



# Chapter 11: Store Design and Layout

Marketing 11  
Mrs. James

# Why is it important to use space wisely?

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

# [ Did you know... ]

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

# [ Selling and non-selling space ]

- Merchandise vs. customer service
- 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 and change rooms at rear of store

# [ Selling and non-selling space ]

- Furniture, fixtures, equipment (overhead)
  - Seating, cash desk, display racks and tables, etc.
- Storage for inventory, emp(ee) washroom, heating, electricals, etc. (overhead)
  - Back rooms, closets, etc.
- Customer service areas (overhead)
  - Customer service desk, change rooms, public washrooms

# [ Selling and non-selling space ]

- Employee-related space (overhead)
  - Lunch room, training room, meeting room, parking, office area
- Shipping and receiving area (overhead)
- Additional space for future expansion
  - Temporarily used for other things

# [ Selling and non-selling space ]

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

# [ Store design vs. store layout ]

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- 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
  - Create an interesting display
  - Create an attractive display

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

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

# 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) ]

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- 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

# 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 – d1p4

- 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]

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- Similar product line, 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

# [Cross-merchandising]

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- “placing unrelated items together”
- Confuses customer
- Confusion = uncomfortable = negative feeling = don't want to buy
- Group related products
  - helps customers find items
  - facilitates impulse purchases

# 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 ]

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

# [ Importance of Lighting: Makes people comfortable ]

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



# Importance of Lighting:

## Helps create room dimensions

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- 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 ]

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

# [ Impulse items at point-of-sale terminals in supermarkets ]

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- Impulse items
  - Candy, magazines, batteries, cheap DVDs, etc.
- Takes advantage of impulse shoppers
- Subtle suggestive sell
- Usually higher margin products
  - High margin = high ratio betwn cost and price

# [Milk at the back of the supermarket]

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- Milk = staple food people “run in” to buy
- Location at back forces shoppers to be exposed to other items
- Gender differences
  - Men – lists
  - Women – wanderers

## [ Goods that require assistance located away from high traffic ]

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- Sales staff need space to show product
- Need quiet area to discuss with client
  - High traffic = noisier, congested
- Requires customer walk through high traffic areas to reach

# [ Sidewalk displays ]

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- Advantages

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

# [ Sidewalk displays ]

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- 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
  - Provides 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
- Reduce/eliminate partitions on retail floor

# 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)

# [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 ]

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- 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