

Applying Retail Strategies to Item Merchandising

William Grosso

AGENDA
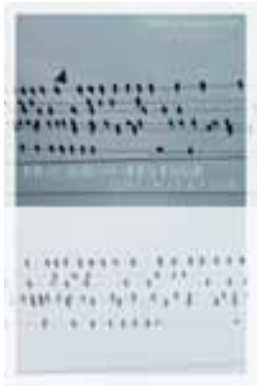
- **The Merchandising Problem**
- Simple Things that Make A Difference
- Recap

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What is Merchandising Anyway?



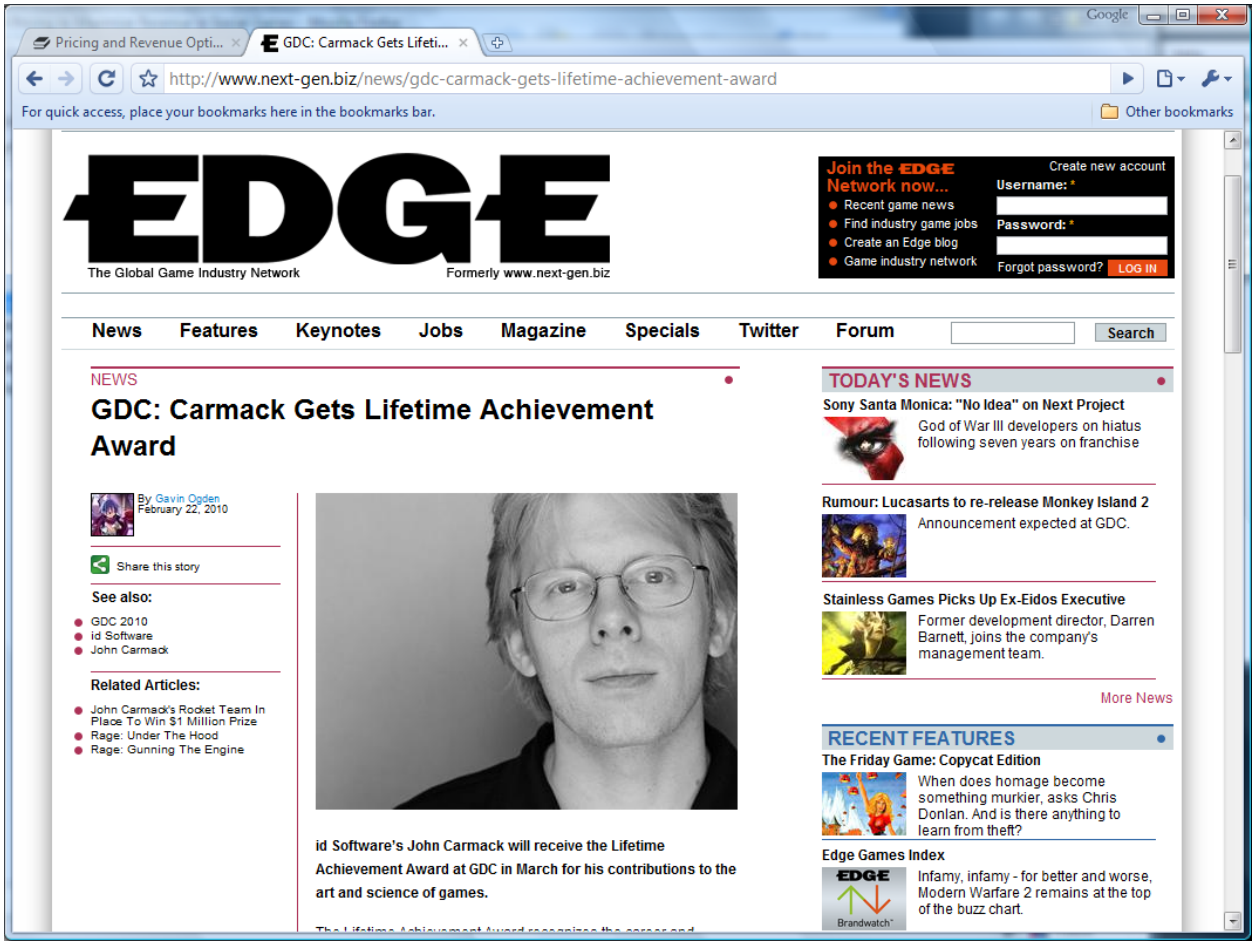






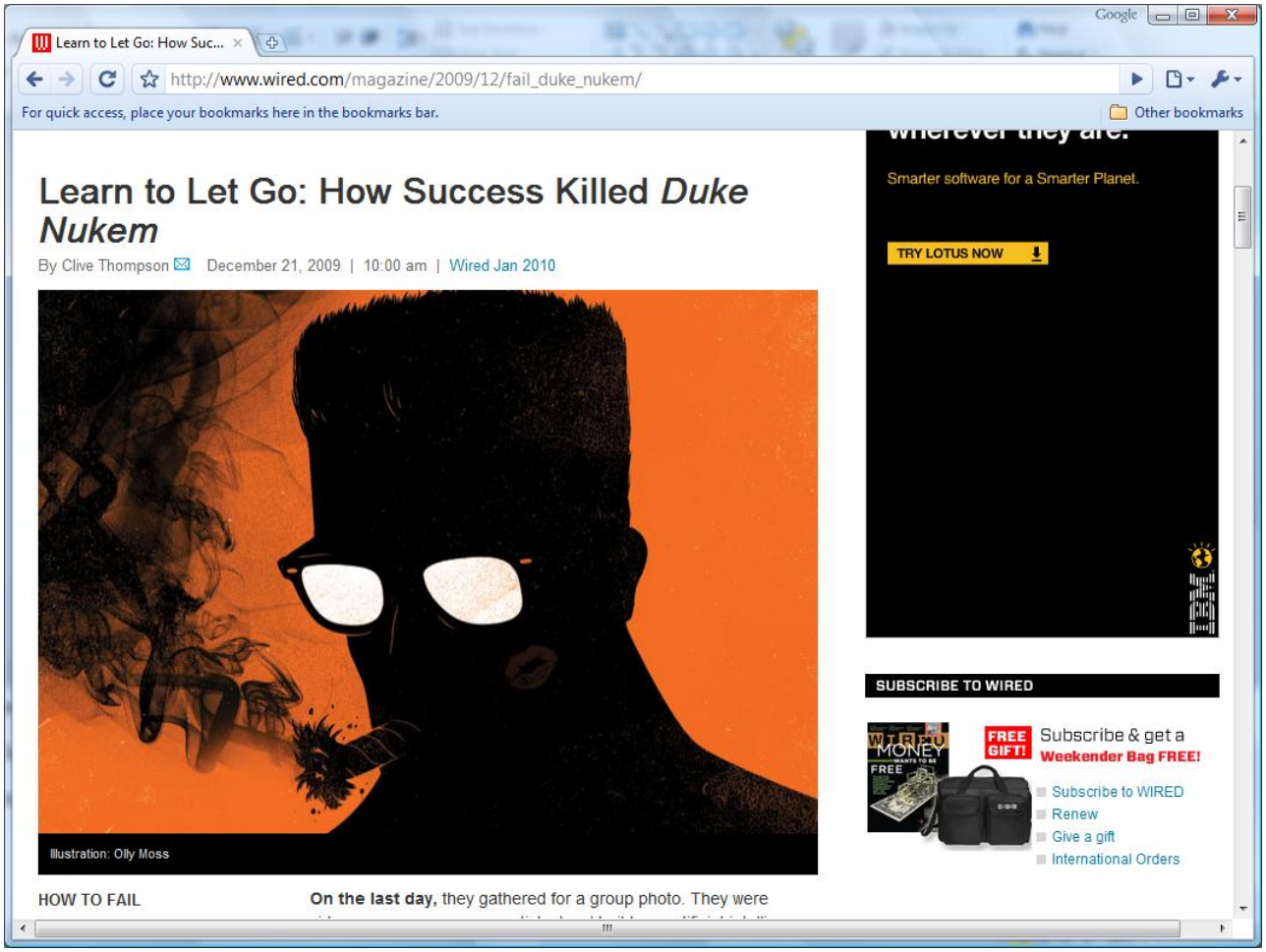
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Monetization is not Glamorous



