



RETAIL MARKETING

Instructor:

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Power points: conceptual framework



PART 4.a

MERCHANDISING

M.1. Communication methods

M.2. Retail image

M.3. Design of a store

M.4. Physical environment

M.5. Customer service

MERCHANDISING

M.4. Physical environment

Atmospherics

Store layout

Atmospherics

Exterior

General interior

STORE LAYOUT

Interior displays



CHARACTERISTICS

Shows the location of all merchandise departments and the placement of circulation aisles to allow customers to move through the store

Allocation of floor space for:

- Selling
- Merchandise
- Personnel
- Customers

- Product groupings
- Traffic flow patterns

Space merchandise category

Department locations

Arrangements within departments

Alternative design types

Efficient use of walls

Space productivity





GOAL

To optimize floor space and encourage traffic flows

Two basic theories of store layout

— **“MAZE” Theory**



The best way to expose customers is **to get them lost** so they will find new merchandise and departments they would not otherwise see.

— **“MAKE IT EASY” Theory**



The **easier** it is for customers **to move around**, the more they buy (e.g., wide aisles, lots of directional signals)



GOAL

The provision of a clear route noticeably affected some respondents' propensity to browse^(*).

A clear route provided "a natural way to go around and look at things^(*)".



PRINCIPLES

To expose the customer to a layout that facilitates a specific traffic pattern

To provide variety

Provide the greatest possible merchandise exposure

Locate high-margin and impulse items in key spots

Discourage shoplifting in all possible ways

Locate related lines next to each other

Be sure that the most important lines have the best locations



PRINCIPLES

Shoppers learn the “spatial map” of their local supermarket and....

... hence get disoriented if changes are made, which in turn ...

.... impacts on their shopping behaviour

Refers to the way store floor space is used to facilitate and promote sales and to best serve the customer.



KINDS OF SPACE

A typical layout divides a store into four different kinds of space:

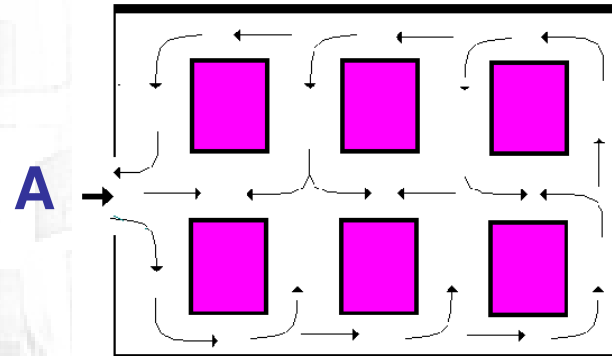
- **Selling space** – assigned for interior displays, product demonstrations, and sales transactions
- **Merchandising space** – allocated to items that are kept in inventory for selling
- **Personnel space** – assigned to store employees for lockers, lunch breaks, and restrooms
- **Customer space** – assigned for the comfort and convenience of the customer, including a café or food court, dressing rooms, lounges, and recreation areas for children



