LOVELY PROFESSIONAL UNIVERSITY

VISUAL MERCHANDISING

Edited By

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SYLLABUS

Visual Merchandising

Objectives: Students will be able to assess the marketplace in terms of the contemporary trends of visual merchandising in a typical retail store environment.

Students will be able to develop a strategy for the styling and visual merchandising in a store for a wide variety of products categories like apparel, electronics, grocery, food, home care etc.

Students will be able to maximize the impact of any retail display space.

Sr. No.	Topics
1.	***Retailing:*** Definition, Evolution and Formats, Relating Retail with Customer Profile, The Indian Retail Industry.
2.	***Visual Merchandising:*** Definition and Functions, History, Understanding Retail in India.
3.	***Retail Store—Site and Design, Image Mix:*** The Top Six Elements, Store Exteriors, Store Interiors.
4.	Display Basics, Design Basics, Principles of Design, Colour Blocking—People Buy Colours, Signage, Understanding Materials.
5.	The Purpose of Planning Fixtures, Types of Fixtures.
6.	Circulation Plan and Types of Circulation Plans, Meaning and Purpose of a Planogram, Benefits of a Planogram, Implementation and Maintenance of a Planogram.
7.	Meaning of Merchandise Presentation, Principles of Merchandise Presentation, Categories in Merchandise Presentation, Dominance Factor in Merchandise Presentation, Cross Merchandising.
8.	Window Display—Meaning and Scope, Vis-à-vis Merchandise, Types of Setting, Promotional Display Vs. Institutional Display, Window Display—Construction.
9.	Styling, Display Calendar, Sales Tracking, Handling the Mannequin, Props, Lighting, Organising an In-store Event, VM Tool Kit, Quality and Process in Visual Merchandising, Standard Operating Procedures (SOPs).
10.	Brand Experience—Brand-centric to Customer-centric, Experience Design—Beyond Visual Merchandising, Generation C—The Changing Consumer, The Magic of Augmented and Mixed Realities, Experiential Retail—The New Retail Scenario.

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Unit 1: Introduction to Retail

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Objectives

After studying this unit, you will be able to:

- Define the Term Retailing
- Discuss the Evolution of Retailing
- Describe the Formats of Retailing
- Relate the Retailing with Customer Profile
- Explain the Indian Retail Industry

Introduction

Retailing comes at the end of the marketing distributive channel. The word 'retail' has been derived from the French word "taillier" and means 'to cut a piece' or 'to break bulk'. It covers all

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the activities involved in the sale of product and services. Retailing is a high-intensity competition industry and second largest globally. The reason for its popularity lies in its ability to provide easier access to a variety of products, freedom of choice, and many services to consumers. The size of an average retail store varies across countries depending largely on the level of a particular country's economic development. The largest retail store in the world is Walmart of USA.

Retailing is the world's largest private sector contributing to 8% of the GDP and it employs one sixth of the labour force. The estimated retail trade is expected to be 7 trillion US $. Many countries have developed only due to retailing and presently we see there is a vast change in the retail industry. As far as India is concerned it contributes to 14% of our GDP and it is the second largest sector next to agriculture which provides employment to more number of persons.

Now according to a survey, India is classified in to the fifth most attractive retail destination and second among the countries in Asia. Worldwide it is ranked as fifth most attractive retail destination.

In this unit, we will discuss definition and meaning of retailing, retailing formats, relating retail with customer profile and also will discuss Indian retail Industry.

1.1 Retailing: Definition and Meaning

Retailing is the business activity of selling goods and services to the final consumer. Retailing can be defined as the business products and services to consumers for their own use. According to Kotler, "Retailing includes all the activities involved in selling goods or services to the final consumers for personal, non-business use".

Retailing is the activity of selling goods and services to last level consumers for their use. It is concerned with getting goods in their finished state into the hands of customers who are prepared to pay for the pleasure of eating, wearing or experiencing particular product items. Retailing is all about the distribution of goods and services because retailers play a key role in the route that products take after originating from a manufacturer, grower or service-provider to reach the person who consumes. Retailing is also one of the key elements of a marketing strategy facilitating the targeting process, making sure that a product reaches particular groups of consumers. It is important in a marketing strategy to match the arena in which a product is purchased to the benefits and characteristics of the product itself and its price. Retailers provide a collection of service benefits to their customers such as being located in convenient places, editing product ranges according to shopping tasks, and selling goods in quantities that match personal consumption levels. Ensuring that this process runs smoothly presents a host of managerial challenges. Retailing is therefore a deceptively simple management process – yet fascinatingly complex in its detail.

