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Showtime for Endcaps

8 Ways You Can Build World-Class Merchandising

Imagine for a moment that each of the various types of merchandising around your store have their own personalities. The regular runs of gondolas are the quiet, dependable hard workers who pull in a steady income, day after day. Those impulse displays by the registers are the visionaries, daring your customers to try something new. Endcaps are the divas. They thrive in the spotlight. They're flashy, fun-loving and want to live in the moment.

Personality aside, endcaps function best when you give them a lot of attention. If you're simply using them as the catchall place for the stuff you don't have room for somewhere else or if you don't have any strategy for how you're using them, you may be wasting one of your most valuable pieces of in-store real estate. Endcaps need to be unique. They need to grab the eyes of every customer who walks into the store. Much like real-life divas, they need to be perfectly dressed and captivate their audience with a flawless performance.

Hardware Retailing editors scoured their photo files to find real-life examples of well-constructed endcaps. Use these ideas both to inspire your creativity and refine your skills to create some real showstoppers.

Finally, as you're setting up your endcaps, consider this. While endcaps often sell themselves, employees who know how to work the crowd can sell more. Because the items on endcaps may generate a lot of interest, make sure all employees are properly trained to sell them. To start, you might want to take time during an employee meeting to review all of the endcaps items you'll be featuring that month. Review product knowledge on featured items and all appropriate add-on sales.

To learn more about how profitable endcaps and other types of displays can be for your business, review NRHA's *Merchandising for Profit Study*, available at TheRedT.com/merch-for-profit.





1

Show and tell.

Project-based endcaps can remind customers of common seasonal projects and take some of the mystery out of how to do ordinary household repairs, such as fixing a toilet. A good project endcap will have the items needed to start the project as well as some of the add-on items that go with it. "It's a form of suggestive selling. Instead of a checklist, we're using a collection of items to help a customer remember what they need for a project," says Steven Ai, president of the City Mill stores in Hawaii. Ai also finds it helpful to include how-to guides alongside products on endcaps. "The more questions we can answer with the displays, the more we can free up our team members' time to address the in-depth questions customers might have," he says.



2

Try a bit of elegance.

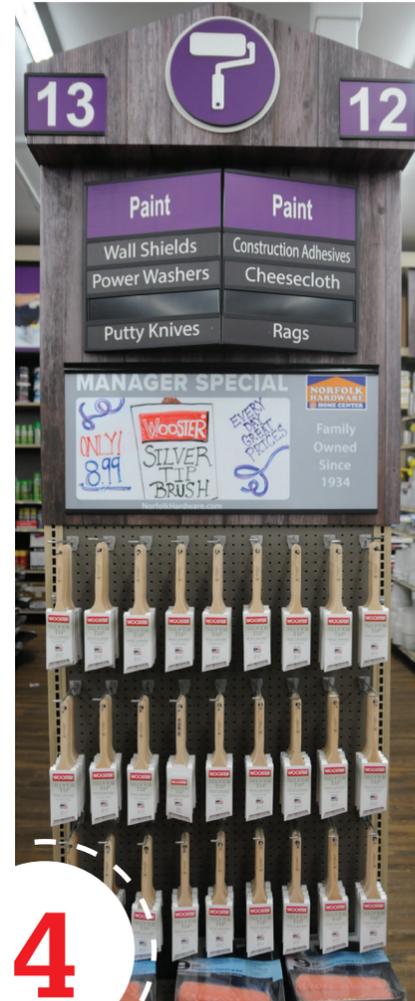
Michelle Scheffter, owner of Langdon Hardware in Langdon, North Dakota, uses a stylish wooden cabinet to merchandise a specialty line of food items. The cabinets accentuate the niche so shoppers will stop and look. They also dress up the area leading into the paint department showroom, designed to attract fashion-conscious customers. Whether she's merchandising an endcap made from a wooden cabinet or traditional metal shelving, Scheffter says it's important to be strategic about the items she places there. "Make sure everything on that endcap makes sense together," she says. "And don't let the shelves get empty. If the product count gets low enough, switch it back to its regular place in the aisle."



