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Merchandising Playbook

How to maximise sales and margin through merchandising

Quick Summary

Merchandising is the silent salesperson of your business. The way your shop looks, feels, and flows has a direct impact on how much customers buy, how long they stay, and whether they come back. Good merchandising draws people in, guides them around the store, highlights products, and nudges them toward purchase. Poor merchandising, on the other hand, can leave customers confused, underwhelmed, or heading for the door.

This playbook gives you a practical framework to assess and improve every aspect of merchandising. From kerb appeal that attracts passers-by, to windows that spark curiosity, layouts that flow naturally, and displays that silently sell, each section is designed to help you create an environment that feels easy, inspiring, and commercially effective. Alongside best-practice guidance, you'll find actionable exercises, examples, and worksheets so you can apply each principle directly to your own store.

How to use this Playbook

Use this playbook as both a workbook and a reference guide. Work through each step in sequence the first time, filling in the tables as you go. Then, return to specific steps whenever you're preparing for a buying trip, reviewing performance, or planning a new season. Keep the worksheets handy - you'll use them again and again. Optional worksheets can be downloaded and 5 minute videos are linked throughout.

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At a glance

Contents

What you'll achieve

- Understand the core principles of effective merchandising.
- Apply practical techniques to improve kerb appeal, windows, layout, displays, lighting, themes, and POS.
- Identify weak spots in your store environment and create clear actions to improve them.
- Use worksheets and templates to plan and review your merchandising on a regular basis.
- Build a customer-friendly shopping experience that drives footfall, increases basket size, and boosts profitability.

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Step 1 – Kerb Appeal

First impressions matter. Customers decide whether to enter a store in seconds, based its appearance.

Action: to make your storefront clean, inviting, and reflective of your brand.

How To

- Keep signage clear, well-lit, and up-to-date (think opening hours, website and social media handles).
- Ensure the entrance is clean and clutter-free.
- Work with neighbours to audit your street scene & request improvements.
- Work with your landlord to ensure your building is clean, well maintained and attractive. Seek any funds for shop front improvements.
- Use outside displays, planters, or seasonal décor to draw attention.
- Maintain consistency with your store identity.

Example

A butcher cleans down his kerb with water and a broom every morning, clearing away litter too. The sign with today's lunch option is updated and put in place, and wicker baskets of fresh vegetables are put on display in front of the shop window.

Workbook Exercises

* Complete the playbook worksheet 1. Kerb Appeal Audit.

* Stand outside your shop and list three things that would attract or discourage a passer-by. Write down one action to improve kerb appeal this week.

* Watch the 5 minute webinar

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Step 2 – Shop Windows

Your windows are your biggest advertising space - they communicate your offer, seasonal messages, and brand personality. Their purpose - to catch people's attention and slow their stride, to invite people in.

Action: Use windows to stop walk-bys and highlight key products.

How To

- Change windows regularly to stay fresh.
- Focus on a single theme or message.
- Use colour, height, depth and form to create striking displays.
- Use props, lighting and bold focal points.
- Keep displays simple and uncluttered.
- Ensure you can signpost customers to you even when you're shut - social media handles, website & phone numbers.
- Display opening times.
- Talk to suppliers about creating impactful windows.

Example

A gift shop themed its window around "Off to University," using props like desks and books - and displaying throws, mugs, cushions, cards, teddies, boosting sales of homewares by 15%

Workbook Exercises

* Complete the playbook worksheet 2. Shop Window Planning Template.

* Schedule your shop window themes for the next few months, changing every 4-6 weeks. Sketch out the next shop window display, listing products and props you need.

* Watch the 5 minute webinar

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Step 3 – Navigation

Navigation is about how customers move through your store. Good flow makes shopping easy and encourages exploration.

Action: Guide customers with intuitive layout and clear sightlines based on how your customers shop.

How To

- Place key categories where customers naturally walk.
- Use high-level signage and props to direct customers (Menswear / Womenswear).
- Avoid bottlenecks and dead ends.
- Avoid pinch points near products that need consideration (create space for customers to pause).
- Consider the amount of space around products - the more premium a product, the more uncluttered space it has.

Example

A clothing shop uses mannequins to signal ladieswear and menswear sections. They allocate more space around higher ticket items, allowing customers to pause in comfort.