Caution The term retailing applies not only to the selling of tangible products like loaves of bread or pairs of shoes, but also to the selling of service products.

Companies who provide meals, haircuts and aromatherapy sessions are all essentially retailers, as they sell to the final consumer, and yet customers do not take goods away from these retailers in a carrier bag. The consumption of the service product coincides with the retailing activity itself.

From a traditional marketing viewpoint, the retailer is one of several possible organisations through which goods produced by manufacture flow on their way to their consumer destiny. These organisations perform various roles by being a member of a distribution channel. For example, chocolate producer like Cadbury's will use a number of distribution channels for its

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confectionery, which involve members such as agents, wholesalers, supermarkets, convenience stores, petrol stations, vending machine operators and so on. Channel members, or marketing intermediaries as they are sometimes referred to, take on activities that a manufacturer does not have the resources to perform, such as displaying the product alongside related or alternative items in a location that is convenient for consumer to access for shopping.

Retailing consists of the sale of goods or merchandise from a fixed location, such as a department store or kiosk, or by post, in small or individual lots for direct consumption by the purchaser. Retailing may include subordinated services, such as delivery. Purchasers may be individuals or businesses. In commerce, a retailer buys goods or products in large quantities from manufacturers or importers, either directly or through a wholesaler, and then sells smaller quantities to the end-user. Retail establishments are often called shops or stores.

Retailing is a distribution channel function where one organisation buys products from supplying firms or manufactures the product themselves, and then sells these directly to consumers. A retailer is a reseller (i.e., obtains product from one party in order to sell to another) from which a consumer purchases products. In the US alone there are over 1,100,000 retailers according to the 2002 US Census of Retail Trade.

In the majority of retail situations, the organisation from which a consumer makes purchases is a reseller of products obtained from others and not the product manufacturer. But as we discussed in the Distribution Decisions tutorial, some manufacturers also operate their own retail outlets in a corporate channel arrangement. While consumers are the retailer's buyers, a consumer does not always buy from retailers. For instance, when a consumer purchases from another consumer (e.g., eBay) the consumer purchase would not be classified as a retail purchase. This distinction can get confusing but in the US and other countries the dividing line is whether the one selling to consumers is classified as a business (e.g., legal and tax purposes) or is selling as a hobby without a legal business standing.

As a reseller, retailers offer many benefits to suppliers and customers as we discussed in the Distribution Decisions tutorial. For consumers the most important benefits relate to the ability to purchase small quantities of a wide assortment of products at prices that are considered reasonably affordable. For suppliers the most important benefits relate to offering opportunities to reach their target market, build product demand through retail promotions, and provide consumer feedback to the product marketer.

Retail companies make up a significant portion of nation businesses. The companies not only create jobs, but also make a direct connection with customers who need the retail products. Whether you plan to seek a job in retail or want to open up your own retail business in the near future, it is helpful to get a clear understanding of what retailing means.

Retailing is the act of selling tangible products to an end user or consumer. The end user is the person who actually uses the product for his personal needs. There are three main parties involved when a product is released. First the manufacturer produces the product, then the distributor or wholesaler distributes it to retailers, and finally the retailer sells the product to an end user. In short, retailers present the products to the public so that everyday people can view and purchase them.

Self Assessment

Fill in the blanks:

1. For consumers the most important benefits relate to the ability to purchase small quantities of a …… assortment of products at prices that are considered reasonably affordable.

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2. For suppliers the most important benefits relate to offering opportunities to reach their ……, build product demand through retail promotions, and provide consumer feedback to the product marketer.
3. Retailing is the act of selling …… products to an end user or consumer.
4. The end user is the person who actually uses the product for his …… needs.

