

P14 Deciding the Layouts and Creating the Mood

E352 – Retail Logistics

SCHOOL OF ENGINEERING









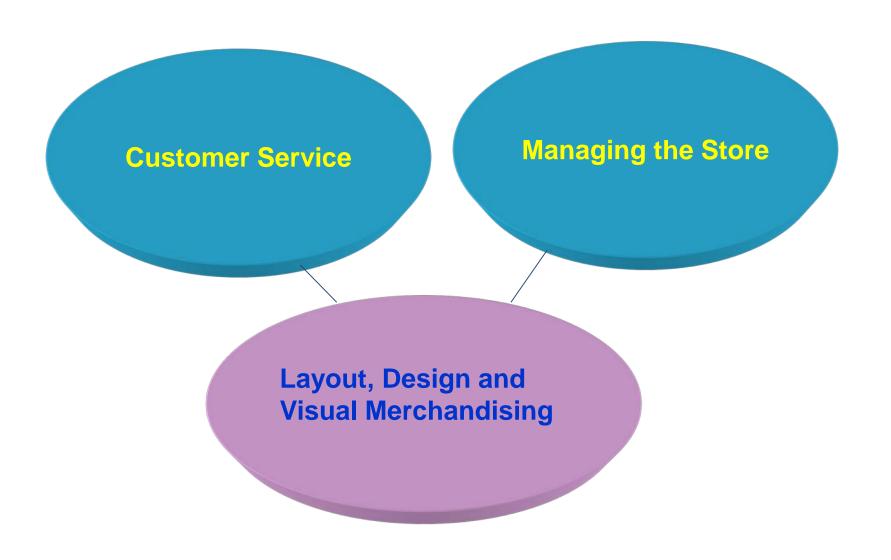






Summary – Retail Store Management





Store Design Objectives



- Consistent with retailers image and strategy
- Positive influence on customer satisfaction and purchase behavior
- Cost effective in both front and back end of store
- ▶ Flexible
- Meet needs of disabled

Store Front Design



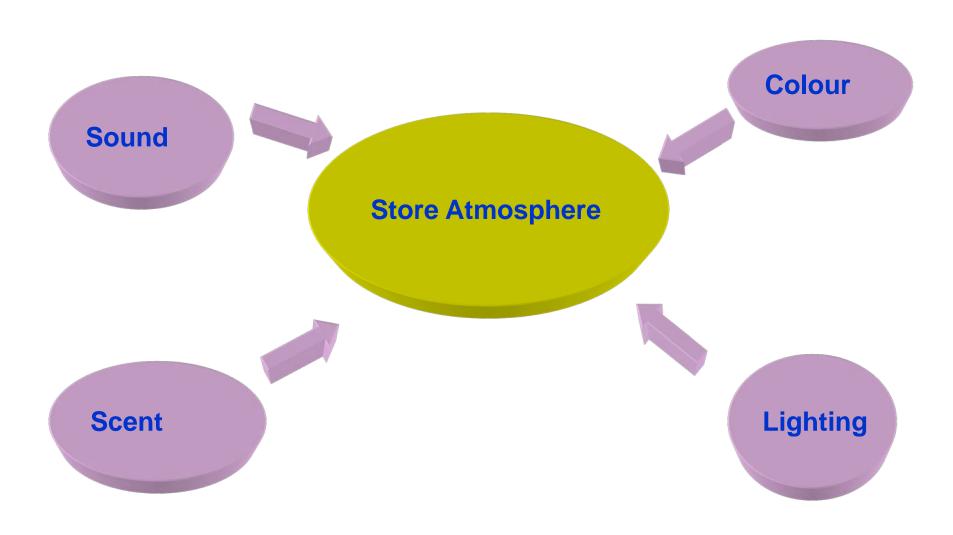
FURLA

- Storefronts must:
 - Clearly identify the name and general nature of the store
 - Give some hint as to the merchandise inside
 - Includes all exterior signage
 - In many cases includes store windows an advertising medium for the store – window displays should be changed often, be fun/exciting, and reflect

merchandise offered inside

Creating a store environment





Creating a store environment



Lighting – Important but often overlooked element in

successful store design

- Highlight merchandise
- Capture a mood
- Level of light can make a difference
 - Fashion Departments
- Color Can influence behavior
 - Warm colors increase blood pressure, respiratory rate and other physiological responses – attract customers and gain attention but can also be distracting
 - Cool colors are relaxing, peaceful, calm and pleasant effective for retailers selling anxiety-causing products

Creating a store environment



Sound

- Music viewed as valuable marketing tool
- Loud music increase shopping's speed
- Soft music relaxation
- Often customized to customer demographics
- Can use volume and tempo for crowd control

Scent

- Smell has a large impact on our emotions
- Bodyshop, Famous Amos
- Can be administered through time release atomizers or via fragrance-soaked pellets placed on light fixtures





