant for sales is based not on price, but on the placement of store fixtures displaying those goods. Putting highly discounted merchandise such as 75-percent-off sweaters or two-for-one cereal offers in the customer’s path may actually be counter-productive, because it could prevent customers from venturing deeper into the center store and discovering higher-priced, if not more desirable goods.

Dollar General spokeswoman Mary Winn Gordon is quoted alongside Underhill in the New York Times article as saying the chain store employs virtual “speed bumps” of related merchandise



Madix’s array of fixture choices equips a retailer with options to tweak store designs to improve traffic flow and sales.

that goes together -- such as bananas alongside boxes of vanilla wafers -- in aisles or at entrances, because it's a consumer-friendly way to assist customers and pique their thought process while generating incremental sales. By using such things as Y-Gondolas, mobile displays, LED lighting fixtures, floor graphics, ceiling hangers or digital or video marketing to highlighting merchandise in a non-intrusive, yet attention-getting fashion, it's entirely possible to get customers to buy items you wish to sell, not just what shoppers came into the store to purchase.

An underutilized method of generating awareness and trial is product sampling and demonstrations. Retailers such as Sam's Club, Costco and Whole Foods have mastered the art of sampling during high traffic days and peak times to expose customers to products they may have otherwise ignored. Why not create a display that demonstrates the difference between 200 and 400 thread count sheets? Utilize sales staff as virtual models by having them wear the merchandise being sold in the store, much like mega-brands Hollister and American Eagle have done with their employees. Create mobile sampling stations offering customers tastes of lesser-known foods such as couscous, Greek yogurt, even kale along with recipes incorporating those foods to stimulate profitable impulse sales.

In fact, the New England Journal of Medicine reports that food choices are largely guided by our responses to outside signals and stimuli. A paper authored by Deborah Cohen of RAND Health in Santa Monica, Calif., and Susan Babey of the UCLA Center for Health Policy Research, states that impulse marketing takes place on a subconscious level, and that placement of foods in prominent locations increases the rate at which they're purchased.

While most people may associate such impulse displays with checkout lines and sodas, candy, gum and magazines, they can be just as effective in other areas of a store. Shopping for a new blouse? You may be influenced by matching (high-margin) accessories attractively displayed next to them. Buying new cat food? How about a pretty collar or catnip to go along with it. The possibilities for proximity marketing are enormous, if not often overlooked, opportunities.

Solution #1: Multiply the end cap effect

End caps are perhaps the most misunderstood and underutilized spaces in the retail environment. According to Dr. Sorensen, approximately 2-percent of the total items in a typical store at any given time are being promoted on end-of-aisle displays or other secondary promotional displays apart from the main shelving fixtures. However, this 2-percent of items may constitute a whopping 30-percent of all store sales.

While retailers often use this space to promote sales or highly discounted merchandise, the fact is that half the shoppers purchasing an item from such end caps are unaware the goods are being sold at a reduced price, and half of the people who know would buy the product even if it wasn't on sale.

So in other words, good retailers are simply giving away profits to as much as 75-percent of their shoppers because they are locked into the mindset that price considerations dominate shopping decisions when research doesn't support that point of view. Instead, great retailers understand that a better use of such prime real estate is to satisfy the shopper's inherent need for value and convenience, and most customers are willing to pay full price to accomplish a fast shopping experience.

Another reason end caps can be extremely profitable is that because of their small size, they generally feature only one or two products. As such, shoppers do not have an easy or immediate way to compare the merchandise as they would in the category section inside the aisle. The impulse nature of end caps and the lack of price sensitivity support the premise that retailers can command a higher price for such merchandise.

Breaking up and staggering the traditional long aisles in many retail locations can literally double the number of possible end caps from the shoppers perspective, particularly in the center store. Incorporating other display tools such as Y-Gondolas, curved shelving, pyramid and recessed shelving, highlight lighting, sampling stations, lifestyle graphics and signage, can only serve to increase the sales velocity of end caps.



Madix understands how important end caps are to a retailer's success. The company manufactures a number of end cap systems that maximize space, improve visibility, and capitalize on sales. Madix's new Y-Gondola greatly expands the potential of end caps to positively influence shopping behavior.

