

# Merchandising in the Age of Digital Marketing

Tips for how to create relevance for your brick-and-mortar store

By Marshall Marcovitz

**M**erchandising in the age of high-speed computers, instant gratification, and more and more mobile marketing can be a tricky business. It's a big challenge doing business on the Web and creating relevance for your store. In the good old days, you didn't have to juggle allocating your inventory between a physical retail store, a website and possibly a mail-order catalog. Merchandising today is much

more complicated. You need more people, including a merchandise manager to supervise buyers and rebuyers, negotiate programs with major vendors, make final selections on new products, and determine pricing.

## Marshall's 100-Day Website Schedule

When do the various phases of revising or creating a website take place? During my many years in the industry I've developed a 100-day rule. It's worked for me and it will work for you. I've never missed a production deadline and neither will you. I allow 100 days from the time I select merchandise to the day the site goes live. The fun part of the process for me has always been the creative side, using my vision to create an effective layout design, text, photography and video.

You need to be very detail-minded and produce a workable production schedule that's in harmony with your organizational resources. Producing a website becomes a very expensive proposition if you're behind schedule. Your outside sources will make you pay for delays and you absolutely cannot miss your launch dates — imagine missing a Cyber Monday promotion — especially when you have time-sensitive offers. Be prepared to experience lots of changes in the process. The vendor who fails to produce a new product on time or the one who claims, "The goods are on the water" when they are behind schedule are just two examples of "changes" that you may experience. I've included a thumbnail 100-day schedule for producing a 48-page website. Obviously, the more pages, the longer it would take. Understand that some functions will overlap, and you may also need to outsource some functions.

## Bridging the Virtual

When I talk retailing, I start with the premise that people want to cook more and I need to have a plan for merchandising my products — salesmanship and sourcing quality products are my starting point. Next I consider the relationship between my brick-and-mortar stores — where I want people to come in and touch and feel and be inspired to buy — and Internet sales.

## Marshall's 100-Day Website Schedule

- Review business plan: **2 weeks**
- Establish website positioning and set-up merchandise plan: **2 weeks**
- Go to trade shows and select new products and spot new trends. Also set-up schedule to call in current sources for new item presentation: **ongoing**
- Get new product samples, merchandise specifications, and start selecting new items: **2 weeks**
- Set-up new customer service policies: **1 week**
- Investigate sources for new credit card processing and fraud services: **1 week**
- Investigate new order processing software and outside sources (evaluate in-house capabilities vs. outsourcing): **2 weeks**
- Investigate new fulfillment software and schedule installation dates: **3 months**
- Do circulation planning for online and offline offers: **1 week**
- Finalize merchandise selections and send out purchase orders to vendors: **1 week**
- Determine advertising and sales promotion programs: **1 week**
- Begin creative process — copywriting, design, page layout, product pagination (organize what products are features, the order of merchandise categories), and photography: **8 weeks (varies depending on number of pages on initial website launch and how many new pages are added during the shopping season).**
- Data base planning. Which buyers on your database will receive multiple offers? When and what will you offer to prospects (those who have not purchased from you)?: **1 week**
- Delivery of merchandise due at your warehouse: **1 month before launch of Web site**
- All creative due to webmaster (in-house or outsourced): **1 month**
- Launch Web site: **1 week for testing.**

Merchandising your product line from a distance on the Web is quite different from face-to-face in-store selling. How do you integrate the two?

The whole world right now is about instant gratification, about who can get their products to their customers faster. Ebay and Amazon have initiated same-day service and Wal-Mart has been looking at new ways to fulfill orders the same day to consumers outside major cities. Kitchenware retailer Williams-Sonoma has partnered with Deliv, a crowdsourcing delivery solution, to use its physical locations as distribution centers to fulfill online orders.

What's the best plan for the independent gourmet retailer in the face of such competition? My thoughts on this subject are simple — create a bridge between online and in-store strengths. For example, in the June/July issue of *TGR* I explained why the consumer is still getting so many catalogs in the mail. Blame the Internet; online retailers discovered that after browsing lavish print spreads, shoppers were spending more time shopping in their online and brick-and-mortar stores. The new display window was a print catalog merchandise spread. Has the Internet killed catalogs? No! Customer loyalty and sales increased online and offline. Merchandising the connection between distance and face-to-face selling pays off.

### Deck the Halls

Are you thinking of being more promotional this holiday season? Are you thinking of increasing or trimming your holiday budget? Some retailers generate more than 40 percent of their profits during Q4. Here are a few tactical plans to consider:

**Early Sale Event Promotions:** Create something new for your website. One idea: a deal-of-the-day calendar starting Nov. 1 with multiple deals online and offline.

**Open Early and Midnight Madness Sales:** Consider opening at 6 or 8 p.m. on Thanksgiving, Nov. 27, this year. This event could be followed by a Midnight Madness sale from Nov. 28th through Nov. 30th.

**Flash Sales:** Some stores borrowed a concept from social media and started offering flash sales. I always say when times are good, shoppers love a sale. And when times are bad, shoppers love it even more. The goal is to give shoppers a good reason to shop earlier and to integrate your promotional offers across your online and off line vehicles.

**People Wanting To Cook More Themes:** The amount of time shoppers in the USA spend consuming digital media has overtaken hours spent watching television. The average adult will spend five hours and nine minutes a day online or consuming other types of digital media

this year. Mobile devices such as smartphones and tablets will overtake the computer as the primary means of consuming digital media. The amount of time people spend using mobile devices to surf the Web will increase by nearly an hour to two hours and 21 minutes. That's up from one hour and 33 minutes in 2012.

An advertising campaign across all your selling platforms — digital, in-store, and mail-order catalog — with ads featuring this theme could be very effective. Brainstorm your ideas with your team and see what you come up with right now. Take some merchandising risks this holiday shopping season. You might be surprised at the results. **TGR**



Marshall Marcovitz is the founder and former CEO of the Chef's Catalog, a leading Internet shopping site. Currently, he is a lecturer, university professor and marketing consultant. In each issue of *The Gourmet Retailer*, Marcovitz offers opinions and lessons in all things Web-related, from social networking to marketing.