

Draft Retail Planning Guidelines Published

Phil Hogan, T.D., Minister for the Environment, Community and Local Government, published for public consultation, draft Retail Planning Guidelines* on 21st November 2011. According to the Minister the aim of the draft Guidelines is to ensure that the planning system plays a key role in ensuring competitiveness in the retail sector advancing choice for the consumer while promoting and supporting the vitality and viability of city and town centres and contributing to a high standard of urban design and encouraging a greater use of sustainable transport.

The Irish Hardware & Building Materials Association will be making a submission on behalf of our members and our trade sector. You as a member can also make your voice heard, an information circular will be forwarded to all members in this regard. You are requested to forward your opinions to the consultation process by the due date below.

When finalised after public consultation, the guidelines will replace those issued in 2005. The draft Guidelines take into account the recommendations of a Forfás Study Review of the Economic Impact of the Retail Cap (April 2011)** prepared for the Departments of Enterprise, Jobs and Innovation, and Environment, Community and Local Government.

The Minister highlighted that “the draft Guidelines will also play a critical role in refocusing towards plan-led development in addressing the needs of the retail sector by determining a proper evidence base of the need for retail development and ensuring a proactive approach in facilitating the meeting of those needs”.

Such a plan-led approach will also be underpinned and delivered through greater co-operation by planning authorities in the preparation of joint or multi-planning authority retail strategies. Consequently, the draft Guidelines require the preparation of such strategies, by relevant planning authorities including the five gateway cities. The draft guidelines acknowledge that apart from the direct and indirect employment generated by the retail sector, shops play a major role in attracting people to cities, towns and villages, thus contributing to the overall economic vitality of those centres and supporting their role as centres of social and business interaction in the community. Retailing also supports the considerable investment by the public and private sectors in urban renewal, by providing shopping facilities to residents and by adding to the vitality and attractiveness of inner areas of cities and towns. Smaller towns and villages serve their surrounding rural areas well by providing a range of facilities and services.

The draft Guidelines are issued as a consultation draft to facilitate more detailed observations to be made by interested parties including your association and you individually. The closing date for receipt of submissions is 4 pm on Tuesday, 20 December, 2011.

Submissions in relation to the draft guidelines should be sent to:

Eoin Bennis,
Planning and Housing (Policy & Finance),
Department of the Environment, Community and Local Government,
Custom House, Dublin 1
(or by email: eoin.bennis@environ.ie)

Please make your thoughts known by making a submission today and you can contact the IHBMA for further details. Phone: 01 2980 969 | www.ihbma.ie

* <http://www.environ.ie/en/PublicationsDocuments/FileDownload,28538,en.pdf>

** <http://www.environ.ie/en/Publications/DevelopmentandHousing/Planning/FileDownload,28539,en.pdf>



Cheque Guarantee Card Scheme Finished

The cheque guaranteed card scheme is being closed on 31st December 2011. The IHBMA have been informed by the Irish Payment Services Organisation that cheques written and accepted after that date will not be covered by the scheme guarantee.

The reason is that cheque usage in Ireland has been declining rapidly as more and more people choose to make their payment electronically and only a tiny percentage of cheques are written in conjunction with a valid cheque guarantee card.

Additionally many retailers no longer accept cheques as payment for goods and services, and only a small percentage of them rely on the guarantee itself.

Some facts –

- Cheque usage in Ireland has been declining since 2005 and by almost 30% in the last three years.
- Only about 1.5% of cheques are guaranteed in conjunction with a valid cheque guarantee card.
- 55% of debit cards do not have the cheque guarantee function.
- 71% of ATM cards do not have the cheque guarantee function.
- Since closure of the UK cheque guarantee scheme in June 2011, Ireland is the only country in the world with such a scheme.
- Many high street retailers do not accept cheques at all.

The Right Stuff

The IHBMA would like to work with suppliers and retailers to unravel the mystery of stock assortment. Unfortunately in some cases, category management has become a misunderstood and complicated issue for retailers. In an effort to address this, the IHBMA will work with a pilot group of both retailers and suppliers.

It is a reality that your stock assortment will become stale over a period of time. You need to continually monitor what is selling and more importantly, what is not selling.

In an ideal world you would just get a copy of a report that shows all the best selling items in a typical well run hardware or builders merchant outlet. Better still, a report that showed what you should carry in almost every section of your shop. With this report you could go line by line and compare it with your existing stock.

This group will start with an objective of how a hardware/builders merchant store should be laid out. It will also hopefully look at items including –

The average value of a cheque written in Ireland is over €5,000. The cheque guarantee scheme only covers cheques up to €130. This does not mean that cheques will no longer be in use for the immediate future. Cheques can be written and accepted as usual. The only difference will be the guarantee offered under the scheme will no longer apply.

