



**Association of
Independent
Museums**
Helping Heritage
Organisations Prosper



A black and white photograph in the background shows a close-up of hands. One hand holds a black portable payment terminal with a numeric keypad, a 'OK' button, and directional arrows. The word 'VISA' is printed above the keypad. The other hand is holding a dark-colored credit or debit card, which is being swiped through the terminal's card reader slot. The background is blurred, showing what appears to be a patterned surface, possibly a curtain or a wall decoration.

Success Guides

SUCCESSFUL RETAILING FOR SMALLER MUSEUMS

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Retail Thinking*

1 INTRODUCTION

These days almost all museums have a shop of some kind. Indeed the shop is often a key attraction for museum visitors and, like a good café, a good shop has increasingly become an expectation for visitors and an integral part of their visit. If managed well, and with an attractive and interesting selection of merchandise, a shop can enhance the visit and reflect the museum's core mission and its collection. It can also, and absolutely should, be profitable and not simply run as a service.

Whatever the size of your museum it is important for your shop to be profitable and managed in a professional way. This guide is designed to help with this, whether reviewing and improving an existing shop or establishing a new shop at a small museum.

2 HAVING CLEAR AIMS

Whether setting up a new shop, or reviewing and improving an existing one, it is vital to be clear about its *raison d'être*. There are a number of valid reasons to have a shop at a museum but the following can be considered to be key.

- To generate profit for the museum. This isn't to be confused with sales or income because it is profit which ultimately matters.
- To provide visitors with a memory of the museum and to enhance the visit.
- To educate visitors about the museum and its collection, typically through publications, but sometimes through other products too.
- To help market the museum and extend the brand. Who knows where that postcard carrying the image and visual brand of your museum might end up!

It's good to have these points in mind when thinking about the aims for your shop and there may well be other aims too.

3 DRAWING UP A PLAN

To have a successful museum shop which will achieve these objectives it is essential to have a plan for it. Retail plans are often only drawn up when museums establish new shops from scratch, but all museums should have a retail plan which is updated regularly. If you don't already have a plan for your shop then today is a good time to start!

The plan can be a concise document and typically should address / include:

- The reasons for having a shop at your museum.
- Financial projections.
- A concise paper setting out how this will be achieved.

4 MANAGEMENT AND STAFFING

The decision on how the shop is to be managed and who specifically will manage it will have more impact on the shop's success than anything else. The shop might be managed by someone who has other responsibilities at the museum or it might be their sole task at the museum. What matters is that the person running the shop, the "Shop Manager" or "Retail Manager", has clear responsibility for managing it and for making decisions and, ideally, is the sole person in charge of it. This person should have an appropriate level of authority and responsibility delegated to them which should be set out in a job or role description, whether the position is paid or unpaid.

The shop manager may, or may not, have retail management experience or training but if not then training should be provided, for example through attending training sessions and study days run by the [Association for Cultural Enterprises](#) or other organisations or external advisors.

The shop manager may be full or part-time but must have sufficient time to devote to managing the shop and to sourcing and buying in the all important stock to sell.

The manager should be supported by a small team of people who are enthusiastic about selling and the shop's success, understand the importance of high standards and are able to provide friendly and efficient customer service. They should possess certain practical skills too, such as the ability to operate the cash register with confidence.

If wages are paid to retail staff these costs will quickly erode profits, especially in shops at small museums. Combining the shop staffing roles with the welcome and admission roles is often a solution to this.

5 WHERE SHOULD THE SHOP BE SITED?

It's often said that the three most important factors in retailing are "location, location and location!" At small museums the location options are usually very limited but the position of the shop is always a fundamental consideration. Ideally the shop needs to be positioned to benefit from maximum footfall and if at all possible should be accessible to non-museum visitors too. This is often best achieved by the shop being at the museum entrance point and being pre-tariff (if a charge for admission is made) because the additional customers not visiting the museum itself can make a great difference to sales.

Shops at entry and exit points generally perform well and if visitors all pass through the shop on both arriving and leaving it will have an inbuilt advantage. Although something of a cliché, "exit through the gift shop" is usually a good approach!

Locating a shop adjacent to, or close to, the museum café can also work well and there are many examples at museums and heritage sites of these two key enterprises being located close together. In small museums there are almost always savings to be made in costs and numbers of staff and volunteers if the shop is co-located with the welcome and admission point.

There is no precise shop size required for a certain number of visitors or sales volume. Much depends on the configuration of the space and whether space for merchandise display will be “lost” owing to architectural features, windows and doorways. The quality of the shopfitting can also make a significant difference, for example a well fitted shop with a sales area of 20 square metres may have more effective linear display space than a shop of 30 square metres. Key points to consider are:

- The retail space should be well defined. Visitors need to know exactly where the shop begins and ends.
- The space needs to be sufficient to present the planned merchandise offer effectively and with authority.
- There should be enough space for visitors to move safely and easily through the shop without congestion. Wheelchair access should also be allowed for.