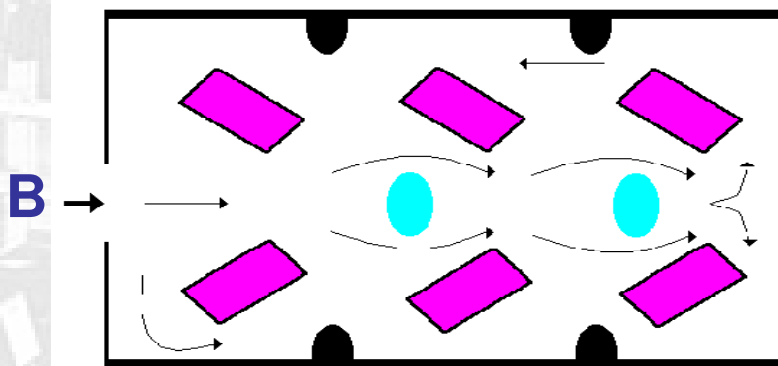
TYPES OF DESIGN

- Grid store layout
- Racetrack layout
- Free form layout
- Spine layout

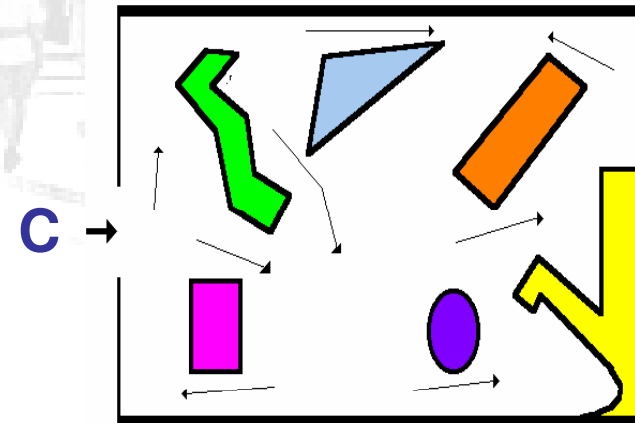
Grid store layout



Racetrack layout



Free form layout



Grid store layout

Racetrack layout

Free form layout

Spine layout

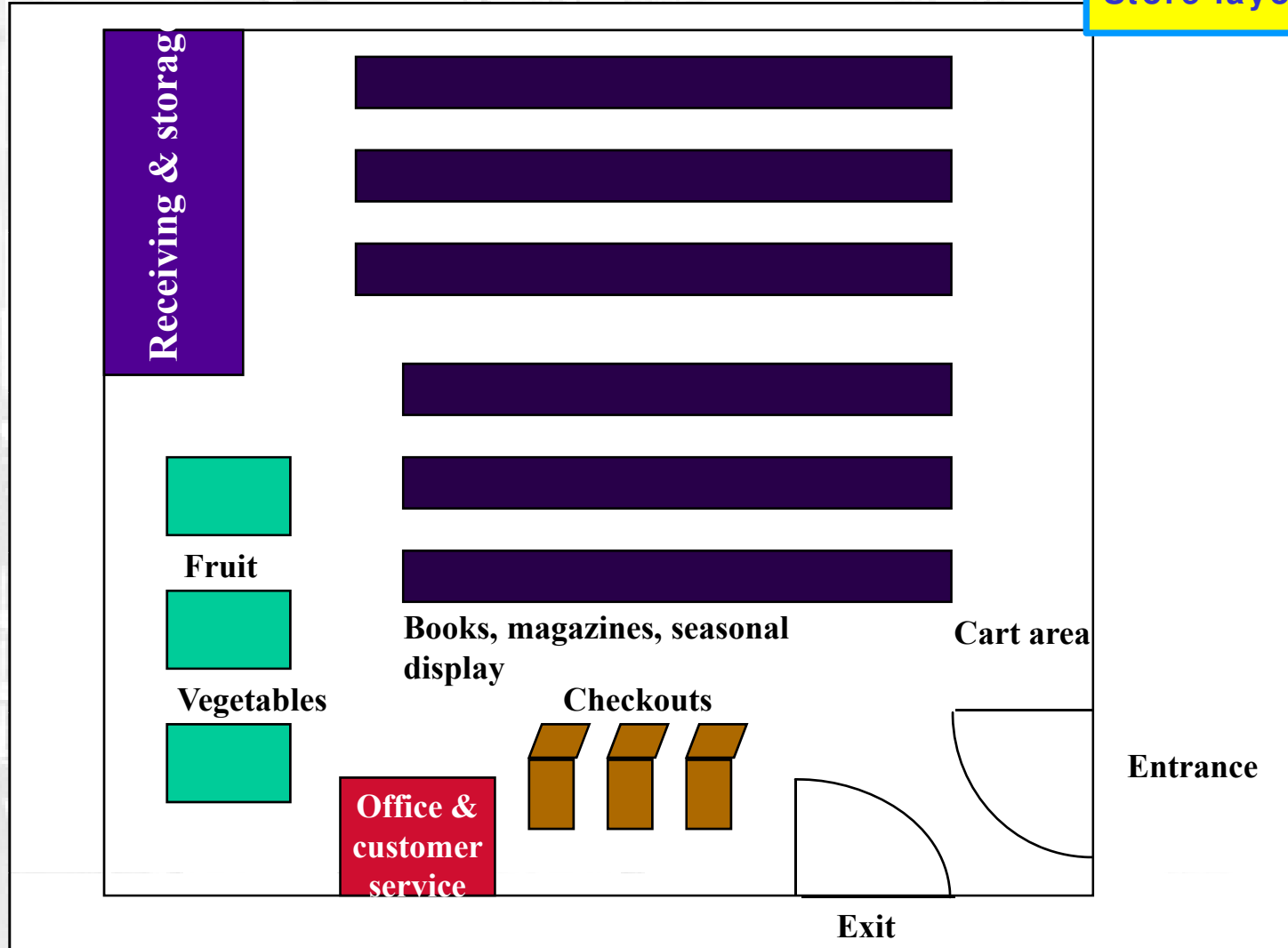
MERCHANDISING

M.4.

Physical environment

Atmospherics

Store layout



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Grid store layout

Racetrack layout

Free form layout

Spine layout

Island type of self-service counter with tiers of shelves, bins, or pegs

CHARACTERISTICS

Impersonal but efficient atmosphere

Not aesthetically pleasing arrangement but good if customers plans are to move throughout the entire store