1.2 Evolution of Retailing

Like the products that are sold within retailers, the formats used for retailing evolve over time. A retailing concept that appeared revolutionary when first introduced may Notes become dated within a couple of decades, and so retail businesses must constantly evolve their own portfolio of retail formats to reflect the changing requirements and aspirations of the shopping public, whilst responding to constraints imposed by the political and legal framework in which they operate.

The ways in which retailers evolve have been the subject of academic debate for over half of a century. Many of the academic references use the term 'retail institutions' to describe a type of retail outlet. However, it is easy to confuse the term retail institution with a large retail business (stores like Marks and Spencer are often referred to as institutions) and so the term format will continue to be used in this discussion. The evolutionary theories attempt to provide some predictive suggestions relating to the likely pattern of development of retailer types rather than specific retail companies.

Today the general store, stacked with barrels, bins and sacks filled with everything from soaps to pickles, has all but disappointed almost through the world. And in its place we find the more refined self service 'cash and carry' organised retail stores in the form of supermarkets, department stores, shopping malls and the like. These stores signified the beginning of organised retailing and its evolution across the world. This new breed of organised retailers have their shelves neatly stacked with a huge variety of products which include anything from cans, packed food, bread, dairy products, fresh meat and fish, apparel, shoes, furniture or any conceivable item one can think of. This phenomenon of new fund modern super markets, department stores is in sharp contrast to the old and orthodox grocery stores that had existed.

1.2.1 Story of Retail Revolution

It is the revolution in the shopping habits of the people across the entire world, which has virtually brought the super market to the main street. This revolution is unparallel in human history as it has engendered the development of distribution system that delivers food and other products to the consumer in unprecedented abundance, variety and quality retailing was never as it is seen today. It has gone through its natural process of evolution in all areas from the initial concept of the super market and department store from the initial concept of the super market and department store to the shopping mall as it exists today.

Did u know? The first departmental store in the world was founded in Paris in 1852 by Aristide Boucicaut and was named Bon Marche.

At that point of time, the department store business was a bare-bones operation. It was only after World War II that retailers in the west began to upgrade their services, facilities and merchandise selection to offer a fascinating way of additional benefits to consumers through organised retailing.

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One Stop Shopping: The changes occur in retail sector due to the changes in environmental conditions. In the early part of the 20th century, the housewife, which shopping for her family's dinner, thought various products at various places and tired a lot. Then she thought that if all products available under one roof; there by we can save our time/ effort/money. The retailers trapped the need and had launched the biggest hypermarkets. Then these retail stores started to sell food, varieties of products and variety of schemes introduced in order to draw the attention of the customers.

Example: Big Bazaar, Spencer

Supermarket Revolution: The revolution of supermarket was first sparked off in the 1920's, and by the 1950's it had won acclaim almost throughout America with its span ranging from a global depression to global war; this revolution had literally seen it all. In the 1920, one could not even dream of retailing as it exists today.

Initially, many items used to come in bulk and were sold as it is at the retail outlets. Potatoes were sold from barrels and later from 100-pound sacks, while sugar was sold from 100-pound sacks and sacks and better in tabs. The retailers were keen to acquire the know-how to upgrade their quantity and service for the consumers and to develop the best stores possible. They may become business friends and some even became family friends.

Did u know? By the 1930s, the Self-service Supermarket gained immense popularity due to the choice leftover on consumers (housewives). It was sparked off by the success of Michael Kullen, an independent operator who opened the kind Kullen supermarket in Jamaica, New York. Storeowners found that housewives enjoy the shopping. Because when they are preparing the list of require items for daily purpose, they may forget, there by again they need to shop. Here picking their groceries from shelves themselves, piling their purchase into shopping carts and wheeling the carts through the checkout counters. As supermarkets grew, they extended the self-service concept to other foods besides groceries. For example: More4u, Big Bazaar.

Globalisation of Retailing: Due to the Globalisation Foreign investors launched their businesses in India where the expenditure is very less to start any business in India. The biggest corporate giants entered into India and disturbed the Indian businesses.

Today, retailers from all over the world are venturing beyond their own borders to establish stores even in other countries. In fact, the business of retailing cans clearly the defined as a global business. Many retailers have realised and have therefore made international expansion an integral part of their overall strategy. The immense impact of communication technology has narrowed the cultural gap between countries over the decades.