6 FITTING OUT THE SHOP

Good shopfitting is important to provide an effective display platform for the products which the museum plans to stock. Good bespoke shopfits can be costly but effective shopfits can often be achieved on surprisingly modest budgets. It's worth bearing in mind when considering cost that although the merchandise can be changed relatively quickly, shopfittings are often in place for many years, typically in museums for 10 years or more. This is therefore an important long term investment.

A good starting point is to consider carefully what merchandise will be stocked. If, for example, the offer will be almost entirely of books and greeting cards then this will clearly inform what fittings will be needed.

Points of advice for shopfitting in small museum shops include:

- Be clear exactly what space is available.
- Maximise use of the space.
- Aim for maximum flexibility: shelves and fittings which will accept different types of merchandise.
- Shelves should be easily height-adjustable.
- Shelves for books should be angled: this will enable books to be presented front-facing which is much more effective.
- Consider including tables. These are surprisingly effective for display and especially good for seasonal and other promotions and themes. High street professionals use them in abundance – have a look!



Tables can be effective and practical for display, especially for promotions. In this shop the tables have been purpose made but suitable tables can be found in a range of shops from IKEA to antique centres at reasonable prices.



Storage drawers within perimeter shopfittings are a great way to increase stock storage space and bring stock close to where it needs to be for replenishment as here at M Shed, Bristol.

- Think about stock storage. Can you incorporate some integral storage, such as drawers below shelved sections or mobile boxes with display space on the tops with storage within?
- Glazed secure cabinets are fine if the plan is to stock high price jewellery lines but they invariably inhibit sales of lower price merchandise.
- Counter: this will probably be combined with the welcome and reception point. It's important for counters not to be too high, over large, or to be designed in a way which prevents staff from moving out easily into the shop and interacting with customers. The counter should be large enough to accommodate the cash register, with space for wrapping goods and space for two or three impulse purchase lines.
- Effective lighting is crucial for retail display and ideally every shelf should be lit, for example with LED strips to the top and both sides. Any spotlights on the ceiling should be adjustable so they can illuminate the merchandise, not the floor!
- Use materials which are sympathetic to the museum and the building. Real woods and wood veneers and spray-painted finishes generally work well and often cost little more than laminates which are usually less appropriate.
- Environmental issues. Real woods and MDF from FSC sources will almost certainly be better than laminates and other synthetic materials.

Preparing a written brief

Good practice is to draw up a written brief and make the specification as detailed as possible. Common errors include counters being too high and uncomfortable to work at, and integral storage drawers or cupboards being higher than necessary consequently reducing the linear display space.

The fit out

The optimum result will almost certainly be from a bespoke shopfitting company with experience of working in the cultural sector. Architects and exhibition designers are rarely specialists in retail shopfitting and although they may be excellent at suggesting colour schemes and the "look and feel" of the fittings it is invariably best to commission a specialist retail shopfitter to do the detailed design and drawings. This is usually less expensive too.

Budgets are often limited in which case there are companies which can supply ready-made fittings. Tables can also work well and be inexpensive. Chippenham Museum achieved a very effective fit out of its shop at remarkably low cost.



Shopfitting on a budget. The shop at Chippenham Museum, Wiltshire was fitted out on a very limited budget with ready-made fittings. Although not as ideal as a bespoke fit out, an effective and practical result has been achieved.

7 BUYING AND MERCHANDISE

Nothing will define the shop more than the merchandise it offers to visitors, therefore selecting appropriate and successful merchandise is crucially important.

Policy and approach

Think through carefully what you wish your shop to offer. What will be right for the museum, for the town or area and for the people who visit? Are your visitors and potential customers mainly local residents, tourists, specialists, families or school groups? Will you be able to sell high price items and what will be the highest and lowest price points? Museums often underestimate what visitors will pay for items if the product is of good quality and is right for the location. The manager of a shop at a historic gold mine was amazed at how many pieces of high price, gold jewellery they sold simply because the product was so perfect for the site.

It can be useful to review the local competition too. In what ways could your shop be different? What can you offer which could be unique and give your shop an advantage? Can verbal or other feedback from your visitors about the shop and merchandise help too?

A good approach is to set out a buying policy, or vision, in writing. This can usually be done sufficiently well on two or three sides of A4. It's useful to include a list of the various categories of stock which you plan to stock.

Who will do the buying?

It's important to decide who will do the sourcing, selecting and buying in of stock. This will probably be the shop manager and ideally just one person should have this responsibility with consultation as appropriate. It's also good to be clear about who has the final say and this will usually be the Museum Manager or Director.