_____ : less wasted space
aisles all the same width
accommodate shoppers and carts

Fixturing cost is reduced

Long **gondola** of merchandise and aisles in a repetitive pattern

Space productivity is enhanced

Most grocery & drugstore



Grid store layout

Racetrack layout

Free form layout

Spine layout

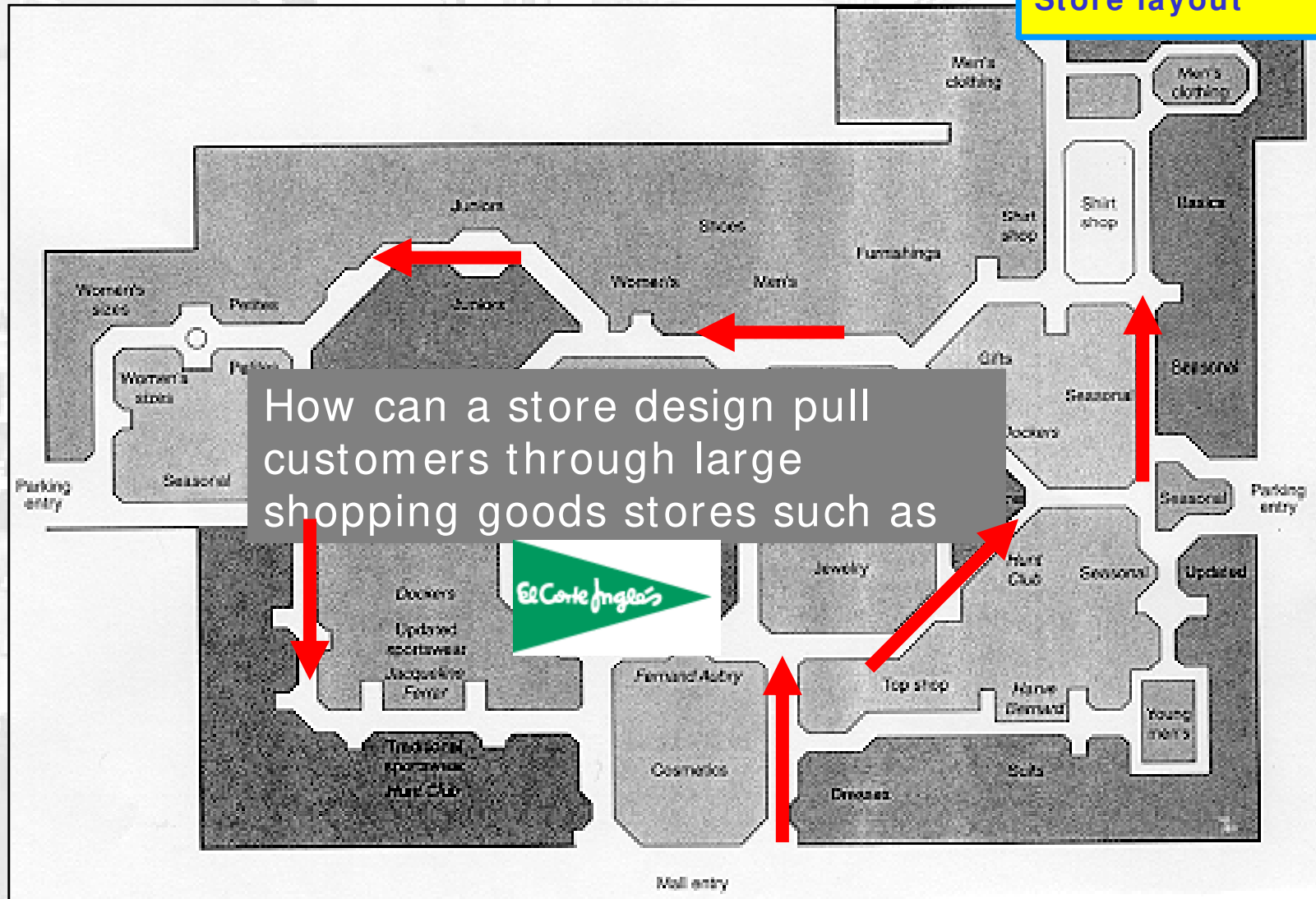
MERCHANDISING

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Grid store layout

Racetrack layout

Free form layout

Spine layout

Department designed to resemble small self-contained stores

CHARACTERISTICS

A _____ is presented

Shoppers do not feel rushed and will browse around

People are encouraged to walk through the store in any direction or pattern they desire

Impulse or unplanned purchases are enhanced

Aisle "loops" provide access to **boutiques**

Customers eyes are forced to take different viewing angles

Aisle flooring: marble like tile change customer`s way
Department store: vary in texture, color, material



Grid store layout
Racetrack layout

Free form layout
Spine layout

MERCHANDISING

M.4.

Physical environment

Atmospherics

Store layout

Storage, Receiving, Marketing

Underwear

Dressing Rooms

Jeans
Casual Wear
Stockings

Accessories

Pants

Checkout counter

Clearance Items

Tops

Tops

Hats and Handbags

Skirts and Dresses

Feature

Feature

Open Display Window

Open Display Window



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Grid store layout
Racetrack layout

Free form layout
Spine layout

MERCHANDISING

M.4.

Physical
environment

Atmospherics

Store layout

CHARACTERISTICS

Arranges fixtures and aisles asymmetrically

Relaxed environment

Facilitates shopping and browsing

Personal selling more important

Theft is higher

Store sacrifices some storage and display space to create the more spacious environment



Grid store layout
Racetrack layout
Free form layout

Spine layout

MERCHANDISING

M.4.

Physical environment

Atmospherics

Store layout

CHARACTERISTICS

A variation of the free-flow & grid & loop

_____ in certain circumstances

Based on a single main aisle running from the front to the back of the store transporting customers in both directions

On either side of this spine, merchandise departments branch off toward the back or side walls

Within the department a free-flow or grid layout can be used



SHRINKAGE PREVENTION

When planning a store's layout and design, must be considered the prevention of shrinkage due to:

**theft &
damage loss**



— To enhance **space productivity** retailers must:

1. Planning

2. Merchandising presentation

3. Design strategies that minimize shrinkage

- a. Avoiding hidden areas that shoplifters can take advantage of
- b. Reducing number of times merchandise must be moved during which damage and loss can occur



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Interior displays

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INTERIOR DISPLAYS





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INTERIOR DISPLAYS

Use fixtures and props to showcase merchandise. These displays generate one out of every four sales. There are different types of interior displays