Tradeoff in Store Design



- Ease of locating merchandise for planned purchases
- Aesthetics, space to shop comfortably
- Relaxed environment



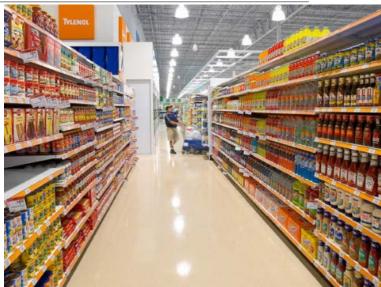


- Productivity of space
- Energy,excitement

Things to note for Store Design



- Allow a transition zone
 - E.g. sale items, new products etc
- Place high-margin merchandise to the right of the entrance
- Make merchandise accessible
- Use signs, fixtures, displays to draw customers
- Avoid the "butt-brush" effect
 - Wider lanes for shopping comfort
- Vary the tempo of music to achieve goals
- Arrange shelved merchandise strategically





Types of Store Layouts - Grid Layout

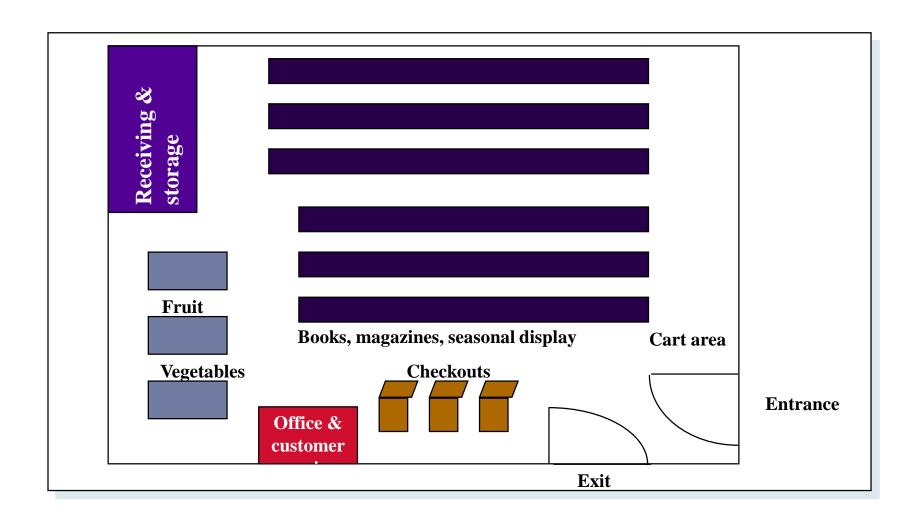


- Grid Layout Counters and Fixtures are placed in long rows or "runs" usually at right angles, throughout the store
- Advantages
 - Low cost

 - Customer familiarity
 Merchandise exposure
 Ease of cleaning
 Simplified security
 Possibility of self-service
- Disadvantages
 - Plain and uninteresting
 - Limited browsing
 - Stimulation of rushed shopping behavior
 - Limited creativity in decor
- Used commonly in supermarket, and pharmacies

Grid Store Layout





Question 4



Giant

- Fixtures are placed in long rows forming aisles between them
- Frequent shoppers will know exactly which aisle sells what
- Security is simple as there are not much blind spot around.

Grid Layout



Types of Store Layouts - Racetrack Layout

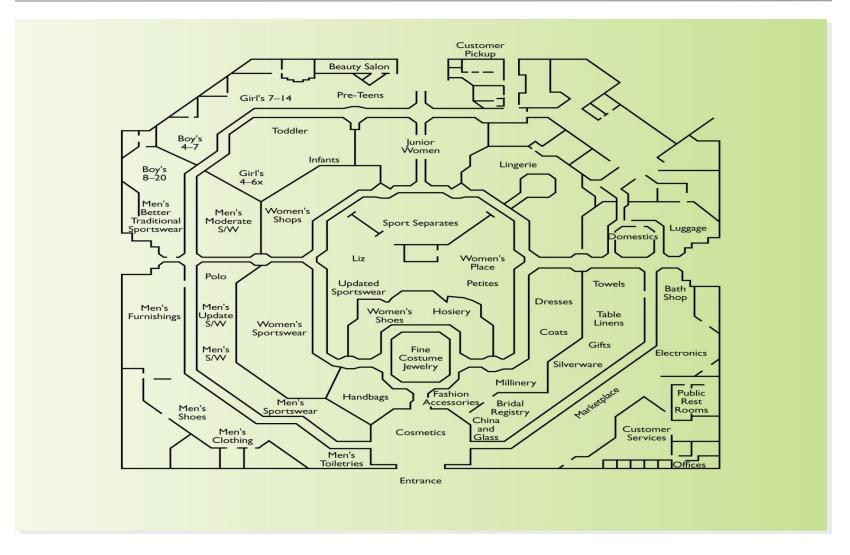


- Loop Layout The major and minor customer aisle loops through the store
 - Usually in the shape of a circle, square, or rectangle, and then returns the customer the front of the store
 - Multiple entrances and sight lines
 - Exposes shoppers to the greatest possible amount of merchandise, encourage browsing, cross-shopping and impulse buying
- Advantage
 - Exposes customers to the greatest amount of merchandise
- Disadvantage
 - Confusing to the new customers
- Commonly used in department stores