Most merchants around the country offer a choice of payment including debit and credit cards, as well as cash. Currently debit cards in Ireland outnumber cheque guarantee cards by more than 2 : 1.

As a retailer, you should ensure that you and your staff are aware that the scheme will close on 31st December 2011, and you should make the necessary arrangements. Cheques accepted with a guarantee card before the end of the scheme, but not lodged until after 31st December, will be guaranteed under the scheme in the normal way, ie. for up to six months after the date of issue written on the cheque.

Further information is available from the IHBMA offices – 01-2980969 or at www.ihbma.ie, or www.ipso.ie.



- Reduced stock holding
- Maximising categories/space in terms of sales and profit.
- Making top selling brands and products clearly visible.
- Merchandising guidelines for stores.
- Stocking a relevant range of products based on sales and market information.
- Improving the shoppers experience.

It is hoped that over time this group would help hardware retailers to produce a self assessment score card to identify areas for improvement, implement action plans, track these improvements and act as a benchmark for individual companies.

Further information is available from the IHBMA at 01-2980969 or www.ihbma.ie.

We have asked our good friend, Art Freedman, Ace Hardware, in the USA, to give our retail members a few festive trade reminders.

Christmas the Final Two Weeks

So, how are Christmas sales going for you?

- Do you “hope” sales will happen or are you “making them happen”?
- What is selling, what is not?
- What needs to be moved to a different location?
- What needs to be marked down again? What needs a better sign?
- What item/items can you get your staff behind to sell?

When you get into your shop tomorrow, be re-freshed, re-energized and ready to go. The heat is on. You need to **STEP IT UP A NOTCH.**

These last two weekends will be your last big opportunities for seasonal products.

DO NOT GO after the last sale. It is **VERY EXPENSIVE** to carry over seasonal product. You may lose a few sales - that's OK, this will be much cheaper than carrying over seasonal products into January.

As of Friday 9th you have 14 days of shopping left. Here are some things you should be thinking about:

- Where are your overstocks?
What are you going to do to sell through the merchandise? Sometimes it is as simple as changing the location. If it is a gift item make it look as appealing as possible.

- Walk every aisle in your store.
What additional items can you now get out to the main aisle and main aisle end caps. Do you have end caps with gifts under €10, €20, for women, for men etc? You need to turn this inventory into cash! Do not be afraid to sell old merchandise below cost. Turn this into cash.

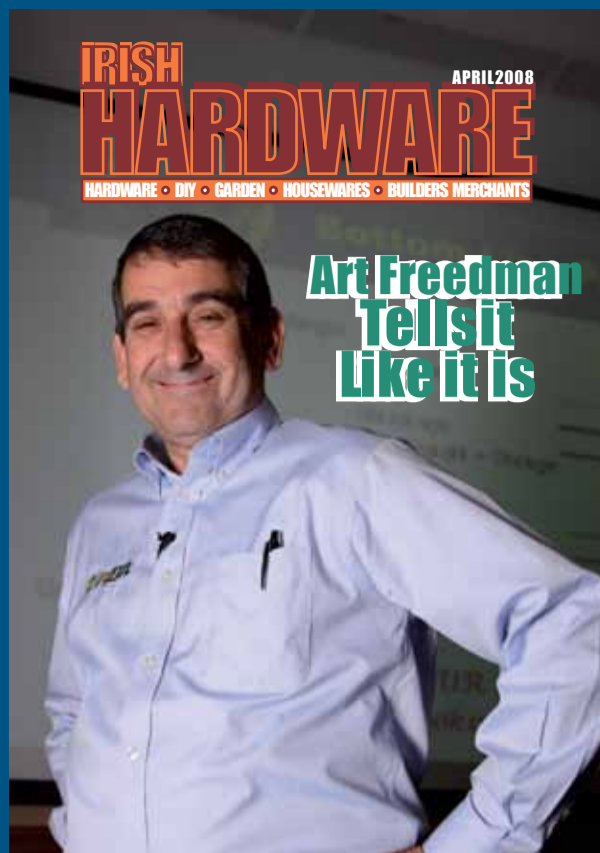
- Start thinking about stocking fillers.
What do you have that can be stocking fillers under €10?

- Many people will put up Christmas trees this week. How is your stock position on:

- a. Replacement lights/bulbs
- b. Extension leads
- c. Snow spray
- d. Multi Plugs/outlets

- Keep your staff **PUMPED UP.** Are you doing morning Meetings/Huddles to keep your staff informed on what is happening? Are you letting your staff know how sales are going? What will your item of the week be to sell?

- Are your checking that stands are well stocked and ready for impulse business? Have you enough batteries?



- Do you need to pull your overhead stock down? Anything left in the warehouse that is a Christmas item? Don't arrive at January with Christmas merchandise sitting in your warehouse or on your overheads. Duplicate displays may be alright if it makes sense.

