BEST PRACTICES

A Collection of Best Practices for:

Retail Sales

Includes Detailed Best Practices for:

- Merchandising
- Store Planning
- E-Commerce
- Inventory Management
- Store Operations

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Merchandising

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The Merchandising function is in charge of the physical layout of the retail stores and determining ways to drive sales and profits as high as possible. Responsibilities of the Merchandising function include planning product displays, creating coupons and promotions, arranging shelves to maximize sales, negotiating shelf space with vendors and developing pricing strategies. The Merchandising function also performs market research on buying trends and works with the Purchasing function to decide which goods should be sold in the store.

Best Practice 1-A

Use Individual Customer Preferences and Personalization to Improve Promotional Offer Targetin

Use individual customer preferences to deliver targeted promotional offers (relevant, personalized and contextual offers) in a manner the current or potential customer prefers (mail, email, mobile, etc.) to improve customer acquisition and retention. Supplement customer resource management (CRM) systems with integrated marketing software that tracks online customer behaviors to narrow customer segmentation and create highly relevant promotional offers based on demographics, psychographics and behaviors.

Typical Practice (the Status Quo): Deliver direct mail promotional offerings (segmented by loyalty programs, spending levels and/ or special lists) through batch and blast offers to reach as large a number of current and potential customers as possible. While many promotional content packages may be overlooked, batch releases or email blasts are the best way to entice a large number of people to visit the retailer (includes the brick-and-mortar store and online stores).

Benefits of this Best Practice: Delivering direct mail promotional offers through batch and blast offers often produces poor conversions while enticing current and potential customers to unsubscribe or blacklist the influx of irrelevant promotions. Using individual customer preferences to deliver targeted promotional offers (relevant, personalized and contextual offers) in a manner the current or potential customer prefers (mail, email, mobile, etc.), on the other hand, improves customer acquisition and retention by not only demonstrating that the company actually cares about the customer's interests, but also by offering customers what they want. To this end, companies are able to use historical data such as point of sale (POS) information, e-commerce transactions, loyalty programs, contact center notations and supply chain or fulfillment system information to gather the information necessary to personalize promotional offers. Furthermore, supplementing customer resource management (CRM) systems with integrated marketing software that tracks online customer behaviors further narrows customer segmentation to help create highly relevant promotional offers based on demographics, psychographics and behaviors. Effective customer segmentation may be based on customer demographics, customer behavioral patterns, customer preferences for known brands, etc.

Related KPIs: SKUs per Pricing Employee, Number of Price Changes by Item, Percentage of Order Pricing Failures, Percentage of Orders with Customized Pricing

Best Practice 1-B

⚙ Use CPQ and CRM Software to Manage Price Changes and Improve Quality of Service

Use both Configure-Price-Quote (CPQ) and Customer Relationship Management (CRM) software to create alert notifications to notify the Pricing Group as well as all relevant sales representatives in real-time of product expiration dates, or if a product will experience a price change. Ensure that there is a live feed of pricing data within CRM systems to ensure visible and up to date price points so that quotes can be made in an accurate and timely manner and that the CPQ software has constant access to up-to-date data. Conduct spot checks to validate the accuracy of feeds.

Typical Practice (the Status Quo): Manually identify and correct any errors in product pricing and quotations. Ensure that the Pricing Group periodically checks the CRM software and contact sales representatives should outstanding quotes and product pricings change. It is the responsibility of the Pricing Group to identify product pricing changes and inform all relevant potential customers and sales representatives about the changes.

Benefits of this Best Practice: "Buyer personas," or "customer profiles," focuses sales representatives and the Lead Generation

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