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You've Got Other Things to Do



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The Short Version

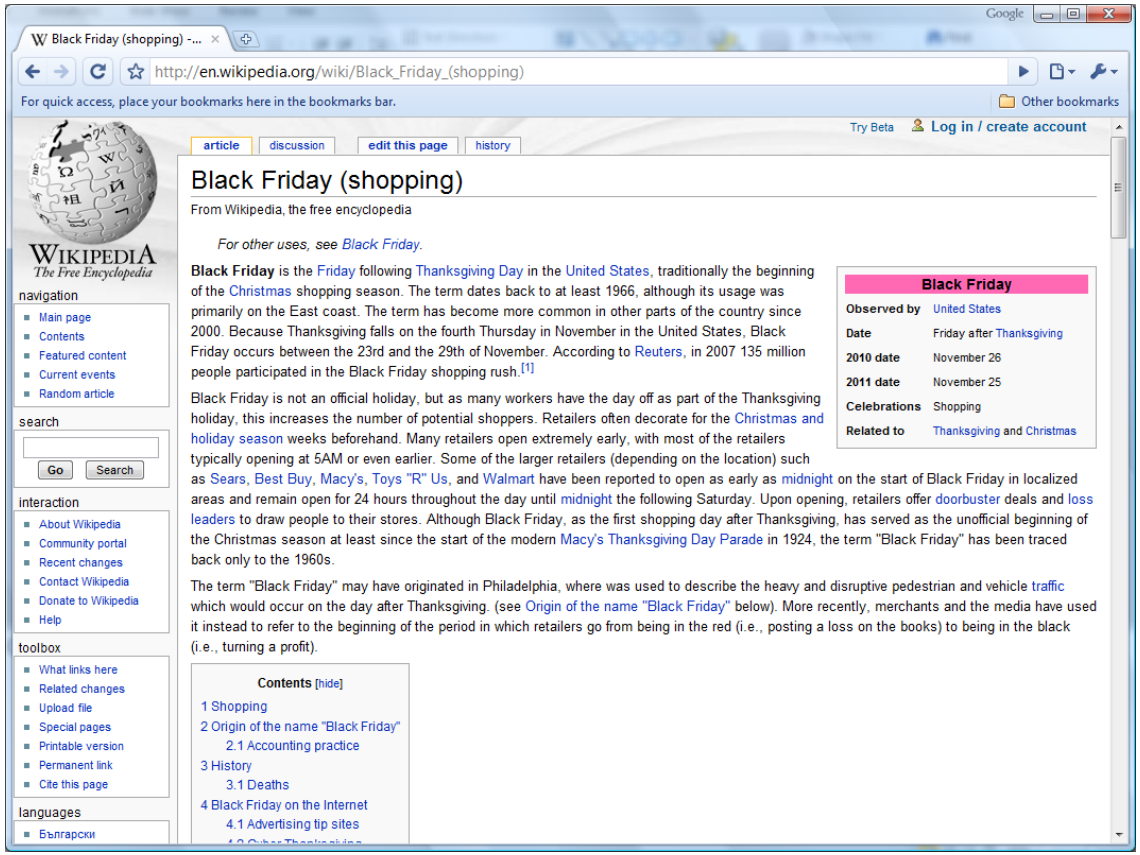
- You can make a lot of money in the free-to-play mode.
- It requires work, and thought. But it ain’t rocket surgery.
- You will need to have people on it, full-time.
  - You will need to pay attention to the data.
- Most of what you need to know, you can learn by looking around.