3

Go with the season.

Ryan Flaherty, store manager at Balsam Lake Hardware in Balsam Lake, Wisconsin, often themes endcaps seasonally. To make them stand out from the standard hook and pegboard racks, he's used a wire rack in a few places in the store. The racks are good places to showcase some of the more unusual items the store offers, but they are always arranged around a theme. Careful planning ensures endcaps are always changing and staying fresh. "I recommend brainstorming to make a list for the next few months of endcaps," he says. "If the same item sits on your endcap for too long, it is no longer effective. People will just walk right by the display and pay no attention to it."



4

Rotate monthly.

Having a rotation schedule is one of the basic tenets of endcap maintenance. At Norfolk Hardware of Boston, store manager Kevin Peebles has a schedule that includes rotating each of the 30 promotional endcaps about once a month. But regardless of the schedule, it's important to change an endcap as soon as product gets low. "One mistake I see some retailers make is letting endcaps go too long with missing products," he says. "If the shelves are halfway empty and your stock on that promotional item is low, it's time to switch it out." Endcaps should follow the three basic rules of merchandising: Keep them full, fronted and faced. An endcap that looks empty or messy sets the tone for the rest of the store. If the endcap is half empty, will the rest of the store look that way, too?



5

Be crystal clear.

Whatever message you're trying to send with your endcaps, say it clearly. At Randy's Do it Best Hardware in Timberville, Virginia, CEO Christian Herrick says making the pricing simple and limiting the SKUs on each display is key. "Our ideal endcap has one SKU and one price," he says. "Sometimes it makes more sense to have more, but our ideal is one." It's also important to avoid confusion by setting the entire endcap all at once. Don't add the promotional signage and price a few days after putting the product on the shelf. Instead, have a clear message, which will have a better chance of capturing the impulse sale. "I think of endcaps primarily as a way to get customers to buy something they didn't intend to buy when they came to my store," Herrick says.



6

Make it personal.

Personalizing your endcaps to your unique business will help set you apart from competitors who go for a more cookie-cutter approach. The endcap headers at Scheels Home & Hardware in Fargo, North Dakota, are custom-made to take shoppers on a trip back in time through the company's history. Vintage advertisements or historical facts about the company remind customers that Scheels is a locally owned business with a deep connection to the community. But the creative header alone won't make these endcaps effective. The rest of the display has to follow best merchandising practices. "We try to keep our endcaps focused on seasonal, promotional or newer items, and we limit the number of different items on any one endcap," says manager Mark Hulbert.



Get employees involved.

Since they are some of the most visible merchandisers, endcaps also offer the best place for you to show a little creativity. At the Buchheit chain of stores in Missouri and Illinois, employees use endcap toppers to make their stores more interesting and to highlight some of their popular farm and home products. If you want help coming up with ideas, try asking your staff for help. You may be surprised at their creative talent, but be sure they understand the rules of endcap creation. "It's best to have a set of rules for your endcaps," Matt Seabaugh, store manager at the Jacksonville, Illinois, location says. "Having rules keeps the store consistent throughout and makes it easier for employees to build and maintain quality endcaps." For example, establish guidelines for the maximum number of items for each endcap, what should be the price limits and how to incorporate add-on items.



Incorporate add-on sales.

Seabaugh says he and his team have found a formula for the ideal endcap. One product that dominates the display, and another product lines the shelf two-thirds of the way up (also known as the bellyband and shown here on the second shelf). At each side, sidewinders are used for cross-merchandising related items. To understand products that work well together, store managers use their POS system. "We have a computer program that will do a basket analysis," Seabaugh says. "This system helps us determine that when a customer buys a certain item, they are likely to purchase other items. Knowing that information helps us determine the bellyband shelf items and front of the sidewinder items." He also tracks the endcap performance, which is critical for determining future endcaps. "Tracking sales, turns and gross profit makes tweaking the program from year to year easy," he says. ➔