Chapter 13
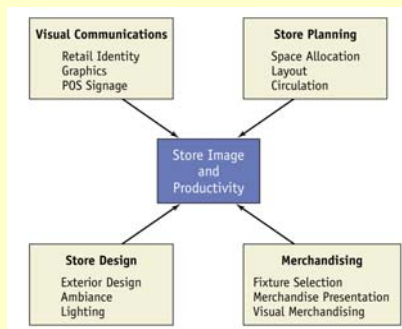## Store Layout and Design

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Store Image

Store Image
is the overall perception the consumer has of the store's environment.

Elements That Compose the Store Environment

Visual Communications	Store Planning
Retail Identity	Space Allocation
Graphics	Layout
POS Signage	Circulation

Store Image and Productivity

Store Design	Merchandising
Exterior Design	Fixture Selection
Ambiance	Merchandise Presentation
Lighting	Visual Merchandising

Objectives of the Store Environment

Tasks to create desired store image and increase productivity:
1. Get customers into the store (market image).
2. Convert them into customers buying merchandise once inside the store (space productivity).
3. Do this in the most efficient manner possible.

Store Planning

1. Allocating Space
2. Circulation
3. Shrinkage Prevention

Store Planning

Floorplan
is a schematic that shows where merchandise and customer service departments are located, how customers circulate through the store, and how much space is dedicated to each department.
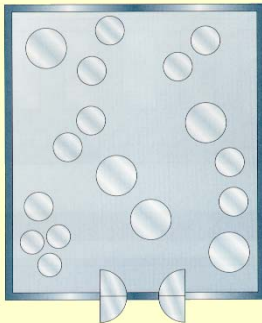
Allocating Space

Types of space needed:
1. Back room
2. Office and other functional spaces
3. Aisles, services areas, and other nonselling areas of the main sales floor
4. Wall merchandise space
5. Floor merchandise space

These Warning Signs May Indicate a Space Problem

Open spaces on the selling floor, even if the product is on hand

Cluttered and disorganized aisles, hallways, and stockrooms

Excessive time required to put away new receipts

Insufficient staging space for large shipments of advertised products

Sales associates continually required to leave the sales floor to locate additional merchandise

Poor utilization of vertical space and excessive time required retrieving products stored on high shelves

Sales lag expectations for specific locations where space or fixtures are a known issue

Off-site storage or multiple stockrooms required for a single commodity
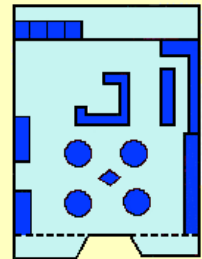

Circulation
Free Flow Layout

Advantages and Disadvantages of Free Flow Layout

Free Flow

Advantages

1. Allowance for browsing and wandering freely

2. Increased impulse purchases

3. Visual appeal

4. Flexibility

Retailing, 3rd Edition, Dunne and Lusch

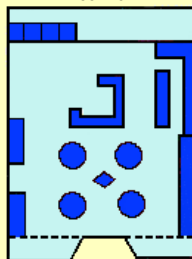
Advantages and Disadvantages of Free Flow Layout

Free Flow

Disadvantages
1. Loitering encouraged
2. Possible confusion
3. Waste of floor space
4. Cost
5. Difficulty of cleaning

Retailing, 3rd Edition, Dunne and Lusch

The Disney Store's effective use of the Free-Flow Design

Approximately 250 million consumers visit Disney's entertainment retail outlets each year. New store designs showcase merchandise in an engaging and contemporary fashion, keeping pace with evolving retail trends. Technological elements - including a front-of-store media wall that engages guests with Disney programming, and interactive kiosks - setting the stage for the Disney Store in the 21st century.
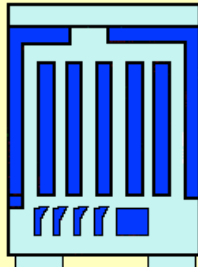
Advantages and Disadvantages of Grid Layouts