- What is your average transaction value? What are you doing to increase it by **JUST €1** per customer? Go after this. Do what it takes, get your staff involved.

- Let's get this retail machine you have **FIRE UP.** Let's get excited about Retail. Give yourself and your team a sales goal for the week. Let's go after some **SALES!** The people are out there buying. Are they buying from you?

Treat every customer you have this week as if they are your last.

I have heard a lot of people talking about how bad service is out there.

Don't let anyone be talking about your store.

Here are a few ... not to do's -

DON'T

- Have half empty or totally empty end caps with no signs.
- Have out of stock on basic items.
- Have staff in dirty uniforms and no badges.
- Have customers being ignored or greeted with half hearted “can I help you”
Remember the correct greeting starts with a **WHAT...** “What may I help you find today”
- Have merchandise on the overheads or in the backroom and not on the floor.
- Have employees not engaged. Owner not engaged.

Go out and exhaust your self for 2 weeks making something happen in your business.

6 Steps to Successful Retail Promotions

A key to attracting new customers and keeping current customers loyal is a strong promotion plan. Price promotions are a part of every retailer's marketing plan. Strong product promotions give customers an urgent reason to visit your store and make purchases. While branding builds awareness, promotions are a call to action.

First, create a basic calendar of events. Savvy retailers align their promotions to customer buying patterns to give them reasons to purchase. For example, January is organiser and clearance sales, March is spring cleaning sales, June is school exam events, August is back to school and October and November are holiday winter preparation and build up to Christmas.

Next, create goals around each event and build your promotion to deliver those goals. For example, if your goal is to collect 250 new emails during the event, give a discount to first-time customers when they sign up. If your goal is to increase sales of a particular brand, promote the best-selling items in that line to create a widely-appealing range of product. Goals should be clear – and clearly communicated to your sales staff. Make your goals specific and measurable.

Select items that support the basic theme of the event. Balance appeal with profit. Most retailers categorise their products as either "Footfall-drivers" (items with broad appeal that bring people into the store) or "Profit generators." The sale of even a few profit generators can offset the price discount on traffic generators. A balance of highly appealing products at a low price to bring people into the store with new items that can be promoted at nearly full price is ideal. Another common practice is to physically surround the sale-priced item with full-priced accessory add-on items in the store.

Understand the purchase cycle of your customer. If customers re-purchase on average every 8 weeks, a promotional cycle of 6-7 weeks will anticipate their needs and keep them returning to the store regularly. A common practice is to promote product in multiples. Customers tend to purchase in the multiple of the promotion. So an item on sale for €1.25 will not sell as many units as the same item on sale at 4 for €5. (Up to a point. Obviously, while that is true for consumable items like batteries and insulation tape, it is not true for Power drills or Lawn mowers.)

This multiple loading is a good way to gain market share on consumable items, but do it with a plan for recapturing those customers as they come back into the market to repurchase.

Accurately forecast expected promotional sales. With a promotional goal to increase sales by 40% during the month of June, you must purchase more than 40% above your average amount to ensure that you account for variability in the sale (some sku's could sell more than +40%) and to come out of the sale in a good in-stock position.

Retailers who do not have enough stock to cover customer demand in the final days of the sale risk short-term lost sales and long-term customer desertion.

After the promotion, measure and maintain a record of the result for future promotional improvements. To refine promotional effectiveness in the future you must have a record of the past. Good records include the items on sale, their average sales and sales lift during the promotion, the wording of the offer, the marketing used to promote the sale and the location of the sale item in the store. This allows savvy retailers to test the results when store locations are changed, price ratios are changed or different marketing vehicles (radio, newspapers, internet or email campaigns) are used. Finally, keep records of competitive promotions. Even the best-planned promotion can be unsuccessful if a competitor is surprisingly aggressive. A library of promotional prices kept on file will let you review your promotional plans against market prices to ensure you are as competitive as possible. All retailers tend to follow a similar promotional calendar year after year. If your Competitor either national or local, advertises all heating products on sale in the third week of January, chances are they will do the same next year. That knowledge puts you in a good situation to decide whether to advertise heating products the second week of January (to intercept his promotion) or to advertise a different category the third week of January to appeal to different shoppers.

At some level, every retailer must engage in price promotions. Following these guidelines can transform them from a necessary evil to a business-building strategic advantage.

Capitalise on shopping occasions throughout the year, smart retailers look for ways to add in the following "mini-season" events to increase their impulse sales and keep their promotions fresh throughout the year:

- Valentine's Day
- St Patricks Day
- Easter
- Mother's Day
- Father's Day
- School Exams / Graduation
- Halloween

At the simplest level, retailers need to identify the items or categories that occur in between the recognised promotional periods. During this time period you will have to improve in-stocks on those items across the board during the critical weeks of the mini-season. Mini - seasons usually have a very short window of increased sales. The dates tend to "sneak up" on people and there is a last minute rush for product..