Sourcing suitable merchandise

There are many ways of sourcing suitable merchandise and it's best to have a broad strategy with a mix of sourcing methods. Trade fairs are an excellent way of finding products, meeting suppliers and keeping up to date with trends. The largest gift trade fair in the UK is the Spring Fair at the NEC near Birmingham which takes place over several days in early February. Another trade fair which is useful for sourcing quality gift lines is Top Drawer at Olympia, London every September and January. The specialist museum retail trade fair alongside the ACE (Association for Cultural Enterprises) annual conference is usually held in March and moves every year or two to different UK locations. Attendance at all these is free, but pre-registration via their websites is required.

It's best to plan a trade fair visit in advance. Consider who will attend, which parts of the fair will be visited and what the priorities are for product for the shop. It's important to know what sort of budget you

have to spend and how you will present in the shop any new merchandise you find. Some buyers place orders at trade fairs and there are sometimes financial incentives to do this, however this can be time consuming and reduce available time to explore the trade fair. It's usually better to collect information at the trade fair, then place orders after some reflection back at the museum.

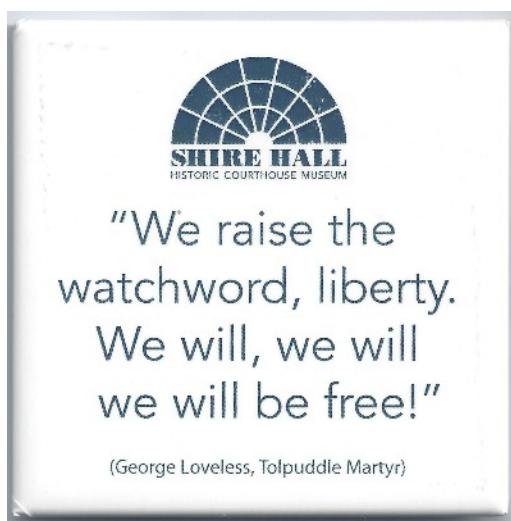
There will be travel costs and time involved in trade fair attendance but sometimes just one new supplier or product sourced will more than cover these.

Visiting other cultural shops is another valuable way of sourcing new product. This can be even more effective if appointments are made to meet their managers or buyers and most museums are generous in sharing information and ideas with others in the sector.

Bespoke product

Bespoke products featuring images or items in the collection will give the museum something really special and different from its competitors. Bespoke items are also an opportunity to reinforce the museum's brand and can be a great link with permanent or temporary exhibitions.

Production and print run minimums have come down very considerably over the years and most museums should be able to develop some bespoke items to help create a "point of difference". It is essential, though, to be realistic about the commercial appeal of proposed items and contain the financial risk. For most small museums a tight range of just a very few bespoke items will be best.



Bespoke fridge magnet at Shire Hall Historic Courthouse Museum, Dorchester.

The buying budget

There should be a purchasing budget specifically for buying in stock for the shop. This is partly to act as a control on spending and partly to ensure there is sufficient money to buy in enough stock to achieve planned sales. Best practice is for the purchasing budget to be phased across the year. The budget should also be flexible: able to be increased if sales are exceeding budget and decreased if sales are below budget.

Setting the selling price

Having chosen a product to stock in the shop the selling price should be set with care. Selling prices should be set with the objective of achieving target gross profit margins, but prices should also be set with an awareness of the market to ensure they are seen by customers as competitive and offering good value. A mix of financial calculation, knowledge of the market and sound judgment is needed.

A gross profit margin of 50% is typical in the gift trade and is a sensible and realistic target for most merchandise a museum shop is likely to sell, other than books, food and confectionery. To achieve this on a product the cost price needs to be “marked up”, or increased, by 100%, that is, multiplied by 2.

Example:

Item with a cost price of	£1.00
£1 x 2 = selling price of	£2.00

This selling price has a mark-up of 100% and will deliver a gross margin of 50% but does not allow for VAT.

The effect of VAT

Value Added Tax will be a factor in determining the final selling price of most goods.

Example:

Item with a cost price of	£1.00
£1 x 2 = selling price of	£2.00
Add VAT at 20%	.40
Final selling price =	£2.40

The cost price to selling price calculation, if VAT on the item is 20%, is therefore: cost price x 2.4 = final selling price.

It is perfectly reasonable for a museum shop to aim for a higher gross margin than 50%, and some do, but care should always be taken to ensure one is offering good value.

Note: Before making the final decision on the selling price judgment should be used to determine whether the price will represent good value and also to allow sufficient gross margin to cover losses, due to theft and breakages and markdowns on damaged or slow moving stock. “Uncomfortable” price points such as £13.97 are best avoided and a decision will also need to be made about whether the shop will use 99p price points or “even” pound price points such as £1, £2, £3, etc.

Books will generally be sold at publishers' suggested retail prices and will usually deliver a gross margin of about 40%. Gift food and confectionary lines will generally also deliver less than 50% margin.