Grid

Advantages

1. Low cost
2. Customer familiarity
3. Merchandise exposure
4. Ease of cleaning
5. Simplified security
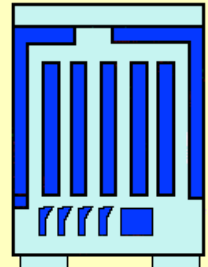6. Possibility of self-service

Advantages and Disadvantages of Grid Layouts

Grid

Disadvantages

1. Plain and uninteresting
2. Limited browsing
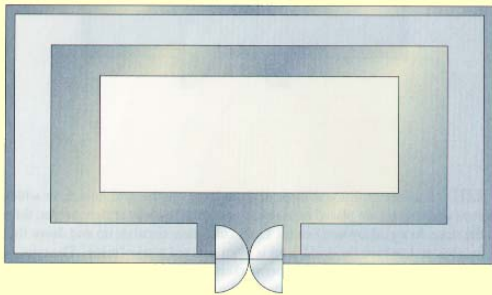3. Stimulation of rushed shopping behavior
4. Limited creativity in decor

Circulation
Loop Layout

Circulation
Spine Layout

Back Rooms
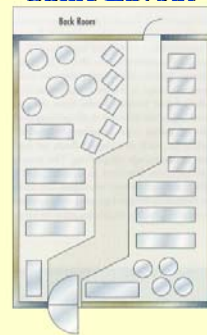
Floorplan:
Clarence Sander's Piggly Wiggly
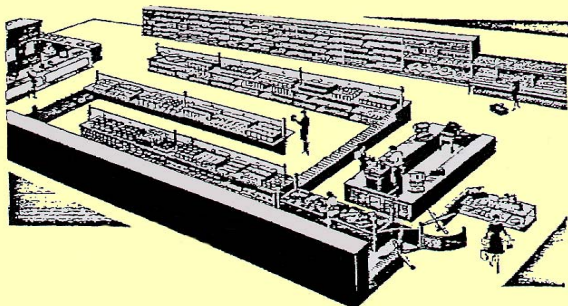
Floorplan:
Kohl's

- It costs over $20 million to build a new department store and $7 to $10 million for a redo.
- An Office Depot has over 1,700 linear feet of fixtures. A 100,000-square-foot Burdines Department Store has about 1,000 fixtures, half are for hanging apparel.

Planning Fixtures and Merchandise Presentation

1. Fixture Types
2. Merchandise Presentation Planning
3. Selecting Fixtures and Merchandise Presentation Methods
4. Visual Merchandising

Merchandise Presentation Planning

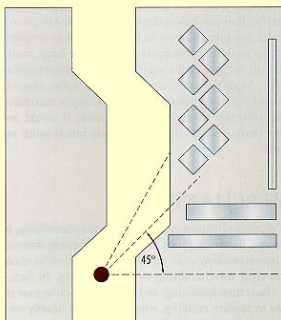## Methods of Merchandise Presentation

1. Shelving
2. Hanging
3. Pegging
4. Folding
5. Stacking
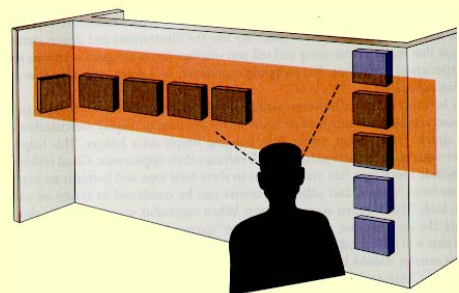6. Dumping

Merchandise Presentation Planning

Psychological Factors to Consider When Merchandising Stores

1. Value/fashion image
2. Angles and sightlines
3. Vertical color blocking

45-Degree Customer Sightline

Vertical Color Blocking

Examples of Visual Merchandising

"Visual Merchandising", the art of attracting patrons with visual cues, is central to a retailer's ability to generate sales. Visual Merchandising got its start at the turn of the century, when department stores began using theatrical set design and lighting to create exotic displays. Today, the way the departments are arranged, the location of the escalators, the lighting--all are carefully planned to earn the store more sales per square foot.

