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Range Planning Playbook

How build & review your range to maximise sales & margin

Quick Summary

A retailer's range is its heartbeat. Get it wrong, and everything else suffers. Too broad, and you tie up cash in slow movers. Too narrow, and you risk disappointing customers who walk out empty-handed. Without a system for reviewing performance, retailers often end up overstocked with poor sellers and understocked on the winners.

Range planning isn't just for the multiples - independents can (and must) do it too. The difference is that you don't need expensive software or complex analytics. With a simple framework, a clear picture of your customer, and a handful of metrics, you can build a range that makes money and feels right for your shoppers.

This playbook gives you a step-by-step process: from defining your customer to mapping categories, setting SKU counts, checking pricing and margin, and running regular reviews. Along the way, you'll get practical worksheets and worked examples to apply directly to your business.

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

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What you'll achieve

- Build a range plan that fits your customer and your space
- Avoid cash traps by balancing sales, margin and stock
- Keep the range fresh with simple reviews



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Step 1 – Define your Customer

Your range must feel like it was built for your customer. If you don't know who you're buying for, you risk buying products you like rather than what sells.

Action: define your ideal customer before making a single buying decision

How To

- Picture your customer in detail: age, lifestyle, values, disposable income, location, likes.
- Understand where they like to browse: In store, favourite websites, Facebook, Instagram, TikTok, Pinterest, Google Shopping or somewhere else?
- Map their buying triggers: convenience, price, quality, experience, brand values.
- Decide how they shop: online, in store, both
- Use this profile as your "buying filter" for every decision.

Example

A fashion boutique in a market town knows their ideal customer is 35–50, female, works locally, values quality basics with a few statement pieces that are not found in multiple retailers. This profile stops you from wasting money on ultra-trendy lines that won't resonate and allows you to focus on brands and pieces that are on trend but different enough from the High Street.

Workbook Exercises

* Complete the worksheet 1. Defining your customer, to create your ideal customer profile.

* Watch the 5 minute [webinar](#).



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Step 2 – Map your range

Your offer should balance width (how many categories you stock) and depth (the number of options within a category). Too broad, and you risk tying up stock in slow movers and fragmenting your buying power. Too narrow, and customers won't see you as an authority, or may leave without finding what they want.

Action: Decide how you will balance range width and depth to attract customers without losing focus.

How To

- List the categories your customer expects.
- Decide where to go broad (more categories) and where to go deep (more options)
- Link your product range choices with your positioning. If you're a specialist, go deep (builds authority by offering variety, colours, and formats). If you're a generalist, go wider (offering multiple categories, but with fewer options per category).
- Categorise possible products into 'must-haves' and 'nice to have's'.
- Refrain from emotional buying. By setting how broad your product range is, and how deep the choice is will help prevent range drift (and over stocks)

Example

A children's footwear shop goes deep in school shoes and trainers (high demand). There's depth of choice in styles, size ranges and colour options.

The same shop but keeps sandals and slippers range constrained with few style choices, best selling sizes only, and no alternative colour options.

Workbook Exercises

- * Complete the playbook worksheet 2. Map your Range – Category Planning, on mapping your range.
- * Watch the 5 minute [webinar](#).



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Step 3 – Build your range framework (architecture)

Your range framework is like the architecture of your business - it defines your categories, SKU counts, and the balance of sales and margin. Fair share logic is key: give each category the right amount of space and stock based on how it performs.

Action: Create your range architecture with SKU counts and category splits

How To

- Assess how many products your space can display.
- Group products by how customers shop using decision tree logic.
- Forecast category performance based on sales history, supplier insights, customer insights, team feedback and trends.
- Allocate SKU's and space by sales / margin share.
- Consider the amount of space around products - the more premium a product, the more uncluttered space it has.

Example

A homewares shop has space for circa 200 products in store. Soft furnishings deliver 25% of sales, so that category has a sku count of around 50 options and around 25% of display space.

Workbook Exercises

- * Complete the range framework worksheet 3. Build Your Range Framework, to forecast sales, margin and to allocate space.
- * Watch the 5 minute [webinar](#).



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Step 4 – Avoid Common Mistakes

Small missteps in buying can destroy margin or leave you with dead stock. Avoid these traps.

Action: Sense check your buying decisions against these common mistakes

How To

- Don't buy what you like – buy what you think your customers will actually buy.
- Don't pay more than your margin model allows.
- Avoid over-buying or under-buying by forecasting rate of sale based on your knowledge, similar products and supplier insights
- Don't confuse the customer with a range with no structure. Every product should have a justified reason for taking shelf space.
- Avoid limiting choice. Look at introducing good / better / best.
- Don't keep flogging past its sell by date – keep an eye on sales to spot when a product has reached the end of its life or trends have moved on.