Today's consumes, be they in the developed or developing countries, share almost the same important characteristics that the best specialty retailers already understand from their own domestic experience. Consumers are now far more knowledgeable than ever before about products, brands and prices that they have ever been in history. The advancement of communication technologies has made a major contribution towards educating consumers about the products and services they require and the Internet explosion is bound to further trend.

Size of the Operations: "Size" has become the keyword in international retailing and the larger the size of the operations, the better the economies of scale and chances of survival in this vicious war to win over the consumer. Some global retailers are now taking over existing retail chains in a desperate bid to consolidate their operation in this world of retailing. It is evident that eventually the comparatively smaller retail chain will be unable to compete in the market

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or operate on their own for long, and will soon sellout or merge with the much larger global retail chains.

The increasing magnitude of retailing as a business in absolute terms can also be estimated by the fact that the sector accounts for a major portion of the GDP of many countries. Our country has been extremely slow in responding to the trend of globalisation of retailing, as a result of which many of the distribution and retailing methods adopted here are still considered to be pre-historic. While many countries around the world have started considering retailing as an integral part of their social infrastructure, India still has to realise the benefits of organised retailing that accrue to society at large.

Self Assessment

State whether the following statements are true or false:

5. The ways in which retailers evolve have been the subject of academic debate for over half of a century.
6. Many of the academic references use the term 'retail institutions' to describe a type of retail outlet.
7. It is not easy to confuse the term retail institution with a large retail business (stores like Marks and Spencer are often referred to as institutions) and so the term format will continue to be used in this discussion.
8. The evolutionary theories attempt to provide some predictive suggestions relating to the likely pattern of development of retailer types rather than specific retail companies.

1.3 Retail Formats

Indians debate which side—traditional unorganised or national organised—will prevail. One such analysis entitled "Indian Retailing—Will it be Traditional or Modern" states, "Modern retailing may take away a sizable share from traditional retailing but will never close down the opportunities of selling certain categories in specific denomination for the traditional retailers."

The retail industry in India is currently growing at a great pace and is expected to go up to US$ 833 billion by the year 2013. It is further expected to reach US$ 1.3 trillion by the year 2018 at a CAGR of 10%. As the country has got a high growth rates, the consumer spending has also gone up and is also expected to go up further in the future. In the last four year, the consumer spending in India climbed up to 75%. As a result, Indian retail industry is expected to grow further in the future days. By the year 2013, the organised sector is also expected to grow at a CAGR of 40%.

1.3.1 Trends in Retail Format

Traditionally three factors have plagued the retail industry:

1. ***Unorganised:*** Vast majority of the twelve million stores are small "father and son" outlets. The employees in such stores are completely on the whims and wishes of the shop owner. Huge amounts of taxes are evaded from the government.
2. ***Fragmented:*** Mostly small individually owned businesses, average size of outlet equals 50 s.q. ft. Though India has the highest number of retail outlets per capita in the world, the retail space per capita at 2 s.q. ft per person is amongst the lowest.

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3. ***Rural bias***: Nearly two thirds of the stores are located in rural areas. Rural retail industry has typically two forms: "Haats" and "Melas". Haats are the weekly markets: serve groups of 10-50 villages and sell day-to-day necessities. Melas are larger in size and more sophisticated in terms of the goods sold (like TVs).

1.3.2 Recent Changes

Experimentation with formats: Retailing in India is still evolving and the sector is witnessing a series of experiments across the country with new formats being tested out.

Example: Quasi-mall, suburban discount stores, Cash and carry, etc.

Store design: Biggest challenge for organised retailing to create a "customer-pull" environment that increases the amount of impulse shopping. Research shows that the chances of senses dictating sales are up to 10-15%. Retail chains like Music World, Baristas, Piramyd and Globus are laying major emphasis & investing heavily in store design.

