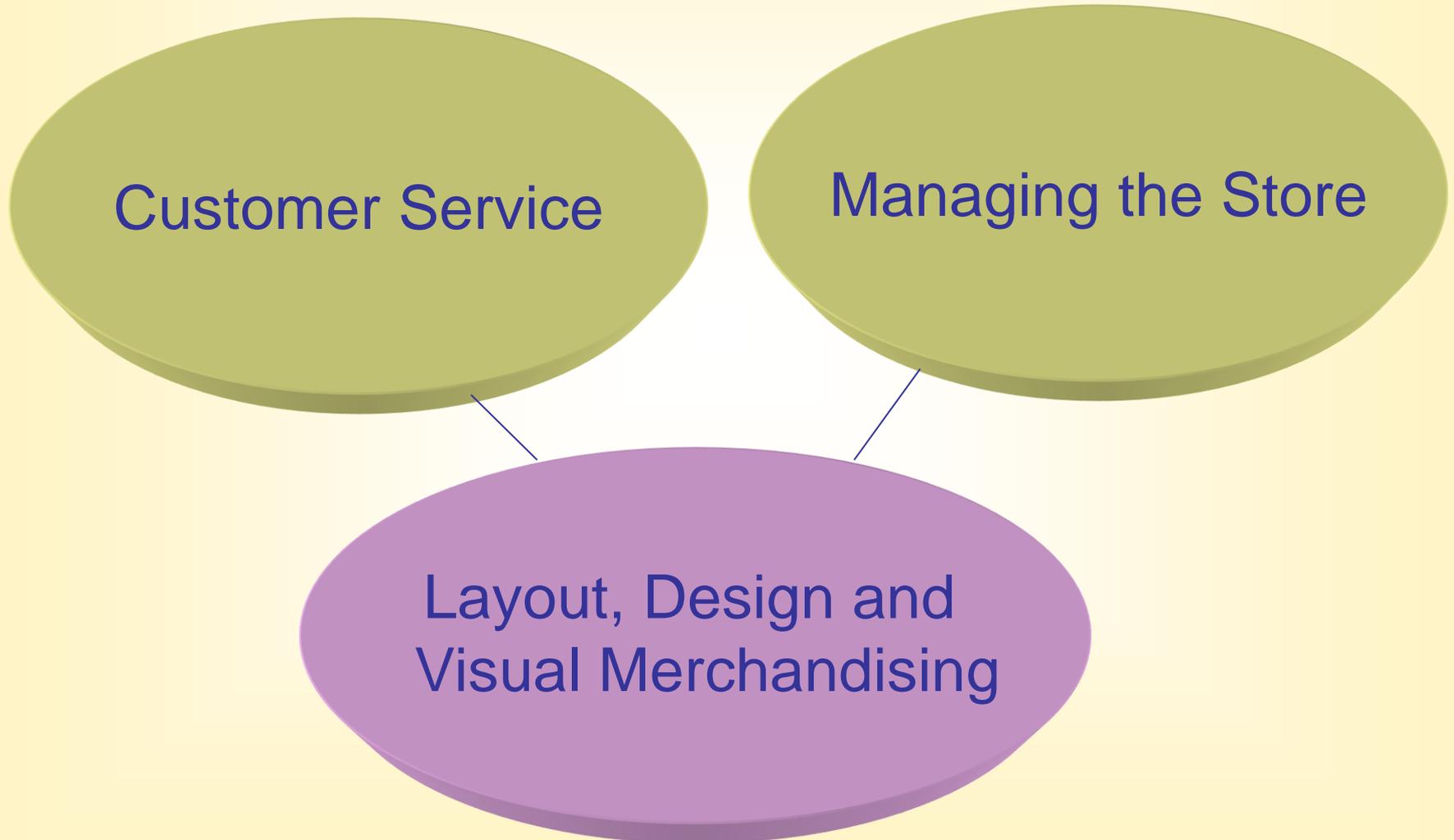


Chapter 18

Store Layout, Design and Visual Merchandising

Store Management



REI's Store Environment



Store Design Objectives

- Implement retailer's strategy
- Influence customer buying behavior
- Control design and maintenance costs
- Provide flexibility
- Meet legal requirements