Example

An aromatherapy shop keeps a list of products customers wants in their store and reviews this every quarter. Each suggestion is weighed up versus how it is positioned against existing products in store both in terms of features and benefits. They also take a look at some slower moving items with declining sales – these could be discontinued if these new products are introduced.

Workbook Exercises

* Use the checklist worksheet 4. Avoid Common Mistakes, to sense check your buying decisions.



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Step 5 – Pricing and Margin Check

Ranges succeed or fail on profit, not just sales. You must check every item earns its keep.

Action: Test every product against margin and GMROI before buying

How To

- Calculate the net margin
 - $(\text{net sales} - \text{cost}) / \text{Net Sales}$
- Calculate GMROI (Gross margin Return On Investment).
 - $(\text{net sales} - \text{cost}) / \text{cost}$.
- Look at annual sales, annual margin and annual costs to discover your margin heroes and margin villains.
 - $(\text{net sales} * \text{annual sales volume})$.
 - $(\text{net margin} * \text{annual sales volume})$.
 - $(\text{net cost} * \text{annual sales volume})$.
- Drop any products that don't deliver your target annual sales and margin, unless these products are critical to support linked sales of higher margin products, or add significant range authority.

Example

A menswear shop has a lower percentage margin contribution from shirts, but due to the high volume of sales, these bring in significant margin. There is an opportunity to increase sku count by another two designs.

Belts have low sales volume, but high margin. Although not many are sold, they do serve to convert more sales of trousers. As they complete the look.

Workbook Exercises

* Use the worksheet template 5. Pricing and Margin, to review sales and margin performance.



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Step 6 – Range Reviews - Keeping it Alive

Your range is a living thing. Without reviews, poor performers stay too long and winners run out.

Action: Review your ranges quarterly and act on the data.

How To

- Use the sales data from Step 5 and compare it to the previous period and the same time last year. Your data should highlight emerging trends, giving you better insights than your overall perception.
- Look at how much each product contributes to the stock investment, sales and margin for that category. Keep the top 20% of your sales and look to cull the bottom 20%.
- Use customer insights to stay relevant – what are they asking for in store, what are they searching for on your website?
- Don't become emotionally attached to products - cut the losers and reinvest in the winners.
- Listen to your suppliers – they have access to industry and consumer data that guides their decisions. Think about how their insights apply to your business.
- Understand your range marketing plans.

Example

A car accessory shop sells nodding dogs that sit on the parcel shelf of cars. After the first year of phenomenal sales (with periods of it being sold out) a larger stock order was placed. Sales in the second year were slow with the decline in sales accelerating month by month indicating that the trend was largely over and there would be a risk of overstock. The suppliers know of a Disney film being released next quarter and propose you replace nodding dogs with Disney characters from the film. The shop plans to sell out of the nodding dog just before new merchandise hits the shelves by reducing the retail price.

Workbook Exercises

- * Use the template range review worksheet, 6. Range Reviews, to review your range.
- * Watch the 5 minute [webinar](#).



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Step 7 – Tools and Repeatability

Don't reinvent the wheel every season. Make range planning a system, not a scramble.

Action: Systemise your reporting and use your framework

How To

- Automate EPOS reports for sales, margin and rate of sale.
- Create template range review documents that review your product, pricing, promotion and marketing strategy prior to you investing in the range.
- Review your range ahead of every season.
- Set target budgets for stock investment, sales and margin.

Example

A jewellery shop has created a range review report that pulls together all the key data into one spreadsheet.

Information from suppliers, feedback from staff, website analytics and insights about the jewellery industry and consumers are all summarised.

The buyer can then use a blend of data based decisions and their experienced interpretation of insights to select the products for the forthcoming season that they believe will achieve their sales and margin targets.

Workbook Exercises

* Review your automated reports from your EPOS system. Look at additional reports you can download or create to help the range review process.

* Watch the 5 minute [webinar](#).



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Webinars

You can find all our range planning webinars on [YouTube](#).

Part 1: [Define your customer: The Secret to Smarter Retail Buying](#)

Part 2: [Build Your Range Framework: Structure Your Offer for Profit](#)

Part 3: [Create a Winning Range Plan: Balance Width, Depth & Cashflow](#)

Part 4: [Review Your Range: Keep It Fresh, Relevant & Profitable](#)

Part 5: [Retail Data Made Simple: How to Rationalise Your Range for Profit](#)

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. [Define your customer](#)
2. [Map Your Range - Category planning \(Breadth versus Depth\)](#)
3. [Range Space Planning Framework](#)
4. [Common Mistakes Checklist](#)
5. [Price and Margin Check](#)
6. [Range Review Template \(insights and actions\)](#)



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Worksheet 1. Define Your Customer

Your range must feel like it was built for your customer. If you don't know who you're buying for, you risk buying products you like rather than what sells. Name each customer type to help frame them in your mind.