TIP

At some museums which are not VAT registered there is a temptation to mark up goods by cost price x 2 rather than 2.4. This is not recommended. It is better to mark up goods by 2.4 to include the VAT element because, a) almost all the museum shop's competitors will be doing this, and b) the shop will be paying VAT on the cost price of the goods. It is important to keep to the cost x 2.4 formula to ensure gross margin is maintained.

Displaying prices

There are various ways to display selling prices to customers but the price of an item should always be clear and easy to read. Customers should never need to ask the price!

8 DISPLAYING THE MERCHANDISE

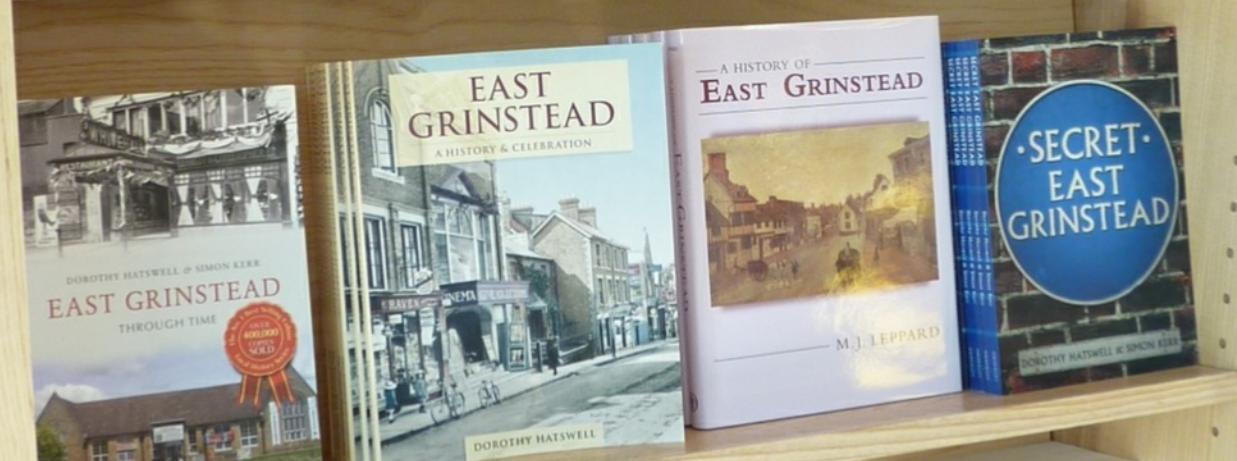
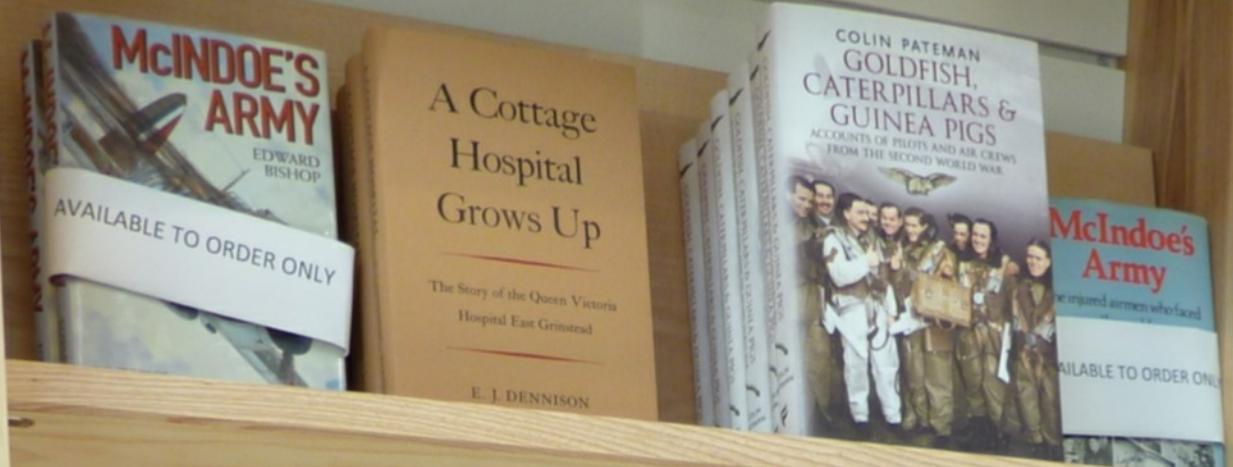
Having decided on a selling price the goods will then need to be displayed, or "merchandised", effectively in the shop. This is not only to make products look attractive and appealing, but also to help customers make sense of what is being offered and be tempted to buy. Retailers frequently use terms such as "visual merchandising" and "display" and these are mercurial terms for presenting the merchandise covering a wide range of techniques.

TIP

More important than the technical terms "visual merchandising" or "display" is a clear understanding when putting stock on display whether the idea is to encourage customers to handle the items or whether something more creative is required. A common error is to attempt to be creative and artistic with merchandise throughout the shop where this approach is best confined to windows and specially designated areas.