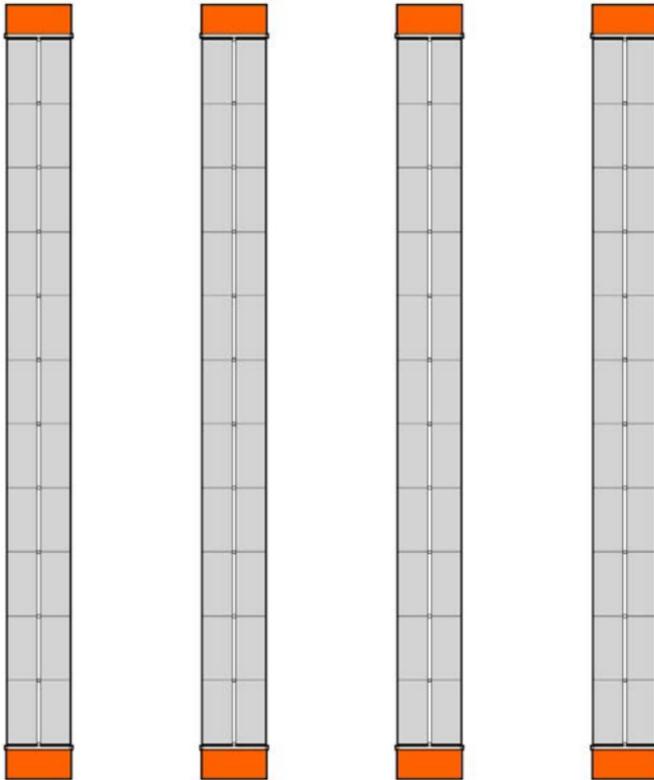
Decide what solutions make sense for you

Revisiting the relationship between the perimeter and center store requires that retailers rethink the cost of sales. Ignoring or shrinking the center store given its contribution to overall profits doesn't make sense when much more is possible. A better course of action is to fundamentally rethink the consumer shopping process and adapt the entire store to better deliver total customer solutions. After all, what good is the sizzle without a juicy steak to go along with it?

The display fixture experts at Madix, Inc. are available to provide free consultation to retailers who wish to explore fresh, new ideas on how to bring the center store back to life to create a holistic shopping experience that drives sales and profits. For more information, contact John Clontz Director of Marketing and e-Business jclontz@madixinc.com 214-515-5400.

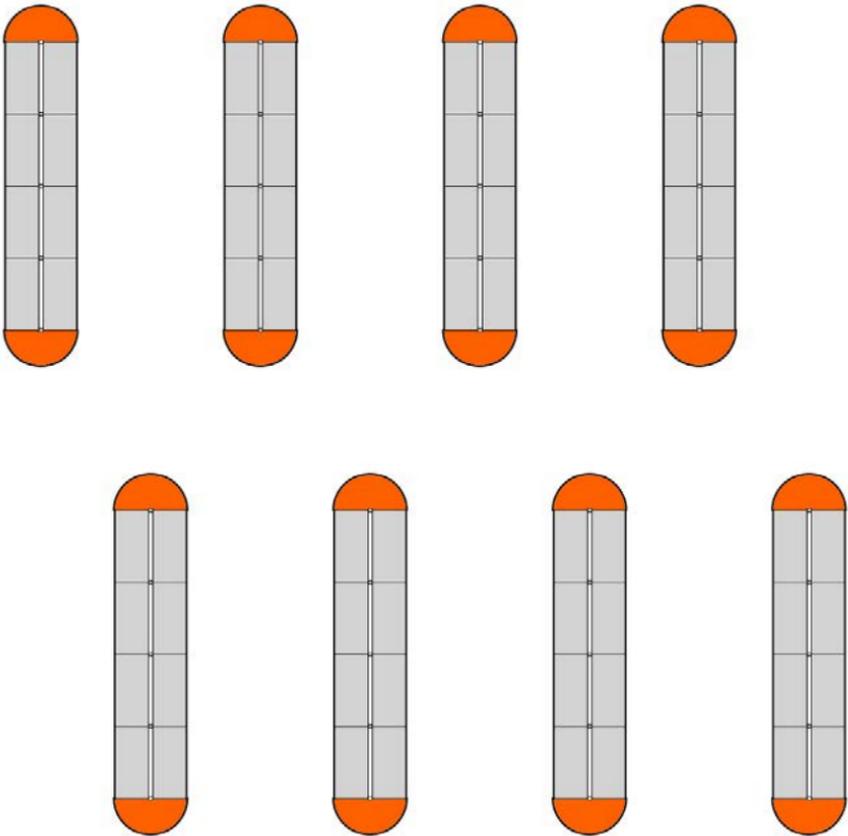
Traditional Center Store Fixture Configuration

Traditional center store fixture runs are usually long and extend 30 feet or more. The long runs discourage shoppers from entering the department. Also, the lengthy runs have a limited quantity of end caps, the store fixture with the most effective sales potential.



