

Why are merchandise sales important?

Raising funds is one of the biggest challenges for most community sports clubs. Membership fees plus canteen sales are usually enough to keep the basics going, but that's not enough for most clubs. Facility upgrades, repairs and maintenance, player development and growth are just some of the costs that fall outside business as usual. There are other ways to raise funds: sponsorships, member donations, grants and merchandise sales. When done right, merchandise sales can be a relatively simple and reliable way to raise funds.

So, what do we mean by "merchandise sales"? A merchandise sale is a branded product sold to supporters and players (excluding player-only uniform items). These products include a club logo, name or symbol to increase brand identification.

How to grow Club Merchandise sales

Getting started takes a bit of planning but it is not complicated. A great approach is to get a basic plan set up at the start of the season and let it run for the year. We've provided our guide below, which can be broken down into 4 main steps:

- Select a product range
- Set prices
- Create the sales and marketing plan
- Execute

1. Select a product range

The range will depend on the size of your club, but when starting out the best thing to do is keep it simple. When selecting the range, we recommend taking the "narrow but broad" approach. This means:

- **Number of products:** don't choose too many products, that just complicates things for you and can confuse your customer base. For an "average" club, we recommend starting with 5 products which are genuine merchandise product.
- **How many do you have to buy:** you'll have to source these products from an external supplier. When sourcing merchandise, there is trade-off between quantity and price. If you're new to merchandise sales, be cautious and go for products that have low minimum order quantities.
- **Price range:** choose a product range that will include low, medium and higher price points. It is really important to have a couple of "easy to buy" products (e.g., \$30 or under). Consumers are more inclined to spend \$20 on merchandise than \$80, so have a range that is appropriate for all club members. Consider including one "premium" item which can be marketed as something special or unique (e.g., a jacket that is based on a "build-the-club" campaign).
- **Who will buy:** try to choose products that will appeal to as many people as possible. Even better, include a few products that can be "forgotten" at home for players or spectators. For example, shin guards can only be sold to players, hats can be worn by everyone. See below for more examples.

Product example	Why merchandise?
Caps / Hats	Anyone can wear them, low price point, easy Saturday morning purchase, the perfect “forgot at home” item.
Beanies / Scarves	Great for winter sport spectators, unique product, low price point.
Spray Jacket	Higher price but great “forgot at home” item on a rainy day. Custom spray jackets can also be good as a unique / special item and linked to a specific fundraising campaign.
Balls	For bored siblings waiting around at training or games, this is such an easy item to add to a merchandise range (does not need to be branded).
Tee	Mid-price point, excellent for club branding, very broad appeal, can be linked to a specific fundraising campaign.

2. Set prices

Selling merchandise is a way to raise vital funds for your club. It sounds obvious but to make money for the club, you need to sell the products for a profit margin. In summary pricing needs to be:

- High enough to make it worthwhile for the club, and
- Prices that your member base will be able to afford.

Pricing \$19.95 (below the dollar “boundary”) does work better than \$20. There is a reason why all retail shops use this approach, so don’t be shy about implementing this pricing strategy.

It is also important to recognise that in most cases, the club needs to commit to buying a minimum quantity from the supplier (e.g., 50 beanies). What happens if 50 beanies don’t sell during the season? Have a look at this example:

- Purchase from supplier: 50 x beanies for \$15.95 = total cost \$797.50
- Club sell price to members: \$24.95 per beanie = total possible profit \$450 (break even sales = 30 beanies)
- Club sell price to members: \$29.95 per beanie = total possible profit \$700 (break even sales = 26 beanies)

What price you choose should reference your membership base and other products in the merchandise range. Remember as well that you can always drop pricing if a product isn’t selling.

3. Create the sales & marketing plan

You do not need any sales or marketing experience to do this. For anyone who may need assistance in this area, follow these basic steps.

Firstly, where will you sell (and store) the products? This is important to establish before starting the marketing. Be transparent with whoever is responsible and how you expect products to be displayed in your physical and online shop.

- **Physical shop** (e.g., Club Uniform shop and / or canteen): Canteens get great foot traffic! Make sure members can buy merchandise items from your canteen as well as the uniform shop. If there's no space, make space. It is a wasted opportunity not to promote merchandise from a club canteen.
- **Roaming sales** at games and other events: Can you enlist some of the teenage players to sell specific products on game days? Get in front of people and offer products that will "help the club". Selling through the mouths of your young players can be an effective sales technique.
- **Online shop** (e.g., club or supplier's website): Although this can seem appealing because it means less volunteer time, online shops are best used for compulsory uniform items. It is really hard to drive sales online only because you lose any potential for spontaneous purchasing, which is what most merchandise sales are about. Of course, if you have an online shop, definitely promote the products there, but don't expect to get much out of a merchandise plan if you're only going to sell online.

Secondly, how will you tell people about them? You need to communicate to your potential customers about the merchandise products they should buy. The simplest way to do this is to prepare some basic marketing material that can be re-used throughout the year:

- **Social media pages:** once the product range and pricing is agreed, it is time to prepare 1-2 social media images per product that can be used throughout the year. A merchandise post should be put up at least once a week during the season to keep it front of mind for players and supporters.
- **Physical product displays:** this is really important for merchandise. Your best opportunity for sales are spontaneous purchases on game and training days, using the physical connection with the product to triggers a purchase. Agree where and how product displays are positioned at the start of the season and make someone responsible for maintaining this. If you notice something is working particularly well, do more of it.
- **Newsletters:** not all members will follow the club's social media pages, so be sure to include the social media images within the newsletter as well.
- **Officials / coaches / managers:** this isn't always possible, but can you enlist your officials to help promote merchandise? Even if they just mention it to the players, this will build awareness that the products are available, and that buying them helps the club.

4. Execute

You've made the plan, chosen the products, now it is time to follow through. Yes, this can be harder than it sounds when you're a volunteer and no one else has put their hand up. But with everything involved with volunteer work, the best way to manage workload is to break it down into achievable and clear roles.

Just as important, plan ahead. Use the off-season to plan and prepare your merchandise plan, its best not to tackle it pre or mid-season when there are other more urgent priorities.

Need help?

We have been supporting sport clubs across Australia for over 20 years. The team at KPI Sports is highly knowledgeable in the sales, production and promotion of sporting goods. If your club needs further assistance in setting up a Club Merchandise Range, feel free to contact us.