Curving/Loop (Racetrack) Design





Question 4



Courts

- Major aisles coloured in yellow looping around the store
- Multiple entrances and sight lines
- Shoppers are exposed to all the merchandise in the store
- Encourage customers to explore and browse.

RaceTrackLayout



Types of Store Layouts - Free-Form (Boutique) Layout



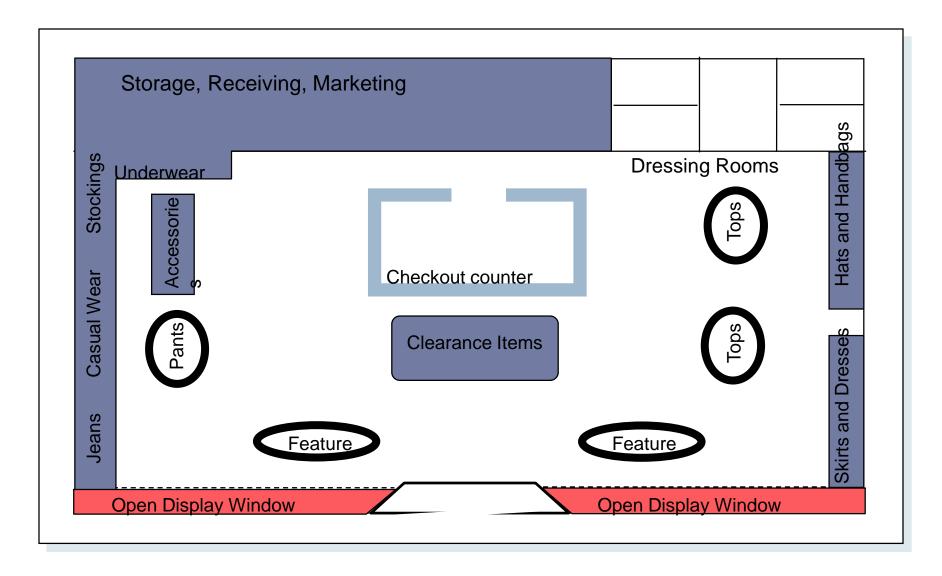
- Free Flow Layout Fixtures and Merchandise are grouped in free-flowing patterns on the sales floor
- Advantages
- Disadvantages
 Loitering encouraged
 Possible confusion

 - Waste of floor space
 - Cost
 - Difficulty of cleaning
- Commonly used in specialty stores and upscale department stores



Free-Form Layout





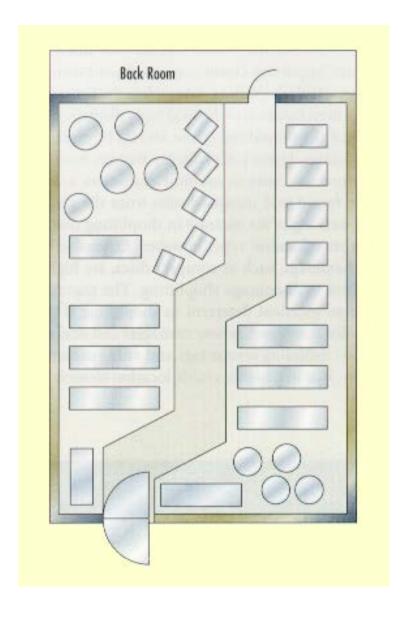
Types of Store Layouts – Spine Layout



- Spine Layout The major customer aisle runs from the front to the back of the store, with merchandise departments branching off to the back or side walls
 - Transporting customers in both directions
 - Merchandise departments using either a free-flow or grid pattern branch off toward the back aisle walls
- ► Heavily used by medium-sized specialty stores ranging from 2,000 10,000 square feet
- In fashion stores the spine is often subtly offset by a change in floor colouring or surface and is not perceived as an aisle

Spine Layout





Question 4



Ikea

- Major aisles runs from front to back
- Many small aisle branching off from the main aisle to bring customers into the merchandise areas

spine Layout



Space Planning Considerations



- Know the High traffic & highly visible areas
 - E.g. Entrance, escalators, check-out areas, end aisles, featured areas
- Profitability of merchandise
 - Private brand, higher margin categories
 - Easily seen and accessible
- Customer buying considerations
 - Impulse products near front
 - Demand/destination areas in back, off the beaten path
- Physical characteristics of product
 - Bulky vs. small/easily stolen
 - Small expensive items should be under lock and key
- Sales rate
 - Display more units of fast-selling merchandise (FMCG)



