

Become a Gift Merchandiser Maverick

One of the keys to creating a profitable gift department is to channel merchandising skills that will add perceived value to the item. When a customer looks at a gift item, he or she will hopefully first be impressed with the product and then will start to think of the retail. **If the placement, supporting signage, and overall appearance of the item are done properly, the customer is apt to guess the price as being higher than what the marked retail actually is.**

Example: A customer may look at a scarf and guess that it's around \$25 and then look at the price tag to find that it is only \$19.99 – a pleasant surprise to the customer. The merchandising of the scarf was done properly and the perceived value reinforced the concept of a good buy.

The components of adding perceived value are: sparkling, clean shelving; great lighting; items priced with string tags or tent signs; and supporting signage promoting the value and benefits of the item. (Example: "Dress for the weather in style and experience the luxurious feel of super soft cashmere.") Ensure that item placement is at eye-level, complementary items of equal or higher quality are merchandised nearby, and a gift box is made available.



Wondering if you have been applying perceived value to your gift department? When the store is closed, ask a few employees and maybe a customer or two to stay for 15 minutes to play "The Price is Right." Ask each of your contestants to stand an arm's length from the selected giftware and ask each participant to write down the retail for each item – sort of like casting a ballot on "Survivor." If everyone guesses a lower retail than what is marked, then you have some work to do. If a majority guesses a higher retail, then you are on the right path. Note: If everyone guessed lower than the marked price that does not mean you need to lower the price! You first need to remerchandise the item, then, after some time, possibly adjust the retail. **Great merchandisers move product by adding perceived value, not by having 50 percent off sales.**

Have fun playing the game. Send me your pictures of your successes and let me know how it went at gabe.trahan@ncpanet.org.

-- Gabe Trahan, NCPA Senior Director of Store Operations and Marketing