Workbook Exercises

* Complete the playbook worksheet 3. Store Navigation and Flow Planner.

* Draw a floor plan of your store. Consider how a customer would naturally navigate your product range. Mark where customers pause or struggle. Add arrows showing ideal customer flow.

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Step 4 – Layout

Layout determines how space is allocated between categories and how easy it is for customers to shop.

Action: Maximise sales per square foot while making the store easy to navigate.

How To

- Allocate space proportionate to sales contribution.
- Consider how customers shop - group related products together.
- Keep high-margin items at eye level.
- Create "power zones" at hot spots like entrances and aisle ends.
- Identify your footfall driving products - consider having these further back in the shop.
- Identify your seasonal buys - place near the entrance to the shop.
- Place high-demand items toward the back of your shop.
- Place high-theft items in areas in lit areas near staff.
- Consider where your customer contact points are (tills, click and collect and service areas).

Example

A gift shop placed gift cards at the rear of the store, ensuring customers had to walk past seasonal displays to encourage impulse buys. They have a seasonal display area facing the door that changes every few weeks - back to school, Halloween, Christmas…

Workbook Exercises

* Complete the playbook worksheet 4. Layout and Space Allocation Planner.

* Review your space allocation by category. Does it reflect actual sales contribution? Relocate high demand, high theft and high margin items.

* Watch the 5 minute webinar

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Step 5 – Displays

Displays are where products are brought to life. They can inspire, educate, and persuade.

Action: Create displays that tell stories and solve problems.

How To

- Use focal points to catch attention - face-on products, dressed mannequins, attractive displays of products.
- Ensure featured products are at eye level.
- Be creative in display design - consider symmetry, contrast (colour, light, size, shape, spacing).
- Group complementary products together to increase basket size.
- Display products in a logical order for ease of product selection.
- Consider what a customer needs – is it information or inspiration that helps convert to a purchase - use packaging, point of sale, videos and samples to aid conversion.
- Use Selling aids – mannequins, videos, samples.
- Use Facings to grow sales - double face for more impact.

Example

A homeware store displayed a "Dinner Party Table" with a dressed table with cloth, place mats, table decorations, plates, glasses, and candles. Customers bought multiple items together.

Workbook Exercises

* Complete the playbook worksheet 5. Display Planner.

* Pick one display area. Redesign it around a theme and around how the customer shops – logically place products to guide customers through selection, add complementary products and design for impact. Take before/after photos and compare before/after sales.

* Watch the 5 minute webinar

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Step 6 – Lighting

Lighting sets the mood and directs attention. Poor lighting can make products look dull or unappealing.

Action: Use lighting to highlight products and create atmosphere.

How To

- Ensure your shop looks open using bright welcoming lighting.
- Use directional spotlights to emphasise hero products or displays in shop windows, avoiding glass reflections.
- Use directional spotlights on selected in store displays mixing ambient lighting with accent lighting.
- Use bright, defused light at service desks and position lights directly above tills to reduce glare.
- Ensure any Point of Sale is sufficiently lit for ease of reading.

Example

A gift shop added spotlights to its jewellery display cases. Sales of featured pieces rose by 23%.

Workbook Exercises

* Complete the playbook worksheet 6. Lighting Audit.

* Walk your store at different times of day. Note which areas feel too dark or too harsh. Record at least one adjustment to test.

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Step 7 – Themes

Themes create a cohesive story across windows, displays, and promotions - making your store memorable.

Action: Use seasonal or event-based themes to bring consistency.

How To

- Plan a calendar of key retail events (e.g. Mother's Day, Sports events, national days, local events).
- Ensure signage, windows, and displays align with the theme (carry these themes over to website, email and social media).
- Keep themes simple and bold for maximum impact.
- If you have space, create a toolkit of props you can use for repeating themes.
- Work in collaboration with other local businesses.

Example

A local bookshop collaborated with the clock shop on a window display about time, using spare parts from clocks in its display and POS thanking the clock shop.

Workbook Exercises

* Complete the playbook worksheet 7. Theme Calendar Planner.

* Create a calendar with headline ideas for themes over the next three months. List which displays you'll align under that theme and any props you need.

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Step 8 – Selling Aids and Point of Sale

Point of Sale (POS) and selling aids are powerful tools that guide customers through the buying journey. They can attract attention, inspire purchase, provide information, and ultimately help close the sale. When used well, POS materials not only support your products but also enhance the customer's shopping experience.