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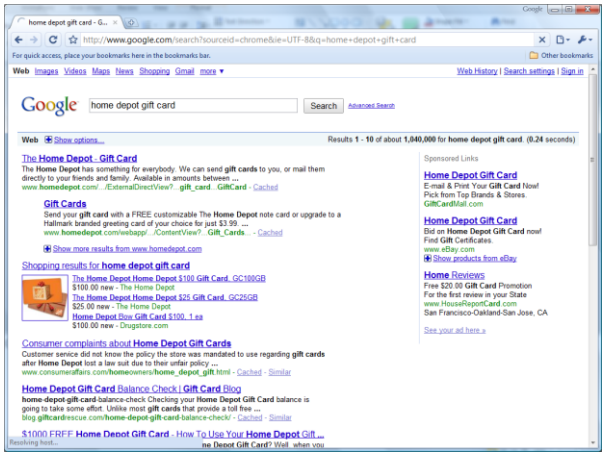
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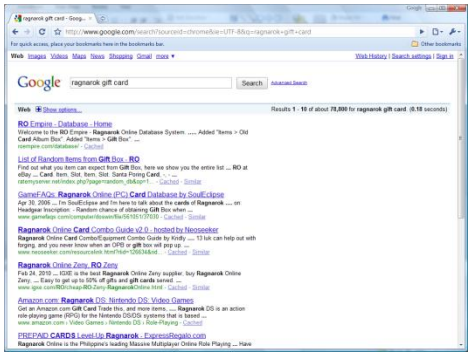
The Importance of Gifts

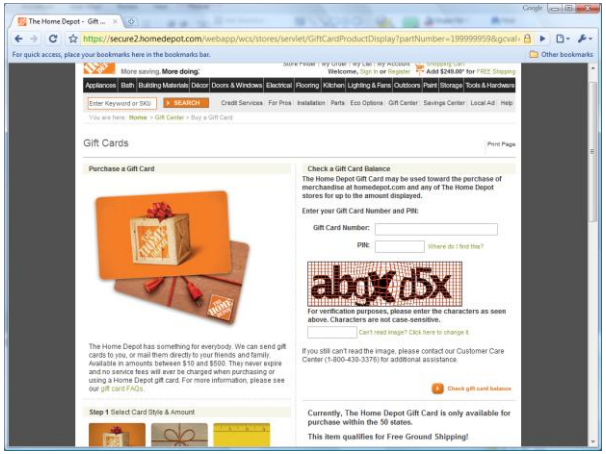


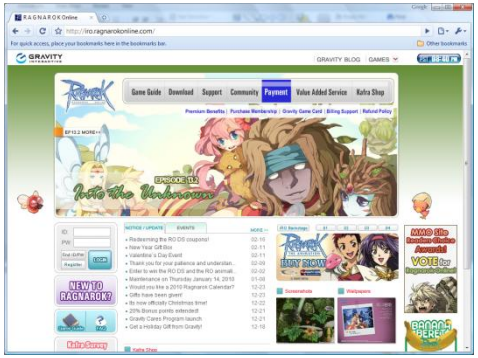
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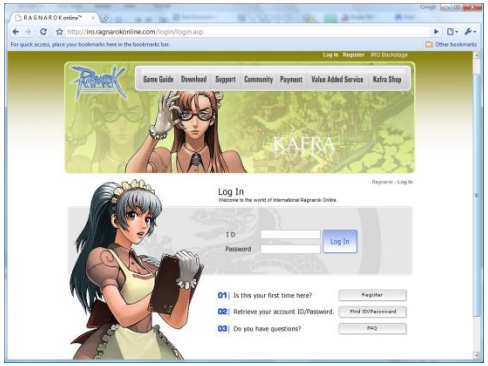
Home Depot versus Ragnarok