Visual merchandising and display is a major subject however, the following advice should help.

- Aim to make a great first impression! Ensure entrances to the shop are clear and inviting and pay close attention to the very first display of merchandise which customers will see.
- For most merchandise aim to make the stock look plentiful and “confident”. Ensure it is replenished frequently to maintain this.
- Aim to define different categories of merchandise so it's easy for customers to make sense of the stock you have. For example, present books together, greeting cards together, children's lines together and so on. Otherwise the result will be confusing.
- Try to give best selling lines more space and present them at waist to eye level.
- Position a few “impulse” purchase lines at the counter where lots of visitors will see them. In a museum shop in Dorset the best selling items by value were chocolate fossils presented in just one display unit on the counter!
- Support products and ranges with well written descriptive tickets. These cost little to produce yet can play a valuable role in promoting and selling merchandise. The tickets should convey selling information to the customers which may not be obvious, such as “Hand-made” or “Exclusive to The Old Museum”.
- Maintain high standards: plan cleaning routines to ensure the merchandise looks pristine; ensure aisles are clear; carry out a disciplined shop inspection each morning.



Visual merchandising: books are best displayed front-facing on angled shelves as here at East Grinstead Museum.

9 MEASURING PERFORMANCE

It's essential to measure and monitor the shop's performance because only then is one in a position to take action to address any variances from what is budgeted or planned.

Sales and spend per visitor (SPV)

Sales achieved each day, month and year should be recorded along with other Key Performance Indicators (KPIs) including spend per visitor (SPV), conversion rate (retail transactions as a percentage of visitor numbers) and average transaction value (ATV). There are many factors which will influence these KPIs including the number of visitors to the museum, the shop location and size, the merchandise and the way it's presented, the standard of customer service and how active staff are at selling.

The spend per visitor (sales excluding VAT divided by visitor numbers) in shops varies greatly from museum to museum depending on a range of factors. As a guide the SPV should be at least £1 and ideally higher than this, if possible closer to £2. Therefore a museum with 25,000 visitors and a SPV of £1.50 will be taking £37,500 in the shop. Higher SPV figures are usually harder to achieve in smaller shops and in museums with low visitor numbers partly because the retail offer tends to be less authoritative. Industry benchmarks are useful but the most valuable comparison is with the museum's own performance, checking that the performance indicators are improving year on year.

SPV is a fundamental measure and easy to calculate as long as you know how many visitors you have to your museum. If some customers come in off the street and are not purely museum visitors don't worry, the museum visitor numbers will still be a useful measure.

Gross profit

Gross profit is what's left after paying suppliers for the goods and allowing for losses, through theft and breakages, and markdowns (reductions) in price on slow selling items. It's the initial profit before any operating costs are applied.

Operating costs

The main operating cost for shops is almost always wages, although some small independent museums are able to manage and staff their shops using volunteers. Other costs may include processing credit card payments, repairs and the cost of purchasing equipment specifically for retail, such as fittings and display aids. Costs must be closely controlled otherwise the gross profit figure can all too easily become a loss.

Net profit

Net profit is what's left after all operating costs have been applied and is what remains at year end to pass across to the museum itself. Net profit is ultimately what matters when evaluating the shop's financial performance.

10 MANAGING STOCK

Controlling stock is a fundamental retail discipline and an important objective is that of maintaining a balance between sales and the value and quantity of stock being held. Ideally retailers aim to achieve maximum sales on minimum stock investment.

If there is too little stock it will not be possible to achieve the sales potential. It will also be difficult to convey an authoritative offer of merchandise to customers. But if there's too much stock this will have financial implications owing to the large sums of cash invested. There will also be the complication of managing and storing unnecessarily large quantities of stock.

This relationship between stock and sales is important because if the relationship between stocks and customer demand isn't in balance then the shop will either:

- Be over stocked – with too much cash invested in stock, possible storage issues and more management complexity.
- Be under stocked – resulting in lost sales and insufficient stock to create authoritative displays.
- Have the right quantities of stock, but in the wrong products – this again will result in lost sales.

Museum shops often carry larger stocks than necessary and this can be a particular issue in smaller shops.

Stock control systems

The underlying way in which stock is usually controlled is:

$$\text{OPENING STOCK} + \text{DELIVERIES} - \text{SALES} = \text{CLOSING STOCK}$$

Stock can be controlled in various ways with systems which are either electronic or manual. Computerised systems are usually known as EPoS (Electronic Point of Sale) and with these systems goods generally have a bar code which is scanned / recorded at the till when they are sold. Among the advantages of electronic systems are detailed and accurate sales data, the availability of more data to help with management decisions, potential improvements in performance and more control over the retail business. But there are disadvantages too including cost, complexity and the additional time required to manage them.