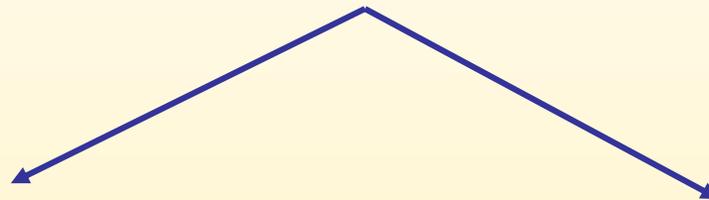
Store Design

The primary objective of store design is implementing the retailer's strategy

Meets needs of target market

Builds a sustainable competitive advantage

Displays the store's image



C. Borland/PhotoLink/Getty Images



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Impact on Customer Behavior

- Attract customers to store
- Enable them to easily locate merchandise
- Keep them in the store for a long time
- Motivate them to make unplanned purchases
- Provide them with a satisfying shopping experience



H. Wiesenhofer/PhotoLink/Getty Images

Today's Demographics

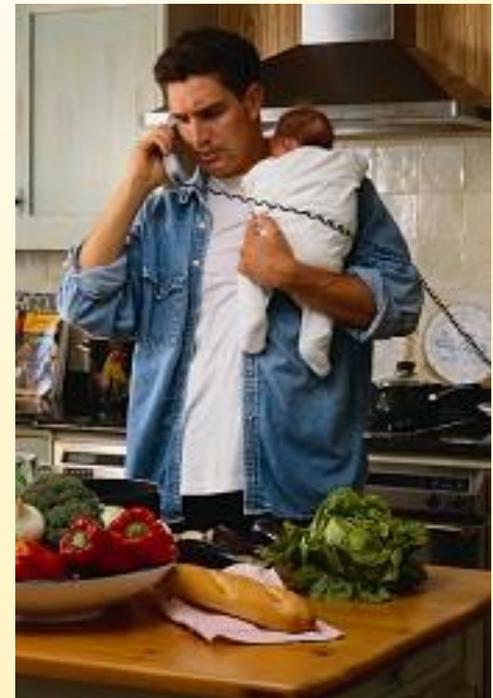
Time limited families are spending less time planning shopping trips and making more decisions in the stores.

Retailers can:

Advertise

Package products differently

Research the “first moment of truth”



Tradeoff in Store Design

Ease of locating merchandise for planned purchases

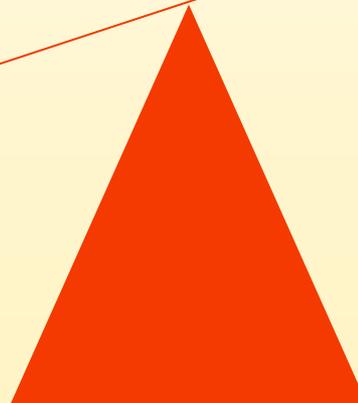


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Exploration of store, impulse purchases



Legal Considerations

Americans with Disabilities Act (ADA)

Protects people with disabilities from discrimination in employment, transportation, public accommodations, telecommunications and activities of state and local government

Affects store design as disabled people need “reasonable access” to merchandise and services built before 1993. After 1993, stores are expected to be fully accessible.

Reasonable Access

What does that mean?

- 32 inch wide pathways on the main aisle and to the bathroom, fitting rooms elevators and around most fixtures
- Lower most cash wraps and fixtures so they can be reached by a person in a wheelchair
- Make bathroom and fitting room fully accessible