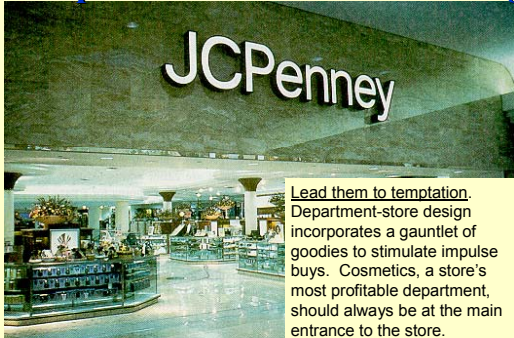## Examples of Visual Merchandising

Here's sampling of the techniques stores use to generate those sales:

Get'm coming and going. Escalators are a focal point of many stores. That makes them ideal locations for promotional signs and for impulse items like perfume.

Examples of Visual Merchandising

Lead them to temptation. Department-store design incorporates a gauntlet of goodies to stimulate impulse buys. Cosmetics, a store's most profitable department, should always be at the main entrance to the store.

Examples of Visual Merchandising

Its all in the display. When an item, such as a watch or a scarf, is displayed in a glass case, it implies luxury. An item in a glass case with a lot of space around it implies real luxury.

Examples of Visual Merchandising

"Bazaar? Behavior". Even "high fashion" stores aren't above using the "dumping" method to display gloves, leather goods, scarves, and other small items the same way bargain stores do. These bins have a way of suggesting a "good buy."
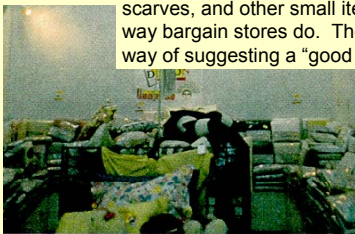
Examples of Visual Merchandising

Color is king. Retailers believe consumers are more apt to buy clothes that appear in full size and color assortments.

Examples of Visual Merchandising

Suggestion positioning. Once the customer has already purchased one item, it's easier to sell an additional item. Thus apparel retailers strategically place impulse buys like hair bows and costume jewelry by the cashier the same way supermarket checkouts display candy and magazines.
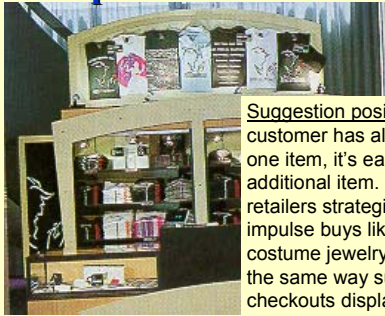
Store Layout Considerations

- High margin items should be placed in high traffic areas.
- High demand items should be placed in low traffic areas.
- Complementary items should be placed near each other.
- Seasonal needs should be considered.
- Items needing frequent restocking should be placed near storerooms or cash registers.
- Larger departments should be placed in lower traffic areas.
- Shopping behavior and operational considerations should be recognized.

Store Design

1. Storefront Design
2. Interior Design
3. Lighting Design
4. Sounds and Smells: Total Sensory Marketing

Interior Design

The low cost, no frills flooring combined with the low cost metal shelving help to convey the low price image in this discount retail display for Barbie.

Signs and Lighting

- Signs and graphics provide information and can add personality, beauty, and romance to a store's image
- Good lighting should do more than illuminate space. It can highlight merchandise, sculpt space, and capture a mood that enhances a store's image.
  - *Popping* the Merchandise
- A typical 100,000 sq.ft. department store has over 1000 light fixtures.

Lighting Design

Contemporary lighting design requires an in-depth knowledge of electrical engineering and the effect of light on color and texture. The Limited, as many specialty apparel retailers, has found that lower light levels help convey a more fashion oriented image.