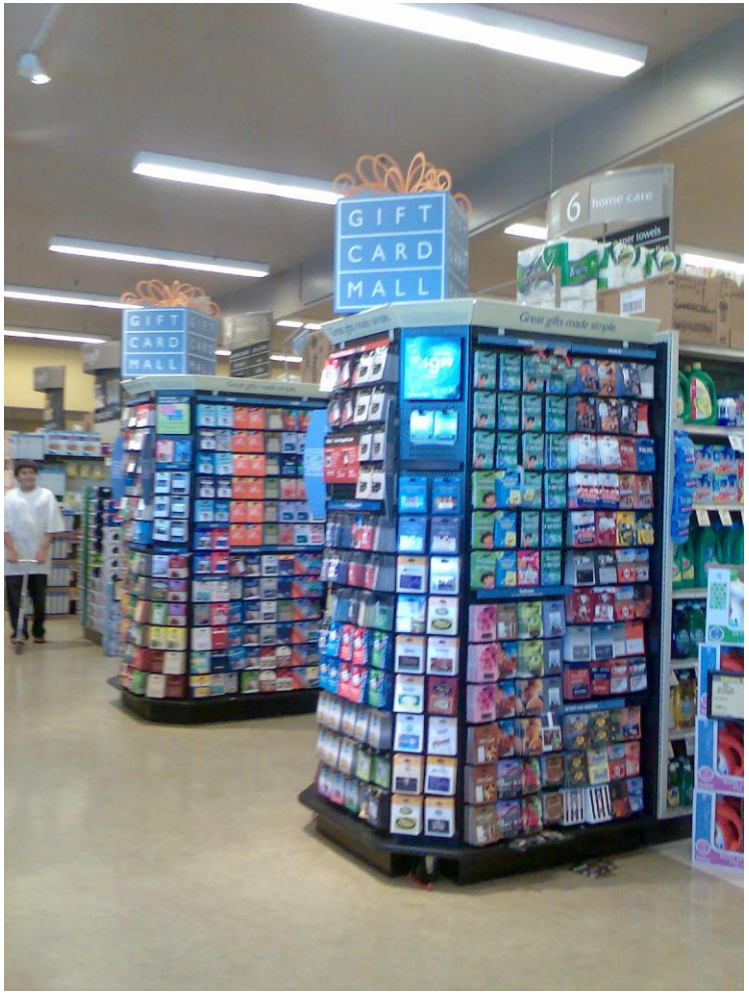






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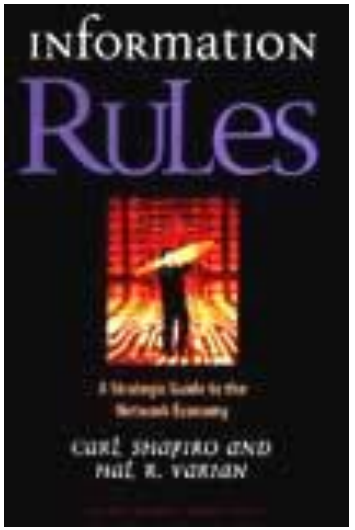
This is How We Celebrate the Holidays