Types of Floor Space in Store



- Back Room receiving area, stockroom
 - Department stores (~10-30%)
 - Small specialty and convenience stores (~10%)
 - General merchandise stores (~15-20%)
- Offices and Other Functional Space employee break room, store offices, cash office, restrooms
- Aisles, Service Areas and Other Non-Selling Areas
 - Moving shoppers through the store, dressing rooms, layaway areas, service desks, customer service facilities
- Merchandise Space
 - Floor
 - Wall

Principles Of Retail Layout Techniques



- Show all merchandise to all customers
 - The more merchandise customers see, the more they will buy
 - Design the store to so that customers will visit all departments
 - Strategic location of signs, special values, escalators, stairs, dressing rooms and certain merchandise
- Give choice locations, where customer traffic is heavy, to the most profitable items
 - High mark-ups and impulse items should be very visible
- 3. Discourage shoplifting
 - Use convex mirrors where blind spots cannot be eliminated, & install video monitors
 - Keeping everything wide open, salespeople can observe everyone in the store.

Principles Of Retail Layout Techniques

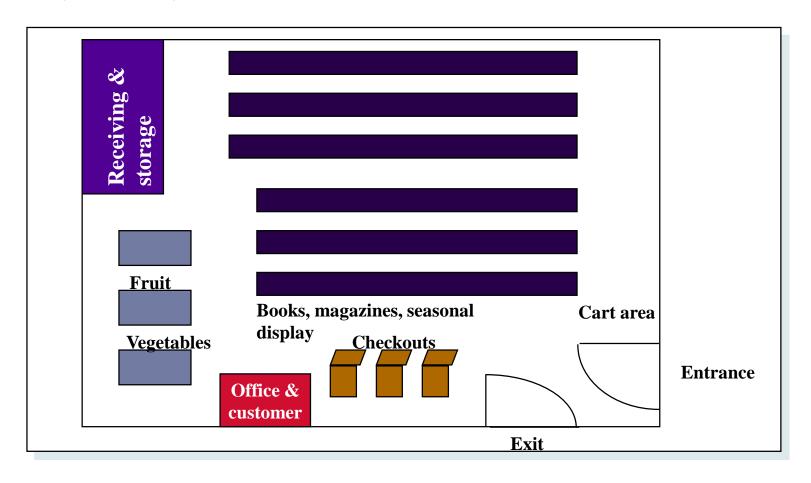


- 4. Experiment to stay exciting
 - Have fixtures that are movable and adjustable
 - Buying of different types of cabinets, shelving, lighting and other furnishings
- 5. Locate related lines next to each other (product grouping)
 - E.g. Ties should be located close to dress shirts, printers next to computers, vases next to flowers
- 6. Locate related departments next to each other
 - Customer convenience and cross-selling
 - E.g. Cosmetics, accessories and jewellery, cookbooks and gourmet utensils stimulate interest in one another.
- 7. Give the most important products the best locations in your store.

Suggested Solution



Grid Layout is very suitable for a supermarket



Proposal



- Grid Layout
 - Advantages
 - Low cost
 - Customer familiarity
 Merchandise exposure
 Ease of cleaning
 Simplified security
 Possibility of self-service
 - The above advantages meets the requirement of a supermarket

Proposal



- Need to plan for a transition Zone in the supermarket for
 - Discounted items
 - In-season goods
 - New products, etc
- ▶ This will help enable customers to locate them easily and attract the customers to buy.
- Aisles must be wide enough to allow 2 person to walk side by side. This will prevent "butt-brush" effect
- The supermarket must be brightly lit so merchandise would now look clean and fresh
- Signs and fixtures can be used to draw attention on promotion items

Proposal



Sound

- Although sound may not be an important factor for a supermarket but soft music can be played to create a relax mood
- Festive music should be played during festivals.
 - ▶ Eg Christmas songs during Christmas to bring customers into the Christmas mood.

Scent

- For supermarket it is important to keep the air fresh and not smell like fish or meat that in sold in the supermarket
- Make use of the of retail layout techniques
- Keep the back room area minimal to increase the merchandise space

Ikea's Layout



Spine Layout

- It is very nice but not suitable for a supermarket.
- It is very inconvenient for customers who wants to quickly grab a few things and go.
- Customers are made to walk through all the merchandise, this may frustrate the customers
- If customer forget to pick up something which is at the front of the shop, he would have to make a long way back to pick it up.

Learning Outcomes



- Explain the critical issues in designing a store.
- Explain the different type of store layouts
- III. Analyse how location is assigned to the different merchandise.
- IV. Application of the retail layout techniques.