Below mentioned are the different types of Retail Stores that are prevalent in India:

- ***Mom-and-pop stores:*** They are family owned business catering to small sections; they are individually handled retail outlets and have a personal touch.
- ***Convenience stores***: They are located in residential areas with slightly higher prices goods due to the convenience offered.
- ***Shopping malls:*** The biggest form of retail in India, malls offers customers a mix of all types of products and services including entertainment and food under a single roof.
- ***E-trailers***: They are retailers providing online buying and selling of products and services.
- ***Discount stores***: These are factory outlets that give discount on the MRP.
- ***Vending Machine***: It is a relatively new entry, in the retail sector. Here beverages, snacks and other small items can be bought via vending machine.
- ***Category killers:*** These are small specialty stores that offer a variety of categories. They are known as category killers as they focus on specific categories, such as electronics and sporting goods. This is also known as Multi Brand Outlets or MBO's.
- ***Specialty stores***: They are retail chains dealing in specific categories and provide deep variety. Mumbai's Crossword Book Store and RPG's Music World is a couple of examples.
- ***Departmental stores***: They are general retail merchandisers offering quality products and services.

In addition to above we also comes through following:

Hypermarket: Typically varying between 50,000 sq. ft. and 1,00,000 sq. ft., hypermarkets offer a large basket of products, ranging from grocery, fresh and processed food, beauty and household products, clothing and appliances, etc.

Example: The key players in the segment are: the RPG Group's Giant (Spencer's) hypermarkets, and Pantaloon Retail's Big Bazaars.

Cash-and-Carry: These are large B2B focused retail formats, buying and selling in bulk for various commodities. At present, due to legal constraints, in most states they are not able to sell fresh produce or liquor. Cash-and-carry (C&C) stores are large (more than 75,000 sq. ft.), carry several thousand stock-keeping units (SKUs) and generally have bulk buying requirements.

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Example: In India an example of this is Metro, the Germany-based C&C, which has outlets in Bangalore and Hyderabad.

Department Store: Department stores generally have a large layout with a wide range of merchandise mix, usually in cohesive categories, such as fashion accessories, gifts and home furnishings, but skewed towards garments. These stores are focused towards a wider consumer audience catchment, with in-store services as a primary differentiator. The department stores usually have 10,000 - 60,000 sq. ft. of retail space.

Example: Various examples include:

(i) Shoppers' Stop, controlled by the K. Raheja Group, a pioneering chain in the country's organised retail;

(ii) Pantaloons, a family chain store, which is another major player in the segment;

(iii) Westside, the department store chain from Tata Group's Trent Ltd;

(iv) Ebony, a department store chain from another real estate developer, the DS Group;

(v) Lifestyle, part of the Dubai-based retail chain, Landmark Group;

(vi) The Globus department and superstore chain.

Supermarket: Supermarkets, generally large in size and typical in layouts, offer not only household products but also food as an integral part of their services. The family is their target customer and typical examples of this retailing format in India are Apna Bazaar, Sabka Bazaar, Haiko, Nilgiri's, Spencer's from the RPG Group, Food Bazaar from Pantaloon Retail, etc.

Shop-in-Shop: There is a proliferation of large shopping malls across major cities. Since they are becoming a major shopping destination for customers, more and more retail brands are devising strategies to scale their store size in order to gain presence within the large format, department or supermarket, within these malls. For example, Infinity, a retail brand selling international jewellery and crystal ware from Kolkata's Magma Group, has already established presence in over 36 department chains and exclusive brand stores in less than five years. Shop-in-shops have to rely heavily on a very 95 efficiently managed supply chain system so as to ensure that stock replenishment is done fast, as there is limited space for buffer stocks.

Specialty Store: Specialty stores are single-category, focusing on individuals and group clusters of the same class, with high product loyalty. Typical examples of such retail format are: footwear stores, music stores, electronic and household stores, gift stores, food and beverages retailers, and even focused apparel chain or brand stores. Besides all these formats, the Indian market is flooded with formats labelled as multi-brand outlets (MBOs), exclusive brand outlets (EBOs), kiosks and corners, and shop-in-shops.

Category Killers: Large Specialty Retailers. Category killers focus on a particular segment and are able to provide a wide range of choice to the consumer, usually at affordable prices due to the scale they achieve.

Examples of category killers in the West include Office Mart in the US. In the Indian context, the experiment in the sector has been led by "The Loft", a footwear store in Powai, Mumbai measuring 18,000 sq. ft.

