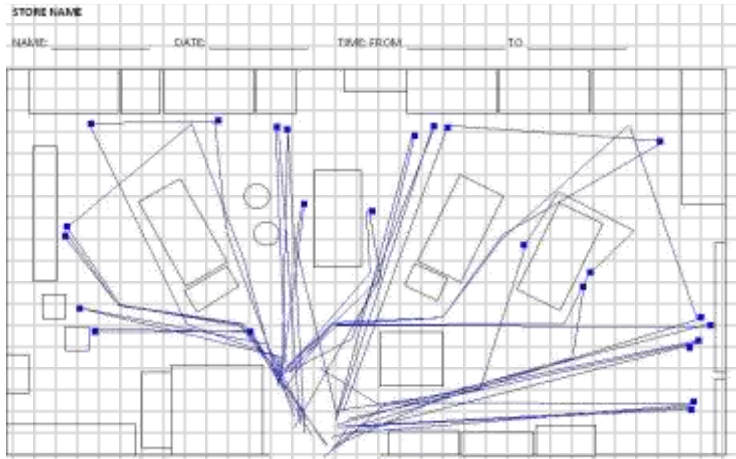


## ARTICLE – “Generating more sales in your convenience store” – PART 2

---

In the previous article we showed you how to draw a store flow diagram and track the movement of customers in your convenience store. Your diagram may look something like this.



The next step is to analyse the movement of customers in your store.

### STEP 3: Analyse their movement

- Look at the areas where a lot of customers go (hot spots) and the areas where only few customers go (cold spots)
- Analyse the routes they follow when they enter your store (destination journey) and the route they follow when they go to pay and exit (impulse journey)

Note: On a destination journey customers are looking for something specific e.g. milk, bread, etc. On the impulse journey they can be influenced to buy something else e.g. chocolate, sweets, etc

This will help you to make informed decisions in your store on issues such as:

- Where do I place posters and information so more customers can see it? Points in your store where customers stop and look around or spend time to scan the shelf are good locations for placing information signage.
- Why do some items sell better than others? Placing impulse items on the impulse journey (customers going to pay and exit) will increase their sales.

Customers don't appreciate a lot of changes happening frequently, you should therefore be careful about making a change just to see what happens. Every time you move something in your store, be sure to inform your customers and staff about the move.

### RETAILER TIP

---

We get inundated by suppliers to stock their latest products. New flavours, new brands, new ranges. I have never met a supplier rep who told me that a “new” product has terrible sales. They always say that it “sells very well”, “customers are loving it” and tell you about all the other businesses that are stocking it. They never show

you sales data to confirm that the product is selling well. Sometimes they'll show you their orders, but supplier orders are not retailer sales.

What often happens is that you try the product; sales of the first box are good, because customers may try something new from time to time. Usually the second or third order has dismal sales. The novelty has worn off and customers have gone back to the brands they know and trust.

In doing this we often make the following mistakes:

- We make space for the new product by giving good sellers less space on the shelf
- We give the new product attention, displays, posters, etc to get it to sell and even sacrifice margin by dropping the price
- When sales start to drop, we give it even bigger displays, lower prices and more shelf space because there's so much stock left
- In the end, when you compare sales against established brands, the new product often performs badly and you decide to drop it by marking down the price to cost and placing it at your cashiers desk to sell it quickly
- When it's sold out and you are happy to be rid of it the few customers who have decided to buy the product now look for it on your shelf and end up being disappointed

In the end, new products are rarely a good choice. Customers are loyal to brands, especially in South Africa (one of the most brand-loyal countries in the world).

Think twice before you try something new in your store, despite what the rep tells you. Rather focus on established brands and getting them to sell better.

## **SHRINKAGE TIP**

---

You may suspect that your cashiers are skimming cash by not ringing all items or partially ringing transactions, still charging the customer the full amount and then taking the cash.

You may find the following two signs in and around the cashier's till.

- Slips of paper with amounts written on them in the cashier's pocket, under the till drawer, etc. The cashier has to keep track of the money without putting each "skim" in their pocket.
- Mixed coins in one of the cash drawer's compartments. After each "skim" the money is put aside in the till drawer. If questioned the cashier may say its tips or payments they haven't sorted yet because they've been busy helping customers.

This is fairly easy to check on any shift by using the CCTV cameras, which are mostly positioned above the cash drawer.

## **FEIS 4 FUEL**

---

FEIS 4 FUEL is a company that supports Fuel Retailers.

The first step to doing better business in our industry is to have options. We can help.

Contact Ruan Schoeman on 082 782 5087 or 012 804 5066 or [rschoeman@future-ent.com](mailto:rschoeman@future-ent.com)