- **Closed displays** – allow customers to see but not handle merchandise
- **Open displays** – allow customers to handle and examine merchandise without the help of a salesperson
- **Architectural displays** – consist of model rooms that allow customers to see how merchandise might look in their homes
- **Point-of-purchase displays** – displays designed mainly to promote impulse purchases and are usually located at or near the cash register
- **Store decorations** – displays that coincide with specific seasons or holidays



PLANNING FOR FIXTURING A STORE (I)

1. What items, vendors, categories and dept. should be carried?
2. How much of each item should be carried?
3. Where should the merchandising be located?
4. How much space should the merchandise take?

Optimize floor space and encourage traffic-flow

Very front:

Seasonal display & impulse merchandise
Special fixtures to invite customers into the space

General floor area

Reserved for tables, cubes & fixtures
lower than eye level



PLANNING FOR FIXTURING A STORE (II)

Back and side

Perfect for displaying and storing taller fixturing

Impulse products

Merchandise that customers purchase without preplanning
Located near the front to draw people into the store

**Demand/
Destinations areas**

Corners and on upper floors demand for products/ services is created before customers get to their destination
Not prime locations

**Adjacent Dept./
merchandise**

Cluster of complementary products together to facilitate multiple purchases

Seasonal needs

**Physical charact.
Of merchandise**

Large amounts of floor space



PLANNING FOR FIXTURING A STORE (III)

Select families of fixtures

Fixtures shouldn't compete with merchandise

Similar materials and styles

Keep the fixtures out of customers' path

Customers shouldn't injure themselves by falling over a misplaced fixture (liable for negligence)

Flexibility

Ability to physically move store components

Ease with which components can be modified

Needs of disabled



PLANNING FOR FIXTURING A STORE (III)

The use of planograms

A diagram created from photographs, computer output or artist's rendering that illustrates exactly where every SK should be placed.

Report:

A productivity report by SKU based on sales history

An ABC analysis by SKU

A space utilization report that describes the percentage of available space used in the planogram

A section comparison report that can describe productivity between any 2 sections

Carrefour: Spaceman

Gap Banana Republic: photographs diagrams



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Merchandising

Where This Is Available
United States



Who This Serves
Packaged Goods

SPACEMAN? Suite

At the foundation of the ACNielsen merchandising solutions portfolio is the **SPACEMAN? Suite**. A complete and intuitive set of merchandising applications that can replicate virtually any retail environment utilizing everything that today's technology has to offer. With the roles of end users greatly varying within organizations, so do the levels of applications available within **SPACEMAN? Suite**. Starting at basic viewing, printing and building into a complete and comprehensive space and category management application that provides forecasting, days of supply, inventory modeling and complete financials in addition to complex output of planograms. The most advanced level of application becomes fully adaptable to virtually any and all retailer or manufacturer environments while meeting every need.



Call your ACNielsen representative to find out more about how **SPACEMAN?** can help maximize your space management opportunities and to outline the level of application that best serves your business needs. Click on the images or links below:

-  [Spaceman Application Builder](#)
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Products

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- [SPACEMAN? Merchandiser](#)
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SPACEMAN? Stock Planner

Reporting and analysis to simplify category or space management decisions at an affordable price.

SPACEMAN? Stock Planner offers all the Merchandising capabilities found in SPACEMAN? Merchandiser *PLUS*:

- Quick Merch - an automated procedure that allows the user to select a product list or database and based on section defaults, automatically generates a planogram based on product information, fixture information and selected allocation criteria from user.
- On screen highlighting to easily identify inventory or sales opportunities.
- Inventory modeling is introduced on this level of application to virtually replicate any replenishment cycles and calculate into days of supply and shelf inventory ROI.
- Re-Merch - User is capable of re-merchandising an existing planogram from selecting specific criteria with one keystroke.
- Planogram compare - visually compare multiple planograms and make automated changes from base planogram.

Call your ACNielsen representative to find out more about how **SPACEMAN?** can help maximize your space management opportunities and to outline the level of application that best serves your business needs.

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