



By Mike Anthony



Cross Merchandising

How To Get It Right

The single biggest error that brands make and some simple guidelines about how to get it right.

Cross merchandising is the practice of displaying products from different categories together, in order to generate additional revenue.

Brands love cross merchandising, based on the simple idea that having more locations in a store increases the chances of a sale.

- **Retailers** are often less keen, as cross merchandising brings with it a host of problems and issues (including an increase in the risk of out of stocks).

But, if managed correctly, cross merchandising can indeed bring significant sales benefits to **both parties**.





The Biggest Error Made In Cross Merchandising Shoppers, Not Consumers!

The biggest, most consistent error made in cross-merchandising is assuming that just because two products are consumed together, then merchandising them together will lead to increased sales, it doesn't always stack up.

Let's consider a cup of tea. I always add milk to my tea, but merchandising tea bags and milk together would never work. Why? They share a consumption occasion, after all! The reason is simple (and this is why we need shopper marketing). **Merchandising tea bags and milk together may reflect my consumption, but it does NOT reflect my shopper mission.**

My shopper mission isn't to purchase items to make a cup of tea. My mission might be to pick up a pint of milk or to stock up on tea bags, but it isn't to make a cup of tea.

When in the store we need to think about shoppers, not consumers.



Effective Cross Merchandising Is Built On **Shopper Understanding, Not (Just) Consumer Understanding**



Cross merchandising works best when it reflects the shopper mission.

To be clear, this often reflects consumption to some degree. This is however logical, as the shopper's mission isn't completely divorced from consumption. The perceived consumption need is part of the shopper mission. I buy my tea bags because I want to drink tea in the future, after all!





When Does Cross Merchandising Work Best?



Cross merchandising works when it adds value to the shopper. This can be by directly helping a shopper: saving time or reducing frustration, for example. Or it can be by creating an inspiring solution to a consumption need – adding value to consumption helps the shopper meet their mission too.

Pesto merchandised with pasta (see image) could be about convenience, reminder, or inspiration.





Cross merchandising often works around one-off occasions:

bringing soft drinks and chips together for a sports match or perhaps a range of barbecue foods at the start of the barbecue season.

Getting soft drinks and chips in one place might save the shopper time (or money), for example. It might make for a better consumption experience too (if the shopper had planned soft drinks but not chips). Or it might save time on a future trip (if the shopper had forgotten about the match). The same works for the barbecue.

One who is looking for something good to eat at the weekend finds a simple solution to their shopping problem.





Cross merchandising often works if it enhances a consumption occasion.

Lemons are merchandised near seafood. In this store, the first part of the store that is visited is the fruit and vegetable section, so unless lemons were on the shopping list, they might not have been picked up.

Shoppers with ‘something nice for dinner’ as a shopper mission might arrive in front of the seafood area, and chooses to buy shrimps, then see the lemon. Without this merchandising, they may leave without a lemon or are forced to return to the fruit and vegetable section (which are poorer shopping experiences).



Cross Merchandising Excellence Is About **Shopper Missions, Not Just Consumption Occasions**

Cross merchandising isn't simply about thinking about a consumption occasion and grouping those products together in a store.

Cross merchandising works best when it reflects a shopper's mission, or where they trigger a shopping need there and then in the store. It works by delivering value for the shopper: either directly (saving time, reducing frustration) or indirectly (by creating an enhanced consumption occasion). Understanding consumption isn't enough to guarantee effective cross-merchandising – **we need to get into the shopper's head too.**



Cross Merchandising Excellence Is About Understanding Shopper Economics [™]

Shopper Economics[™] reflects the decisions and priorities that shoppers make all the time. Simply put, a shopper (both consciously and subconsciously) is balancing four factors when they make a decision:

Consumer Value: Does this add value to my consumption moment?

Shopper Value: Does this make my shopping experience better?

Financial Cost: Does this save me money?

Time Cost: Does this save me time?

Cross-Merchandising that works with Shopper Economics[™] is going to work

([Check here for more on our bespoke Shopper Economics[™] Model](#))



If we take consumer marketing thinking and apply it to the world of the shopper, our efforts won't be as effective.

If you want to know more about how to bring shopper thinking into your in-store activities, check out our [training programs now](#), or [get in touch](#) for a chat about how we can help

