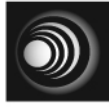


GENERATION
BRANDS™

Merchandising & Display Workbook

*By: Joann Wills
Sea Gull Lighting / Monte Carlo Fan Company*



GENERATION BRANDS™

Joann Wills is a Merchandising & Training Specialist for Sea Gull Lighting Products, LLC. Sea Gull Lighting is a leading manufacturer and marketer of decorative and functional lighting for residential, commercial and architectural applications. The 90-year-old company provides more than 3,500 product designs spanning 15 categories to a multi-national network of electrical distributors, lighting showrooms, furniture and gift specialty stores as well as various niche markets. Recipient of the ENERGY STAR® Partner of the Year award for the fourth year, the company also offers the industry's most expansive line of ENERGY STAR lighting fixtures and ceiling fan products. Ms. Wills may be contacted by email at jwills@seagulllighting.com or through the company's web site at www.SeaGullLighting.com

This guide has been developed and copyrighted exclusively for Generation Brands. It will provide lighting retailers with some of the fundamental knowledge and tools to quickly establish effective display programs for lighting retailers effective and includes merchandising discussions on:

- 1. “The Basics” - An overall discussion why to Merchandising**
- 2. “Making it Look Good” - The Various merchandising techniques and display concepts and how to implement them**
- 3. “Making it Flow” - How space planning and flow affect shoppers**
- 4. “What Helps” - Display usage**
- 5. “What Works” - Samples of effective merchandising techniques and elements that make them work**



GENERATION BRANDS™

The Basics

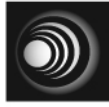
Everyone merchandises...

Capturing potential buyer's attentions with a flashy, creative or elegant display, is the first step is making that person into a buyer. What attracts your customer? Lifestyle displays, a sale sign, a color accent, a grab and go box? Enter your store as a customer would or shop at other retailers and see what works. We will spend time later discussing ways to do this and where to get ideas.

Tell a story with your displays. That story may be "It's On Sale". That is OK. Your story may be, "We know design" or "we know color". By telling your customers you know what they are looking will gain their immediate confidence. Gaining a customers' confidence is actually merchandising you.

Have you ever walked by a product and felt that if you purchased that product your life would somehow be better. This is simply done by creating a space that a customer can put themselves into. In lighting we do this by creating a complete display including furniture and accessories. The scene is set for them to imagine it in their home.

Think about the supermarket and how it flows. We can learn a lot from the layout of your local grocery store. If you needed bread, butter, milk and eggs, the staples of American cooking for so long, you had to trek to the far reaches of the store. This gave you ample opportunity to see everything else on display. The freshly baked bread assaulting your nose, the weekly value on toothpaste, the holiday candy and the dreaded sale items on the end caps. There is a method to the madness. Method is...if they can get you to that back of the store they have you and your wallet captive longer.



GENERATION BRANDS™

Making It Look Good

Definition: Merchandising – set to sell

There are many styles and types of merchandising used everywhere from the supermarket, big box store or department store to the local convenience store at the corner of your street.

Five key points to good merchandising are...

1. Identify who you are
2. Create a flow
3. Capture attention
4. Tell a story
5. Create a desire or need

How can you apply this to your lighting showroom or electrical supply counter? The 5 key points listed above are a good starting point. Let's begin with the Lighting showroom.

Lighting Showrooms

- Identify who you are.
 - Outdoor signage that can be seen from road
 - *From Experience: Quality is important and it should light up*
 - *Lesson Learned: IT SHOULD LIGHT UP*
 - Use window graphics or displays that can be seen in the day and night. Use your windows as an after hours calling card. Landscape lighting and outdoor carriage lights make a great first impression.
 - *From Experience: A few fixtures highlighted in a front window have more impact than the chaos of several fixtures lighted and crammed into the space. One night I worked late putting together several window displays that were very complex with dishes and accessories. They looked great and that night and I went home feeling very proud. The next morning when I returned to the showroom, I expected kudos for the windows. I got nothing. When I asked what everyone thought, they said that they never noticed all the details because you could barely see in the windows during the day.*
 - *Lesson Learned: Keep it simple. Highlight one fixture per area and make it look good for the realistic viewer. The person driving by at night or the daytime window shopper is typically the audience.*

