



Chapter 11:
Store Design and Layout

Marketing 11
Mrs. James

Why is it important to use space wisely? 

- Space is **expensive**
 - Maximize contribution to sales
 - Maximize contribution to profit
- Space is **limited**
 - Maximize efficient use



Did you know...

- Over 70% of purchases decided in store, at time of purchase
- Important to **get people in store**



Selling vs. non-selling space

- Merchandise vs. customer service
- Retailer determines level of customer service they want to provide



Selling space

- Sales area / shelf facings (contribution to revenue)
 - Depends on type of retail
 - Grocery store
 - Eye level valuable
 - End of aisle – specials
 - Cash register - impulse products
 - Furniture store
 - Display area arranged like home
 - Clothing store
 - Sale items at rear of store



Non-selling space

- Furniture, fixtures, equipment
 - Seating, cash desk, etc.
- Storage for supplies/inventory, heating, electricals, etc.
 - Back rooms, closets, etc.
- Customer service areas
 - Customer service desk, change rooms, public washrooms



[Non-selling space]


- Employee-related space
 - Lunch room, training room, meeting room, parking, office area
- Shipping and receiving area



[Selling and non-selling space]

- Goals:
 - MAXIMIZE selling space (contribution to revenue)
 - MINIMIZE non-selling space
 - Maintain desired level of customer service

[STOP! This means YOU.]




- Sketch in selling and non-selling space
- THINK – What do you need in your store
 - change room?
 - washroom? etc.

[Store design vs. store layout]

- Store design – the painting
 - Physical appearance
 - Display of merchandise
 - Location of selling/non-selling areas
- Store layout – the blueprint
 - Placement of fixtures, furnishings, equipment, merchandise
 - Selling/non-selling areas

[Creating a positive impression through store design]



- Plan storefront carefully
 - Eye-catching; attracts positive attention
 - Entices customers to enter store
 - Convenient access
- Make window display(s) appealing
 - Use colours, signs, graphics



Creating a positive impression through store design (cont'd)

- Organize your interior carefully
 - Visible from exterior
- Keep storefront/interior clean and tidy

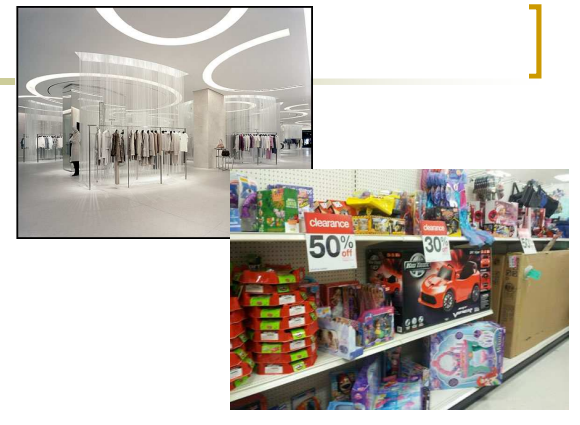


- Sketch in store display
- THINK – What will your customers want to see to draw them in?

Atmosphere contributes to desired store image



- Placement of merchandise
 - Spacious, neat – luxury, high quality
 - Crowded messy – discount retailer, lower quality
- Effect of colours for retail space (walls, floors, ceilings, etc.)
 - Earth tones – calming
 - White, black, stainless steel – modernistic/edgy



Atmosphere contributes to desired store image (cont'd)

- Choice and placement of furnishings
 - Materials – leather, plastic, weave, etc.
 - Style – “designer”, practical
 - Level of comfort – soft and deep sofas, hard plastic chairs
 - Number – lots of chairs – more welcoming
 - Placement – grouping? row? none?

Atmosphere contributes to desired store image (cont'd)

- Music
 - Soothing
 - “Elevator”
 - Alternative / loud
 - Match with target market
- Organization of displays
 - Presents a clean, organized image

Atmosphere contributes to desired store image (cont'd)

- Lighting
 - Effective lighting represents
 - Modern, luxury, pleasant, clean, spacious
 - Poor lighting represents
 - Old fashioned, discount, unpleasant, unclean, cramped
- Flooring
 - Appropriate type, colour, quality



- Sketch in places where you want your merchandise – shelves, racks, etc.
- Sketch in furniture (if any)
- What kind of floor (wood?, carpet? etc.)

Creating customer loyalty through store design



- Customer relates to own self-image
 - Store image consistent with customer self-image
 - Comfortable/familiarity
 - Repeat customers/recommend to friends
- Consistency in merchandise placement
 - Within store and among different locations of same store
 - Comfortable/familiarity

Creating employee loyalty through store design



- Allows staff to execute duties easily and successfully
 - Efficient layout
 - Helps employees find merchandise for customers
 - Retail floor
 - Storage of inventory
 - Complementary products grouped in same location
- Allows for better theft control
 - Less worry about shoplifting
 - Employees concentrate on customer service

Creating employee loyalty through store design (cont'd)

- Safe workplace
 - Security features in retail space (e.g. jewellery stores)
- Provide parking – convenience for employees
- Provide space for employees to do what they need to do
 - Ex – counter space for folding/wrapping merchandise