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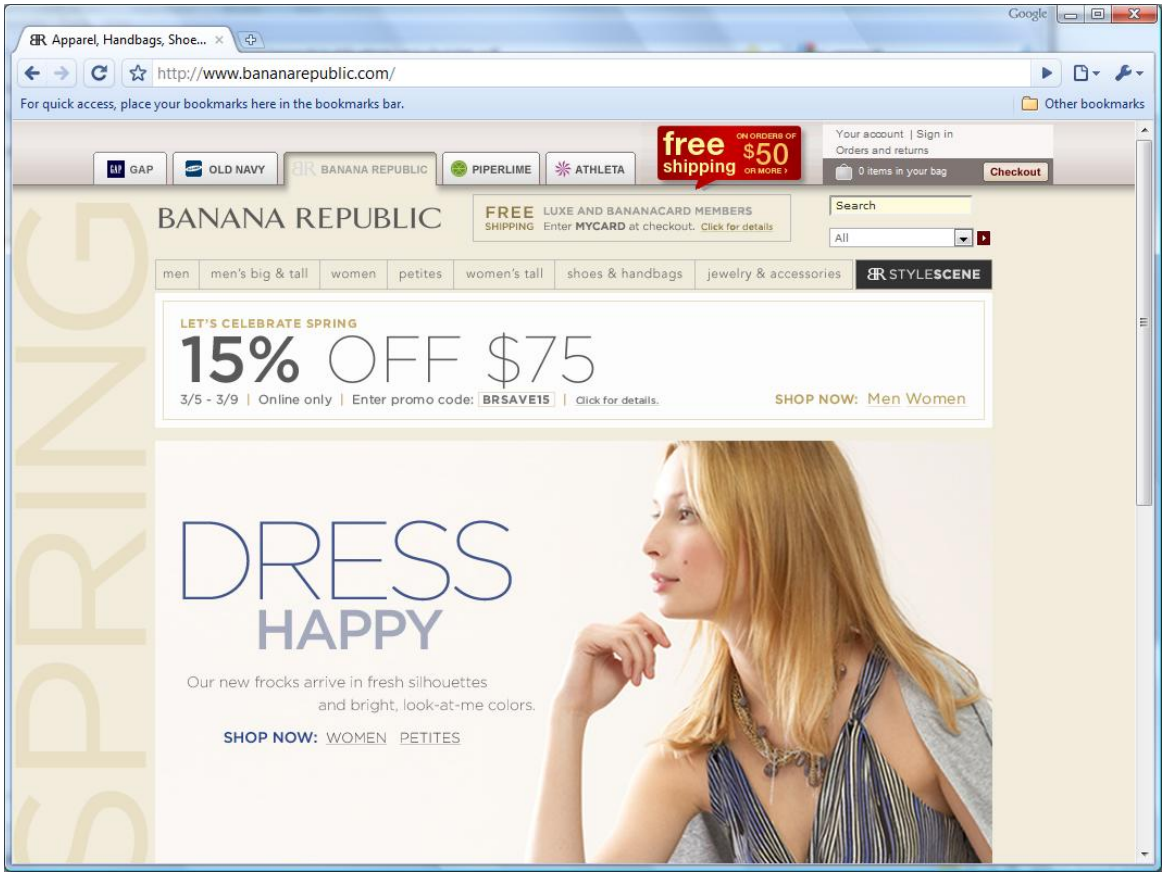
Bundling





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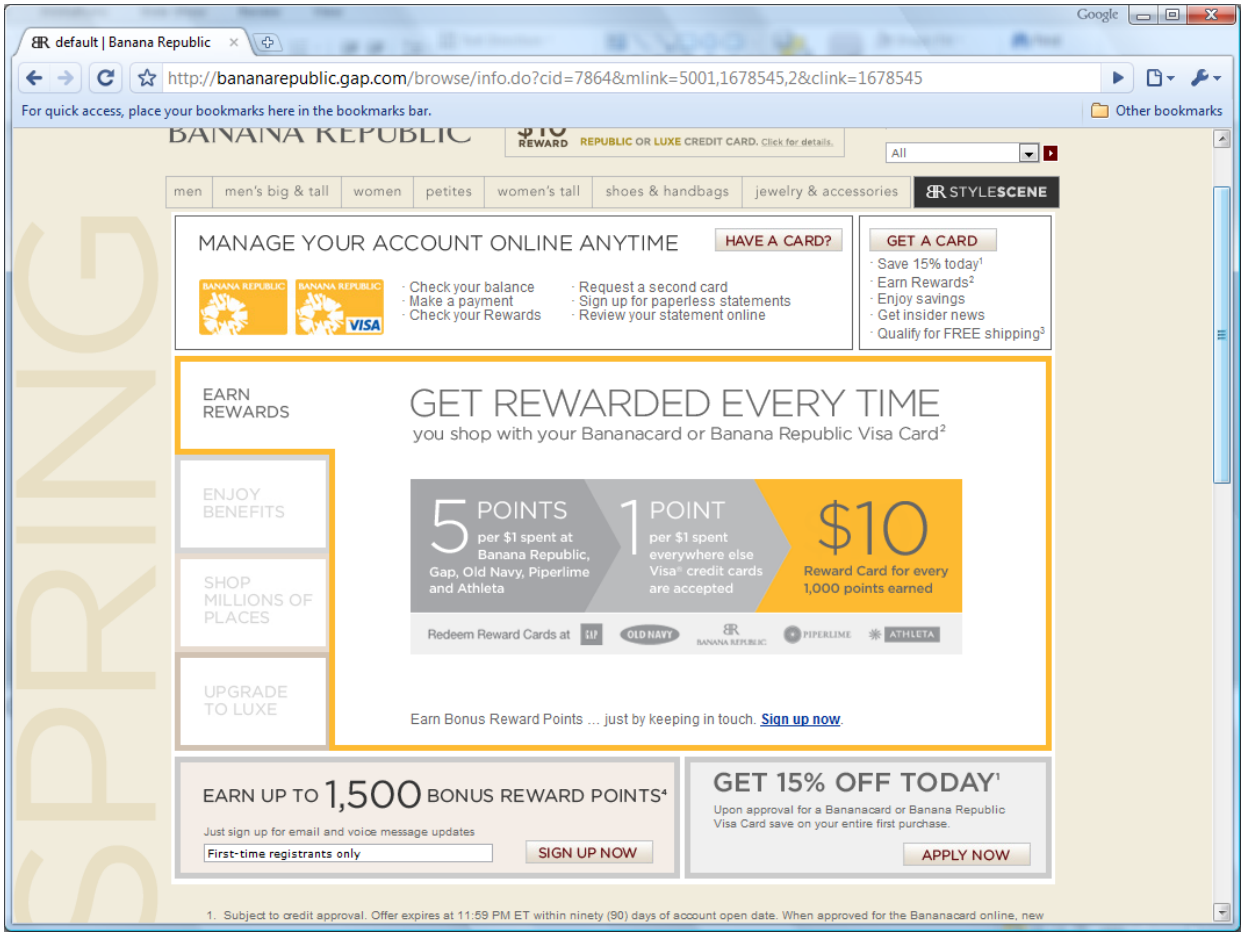
Discounts and Supplements