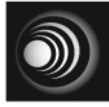


GENERATION BRANDS™

- Create an Entry area that tells customers what you are all about. Create a variety of display fixtures that appeal to many styles and shoppers. This will give customers the confidence that you have the styles they are looking for.
 - *From Experience: I walked into a showroom in a city that will remain anonymous...and was assaulted by nothing but crystal fixtures. Yikes! I had the immediate impression that the only fixtures they carried were crystal. I was sure that they could not have anything that appealed to my more rustic style. Customers need to feel like you have what they want when they walk in the door.*
 - *Lesson Learned: Wow them as they walk in, but be sure you are telling customers the whole story at a glance. First impressions are lasting impressions.*

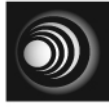
Tip: Fresh flowers and music set the mood as customers walk in your showroom.

- Create a Flow – There are a few elements to creating flow.
 - Guide customers to you by creating paths that are open and defined.
 - Place the “staples” in the back of the showroom.
 - *From experience: I have found that customers frequently shop for certain items like bathroom fixtures, outdoor fixtures and ceiling fans. By locating these items in the back of the showroom are guided to see everything you have to offer when moving toward these items.*
 - *Lesson Learned: Take the milk and butter approach in creating a flow.*
 - Create flow not traps for customers.
 - *From Experience: If the flow of a showroom encourages a customer to wander through they will. If they have to turn around and head back to the front door to get out of an area, chances are they will continue out the door.*
 - *Lesson Learned: Create intimate spaces that flow through the showroom not traps for the customer.*



GENERATION BRANDS™

- Position your sales associates accessible from anywhere in the showroom.
 - *From Experience: I walked into an appliance showroom looking for an oven recently. Unfortunately for them, I walked out rather quickly when I could find no one to help me. I wandered through a nicely laid out showroom for about 20 minutes. Finally when I was just about ready to leave I noticed a sales desk at the very back of the showroom with someone hidden behind it on the phone. I promptly walked out and purchased elsewhere.*
 - *Lesson Learned: Your sales team is what sets you apart and makes the sale. Show them off and make them accessible to the customer as lighting and ceiling fans are typically “sold” versus “purchased”.*
- Capture Attention
 - Bold statements and colors are generally appealing
 - Use signage around the showroom to inform and educate the customer
 - Label areas for ease of identifying product categories or brands
 - Tell customers where to go to find what they area looking for
- Tell a story
 - Lifestyle Merchandising is impactful
 - Comparison Displays (incandescent vs. fluorescent)
 - Product Demonstration Displays
 - Finish Samples are always helpful
- Create a desire or need
 - Have areas that provoke feelings or spaces customers may desire in their homes
 - Intimate – Hang a chandelier over a table in a darker or smaller space to create the feeling of being in a formal dining room or living room.
 - Formal – Set up a sitting area that gives the more formal living area feeling.
 - Utilitarian – Set up an area that showcases the best of your fluorescent fixtures for area like the laundry room or garage. This also a great area for task lighting.
 - Welcoming – Create an area in the outdoor sections that has a front door with carriage lights installed on the sides to mimic a front door. Add plants and landscape lighting.
 - Relaxing – Everyone wants to have a relaxing bathroom. This is a great feeling to convey in the bath fixture area.



GENERATION BRANDS™

- Family – The Kitchen is where everyone seems to always end up coming together in today's family. Create an area that showcases mini-pendants over a kitchen island.
- Luxury – The Bedroom is the place everyone wants luxury and comfort, creating an area that displays chandeliers that would be used in a bedroom is simple. You don't need a bed, items like books, a comfy chair, table lamps and a luxurious blanket can give set the scene well.