Although electronic systems are less expensive than in the past they still entail significant investment and many small museums will struggle to see a financial return on this within a reasonable timeframe. For many small museums a manual system will be sufficient: it will be easier to operate and should provide sufficient information. In some cases systems which also handle admissions may make EPoS more viable.

If you are considering an EPoS system then the business case should be made to justify it and it is also recommended that you seek advice.

Stockturn

To monitor the efficiency of their stock against sales retailers measure stockturn, which is the number of times their stock turns over in a year. The calculation to measure stockturn is:

Sales divided by average stock value (**at selling price**) = stockturn rate.

For example, a shop with sales of £30,000 and an average stock holding of £10,000 at selling price will have a stockturn of 3. Stockturn rates can vary considerably depending on what type of stock the shop carries, whether the museum's own publications are included in the calculation and other factors.

Dealing with slow moving stock

In general museum shops are less rigorous than high street retailers in taking action to clear slow selling stock from the business. This is another important discipline though and a dispassionate view should be taken of items which are not earning their keep. Action should be taken to sell them through to free up valuable selling space for items which may perform better and to free up cash invested in the stock enabling fresh stock to be bought in.

Often this action will be to "mark down" (reduce) merchandise to help clear it but there are other techniques too, such as promotions or simply re-pricing the item at a more attractive price without advertising a reduction. Most actions to clear slow moving stock will impact adversely on gross profit margins and good practice is to allow a contingency for this when setting the annual performance budgets.

11 E COMMERCE

Selling goods online can extend a museum shop's reach to the world, 24 hours a day. It is, though, important to be realistic and to ask how successful this is likely to be for your museum. Some of the UK's larger museum shops do trade successfully online but they often have a high level of international recognition and brand awareness which is a great advantage.

If considering setting up an online shop the best approach is to think it through strategically and prepare a business case. Among other things talk to museums which are trading online and ask how well it is working in practice, what percentage of overall sales it's contributing and how profitable it is. Important considerations include setting up and managing the online website, photographing and adding new products, ensuring these items are always in stock and fulfilment of orders. Who will process the sales, wrap the goods and take them to the Post Office? Amazon, John Lewis and many other retailers have set the bar very high for speedy and efficient fulfilment and anything

less than this tends to look second rate. Will it be better to focus energy on the physical shop and raise standards there?

In some areas museums have worked together and established online websites offering items, mainly publications, from several museums and this may be worth investigating. Devon Museums online shop is an example of such an operation. Another approach can be to offer a few key items on your museum website with the facility to place orders by e mail or telephone. This can help gauge interest in what you are offering and how successful online trading might be.

12 MARKETING AND SIGNAGE

A museum shop will perform much better if it's promoted with clear signage and is well marketed. This is fundamental for success but need not cost much to do. Among questions to consider are:

- Is it obvious to visitors and potential shoppers where the shop is? If not then it needs a sign!
- Will external signage help? If the museum is on a street then clear, concise signage such as SHOP or MUSEUM SHOP is essential to tell passers-by that you have a shop in the building. Otherwise how will they know? Aim for signage which is sufficiently bold to be read by passing motorists.
- Do your marketing leaflets promote the shop? A good shop should be one of the reasons to visit the museum. Amazingly, some museum's marketing leaflets don't even mention the shop.
- Does your website promote the shop? Does the shop have its own page with one or two great photographs or does it languish in a list of visitor services along with the WCs? Sadly at some museums the shop does.

TIP

When reviewing shop signage (or any directional signage) walk the visitor route from outside the museum and try to put yourself in the shoes of the first time visitor. Even better, ask a real visitor to accompany you and ask them for their feedback – this must be worth the reward of a coffee or tea in your café or a complimentary guidebook!

13 WILL YOU NEED A TRADING COMPANY?

Many independent museums are registered as charities and in such cases it is often wise to set up a trading company to manage the shop as this can have legal and financial benefits. A key point is that HMRC considers profits from most shops in museums owned by charities to be liable to tax. It is advisable to seek professional advice on this before accruing a tax liability.

Charities with gross trading income under a certain threshold are allowed to treat their non-primary purpose trading profit as exempt for income and corporation tax purposes. The tax exemption limit for charities for non-primary purpose trading was increased in 2019 to £8,000 where annual income is under £32,000 and £80,000 where it is under £320,000. If income is between these amounts the limit is 25% of total income.

The issues of trading for charities, including definitions of “primary” and “non-primary purpose trading” are explained in the Charity Commission’s booklet *Trustees, Trading and Tax: How Charities May Lawfully Trade* (CC35) available from the Charity Commission at www.charitycommission.gov.uk. The key wording from the commission concerning the necessity to trade under a separate trading company, at arms length from the charity, is that “Trading subsidiaries must be used for non-primary purpose trades involving significant risk.”