Keith Brofsky/Getty Images

Types of Store Layouts

Grid

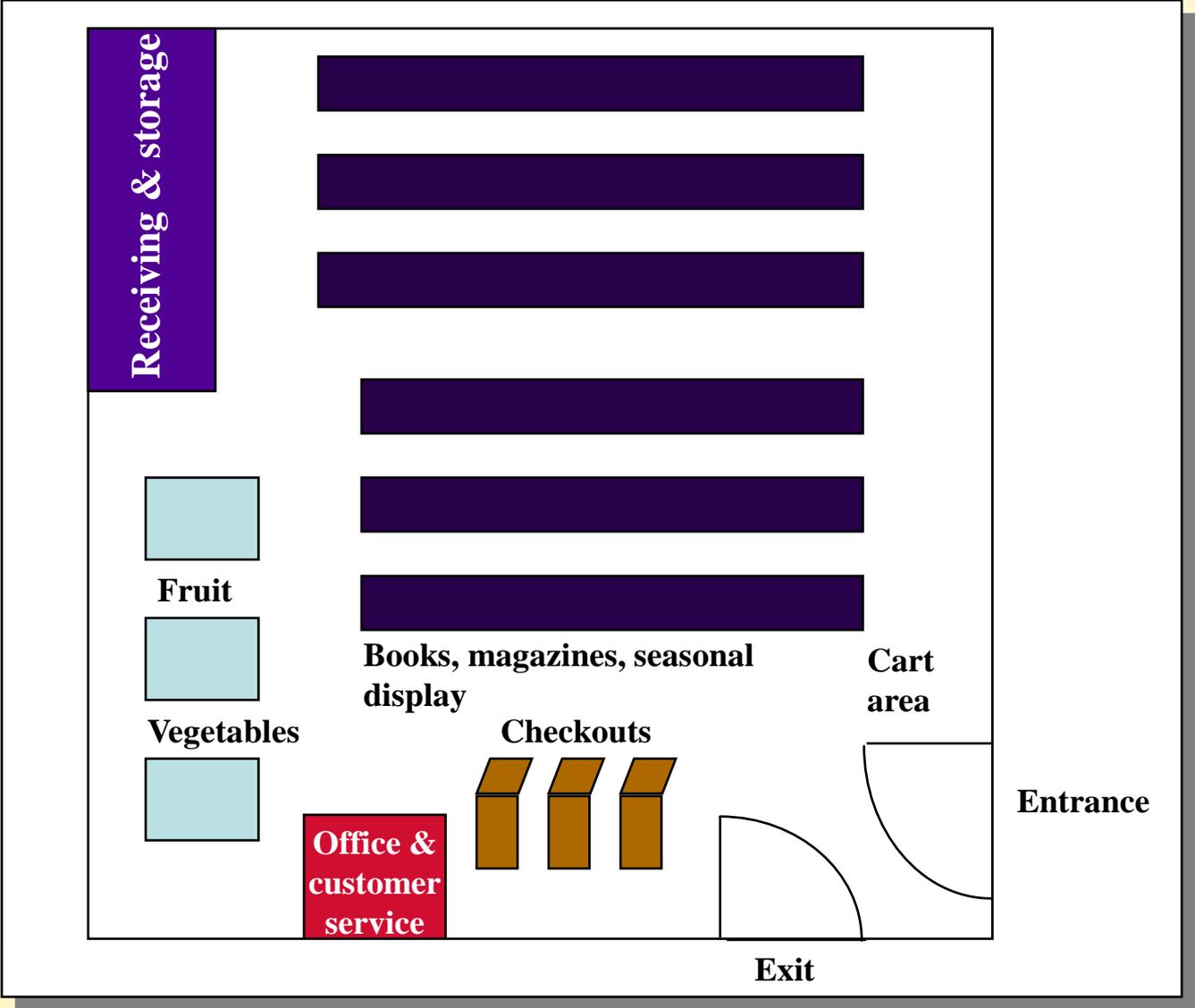
Racetrack

Free Form

Grid Layout

- Long gondolas in repetitive pattern.
- Easy to locate merchandise
- Does not encourage customers to explore store
 - Limited sight lines to merchandise
- Allows more merchandise to be displayed
- Cost efficient
- Used in grocery, discount, and drug stores. Why?

Grid Store Layout



Racetrack Layout

- Loop with a major aisle that has access to departments and store's multiple entrances.
- Draws customers around the store.
- Provide different site lines and encourage exploration, impulse buying
- Used in department stores

