

Give 'Em the Goods

Selling merchandise can increase revenue and create a following for bakery brands.

When it comes to merchandise, Voodoo Doughnut seemingly sells it all: T-shirts, sunglasses, belt buckles, blankets, mugs, postcards and more. These items are popular memento purchases for visitors to Voodoo's seven locations in Oregon, Texas, Colorado and California. Voodoo also sells merchandise online, reaching consumers across the country. Merchandising doesn't just add revenue; it provides PR, says Sara Heise, Voodoo's executive wrangler. "It's all about branding," she says. "A basic T-shirt will be continual advertising." Ready to join the merchandising game? Learn how with these tips.

BEST PRACTICE

Price Accordingly

Voodoo gets pricing recommendations from its vendor, which bases them on industry averages and other clients' price tags. The bakery also factors in order fulfillment labor costs, tracking fluctuations around the holidays. Items should be affordable, Heise says, but they shouldn't cause bakeries to lose money.

Watch Your Stock

Voodoo runs monthly point-of-sale system reports to track items' popularity. If something isn't selling, it's often cut. Conversely, Voodoo occasionally orders extra top sellers, like mugs, ahead of busy weekends. "If we don't sell as many as we [planned], we know those items will sell [eventually]," Heise says. Basing orders on past years' sales can help bakeries estimate how much merchandise they need.

Streamline Payments

Bakeries can handle payments themselves or work with a payment processor. Going the first route, bakeries create merchant accounts with credit card companies, which often charge a monthly, quarterly or annual fee and a per-transaction fee of 20 to 50 cents, as well as a percentage of each purchase. Voodoo, instead, works with a third party, PayPal, which simplifies ordering. "It's user-friendly for us and was familiar to our customers," Heise says. "We're a cash-only business; this is the only time we accept credit cards. Having a secure business take sensitive information and knowing it's in a safe place—out of our hands—takes the stress away."

—Erin Brereton