“The main benefits of using a trading subsidiary are to protect the parent charity’s assets from the risks of trading; to create a separate administrative unit and to reduce tax liabilities with profits being covenanted to the charity. However, in those cases where the use of a trading subsidiary is not essential, trustees need to bear in mind that there may be drawbacks to the use of a trading subsidiary and those drawbacks do, of course, have to be balanced against the benefits.” *Trustees, Trading and Tax (Crown Copyright)*.

An outcome of setting up a trading company is that of establishing a trading board with the members overseeing the strategic management of retailing and other commercial activities. The trading board can give support, encouragement and strategic direction to those who manage the shop directly at the museum.

Note: there is useful advice about trading subsidiaries and business rates in the AIM Success Guide *Successfully Negotiating Business Rates*, by Colin Hunter.

14 WILL YOU NEED TO REGISTER FOR VAT?

VAT registration is necessary for all businesses if their taxable turnover exceeds certain limits and currently (2020) this threshold is £85,000. It’s advisable to check this threshold with HMRC on www.gov.uk and also check concerning the definition of “taxable turnover” in the context of your museum or trading company. It’s advisable to seek professional advice on VAT.

TOP TIPS FOR MUSEUM SHOPS

1. Make sure your aims are clear. The fundamental aim should be for the shop to generate a profit!
2. Have a retail plan and review it regularly.
3. Choose the right person to manage the shop and do the buying. Support and train them.
4. Give the shop the best location you can and fit it out to provide an effective platform for retail display.
5. Buy stock well: plan the buying and decide what will fit the visitor profile and reflect the museum and its collection.
6. Set selling prices to achieve target gross margin.
7. Take action to clear slow selling lines. If an item isn't earning its keep after 6 months it's doubtful it ever will.
8. Display and ticket the merchandise to the highest standard.
9. Measure performance and review it regularly. Control operating costs.
10. Be obsessive about best sellers! Know what they are and ensure they are always in stock.
11. Give a warm welcome and superb service to every customer. Buying in your shop should be a memorable experience...for all the right reasons!
12. Always see the shop as an integral part of the museum and the visitor experience.

PLUS!

Remember the retail mantra “Retail is Detail”! This will be more important than ever in the months and years following the Covid 19 epidemic and its impact on the sector.

CASE STUDIES

1 FLORENCE NIGHTINGALE MUSEUM

This museum commissioned a review of its shop in 2018 to see what could be done better and then implemented a range of actions to improve its retail business. Collectively the actions taken have made a significant difference to sales and profitability and have enhanced the shop as part of the visitor experience too. Four main areas of improvement are especially noteworthy.

- Shopfitting
- Product
- Visual merchandising
- Online

Shopfitting

At 10 square metres the selling space is small for the visitor numbers at the site drawn by Florence Nightingale's high international profile. The shopfittings didn't maximise the display space and they lacked flexibility.



The Florence Nightingale Museum shop before the review and partial refit.

Remedial shopfitting was carried out on a relatively small budget to increase linear display space with the aim of maximising space for product display. Practical changes were made too, including the addition of angled shelves for books, the facility to hang merchandise and a purpose-made floor unit for promotional display.

Product

Exciting and imaginative new bespoke product was commissioned drawing on images in the museum's collection and using some of Florence's famous sayings, including "Nursing is an Art". Exclusive merchandise developed included a pendant in the shape of the famous Turkish fanoos (lamp) which Florence carried during the



Bespoke product featuring the stained glass window depicting Florence at the Florence Nightingale Museum. The collection tells a strong story in the shop.

Crimean War and a silk scarf featuring a portrait of Florence from a stained glass window found in storage at Guy's Hospital in 2017. The branding on product was made more consistent and overall the offer was made more cohesive. Slow sellers were cleared from the assortment.

Visual Merchandising

Higher standards of visual merchandising and display were introduced including stronger definition of product categories and themes and more informative tickets to convey key selling features on products and support them better. There is greater attention to detail with merchandise presentation which has led to an improved appearance and helped deliver stronger sales.

Online

The online offer was greatly strengthened with better photographs to showcase the products. For example, photographs of the Florence bi-centenary mug show potential customers the mug from several angles so they can see the entire design. This sort of detail in retailing makes a huge difference!



After the partial refit and with work started on new product.

Outcomes

In the year following the review sales increased by more than 25% leading to a stronger year-end financial contribution to the museum, an independent trust. The product offer is much more exciting and appropriate and the retail experience is more commensurate with this high quality museum. Many visitors comment on the shop and how much they enjoy it, including medical staff from hospitals in London and far beyond!

An Award Winning Museum Shop!