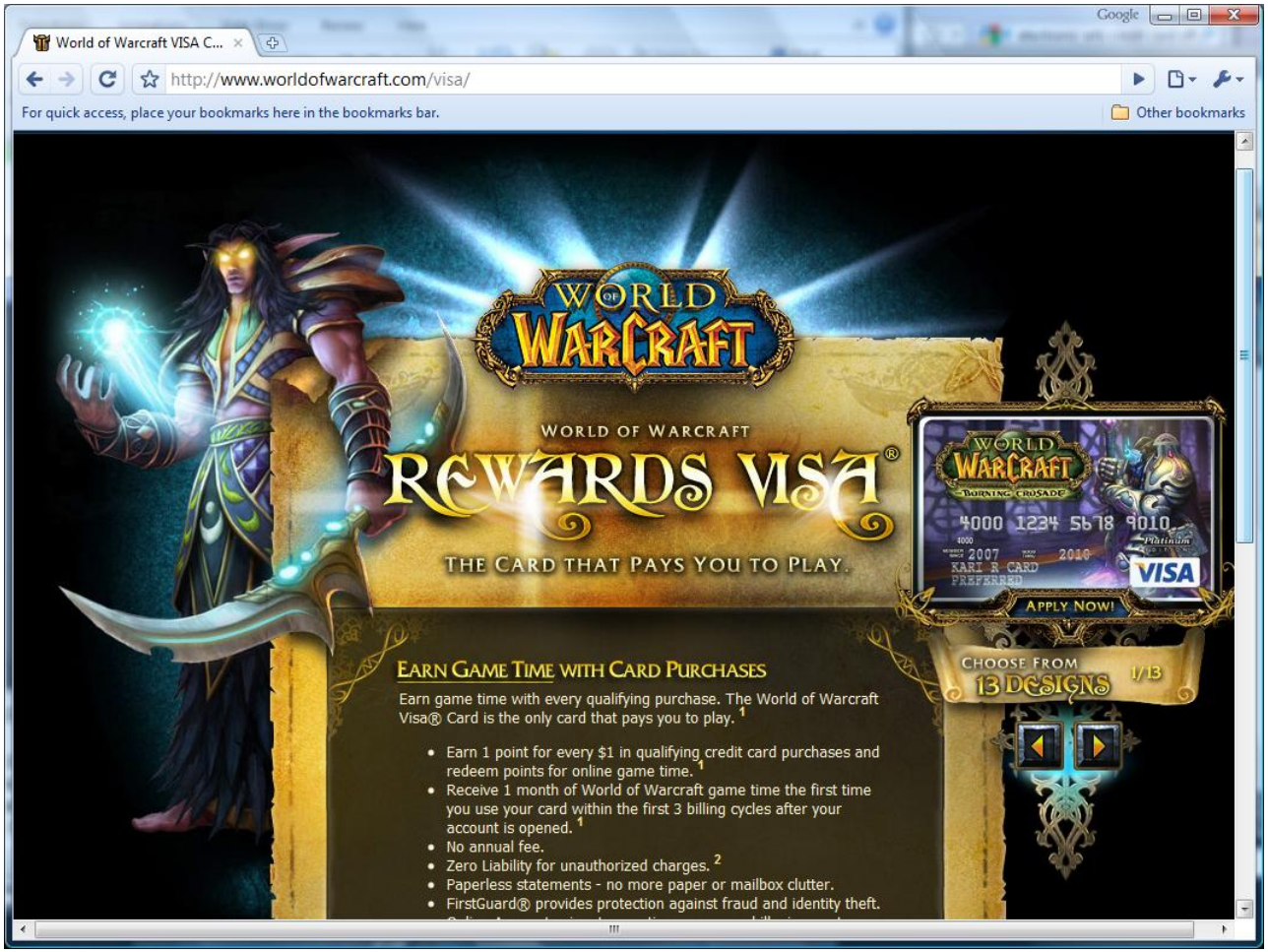
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And Tie It Into Loyalty Currency