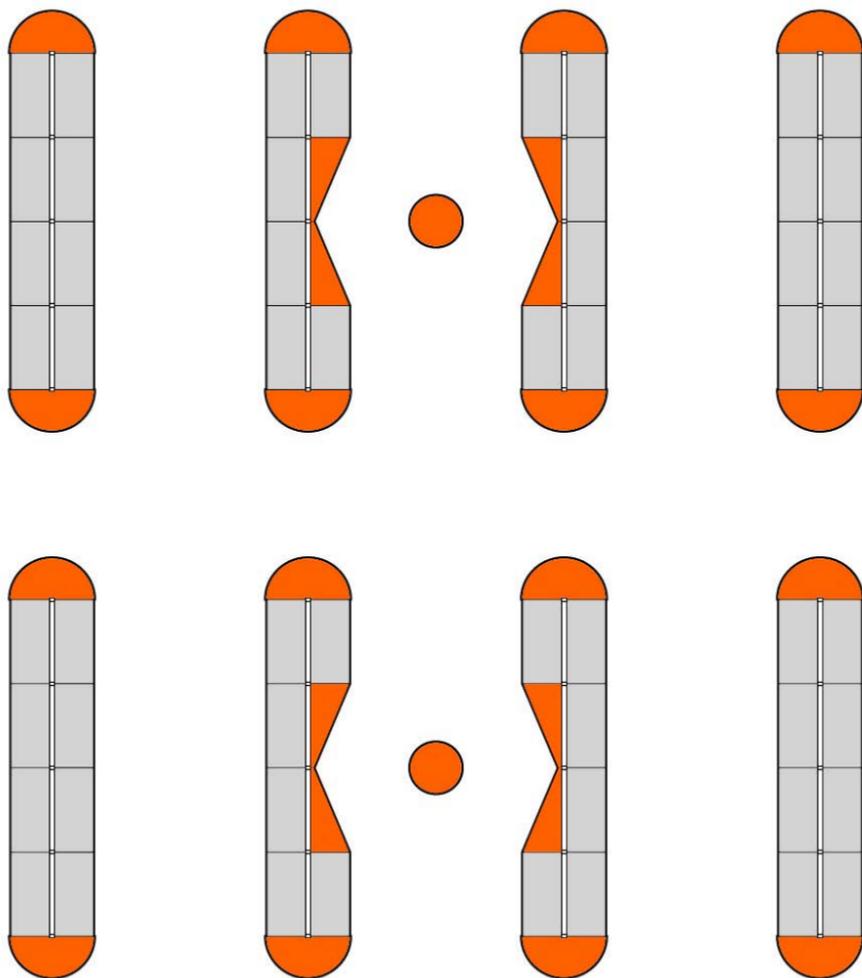
Center Store Layout that Staggers Runs

A center store layout with staggered runs includes more and shorter fixture runs. Shoppers are more likely to enter a center store that utilizes shorter, less daunting runs. The staggering of the runs greatly increases a shopper's exposure to end caps as he or she walks through the department.



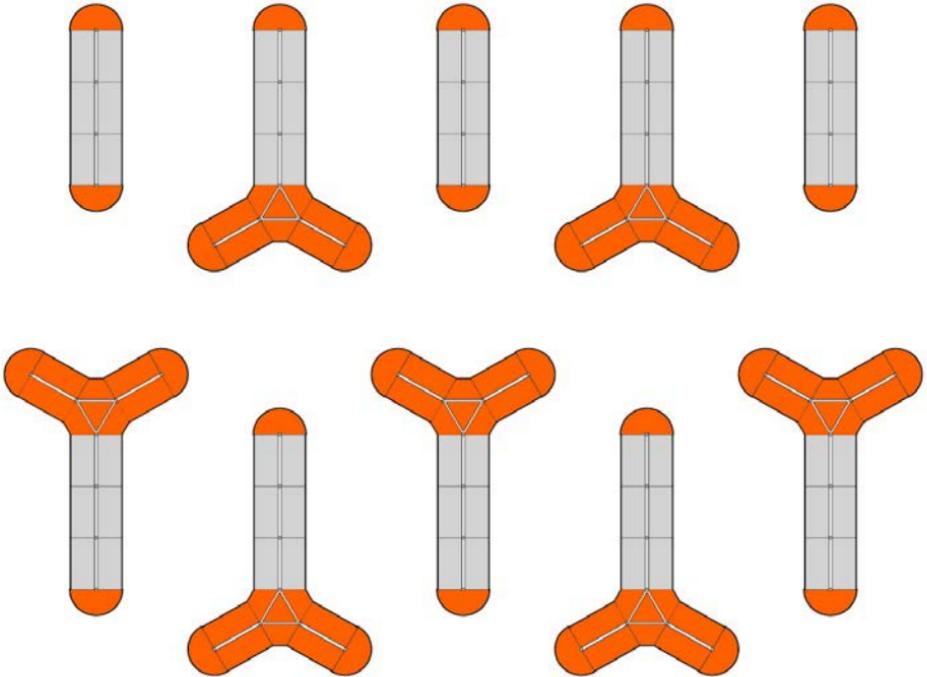
Center Store Layout with Specialty Merchandisers and Transitional Components

Integrating specialty merchandisers into a center store will improve incremental sales. Utilize transitional components, including bases and shelves, to draw attention to merchandise within merchandising categories. The transitional components and shelves also make room for shoppers to navigate around the specialty displays between the aisles.



Center Store Layout using Y-Gondolas as End Caps

Madix's Y-Gondola exponentially expands the sales potential of end caps. Not only does the fixture greatly increase the end cap's merchandise volume, but it also makes the merchandise on the end cap visible from wider angles. A store layout that utilizes Y-Gondolas on short fixture runs will create an inviting and more shoppable center store.







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