Example of Race Track Layout



PhotoLink/Getty Images

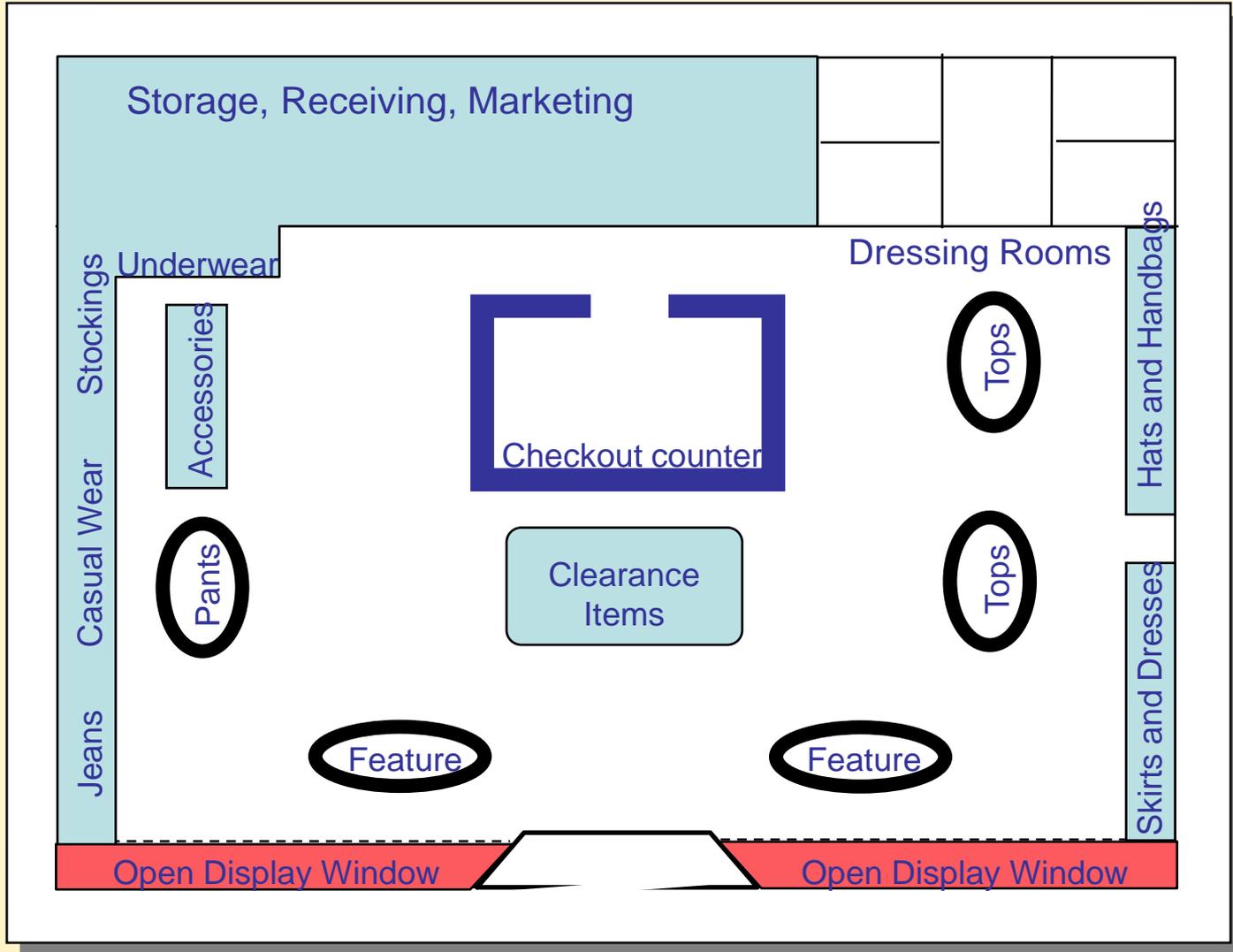
Free-Form (Boutique) Layout

- Fixtures and aisles arranged asymmetrically
- Pleasant relaxing ambiance doesn't come cheap – small store experience
- Inefficient use of space
- More susceptible to shoplifting – salespeople can not view adjacent spaces.
- Used in specialty stores and upscale department stores



Jack Star/PhotoLink/Getty Images

Free-Form Layout



Example of Boutique Area



Michael Evans/Life File/Getty Images

Usage of Signage and Graphics

- Locational – identifies location of merchandise and guides customers
- Category Signage – identifies types of products and located near the goods
- Promotional Signage – relates to specific offers – sometimes in windows
- Point of sale – near merchandise with prices and product information
- Lifestyle images – creates moods that encourage customers to shop

Effectively Using Signage

- Coordinate signage to store's image
- Use appropriate type faces on signs
- Inform customers
- Use them as props
- Keep them fresh
- Limit text