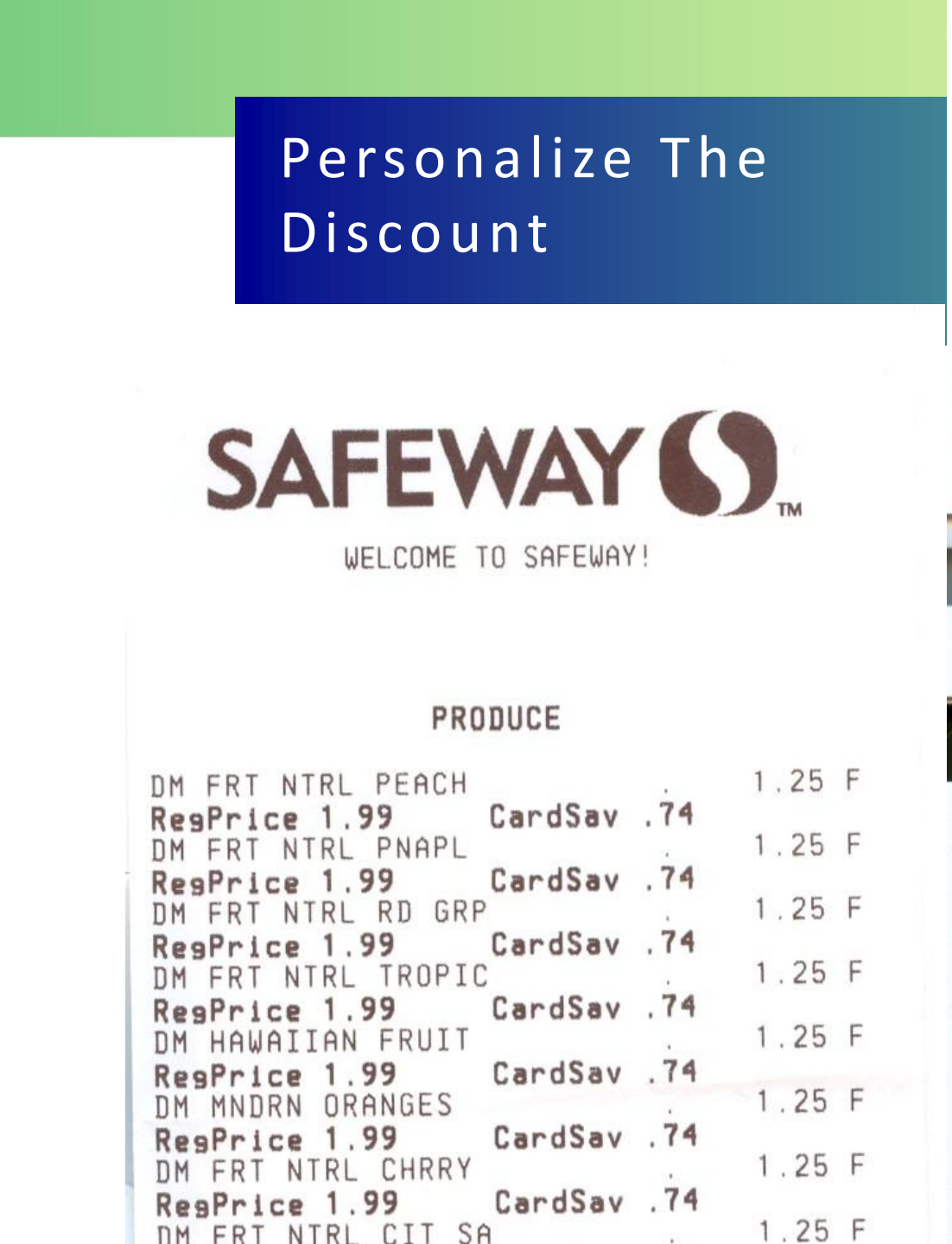
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Why Not?



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Personalize The Discount



SAFEWAY

WELCOME TO SAFEWAY!

PRODUCE

DM FRT NTRL PEACH . 1.25 F
RegPrice 1.99 CardSav .74
DM FRT NTRL PNAPL . 1.25 F
RegPrice 1.99 CardSav .74
DM FRT NTRL RD GRP . 1.25 F
RegPrice 1.99 CardSav .74
DM FRT NTRL TROPIC . 1.25 F
RegPrice 1.99 CardSav .74
DM HAWAIIAN FRUIT . 1.25 F
RegPrice 1.99 CardSav .74
DM MNDRN ORANGES . 1.25 F
RegPrice 1.99 CardSav .74
DM FRT NTRL CHRRY . 1.25 F
RegPrice 1.99 CardSav .74
DM FRT NTRL CIT SA . 1.25 F

VF SAFEWAY GIFT CARD .34
CASH .25

CHANGE .12
NUMBER OF ITEMS = 10
3/20/09 10:01 1260 09 0002 1752

BEEB ASHCROFT 6074

Club Card Savings $ 14.00
Coupon Savings $ 7.00
Total Savings Value 98% $ 21.00

You earn 125 United Mileage Plus mil
for every $250 spent. Today, you ar
$ 20 closer to your next 125 miles

Your qualifying purchases have
been accumulated towards eScrip.
Thank You.

Look for the # sign on your receip
for possible Health Care Flex Spend
Account items for reimbursement.

You have accumulated $65.74
towards your next PowerPump reward.
Accumulation ends 03/28/2009.

You have accumulated 3
10 cent/gal Fuel PowerPump
reward(s). Redeem by 03/28/09.

As of today, you have accumulated
6 of 7 toward your Free
Signature Cafe Sandwich!