Visual Communications

1. Name, Logo, and Retail Identity
2. Institutional Signage
3. Directional, Departmental, and Category Signage
4. Point-of-Sale (POS) Signage
5. Lifestyle Graphics

Name, Logo and Retail Identity at KMart

Kmart changed its logo to the big red "K" in an effort to reflect its move into an upscale environment and away from its old polyester and blue-light image.

Directional, Departmental, and Category Signage

Directional and Departmental Signage

are large signs that are usually placed fairly high, so they can be seen throughout the store.

Departmental Signage

Departmental signage serve as the highest level of organization in an overall signage program. These signs are usually large and placed fairly high to they can be seen throughout the store.

Directional, Departmental, and Category Signage

Category Signage

are smaller than directional and departmental signage and are intended to be seen from a shorter distance; they are located on or close to the fixture itself where the merchandise is displayed.

Category Signage

Category signage helps consumers negotiate throughout the store to find the product categories they are looking for. The size of category signage varies widely from a lettering that is a few feet in height to merely inches.

Point-of-Sale (POS) Signage

Point-of-Sale Signage

is relatively small signage that is placed very close to the merchandise and is intended to give details about specific items.

Point-of-Sale (POS) Signage

POS signage for clearance and sale items tend to be in red to draw a consumer's attention.

Space Productivity

Space Productivity

represents how effectively the retailer utilizes its space and is usually measured by sales per square foot of selling space or gross margin dollars per square foot of selling space.

Merchandise Productivity Analysis

Category	Juniors
Total Sales	259,645
Sale as % Total	3.9
Total Sq. Ft.	1,602
Sq. Ft % Total	2.9
Sales per Sq. Ft.	162.08
Total G.M. $	211,497
G.M. $ % Total	4.57
Space Productivity Index	1.58

Merchandise Productivity Analysis

Category	Womens
Total Sales	170,819
Sale as % Total	2.6
Total Sq. Ft.	1.934
Sq. Ft % Total	3.5
Sales per Sq. Ft.	88.33
Total G.M. $	148,899
G.M. $ % Total	3.22
Space Productivity Index	.092

Merchandise Productivity Analysis

Category	Mens
Total Sales	751,604
Sale as % Total	11.3
Total Sq. Ft.	3,591
Sq. Ft % Total	6.5
Sales per Sq. Ft.	209.30
Total G.M. $	603,330
G.M. $ % Total	13.05
Space Productivity Index	2.01

Merchandise Productivity Analysis

Category	Housewares
Total Sales	457,795
Sale as % Total	6.8
Total Sq. Ft.	3,591
Sq. Ft % Total	6.5
Sales per Sq. Ft.	127.48
Total G.M. $	254,979
G.M. $ % Total	5.51
Space Productivity Index	0.85

Merchandise Productivity Analysis

Category	Cosmetics
Total Sales	75,160
Sale as % Total	1.1
Total Sq. Ft.	608
Sq. Ft % Total	1.1
Sales per Sq. Ft.	123.62
Total G.M. $	55,913
G.M. $ % Total	1.21
Space Productivity Index	1.10

Merchandise Productivity Analysis

Category	Total Hardlines
Total Sales	3,655,480
Sale as % Total	54.8
Total Sq. Ft.	29,061
Sq. Ft % Total	52.6
Sales per Sq. Ft.	125.79
Total G.M. $	2,084,914
G.M. $ % Total	45.08
Space Productivity Index	0.86

Merchandise Productivity Analysis

Category	Non-Selling
Total Sales	-----
Sale as % Total	-----
Total Sq. Ft.	2,652
Sq. Ft % Total	4.8
Sales per Sq. Ft.	-----
Total G.M. $	-----
G.M. $ % Total	-----
Space Productivity Index	-----

Merchandise Productivity Analysis

Category	Total Scores
Total Sales	6,675,564
Sale as % Total	100.0
Total Sq. Ft.	55,250
Sq. Ft % Total	100.0
Sales per Sq. Ft.	
Total G.M. $	4,624,480
G.M. $ % Total	100.0
Space Productivity Index	1.00