Rim Light/PhotoLink/Getty Images

Digital Signage

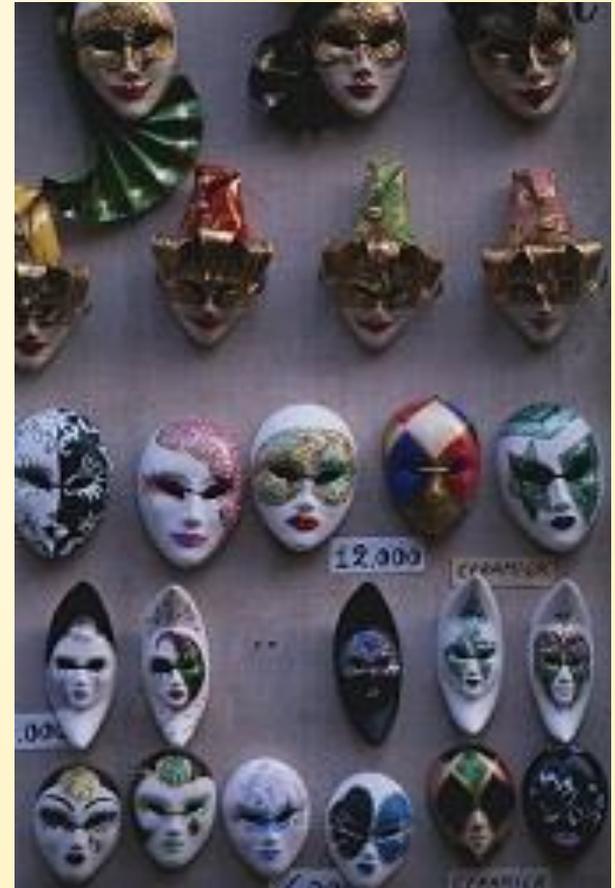
Visual Content delivered digitally through a centrally managed and controlled network and displayed on a TV monitor or flat panel screen

- Superior in attracting attention
- Enhances store environment
- Provides appealing atmosphere
- Overcomes time-to-message hurdle
- Messages can target demographics
- Eliminates costs with printing, distribution and installing traditional signage

Feature Areas

Feature areas

- End caps
- Promotional aisle
- Freestanding displays
- Cash wraps
- Walls
- Windows



PhotoLink/Getty Images

Space Planning

- Productivity of allocated space
- Merchandise inventory turnover
- Impact on store sales
- Display needs for the merchandise



Space Planning Considerations

- Profitability of merchandise
- Customer Buying considerations
 - Impulse products near front
 - Demand/Destination areas off the beaten path
- Physical characteristics of product.
- Complementary products should be adjacent
- Sales rate
 - More units of faster selling merchandise need to be displayed

Envirosell's Observations

- Avoid the butt-brush effect
- Place merchandise where customers can readily access it
- Let customers touch the merchandise
- Make information accessible



Prime Locations for Merchandise

Highly trafficked areas

- Store entrances
- Near checkout counter

Highly visible areas

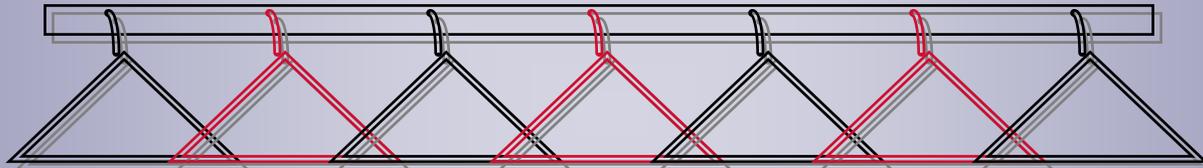
- End aisle
- Displays



Location of Merchandise Categories

- Impulse merchandise – near heavily trafficked areas
- Demand merchandise – back left-hand corner of the store
- Special merchandise – lightly trafficked areas (glass pieces)
- Adjacencies – complimentary merchandise next to each other