Use Different Types of Coupons



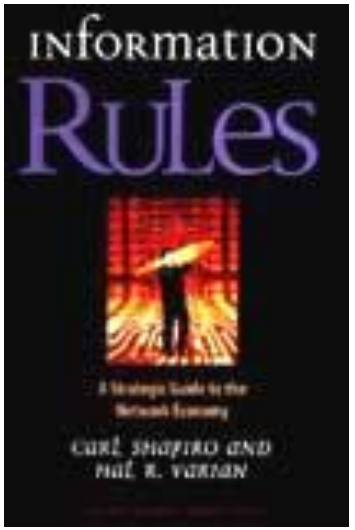


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Segment the Market

TIFFANY & CO.

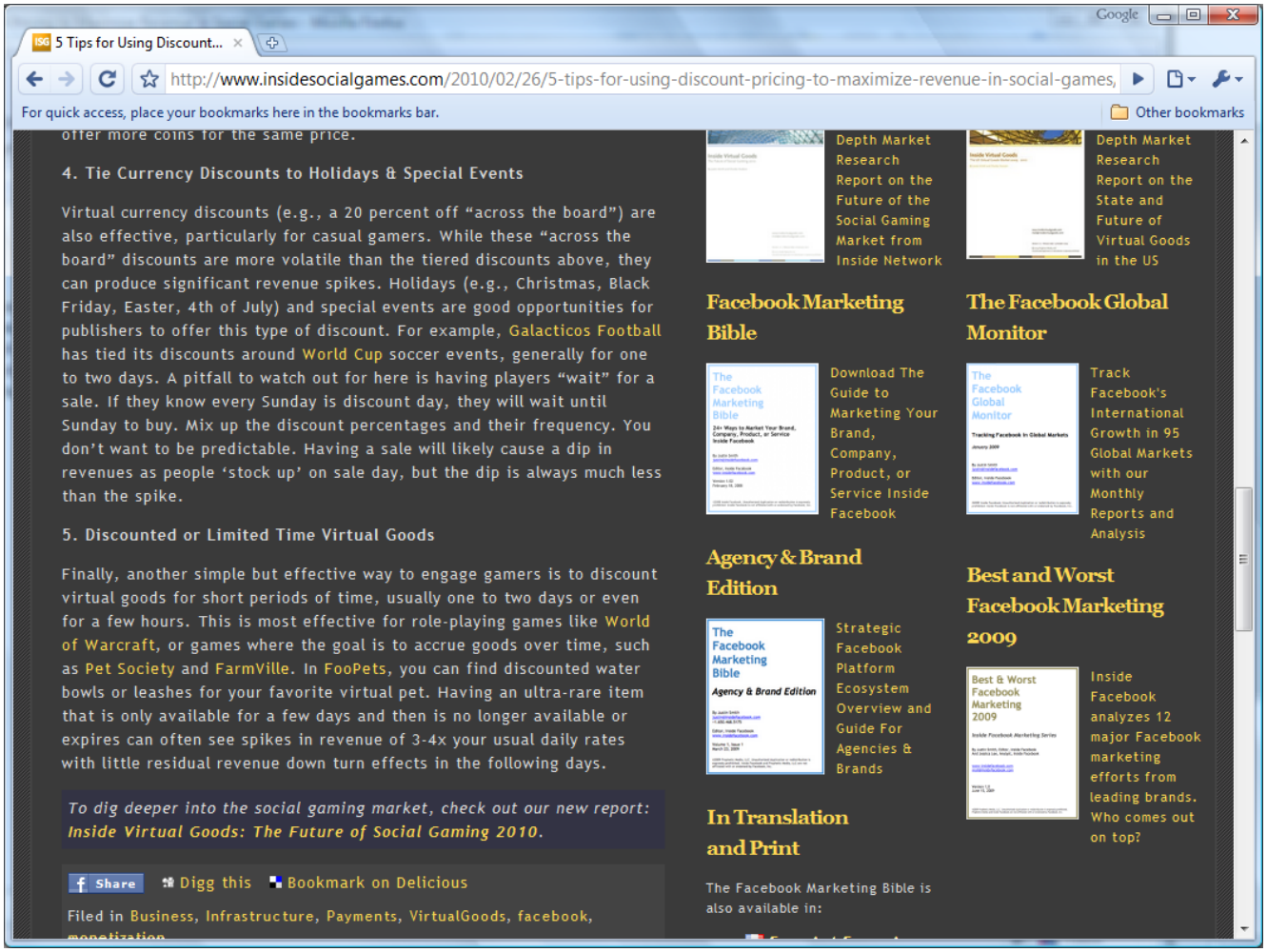
WAL★MART®



PYCOMALL.COM

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Price Experimentation



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Copy the Real World and Keep What Works



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Basic Strategies are Obvious

- Make it easy for non-players to give gifts.
- Bundle items (and recommend the bundles).
- Adopt discounting and supplementing.
- Give away loyalty currency to reward commercial actions as well.
- Offer personalized discounts.
- Use coupons.
- Segment the market.
- Experiment with prices.

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Measure Everything

- The basic strategies are obvious.
- Applying them to your world requires optimization.
- Make sure you have enough data.
  - Make sure that you experiment.
  - Make sure that you listen to the data.

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