

# RETAIL MERCHANDISING



## DRIVING MORE THROUGH THE STORE

All too often replenishment from the store room is the one part of the supply chain that fails. In fact, optimising on-shelf availability is among the biggest challenges faced by retailers today. Fortunately, Westcoast's merchandising team has built up a strong reputation for solving problems and driving sales across an expanding range of categories.

## THE CHALLENGE

Research and training charity IGD defines on-shelf availability as 'providing a product, in a saleable condition when and where the shopper wants it'. It says that availability remains an area of concern for the whole supply chain right through to the end consumer.

However, when things go wrong on the shop floor it's usually the brand and the retailer who pay the price. That's because the customer tends to react to goods being out of stock - or not available to purchase - by switching store, switching brand or buying nothing at all.

## KEEPING ON-SHELF ON-TRACK

So, all that investment in product development, production and promotion is jeopardised by the inability to shift some goods from the back of the store to the aisles - thwarting the satisfaction of a set of willing and solvent customers and helping to dismantle some carefully crafted brand loyalty.

The question for vendors is therefore how do they make sure their products are being properly replenished and displayed by retailers on a regular basis?

And how do already over-stretched retailers create an effective process that allows them to keep on top of pricing and stock levels and add polish to instore presentation?

The truth is these things can be very easy to overlook let alone do properly. Indeed, poor merchandising is such a major problem that it's resulting in a loss of sales to the tune of £4 billion pounds every year in the UK, according to IGD.

The good news is that Westcoast is now helping a growing list of vendors and retailers by offering revenue-generating merchandising solutions across an ever-increasing spectrum of product categories.

## THE SOLUTION

Known for being the UK and Ireland's leading IT distributor, Westcoast first began providing on-shelf availability services back in the late nineties. Its first customer was a major player in electrical retail and the category was printer ink.

### Carl Oxley, Retail Director, Westcoast takes up the story:

“We’re talking about 1998 when product availability at the retailer was poor. Ink especially. The retailer always had plenty of stock in the supply chain and plenty at the back of the shops – but they didn’t have the ability to refill their stores.”

“At Westcoast we knew about logistics and distribution,” Carl continues. “We knew this retailer well and we knew about ink, so we decided to lend the store a hand with some of its on-shelf availability issues on a trial basis. It was a big success for both of us.”

## INKING A DEAL

Westcoast's efforts made a massive difference. The results so impressed the ink vendors that they agreed to continue paying for the Westcoast service because of the dramatic boost in sales.

“Initially we provided this retailer with a basic rack job – filing up the shelves and making things look nice for the customer,” says Carl.

“By doing this we were seeing between 25 per cent and 28 per cent sales uplifts for the brands. Over the next few years we began working more and more closely with this retailer, totally re-engineering the supply chain to the extent that we were doing vendor managed inventory for them in our own distribution centre and doing daily van runs to their 200 stores.”

## GROWING CAPABILITY

The experience prompted Westcoast to think wider. Soon the company was helping ink vendors drive sales in a number of UK supermarkets.

“We followed the ink model for about 15 years with great success, building solid relationships with retailers,” says Carl. “By that point we’d built up a reputation and a service that people valued and we felt confident we could move into new categories. So in 2009 we took tech into a leading grocery retailer for the first time.”

## SUSTAINING BRAND VALUE

Westcoast brought laptops, tablets and accessories into this retailer. The emerging merchandising team at Westcoast collaborated closely with the product vendors to maintain the value proposition of the brands by presenting products in-store according to some very specific requirements.

As Carl explains: “If you are going to merchandise Apple products in a non-Apple store then you absolutely have to do it as close as possible as Apple would. That takes skill, know-how and resource – something that Westcoast has.”

The end-result for the retailer was that its tech departments grew by 34 per cent thanks to Westcoast's merchandising impact. But what set Westcoast apart in the eyes of the vendors and the retailers was its agility.

## MANAGING ECO-SYSTEMS

“Unlike most of the agencies out there we can be entrepreneurial, flexible and quick to respond. We’ve gained lots of experience in managing projects with large eco systems – for example dealing with shop-fitters, design agencies, security services – as well as the vendor and retailer.”

“All of these attributes have helped to develop our reputation and grow our own business,” continues Carl.

## THE OUTCOME

Westcoast has now established itself as a market leader in UK merchandising. Its services lead to an average increase in sales of laptops or tablets of around 12 per cent. For accessories that number rises to between 20 and 30 per cent.

Adds Carl: “Our service pays for itself through the results we keep on achieving.” Over the years the firm’s merchandising proposition has expanded significantly.

## EXPANDED PORTFOLIO

“We’ve come a long way since we provided the first electrical retailer with a rack job for printer ink. Now we offer a broad range of services, everything from photo in and photo out, to shelf-face labelling, stock audits, free-standing display units (FSDUs), providing dedicated and providing bespoke reporting back to our brands.”

“One of the most important services Westcoast provides is around pricing display or shelf edge labels (SEL). SEL is critical, says Carl. Stores need to get it right – especially because prices in the current market change so quickly - but they don’t. It’s a big problem. If a product marked £2.00 goes through the till at £1.00 – that’s a revenue loss. If it goes through at £4.00 it becomes a trading standards issue and potentially a huge fine. Importantly if a promotion isn’t correctly priced or executed then the relevant uplift in sales and revenue is lost and stock is then over stated.”



“In our experience a lot of the SELs on laptops and personal electrics is incorrect. Correcting them and making stores SEL compliant is now one of our leading services.”

The Westcoast team also collects data which it delivers back through a webbased dashboard. This service means the retailer can see in real-time what a particular store looks like and use Westcoast analytics tools to measure all the statistics.

## BREADTH OF EXPERTISE

In recent year’s Westcoast’s merchandising team has diversified moving beyond consumer technology products into categories such as SDA (small domestic appliances –irons, toasters etc), and PE (personal electrical, hairdryers and grooming products). The team has even enjoyed eyecatching success merchandising Osram light bulbs, Mitre footballs and Speedo swimwear in a range of superstores and elevating sales way beyond the expectations of vendors and retailers alike.

“Our service pays for itself through the results we keep on achieving.”

## ONE AND ONLY

Says Carl: “When it comes to merchandising, there’s not many like Westcoast. We have a very experienced team with a broad spectrum of services. We don’t have any agency people – just full-time professionals who are experts in their field.”

“As a result, vendors and retailers have been able to rely on us to take away all sorts of in-store headaches, build credible availability processes, keep their customers happy ....and watch sales rocket.”