Action: Use POS and selling aids with a clear purpose: Attract, Inspire, Inform, or Close.

How To

- Decide what each POS element is meant to achieve - attracting attention, inspiring, informing or closing the sale.
- Use chalk boards, banners, posters, hangers, or digital screens to catch attention. Use mannequins of other display equipment.
- Showcase products with mannequins, cross-selling displays, themed showcases or products in use to inspire.
- Check if key benefits of the products come across on packaging. If not, create Point of Sale.
- Ensure your pricing and any payment plans are clearly displayed.
- Use promotional messages to encourage purchase decisions at the final moment.

Example

A deli used chalkboard signs with daily specials to attract attention, sample trays of a new cake to inspire, and simple shelf tags to inform customers of ingredients, origin, allergens and price.

Workbook Exercises

* Complete the playbook worksheet 8. Selling Aids and POS Audit.

* Review your current POS materials. For each item, mark whether it attracts, inspires, informs, or closes. Identify one gap in your customer journey and plan a new POS aid to fill it.

* Watch the 5 minute webinar.

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Step 9 – Igniting the senses

Shopping is more than a transaction - it's an experience. The most memorable shops appeal to multiple senses, making customers feel inspired. By layering sight, sound, smell, touch, a sense of space, you create an environment that feels immersive and keeps customers engaged longer, more loyal and more likely to buy.

Action: Use sensory and emotional triggers to create a shopping atmosphere that connects with customers.

How To

- Play with colour, symmetry, spacing, and contrast to highlight products. Ensure your shop is a visually attractive place to be and displays are consistent with your brand.
- Consider the acoustics. Do you need to soften sounds because your shop is quite echoey? What can you do for ambience - is chatting customers enough or do you need music that matches your brand? (apply for licences).
- Keep the store fresh, with subtle, clean fragrances. Food establishments can inspire customers by the smell of fresh produce. Boutiques can have scents or flowers.
- Encourage handling through textures, demos, and samples.
- Ensure touchpoints (door handles, shelves) are pleasing.
- Offer tasting or scent samples.
- Ensure the store feels easy to move around.

Example

A car parts shop selling alloy wheels introduced blue lighting to create atmosphere, an impactful wall display of alloy wheels, on-trend music, with coffee on tap for customers. Customers stayed longer and average sales per visit increased with additional sales of gear knobs and air filters displayed near alloy wheels.

Workbook Exercises

* Complete the playbook worksheet 9. Igniting the Senses Audit.

* Walk through your store as if you were a customer. Which senses are engaged well, and which are under utilised? Write down at least one improvement to make in the next week.

* Watch the 5 minute webinar.

Webinars

You can find all our merchandising webinars on YouTube.

Part 1: Kerb Appeal: First Impressions That Drive Footfall

Part 2: Store Layout: Design Spaces That Make Shoppers Spend

Part 3: Product Displays That Sell: Turn Browsers Into Buyers

Part 4: Point of Sale That Sells: Turning Interest Into Action

Part 5: Igniting the Senses: Create an In-Store Experience That Connects

Worksheets and Templates

Take a look at the worksheets and templates designed to help complete actions in this Playbook. Follow the links to Retail Accelerator Programme for full size worksheets.

1. Kerb Appeal Audit
2. Shop Window Planning Template
3. Store Navigation and Flow Map
4. Layout and Space Allocation Table
5. Display Planner
6. Lighting Audit
7. Theme Calendar / Planner
8. Selling Aids and Point of Sale Audit
9. Igniting the Senses Audit

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Worksheet 1. Kerb Appeal Audit

First impressions matter. Customers decide whether to enter a store in seconds, based largely on its external appearance.

Action: Audit the kerb appeal of your shop as an owner and as a customer. Take note of the current status, improvements that could be made, actions to be taken and by when.

Aspect	Current Status	Improvement Needed	Action Plan	Target Date
Signage				
Entrance				
Exterior Cleanliness				
Outside Display / Props				
Overall First Impression				

Worksheet 2. Shop Window Planning

Your windows are your biggest advertising space - they communicate your offer, seasonal messages, and brand personality. Their purpose - to catch people's attention and slow their stride, to invite people in.

