

# FREE RETAIL CHEATSHEET: CLEARANCE SALES MASTERY



# Sale vs. Clearance



Remember, clearance sales are **not for profiting on the items on sale**.

When stock is dead or underperforming it is a drain on your cash flow and a cancer that will metastasize throughout your entire business.

Selling these items at a reduced price will get you more money back into your business and open up doors for new merchandise and ideas that will move you forward. So, embrace it. You want customers to be fully aware you have discounted items that are priced to move.

There is a difference between a **“sale”** and **“clearance”**.

Bargain hunters are only interested in “clearance”.

Words like “liquidation” “all sale merchandise up to 70% off” can be effective.

You don’t necessarily need to spend a lot of money.

Buy “Clearance Sale” signs with bright colors.

Just because the prices are low doesn’t mean it will sell. Hype is the word here.

Alert customers via social media or email about the great bargains on their favorite brands.

Note that selections are limited. That helps get them off the couch and visit to see your deals.

# Presentation



One of the best ways to show your clearance sale is to create window displays that are loud, big, bright and feature the deals.

Make sure the clearance merchandise are exhibited in the store upfront, directly in front of the shoppers' eyes, so they can browse items.

Placing clearance products near the checkout counters is also a great way to entice shoppers and result in impulse purchases.

Red is a great color to quickly attract attention and signify large savings but be sure to use it sparingly.

Red can become overwhelming if it is used too much in one place. Sort items by size and then style.

This saves shoppers time and effort.

No matter how cool they think that particular shirt might be, if it's two sizes too large then it isn't a viable option.

Don't worry if your clearance rack or table becomes cluttered, "clearance customers" love to dig and search for discounted treasures.

# Pricing



Do not tiptoe around markdowns. Your money is gone, holding on to it ties you to the past.

This is NOT a generic promotion or storewide 20% off your best and brightest sales.

That will not help you clear out the oldest problem inventory. Using actual pricing rather than percentage-off signs attract more bargain hunters.

Categorize products by price – a \$9 display, a \$19 display, a \$39 display.

Everything on this rack or table \$19 sells more than a percentage off.

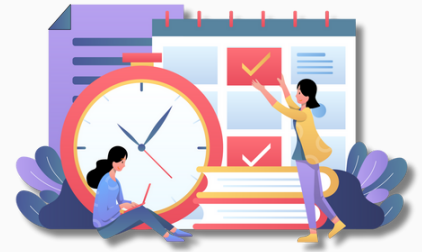
Consumers can process this faster and can easily commit in their mind to spending \$19.

They don't immediately know what the price will be at say 40% off.

Again, sort by size.

Product bundling can be a very useful tactic. Buy one get one free is a classic move.

# Timing



Do not run the sale for too long.

Keeping it short creates a deadline that will encourage people to buy and not just look.

A general rule is to keep it under **two weeks in length**.

If you decide to run your sale for longer than two weeks due to items not moving, consider changing up the message displayed alongside the sale.

Include things like...

1. “new lines added”
2. “further reductions”
3. “last few days remaining” to avoid repeating yourself too many times.

At the end, donate what is left to charity, or write it off as a loss and throw it out.

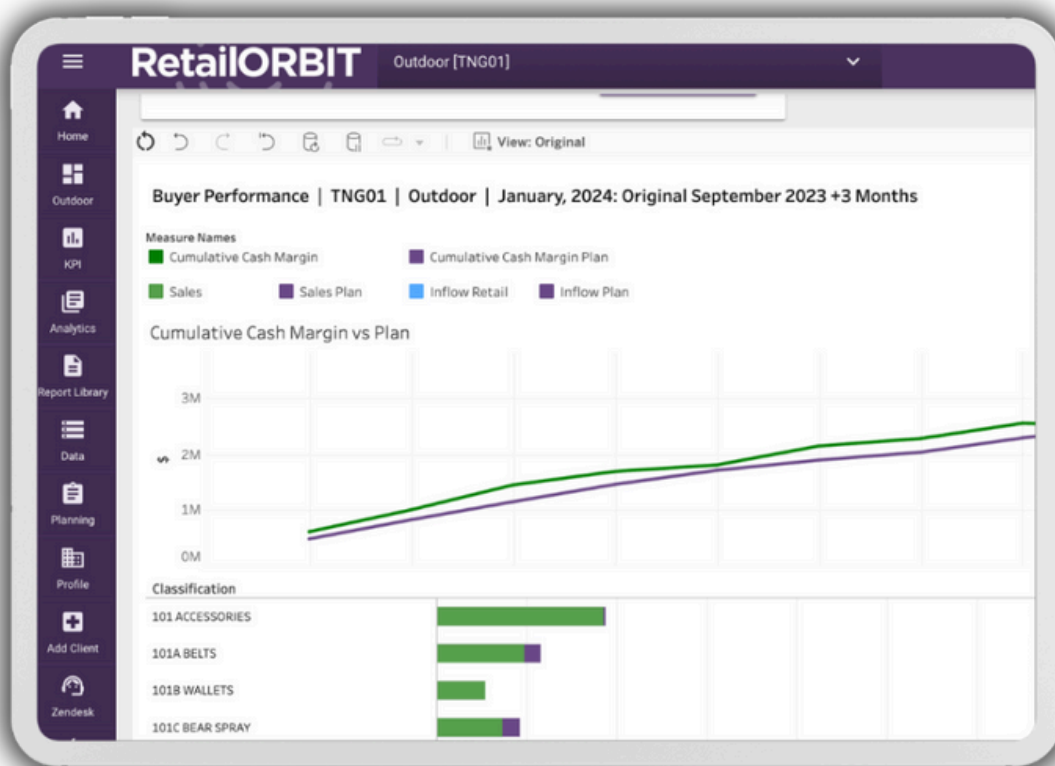
**Do not** let it stay in your store or backroom.

# Forecasting

Nothing feels better than getting rid of old baggage.

Putting old clearance items on sale makes it possible to buy new inventory and make a fresh start.

Finally remember that using the Management One merchandise forecasts and budgets assure you of never having to do this again!



**Free Inventory Consult**