Discount Store: A discount store is a retail store offering a wide range of products, mostly branded, at discounted prices. The average size of such stores is 1,000 sq. ft. Typical examples of such stores in India are: food and grocery stores offering discounts, like Subhiksha, Margin Free,

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etc. and the factory outlets of apparel and footwear brands, namely, Levi's factory outlet, Nike's factory outlet, Koutons, etc.

They are expected to spearhead the organised retailing revolution. There are stores in India which are trying to emulate the model of Walmart e.g. Big Bazaar. Unorganised retailing is getting organised: To meet the challenges of organised retailing such as large cineplexes, and malls, which are backed by the corporate house such as 'Ansals' and 'PVR' the unorganised sector is getting organised. 25 stores in Delhi under the banner of Provision mart are joining hands to combine monthly buying. Bombay Bazaar and E-foodmart formed which are aggregations of Kiranas.

Convenience Store: A convenience store is a relatively small retail store located near a residential area (closer to the consumer), open long hours, seven days a week, and carrying a limited range of staples and groceries.

Example: In & Out, Safal, amongst others. The average size of a convenience store is around 800 sq. ft.

Self Assessment

Fill in the blanks:

9. Vast majority of the millions stores are small …… outlets.
10. Huge amounts of taxes are evaded from the ……
11. Mostly small individually owned businesses, average size of outlet equals …… s.q. ft
12. Rural retail industry has typically two forms: …… and ……

1.4 Relating Retail with Customer Profile

Regardless if it is a small town or an urban area populated by millions, tiny, usually open-air shops line neighbourhood streets throughout India. They sell fresh fruit and vegetables, groceries, clothing, tires, household goods and even appliances.

Traditional retail refers to these thousands of small, mostly family-owned retail businesses. They are also referred to as the "unorganised" retail sector. The "organised" sector refers to large, modern regional and national retail stores.

The Indian retail industry is the world's fifth largest and accounted for 12 percent of GDP (gross domestic product) in 2009. Approximately, 97 percent of retail businesses are traditional.

Task Visit your nearby retailers and find out what all activities do they perform to enrich customer service.

Through the centuries, Indians have purchased goods from small local vendors, entrenching this style throughout the country. Only recently have urban shopping centres been opened that offer goods at large "chain-type" stores. These continue to be rare in rural areas.

Supporters of traditional retail note several benefits—buyer proximity, personal service and monthly credit. Even though it is small, traditionalists understand their customer base and only stock goods suitable for them.

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Before choosing store location, a retailer has to ensure that whether the store profile matches with the no. of targeted audience for the ease of retailer. A retailer has to fully understand the demographics (i.e. age, Income, gender etc.) and also other psychographic (values, attitudes, lifestyles etc.) relating to its customers.

This is crucial not only to know which customer buy what but also to comprehend why they buy and how the product fit into their overall lifestyle. Being successful in meeting customer needs means maximum lend of retail struggle is done.

While selecting a store location, irrespective of selecting beautifully looked building is not only enough but customer oriented location keeping the other aspects of competitions is also an essence.

View the merchandise presentation from a customer's perspective. This can be difficult, because of the hard work that one puts into creating the presentation. Consider a few points:

- Do the merchandise groupings make sense? Are the products related?
- Does the presentation enable you to view each item? Do you know exactly what each presentation is offering? Does each set include product details?
- Are the merchandise presentations attractive, logical, and themed?

Use the answers to each of the questions above to determine if your merchandise presentation is both logical and attractive. The presentation should grab your attention and hold it; it should make you want to know more about the products. How well did you do? Don't worry; you can always change you presentations. In fact, change is necessary as product inventory fluctuates, seasons change, and promotional events rotate. Change is great, because it keeps the customer excited about your products.

Self Assessment

State whether the following statements are true or false:

13. Through the centuries, Indians have purchased goods from small local vendors, entrenching this style throughout the country.
14. Even though it is small, traditionalists understand their customer base and only stock goods suitable for them.
15. While choosing store location, a retailer has no need to take care of matching store profile with the no. of targeted audience.
16. A retailer has to fully understand the demographics (i.e. age, Income, gender, etc.) and also other psychographic (values, attitudes, lifestyles, etc.) relating to its customers.