Action: Schedule your shop window themes for the next few months, changing every 4-6 weeks. Sketch out the next shop window display, listing products and props you need.

Window Theme / Campaign	Hero Products	Props / Decor	Lighting / Visual Effect	Refresh Frequency	Notes / Actions

Worksheet 3. Store Navigation and Flow Audit

Navigation is about how people move through your shop easily and encouraging browsing.

Action: Draw a floor plan. Consider how a customer would naturally navigate your product range. Mark where customers pause or struggle. Add arrows showing ideal customer flow.

Area / Section	**Current Flow Issues**	**Desired Flow**	**Actions to Guide Customers**	**Notes**
Entrance				
Main Aisles				
Feature Areas				
Service Areas				
Checkout / Exit				

Worksheet 4. Layout and Space Allocation Table

Layout determines space allocation between categories based on what they are worth.

Action: Review your space allocation by category. Does it reflect actual sales contribution? Relocate high demand, high theft and high margin items.

Category / Product Area	**Current Space (%)**	**Sales Contribution (%)**	**Margin Contribution (%)**	**Type** e.g. (Footfall / Impulse /Considered)	**Actions**

Worksheet 5. Display Planner

Displays are where products are brought to life. They can inspire, educate, and persuade.

Action: Pick one display area. Redesign it around a theme and around how the customer shops – logically place products to guide customers through selection, add complementary products and design for impact. Take before/after photos and compare before/after sales.

Product Category	Focus Products	Complementary Products	Display Method (peg / shelf /other)	POS required	Security matters

Worksheet 6. Lighting Audit Sheet

Lighting sets the mood and directs attention, showcasing your products.

Action: Walk your store at different times of day. Note which areas feel too dark or too harsh. Record at least one adjustment to test.

Area / Display	Current Lighting	Effectiveness (1–5)	Improvement Needed	Action Plan	Target Date
Entrance					
Shop Windows					
Displays					
Aisles					
Checkout / Service Area					

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Worksheet 7. Theme Calendar / Planner

Themes create a cohesive story across windows, displays, and promotions - making your store memorable.

Action: Create a calendar with headline ideas for themes over the next three months. Choose your next store theme. List which categories or displays you'll align under that theme and any props you need.

Season / Event	Theme Name	Key Products / Displays	Promotional Materials & Props Needed	Promotional Methods	Start & End Dates	Notes / Actions

Worksheet 8. Selling Aids and Point of Sale

Point of Sale (POS) and selling aids are powerful tools that guide customers through the buying journey. They can attract attention, inspire purchase, provide information, and ultimately help close the sale. When used well, POS materials not only support your products but also enhance the customer's shopping experience.

Action: Review your current POS materials. For each item, mark whether it attracts, inspires, informs, or closes. Identify one gap in your customer journey and plan a new POS aid to fill it.

Area or Category	Point of Sale (Type and Description)	Purpose (Attract, Inspire, Inform, Close)	Effectiveness (1–5)	Improvement Needed

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Worksheet 9. Igniting the Senses Audit

Shopping is more than a transaction - it's an experience. By layering sight, sound, smell, touch, a sense of space, you create an immersive environment that keeps customers engaged longer and more likely to buy.

Action: Walk through your store as if you were a customer. Which senses are engaged well, and which are under utilised? Write down at least one improvement to make in the next week.

Sense	Current experience	Effectiveness (1-5)	Action Plan	Target Date
Sight				
Sound				
Smell				
Touch				
Proprioception				

Wrap Up Checklist

Tick the actions as they are completed.

- Assess kerb appeal and make one visible improvement
- Plan your next window display
- Map store navigation and remove barriers to flow
- Review layout and adjust space by category sales and margin contribution
- Redesign one display to tell a stronger story and increase conversion
- Audit lighting and adjust

- Plan your next theme and align across the store
- Review selling aids and POS materials for clarity and impact
- Engage customer senses (sight, sound, smell, touch, taste, space) to enhance shopping experience
- Maintain hygiene factors: keep the store clean, tidy, secure, and refresh displays regularly
- Schedule regular merchandising reviews

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Next Steps & Further Learning

- Explore related playbooks, worksheets and webinars at our Retail Accelerator Programme
- Contact your local Growth Hub Adviser via https://www.businesslincolnshire.com/contact-us