Action: define your ideal customer before making a single buying decision

Trait	Customer A	Customer B	Ideal Customer
Age Range			
Location			
Lifestyle			
Family			
Finances			
Values			
Motivations			
Problems			
Buying Triggers			
How they Browse			
Likes			



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Worksheet 2. Map your Range (Category Planning)

Your offer should balance width (how many categories you stock) and depth (the number of options within a category). Too broad, and you risk tying up stock in slow movers and fragmenting your buying power. Too narrow, and customers won't see you as an authority, or may leave without finding what they want.

Action: Decide how you will balance range width and depth to attract customers without losing focus.

Category	How important is it to your business?			Strategy (Breadth or Depth)
	% of total sales	& of total £ Margin	Are products footfall drivers	



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Worksheet 3. Build your Range Framework

Your range framework is like the architecture of your business - it defines your categories, SKU counts, and the balance of sales and margin. Fair share logic is key: give each category the right amount of space and stock based on how it performs.

Action: Create your range architecture with SKU counts and category splits

Category	Space	Forecast Sales	Forecast £ Margin	SKU Allocation	New Space Allocation



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Worksheet 4. Avoid Common Mistakes

Small missteps in buying can destroy margin or leave you with dead stock. Avoid these traps.

Action: Sense check your buying decisions against these common mistakes

Check	Impact if not checked	Recommendation
Have I bought what I like or what my customers will buy?	Budget Overspend if your heart leads the way Deadstock Sales cannibalisation	Use your customer profiles, range review templates and budgets when buying Use evidence and insights based decision making
Will these products contribute the target margin?	Reduces margin contribution	Have clear justification for breaking your own rules
Is there a structure to this range that makes sense?	Too much or too little choice Abandoned sales or missed up-sells	Build range architecture and ensure you can justify every product selection
Is there a price ladder?	Missed upsells	Set rungs in the pricing ladder
Is this product still relevant to my customers and my brand?	Over stocks and reduced margins Customer perceptions lowered	Research market and customer trends Listen to supplier insights and to your team's feedback Review your sales trends.
Have I bought too wide (too much breadth)?	Dilutes focus, increases stock holding. Potentially gives too much choice leading to lost sales	Follow your category plan
Have I bought too deep (too many options)?	Slow sell through Sales cannibalisation	Follow your category plan
Have I contingency planned for sales above or below forecast	Cash tied into stock if low sales Missed sales due to out of stock	Plan pricing, promotions, merchandising and marketing strategies prior to ordering Monitor stock and sales



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Worksheet 5. Pricing and Margin Worksheet

Ranges succeed or fail on profit, not just sales. You must check every item earns its keep.

Action: Test every product against margin and GMROI before buying

Category	Annual Cost £	Annual Sales £	Annual Margin £	% Margin	GMROI	Notes



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Worksheet 6. Range Reviews

Your range is a living thing. Without reviews, poor performers stay too long and winners run out.

Action: Review your ranges quarterly and act on the data by populating the following columns:

Basic Data:

Product	Cost	Retail	£ Margin	% Margin
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Annual Performance:

Annual Sales Volume	Annual Cost	Annual Sales	Annual Margin
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Trends (looking at variance in performance):

Volume vs LY	Volume vs Last Period	£ Sales vs LY	£ Sales vs Last Period	£ Margin vs LY	£ Margin vs Last Period
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Importance:

% of overall volume sales	% of overall £ sales	% of overall £ margin
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Insights:

Team insights	Consumer Insights	Competitor Insights	Supplier Insights	Notes
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Forecasts:

Promotion Plans	Marketing Plans	Merchandising Plans	Product Life Cycle Stage
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Cost Price	Retail	£ Margin	Annual Volume	Annual £ Sales	Annual £ Margin
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Wrap Up Checklist

Tick the actions as they are completed.

- Define your customer profile
- Decide which product categories will have width versus depth
- Set your SKU count by category
- Set your stock investment, sales and margin budgets
- Build your range architecture

- Apply fair share space allocation
- Run pricing and margin checks
- Create your space plan bearing mind product size too
- Create automated EPOS reports
- Review your range quarterly
- Systemise your process

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>