GENERATION BRANDS™

Electrical Wholesale Counters / Sales Desks

The “electrical counter” has the same needs as the lighting showroom, but on a different scale and focused on a different audience.

- Identify who you are and what you can do for the electrical contractor, or tradesmen. This can be done in a relatively small space. Placing “contractor” style fixtures as well as attention grabbing products in the waiting area for the electrical counter keeps them busy while they wait for orders to be serviced. A good example is the counter area where there are colorful pendants over the counter as well as the “grab and go” boxes of commonly used fixtures, such as recessed lighting, stacked on the floor below a free standing/ceiling display.
- Create a flow even in a smaller area. It will keep them busy while they are waiting for their order.
- Capture the customer’s attention by featuring displays and graphics designed to speak to the professional.
- Tell a story by showing how easy your products are to install or how much time and money a contractor can save.
- Create a desire or need for the product by appealing to their competitive side.



GENERATION BRANDS™

Making It Flow

In the “Basics Section”, we spoke a little about flow and how it can make a big difference in a showroom or even in the smaller spaces of an electrical wholesale counter area. We will discuss some examples of good and bad flow as well as how to achieve that flow in the following section.

Good Flow

“Good retailing is based on good layout and planning of your store, if customers cannot circulate through your store, they are not given the opportunity to buy”.

- Terri Wilson, of the Indigo Design Group

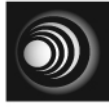
An easy rule to remember in terms of traffic flow is that people will tend to move from left to right in a clockwise direction. So, if you have a left hand opening to your store, this is a good start to direct the traffic flow throughout the store. If not, this traffic pattern can be created by placing road blocks that guide traffic. Knowing this is the natural flow can also help with placement of things you want to highlight.

Note: Try not to position your counter or cash desk directly on the left hand side as you enter the store. Position it to encourage circulation through your store. Do not block your entrance with specials and promotions and keep aisle ways no less than 36” wide to conform to ADA regulations.

Cash Desk

Positioning of the cash desk and staff counters is very important to the layout and security of the store. Front cash areas are often associated with self serve retailing while cash counters to the rear of the store usually give the impression of a more service oriented business.

Mid floor cash units often work well and free up valuable wall space. The position of the cash desk and staff help points are on of the most pivotal parts of the store's layout and planning. Be sure that you have a good line of site to all corners of the showroom if possible, for both security and the ability to quickly respond to customer service requests.



GENERATION BRANDS™

Color

Neutral colors and bold pops of color can help define spaces. Deep rich tones used in moderation can draw customers to areas. Keeping colors current is vital in showrooms. What you see in home décor magazines is what you should see in a showroom. This tells customers you know what's "hot". Color, if used properly, is one of the most economical and effective ways of creating an image or enhancing a design.

Signage

Signage can also help to define spaces as well as guide the customer to where they need to go. Clear, simple, bold signs are often the most effective, clever graphics and images are an important way of branding and placing a business within the market place.

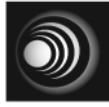
Note: Sheer banners that highlight a brand or lifestyle are gaining popularity. Use them to define spaces and direct traffic

Floor Coverings

Defining a traffic pattern with different floorings is a great way to guide customers. Building a good traffic pattern from the start is very important when doing this though as it is difficult to change. For example using one of today's vinyl floorings for the walk ways and carpet for the display areas is a good idea.

Practicality and durability are the two most important aspects to consider when choosing flooring. Many people love the texture of timber flooring or a natural stone finish, though many are not prepared for the upkeep and maintenance of natural products. Today's vinyl's offer a wide range and variety of finishes and have the advantage of being easily and quickly installed. If you require a more comfortable flooring underfoot, then carpet is an excellent choice.

Note: Keep flooring simple and coordinated. Customers should be focusing on lighting fixtures and ceiling fans, not the flooring.