Common store design

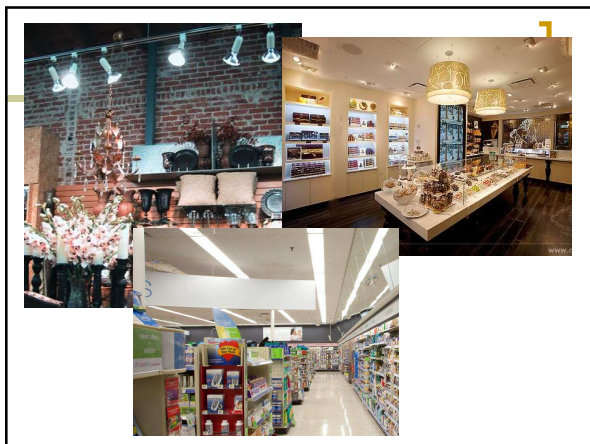
- Similar product lines, similar traffic patterns (Ex. supermarket, shoe stores)
- Similar products, similar customer service objectives (Ex. electronics stores – Best Buy, Future Shop)
- Similar products, similar furnishing needs (Ex. jewellery stores - display cases)
- Similar products, similar desired atmosphere

Keep store design simple

- Keeps costs down while maintaining effectiveness
 - Complex solutions often high cost
 - Examples – open window display, fewer dividers, uncluttered walls, strategically placed furnishings
 - May not need to buy as much furnishings, display tables, decorations, etc. if used effectively
- Too much clutter unappealing to customers
- Easier for customers to find merchandise

Importance of Lighting: Helps develop store image

- Modern vs. old-fashioned
 - Ex. Track lighting vs. table lamps
- Luxurious vs. discount/practical
 - Soft lighting vs. white fluorescent
- Dim lighting
 - In grocery store – question freshness



Importance of Lighting: Helps develop store image (cont'd)

- Bright lighting in bathroom
 - Sense of cleanliness/hygiene
- Poorly directed lighting causes more shadows
 - Makes rooms feel smaller

**Importance of Lighting:
Helps sell products**

- Easier to check out product
 - Read labels
 - Inspect product

**Importance of Lighting:
Makes people comfortable**

- Well-lit
 - Not too bright
 - Not too dark
- Safer for customers/employees
 - Avoid tripping/bumping into things


**Importance of Lighting:
Helps create room dimensions**

- Create sections without using dividers/partitions
- Use in conjunction with mirrors/colour
- Can make room look
 - Bigger
 - Wider
 - Narrower

**Importance of Lighting:
Helps control theft**


- Light up dark areas
 - Corners, space behind tall/large displays
- Light discourages theft

**STOP!
This means YOU.**



- Sketch in the type of lighting you want and where you want it

Sidewalk displays



- Advantages
 - Catches attention of people walking by
 - Associated with discounts ("sidewalk sale")
 - Facilitates impulse purchases

Sidewalk displays

- Disadvantages
 - Harder to deter theft – grab and run
 - Higher costs – need to position staff
OR
 - Display lower cost items (not the best “first impression” of selection)
 - Could cause congestion/mess in front of store
 - Deter customers from entering

Reasons for minimizing non-selling space

- Space is expensive and limited
 - Use efficiently
- Non-selling space
 - Related to customer service (could create sales)
 - Change rooms – decide on #
 - Special areas – EX. Gymboree video station w/chairs
 - Related to operations (does not create sales)
 - Counter space at cash desk
 - Office area for paperwork – scheduling, shipping/receiving, storage, etc.
 - Keep minimal

Why not just eliminate non-selling space?

- CAN'T!!! – functions are necessary to
 - Provide a pre-determined level of customer service
 - Operate the business
- But can be creative
 - Ex. Soft Moc inventory storage

Ways that store design helps with store security

- Raised point of sale terminals located on platforms and/or near exits
 - Ex. Old Navy, EB Games
- Parcel check services
 - Secure area to store bags when entering
 - Quick check of items when exiting
- Lighting
 - Corners, behind high shelves, etc.

Ways that store design helps with store security (cont'd)

- Theft detection devices (but staff must check)
- Convex mirrors (Ex. corner stores)
- Video surveillance (Ex. London Drugs)
- Change rooms located at back
- Sample product available – inventory located in secured area

Ways that store design helps with store security (cont'd)

- Aisles at right angles to display windows
- “Portable merchandise placed further from exits, washrooms, stairwells
 - Places that people “hide”
 - Difficult to grab and leave

Ways that store design helps with store security (cont'd)



- Reduce/eliminate partitions on retail floor
 - Places to help “hide”
- Locked cases for expensive items (Ex. jewellery stores)
- Bars over door with buzzer for entrance (Ex. Ragnar Jewellers)



- THINK – What would you include in your store design to help with security?
 - Change your sketch as necessary to accommodate this

Practicing false economy



- Definition: spending less initially than you should, in the hope of reducing costs but ending up spending more in the long run to fix problems that occur as a result of spending less initially.
- Examples
 - Flooring
 - Government quote system for procurement

Reasons to re-evaluate store design periodically

- Ensure design keeps up with changes to
 - Target market's tastes
 - Decorating trends
- Maintains a sense of “newness” and “freshness”

Shelf facings



- The number of cans/packages on a shelf visible to the consumer
- Allocation of shelf facings based on:
 - Popularity of product
 - Ability to contribute to store profit
 - High sales or high margin or both
 - Supplier support
 - Advertising materials and displays
 - Discounts
- Eye level space most valuable