

On The Mark

News and Trends in Retail Labeling & Security

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Is Customer Confusion Reducing Your Sales?

Retailers everywhere are feeling the pinch of reduced consumer spending and decreasing profit margins. Although consumers are tightening their spending budgets, they are continuing to spend on items they perceive to be a bargain. Retailers that effectively convey value to the consumer, have been the most successful in weathering the weak economy by promoting savings and reduced prices.

While a good sale can draw customers into the store, ineffective price-marking could be preventing them from walking out with the items they want. In the examples to the right, colored marks or stickers are used to indicate the level of discount a customer can expect but no final price is marked.

Many customers find it difficult to calculate their final price based on discount percentage. When customers are uncertain about pricing they tend to shop more conservatively, not wanting to be surprised with a large bill. Store owners report that sales increase when the final price is marked and understood by the customer.



We recently conducted a study with a discount retailer who suspected he was losing sales due to ineffective price-marking. Of his entire line of discount merchandise, 60% was not price-marked and sold for \$1.00 with only a sign to indicate the price. The remaining 40% of his merchandise was individually price-marked and sold at various higher price points.

Of the items being sold for \$1.00, many arrived from the manufacturer in pre-printed packages which displayed prices much higher than \$1.00. Although the merchandise was grouped in an area with signage that indicated a price of \$1.00, the pricing discrepancy on the package was causing customer confusion and management believed it was costing them sales.

With the help of an Avery Dennison Account Manager, this retailer initiated a four month experiment in several of his stores, using Avery Dennison's Monarch® 1138® handheld labeler to price mark every item in the store, including the \$1.00 items.



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At the conclusion of the test, management was so convinced that clear price marking and visible promotions drove increased sales and profits, that they integrated Avery Dennison's labeling solution, to price mark every item, in all of their store locations.

Examining the Markdown Process Does the Cost of Your Process Negate the Benefit?

The typical markdown process begins with an employee walking the store floor carrying an inventory list or a scanner and one or more colored pens or stickers with which to mark the existing tags. They must find each item, verify it, figure the discount level or price and then mark the tag with the appropriate color or price.

Hand writing markdowns usually requires the store associate to put down or shift the scanner or list in order to hold the tag while marking the discount. This process is repeated over and over, with every item until all of the markdowns are complete. And the entire markdown cycle begins again in a matter of weeks.

There are numerous flaws inherent in the handwritten method of markdowns:

- Time:** The store staff spends many hours each week to perform this markdown process. The cost in labor annually could be significant.
- Damaged Merchandise:** Ink from the pens or markers used during the markdown process can get on the item, possibly ruining the merchandise and the revenue it would generate.
- Profit Reduction:** Due to inevitable human error, markdown prices can be illegible and incorrectly identified at the checkout.
- Reduced Sales:** Customer confusion regarding the final price can inhibit purchases.
- Customer Service:** Store personnel, busy with their required markdowns are unable to greet and assist customers in a timely manner.
- Shrinkage:** Tags cluttered with multiple ink markdowns may tempt dishonest consumers to create their own markdown price.



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A Better Way to Perform Markdowns Monarch Automatic Labelers

Once the price is dialed into a Monarch labeler, it can produce and apply a crisp, legible markdown label in two seconds, with one-hand operation. Compared to the seven to ten seconds it takes to handwrite the average markdown, your employees can mark down anywhere from 3 to 5 times as many items within the same time frame. That's a 300% - 500% efficiency improvement!

Money and time savings are not the only benefits of using a labeler for markdowns. Both retailers and customers benefit from a more clear and effective process.

Why Settle
for This?



When You
Can Have
This?

- Eliminate pricing confusion with clear, crisp print
- Reduce labor costs with more a efficient process
- Avoid legibility issues and fraud from “ink” method
- Improve promotional impact with clear signals to values
- Improve customer service & satisfaction with more available employees
- Improve overall appearance of the markdown
- Eliminate damage to merchandise caused by pens or markers



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A Solution to Meet Your Specific Needs Let Us Go to Work for You

Monarch markdown solutions offer retailers choices, quality and versatility. Our labelers are second-to-none and available with a wide variety of printing capabilities including one, two or three lines of print as well as custom options. Our team of engineers & chemists have developed adhesives and label materials to meet the most challenging environments. If we don't have a label that will meet your needs, we'll develop one.

Monarch Label Offering:

- Many color choices
- Variety of sizes
- Variety of shapes
- Variety of adhesives
- Security slits available
- Weather resistance materials
- Custom options to enhance image



Which Markdown Solution is Right for You?

We are experts in the retail supply chain and foodservice industries. Our labeling solutions will increase your efficiency, accuracy, customer satisfaction and reduce your labor costs.

FREE CONSULTATION:

Avery Dennison's experts will analyze your operations and work with you to determine which labeling solution is right for you. Call today to schedule an analysis and stop losing money to inefficient and inaccurate labeling operations.

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