Boosting spend per head: making the most of your museum shop

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The “retail rainbow” – today’s agenda

01 Performance – measuring KPIs
02 Presentation – visual merchandising
03 Product – product sourcing

04 Promotion – marketing
05 People – customer service
06 Q&A – questions and feedback
Performance

- Key Performance Indicators (KPIs)
  - Measure – against other attractions and more importantly against our own performance
  - Monitor – to take action and to motivate the retail team
  - Manage – stock, purchases and markdowns

- Record daily, weekly, monthly, annual figures
- Keep a calendar of events that may have influenced sales
- Set targets
- Communication - get feedback from the shop floor and share sales figures and targets with the team

Impact of COVID 19
- Closely monitor KPIs – to take action
Spend per visitor - SPV

- £ Sales / Number of visitors = SPV
- Benchmarking – compare to other venues and our own historic performance
- Number of visitors – how is this information collected?
- Free entry venue v. Paid entry

Impact of COVID 19
- Secondary spend across the sector appears to be up
- Although there has been a general drop in the number of visitors to museums those that are going really want to be there
- Visits are more considered and often have to be pre-booked
- This is leading to an increase in spend per visitor and an increase in average transaction value
- There is an increase in customers wanting to ‘shop local’
Conversion rate %

- Number of transactions ÷ Number of visitors × 100 = Conversion rate %
- **Ensure product is relevant** - reflects the museum collection, exhibitions, site characteristics, location & current trends e.g. sustainability, locally sourced items
- Ensure product is relevant to the **visitor demographic**
- Consider the **position of the shop and visitor flow** – ‘exit through the gift shop’ –
- **Draw attention to the visitors** of the presence of a shop
- Ensure **great Customer Service**
- How busy is the shop? **Shoppers are influenced by others** - we need a critical mass

**Impact of COVID 19**
- It is vital that we ensure customers **feel safe in the environment with plenty of room to navigate the space**
- The National Gallery are reporting that “**conversion levels have never been higher and ATV and SPV are hitting record levels albeit with less visitors overall**”
Average Transaction Value - ATV

£ Sales ÷ Number of Transactions  = £ ATV

Increase ATV by:
- Customer Service – upselling
- Till point – impulse buys e.g. chocolate / postcards
- Displays – compatible products
- Product pricing – review the range of prices

Impact of COVID 19
- In the current climate your impulse buys could include your range of facemasks at the till point
- ATV – some sites have reported an increase of 100%. Visitors prepared to spend as haven’t been on holiday and there is a pent-up demand
Profit Margins

- Sales - Cost of Sales = **Gross Profit**
- Mark-up: CP £5 x 2.4 = SP £12

£ Gross Profit less overheads
  - Gift wrap / packaging (free bespoke paper carrier bags from Art Fund if you are affiliated)
  - Labelling costs
  - Staff costs
  - Theft of stock
  - Damaged stock / other costs / consumables

= **Net Profit**

**Impact of COVID 19**
- More and more sites turning to ‘cash less’
Markdowns

- **Markdowns are part and parcel of retail.** We all make buying mistakes – sometimes the items don’t sell as we anticipated – perhaps they are no longer relevant
- **By clearing old/ obsolete stock we free up budget available for new lines**
- Remember **items don’t improve with age**
- Be wary of **buying in (too much) bulk** to get a high margin
- **Learn from the mistake** – why didn’t the item sell?