Straight Rack



Straight Rack

Holds a lot of apparel

Hard to feature specific styles and colors

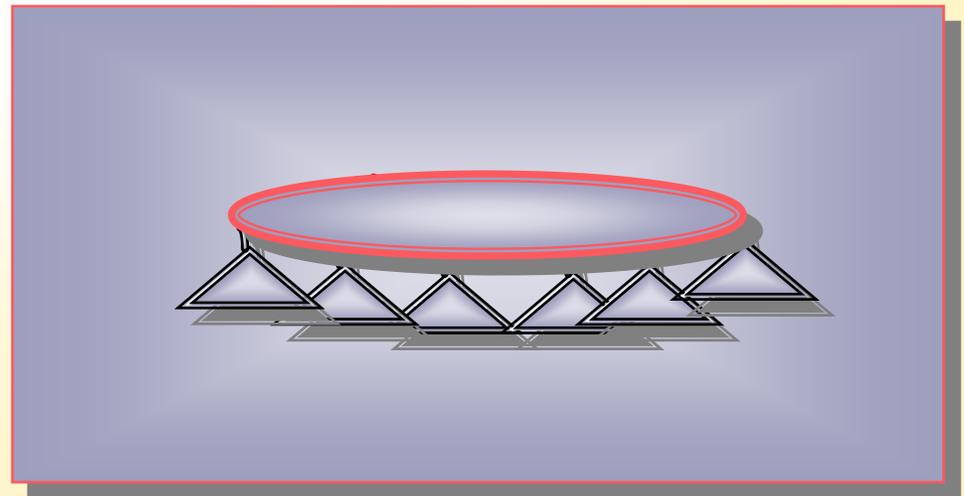
Found often in discount and off-price stores



Royalty-Free/CORBIS

Rounder

- Smaller than straight rack
- Holds a maximum amount of merchandise
- Easy to move around
- Customers can't get frontal view of merchandise



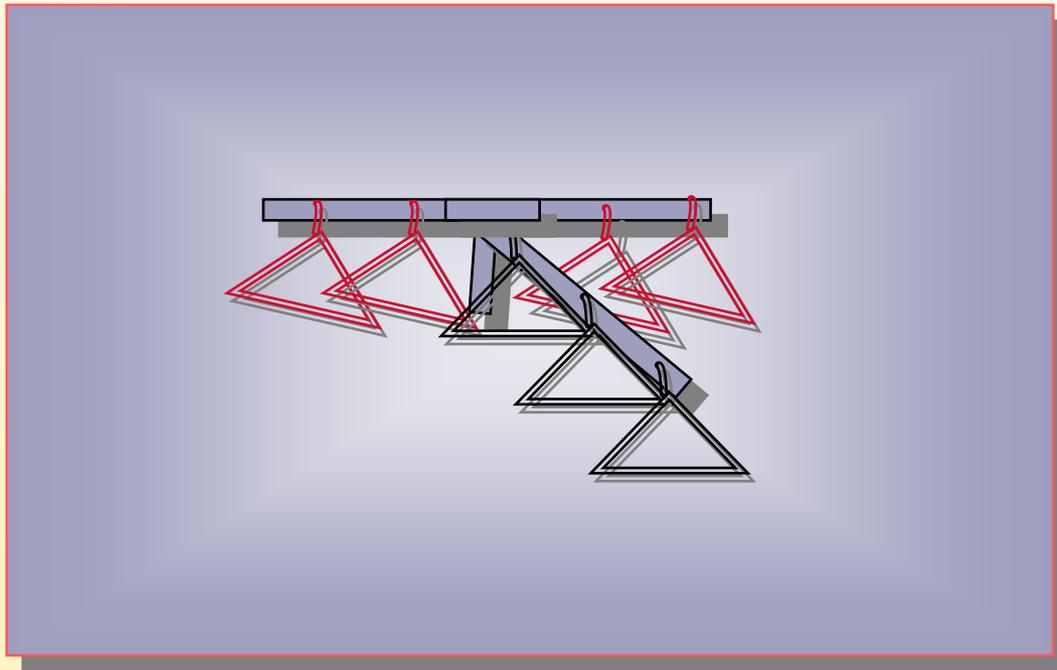
Four-Way

Holds large amount of merchandise

Allows customers to view entire garment

Hard to maintain because of styles and colors

Fashion oriented apparel retailer



Gondola



Gondolas

Versatile

Grocery and discount stores

Some department stores

Hard to view apparel as they are folded



Royalty-Free/CORBIS

Merchandise Presentation Techniques

Idea-Oriented Presentation

Style/Item Presentation

Color Organization

Price Lining

Vertical Merchandising

Tonnage Merchandising

Frontal Presentation



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Creating a Store Environment



Lighting

Highlight merchandise

Structure space and
capture a mood

Downplay features



The McGraw-Hill Companies, Inc./Lars A. Niki, photographer