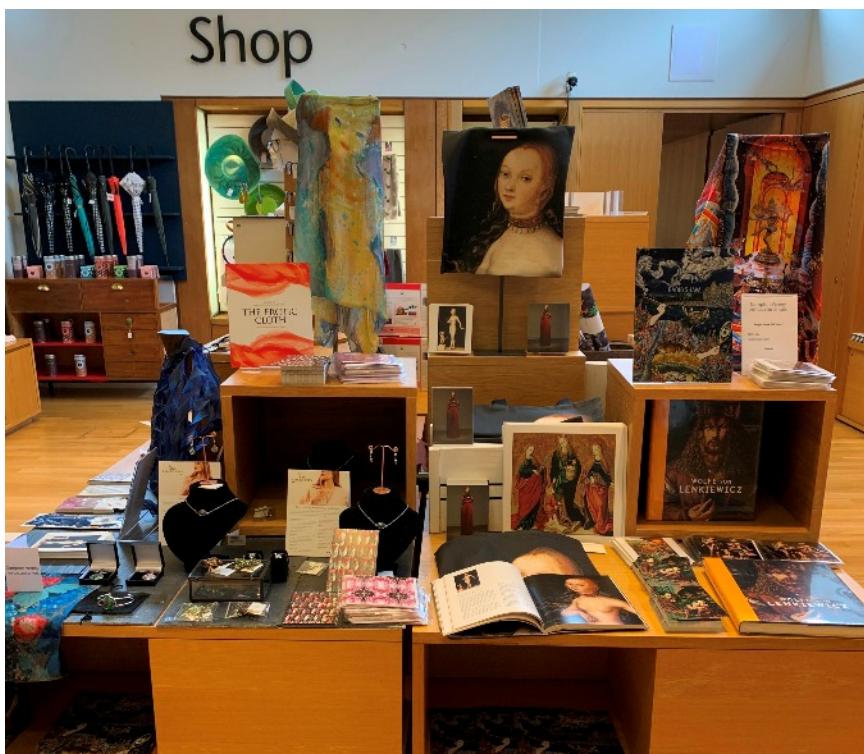
The museum won the best shop award (under £500,000 turnover) for retail transformation at the Museums + Heritage Awards for Excellence in 2019.

2 COMPTON VERNEY ART GALLERY & PARK

Compton Verney commissioned a review of its shop in 2019 and, among other things, analysis showed that retail performance was highly dependent on the type and popularity of exhibitions. A range of actions were recommended with the aim of building in greater resilience in years when exhibitions either attracted fewer visitors or the subject matter lent itself less favourably to appropriate merchandise. Actions were also identified to help improve performance generally.

Actions taken included:

- Adjustment to payment counter position to open up access at the shop's main entrance to help increase footfall.
- Some redecoration to improve ambience and make the shop a more attractive shopping environment.
- More in-depth analysis of sales data to identify best sellers and focus on these and edit out slow selling lines.
- New product sourced including at trade fairs.
- Work on visual merchandising and display detail including provenance on descriptive tickets.



Exhibition related product in the shop at Compton Verney.

Outcomes

The shop anticipated improvements in spend per visitor and average transaction value and was poised to see tangible benefits from this work shortly before Compton Verney was forced to close owing to Covid 19.

3 SHIRE HALL HISTORIC COURTHOUSE MUSEUM, DORCHESTER

Shire Hall opened for the first time as a museum in 2018 after a major restoration project and a new charitable trust was established to run the site. Shire Hall is famous for being where the Tolpuddle Martyrs were tried and convicted in 1834 and is closely associated with the Trades Union Congress and with social justice.

In this museum retail example the shop had to be planned from scratch and a plan along with financial projections drawn up. Some of the most important actions in setting up the shop were:

- Employing an experienced retail manager and in good time to be involved with planning.
- Drawing up a detailed shopfitting brief and working with a shopfitter with a strong track record in the museums sector.
- Planning the product ranges in good time and indicating on the shop drawings where categories would fit and be most effectively positioned.
- Sourcing product from trade fairs and elsewhere for the anticipated audience.
- Developing bespoke and branded product in time for the opening.
- Setting up retail training for the front of house team.



The new shop at Shire Hall Historic Courthouse Museum

Outcomes

A highly attractive museum shop with an appealing product offer with strong links to the museum's purposes and building's history.

A versatile shopfit providing a highly practical platform for presenting the merchandise in a well lit and pleasing space.

Strong sales which exceeded budget by 40% in the first year.

About the author

Peter Holloway has worked with a broad range of clients in the museums and heritage sectors and advised on many retail issues. Peter trained in the John Lewis Partnership and was a Buyer and Assistant to the General Manager in an independent department store before joining National Trust Enterprises. He was responsible for the management and profitability of the National Trust's shops in Wales before establishing the Retail Thinking consultancy in 2002.

Among various projects Peter compiled the retail handbook for managers of cathedral and church shops for the Cathedral and Church Shops Association. He has delivered presentations on cultural retailing at many conferences and seminars, including overseas in Tallinn, Cairo and Beirut.

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