**Impact of COVID 19**
- Check your ‘use by’ dates of perishable items – mark them down ‘to clear’ / re-price them if you are overstocked
Moving Slow Selling Lines

- Cut the price deep from the beginning to clear
- Bundle stock e.g. postcards in packs
- Buy one get one free - BOGOF
- Make it clear the item is reduced
- Don’t display all your sale stock at the front of the shop as this cheapens the rest of the offer
Stock Control

- The **sales forecast** determines the amount of stock we need
- This can be calculated as ‘**weeks cover**’ i.e. how long will our current stocks last based on our sales forecast. Average approx. 13 weeks cover. However in a small museum it is likely to be nearer 26 weeks cover
- ‘**Stock Turn**’ – this equates to how many times a year will we turn our stock over i.e. 13 weeks cover = a ‘stock turn’ of 4.
- **Stock holding per line** will depend on the type of product e.g. postcards which are bought in bulk and have a long shelf life will likely be stocked in bulk
- **OTB – Open to Buy** is the difference between the required stock holding and the actual stock

**Impact of COVID 19**
- Review your current sales forecast and adjust stock levels accordingly
Stock Control...continued

• Christmas is coming (86 shopping days until Christmas!) and we are now in the **Golden Quarter**
• Advent calendars and calendars have been selling since early September. (At one of my sites advent calendars sold out in 2 weeks and are now on a second order).

**Impact of COVID 19**
• Start displaying a selection of your Christmas stock now as people are planning ahead and are buying early
• Ask your supplier if they would consider Christmas cards on ‘sale or return’
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Impressions Count

• Daily checklist
• De-clutter the till point and ensure shelves are dusted - keep the displays looking fresh
• Keep the till area ‘on-brand’
• Display a themed small donation box for loose change (if you’re still taking cash)
• Display impulse purchase items e.g. tote bags / face-masks /chocolate
• Staff branding - badges or lanyards for staff and volunteers

Impact of COVID 19
• For shopper confidence it’s important that the environment appears fresh, confident and safe so ensure you thoroughly and regularly clean. Hand sanitiser present.
Layout

- Logical layout
- Zones
- Props

- Lighting
- Site lines

Impact of COVID 19

- Ensure clear navigation so that shoppers feel at ease. If customers feel relaxed this will be more conducive to making a purchase.
- Fixtures – remove some if necessary, especially if you don’t have enough stock for the shop to look full. Perhaps use a graphic to fill the space if necessary.
- Adapt: V&A have closed off half the shop as illustrated right to reflect reduced demand.
- Sainsbury Centre – new ‘pop-up’ shop in education studio.
- Chester Zoo – new one way shopping route.
Displays

- Create a Focal point or Feature display
- Plan a calendar of displays based on events, themes and the season
- Re-merchandise the shop regularly to encourage repeat visits – theme displays
- Reflect the audience e.g. special exhibition displays and during school holidays ensure toys are displayed in a prominent position
- Consider how each item will be displayed effectively when ordering
- Product packaging – does it enhance or cheapen the product? In some instances remove the packaging
- ‘Eye level’ is buy level
- Place best-sellers in the prominent position and in repeat positions around the shop

Impact of COVID 19
- Remove samples of hand-cream and lip balm and mouth toys
- Keep textiles in their wrappers apart from display samples
Displays

- **Rule of 3s** for balanced display
- **Vertical blocking**
- **Use props / risers** to give height to displays
- **Triangular grouping**
- **Create interesting displays** to tempt customers to buy
- **Use simple repetition** or colour
- **Get creative!**
- **Get inspired!** Look at how other shops display products.
  For basic rules White Company, Waitrose. For props and creativity look at Anthropologie
After

Before
Signage & Labelling

- Fonts: Remember the higher the sign the simpler the message
- Design branded signs incorporating the museum logo – generally avoid handwritten signs (unless these are in an artistic setting)
- Inform customers that their purchase supports the work of the museum
- Best seller sign – demonstrates confidence in the product
- Book reviews – staff review or publisher reviews
- Explain connection of the product to the collection
- Explain the provenance of the product & tell the story
- Local makers details – include a short biography

Impact of COVID 19
- It is especially important now to remind shoppers to ‘shop local’ and thank them for their support
Signage & Labelling

- Consider **branded swing tags** to bring cohesion to the range e.g. for scarves
- Keep **labelling consistent** and neat

Yes 😊

No 😞
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Right Product

• ‘Curate’ the range. What does your range offer? What makes it unique? What is your ‘brand’?