GENERATION BRANDS™

Lighting in a Lighting Showroom

General Lighting is often overlooked in Lighting Showrooms, even though it is vital to selling light fixtures. It is also important when creating a flow as shoppers will move towards better lit areas when they are in need. They also are attracted to more intimately lit areas when they want to browse. Use lighting you sell to illuminate walkways and service areas.

Note: Beware of over lighting your display space. Be sure to keep vignettes more dimly lit to create an intimate scene as well as reducing heat and energy use.

Location, Location, Location...

We have all heard the phrase about location and we deal with product placement and location when we shop anywhere. Look at your local supermarket, and you will see the importance of placement and location.

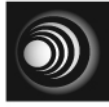
Field Trip: Visit your local supermarket and take notice of where they locate the things you buy most. You will find the bread, milk, eggs and butter at the far reaches of the store. This is for a reason. Once they have you in that far back corner of the store, they have you and your wallet captive. To get back out you need to pass every end cap display for soda, every cool storage bin of cookie dough and most likely the bakery where fresh baked bread, smalls assault your senses.

How to apply that:

What are the items that most people enter a lighting showroom to buy? In most cases they are looking for a light bulb they could not find at a home improvement store, an outdoor light fixture to replace the one that was broken or worn out, or a vanity fixture to shed more light in the bathroom.

What are some items people come to you looking for in your area?

The solution when considering showroom good flow is simple. Locate those items in the back of the store. That way most customers will be able to see the other things you have to offer. The next time they need a ceiling fan or chandelier they will remember that you had the product and service they want and expect.



GENERATION BRANDS™

Bad Flow

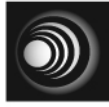
Bad flow can manifest itself in several ways. We will refer to bad flow as “road blocks”. The most common road block is the display or lack there of when entering a showroom. A poorly merchandised display will not necessarily scare off customers, but it can help them to form their first impression of you and your capabilities. This can also encompass an over abundance of niche displays that scream “All we do is crystal or antlers” just as they walk in the door. Be sure to create a space that tells what you are all about to welcome customers in.

Another road block for customers is often the traffic pattern of the store. A customer should be able to make a clear path to you sales desk without having to doge fixtures.

My third and favorite road block is the sales team. You sales team can stop people at the door and make them run many ways.

Quick Story...One day I walked into a furniture showroom to purchase a table. I was quickly approached to the most disheveled looking salesman I had ever seen. Not only was he a mess to look at, but the permanent scowl on his face was a bit scary. If I had not needed this particular table immediately I would have turned and walked out ...The scowling wrinkle man turned out to be very knowledgeable and helpful. Unfortunately he was a visual mess.

Customers who are shopping your Lighting Showroom expect to see a well groomed staff. The same goes for an electrical counter. Imagine the giggles from the electrical contractors if your staff at the counter was in suits and dresses. Conduit and dress clothes do not work well together. Dress appropriately and safely for your business.



GENERATION BRANDS™

What Helps?

Displays can be used to do many things from showcasing product to creating a good flow in a retail environment. Displays are available from many sources and at many levels of quality.

Free Displays:

Many manufactures will provide free displays for merchandising their products. From scone towers to Bath hardware boards, creating an organized showroom is easy and cost effective.

Purchased Displays:

You've heard the saying, "You get what you pay for. And it's true, especially when it comes to displays. Investing in displays that will last may be a better option than displays that are designed to be given away. Remember your display is the background for your product. If it looks bad, so will the product it showcases.

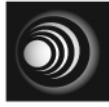
What Works?



Product that is neat and uncluttered is easy to imagine in your home. By adding lifestyle elements the customer is able to live in the display.



Unique custom displays add style to a showroom. Simple neutral colors keep things easy on the eyes.



GENERATION BRANDS™



Retail merchandising needs are constantly changing and rolling displays make for flexible flow.

Neutral finishes and quality accents create a stylish look in this showroom. Customers want to buy from businesses that know what's hot.



Incorporating home décor items and furniture into a display makes it inviting and intimate.

Life Style Merchandising create areas where like products are grouped with accents.