For example Tate St Ives shop sign states:

“Our shop offers a unique range of gifts inspired by local landscapes and artists and a large range of prints, art materials, art books and art inspired gifts and homewares”
Right Product

• Plan the range around key themes – CURATE the range
  Ensure that products are relevant to the display and interpretation
  spaces e.g. exhibition content / architecture of the building / locality
• Who are the people you are selling too? Plan to your visitor
demographic
• Gifting and cross-selling e.g. grandparents buy gifts for grandchildren
• Consider quality and value for money…cheap doesn’t always =
  cheerful!
• Trends – what are people interested in? e.g. Bees & pollinators/home is
  sanctuary
Right Product

- Include products not available elsewhere on your high street
- Develop a relationship with local designers and makers as this can be the key to making your offer unique

Impact of COVID 19

- We are nimble. There is now a growing audience for sustainable and locally sourced products and for ‘shopping local’. Small and medium size museum shops can more easily tap into local sourcing than the large high street shops
- Trends: re-cycled / environmentally friendly / fair-trade / home comforts / hand-made/ locally sourced / non-plastic packaging. Promote these aspects of your products to your visitors
Bespoke Products

- Mix wholesale products with bespoke items to create a unique shop range
- Potential to make high profit margin but order realistic quantities
- Products should be relevant to the collection e.g. incorporating star images
- Commission local makers to design unique items in small quantities which can often be supplied on a ‘sale or return basis’
Wholesale Products

- Pay carriage charges for small quantities rather than overspend and overstock
- Use suppliers that consolidate ranges e.g. Bookspeed
- Think about how the product will be displayed e.g. clothing – do you have a fitting room?
- Be wary of wholesale fixtures which require permanent refills – don’t get tied in to restocking
- Edit the order again and again – 80% of sales come from 20% of the range

Impact of COVID 19
- Discuss the order and negotiate with the supplier - they can be flexible around minimum orders and delivery charges
- E.g. Chester Zoo – streamlined ranges and hasn’t impacted on sales
Create a mood board of products and styling ideas using Pinterest
Products: Inspiration

Sources of Inspiration:
- **Trade shows** e.g. Top Drawer (now online)
- **Social media** Instagram
- **National and small museum shops**
- **High Street retailers**
- **ACE - Association for Cultural Enterprises Trade Show** (now online)
- **Museums & Heritage Show**
- **Lifestyle magazines**
- **Local and regional craft & design fairs** e.g. MADE and Open Studios
- **Internet research** e.g. other museum shops and commercial sites e.g. BAFTS [www.bafts.org.uk](http://www.bafts.org.uk)
- **2nd hand book shop**? Ikea and Cos are now promoting sale of 2nd hand merchandise

**Impact of COVID 19**
- Trade shows now online
- Maker fairs online
- New trends….sustainability….2nd hand
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Marketing: Promotions

- **What is your message?** What are you known for?
- Mary Portas says "it’s not about VALUE but VALUES"
- Regular social media posting – liaise with your marketing team

- Museum Website
- ‘What’s On’ Guide / Leaflet
- Instagram
- Facebook
- Twitter
- Newsletter
- Press
- Signs in the exhibition spaces
- External signs
- Shop window
- Back of the loo doors
- Table toppers
- Carrier bags

**Impact of COVID 19**
Shop without the crowds at your museum shop. Shop local.
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People: Customer Service

- Inform staff and volunteers about the product selection, special features and provenance
- Get out from behind the desk
- Meet and greet and sell to the customer – increase ‘Dwell’ time
- Understand that ‘selling’ means listening to the customer and suggesting suitable products – “service is the new selling”
- Engagement acts as a deterrent to shoplifters
- Remind the team that their efforts and sales that they generate support the museum – set targets
- Encourage upselling e.g. a bookmark with every publication and a tote bag with every purchase, a greeting card with a gift purchase
- Remember when completing the sale that this is an opportunity to create a lasting impression and to encourage repeat purchases
Find the pot of gold at the end of your rainbow
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Any questions?
Thank you!

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