1.5 The Indian Retail Industry

The India Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country's GDP and around 8 per cent of the employment. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way towards becoming the next boom industry.

The total concept and idea of shopping has undergone an attention drawing change in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India. Modern retailing has entered into the Retail market in India as is observed in the form of bustling

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shopping centers, multi-storied malls and the huge complexes that offer shopping, entertainment and food all under one roof.

Caselet

Industry Status for Retail Sector

Barely recovering from the slump in the economy, organised retailers in the country demand that the sector should be given industry status, besides easing foreign investment norms in the forthcoming Budget. "Industry status has been a long standing demand of the retail sector. Besides we also want a relaxation in the foreign direct investment (FDI) norms," Retailers Association of India chief executive officer Kumar Rajagopalan said. Sharing similar views, Koutons Retail India chairman D P S Kohli said: "Industry status has been a recurring demand of the retail sector for many years since only then will the retailers be able to fully enjoy the benefits of organised financing, insurance and fiscal incentives."

According to industry figures, only around five per cent of the estimated over USD 450 billion Indian retail sector is currently organised. Calling for easing of FDI norms, Rajagopalan said, "No industry in India has grown without FDI participation and for retail to emerge as a big player, more FDI should be allowed." Besides, he said even if FDI norms are not relaxed in the Budget, the government must give a clarification on FII and foreign PE funding route as there is a lot of ambiguity.

Kohli said clarity on the issue will help Indian retailers raise funds from abroad as the global liquidity condition is showing improvement. At present, the government allows 51 per cent FDI in single brand retailing and prohibits any foreign investments in the multi-brand segment.

Source: indianrealitynews.com

A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing working women population and emerging opportunities in the services sector are going to be the key factors in the growth of the organised Retail sector in India. The growth pattern in organised retailing and in the consumption made by the Indian population will follow a rising graph helping the newer businessmen to enter the India Retail Industry.

1.5.1 The Indian Retail Scene

India is the country having the most unorganised retail market. Traditionally it is a family's livelihood, with their shop in the front and house at the back, while they run the retail business. More than 99% retailers function in less than 500 square feet of shopping space. Global retail consultants KSA Technopak have estimated that organised retailing in India is expected to touch ₹ 35,000 crore in the year 2005-06. The Indian retail sector is estimated at around ₹ 900,000 crore, of which the organised sector accounts for a mere 2 per cent indicating a huge potential market opportunity that is lying in the waiting for the consumer-savvy organised retailer.

Purchasing power of Indian urban consumer is growing and branded merchandise in categories like Apparels, Cosmetics, Shoes, Watches, Beverages, Food and even Jewellery, are slowly becoming lifestyle products that are widely accepted by the urban Indian consumer. Indian retailers need to advantage of this growth and aiming to grow, diversify and introduce new formats have to pay more attention to the brand building process. The emphasis here is on retail as a brand rather than retailers selling brands. The focus should be on branding the retail business itself. In their preparation to face fierce competitive pressure, Indian retailers must

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come to recognise the value of building their own stores as brands to reinforce their marketing positioning, to communicate quality as well as value for money. Sustainable competitive advantage will be dependent on translating core values combining products, image and reputation into a coherent retail brand strategy.

There is no doubt that the Indian retail scene is booming. A number of large corporate houses Tata, Rahejas, Piramals, Goenka have already made their foray into this arena, with beauty and health stores, supermarkets, self-service music stores, new age book stores, every-day-low-price stores, computers and peripherals stores, office equipment stores and home/building construction stores. Today the organised players have attacked every retail category. The Indian retail scene has witnessed too many players in too short a time, crowding several categories without looking at their core competencies, or having a well thought out branding strategy.

Retailing in India is gradually inching its way toward becoming the next boom industry. The whole concept of shopping has altered in terms of format and consumer buying behavior, ushering in a revolution in shopping in India. Modern retail has entered India as seen in sprawling shopping centres, multi-storied malls and huge complexes offer shopping, entertainment and food all under one roof. The Indian retailing sector is at an inflexion point where the growth of organised retailing and growth in the consumption by the Indian population is going to take a higher growth trajectory. The Indian population is witnessing a significant change in its demographics. A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing working women population and emerging opportunities in the services sector are going to be the key growth drivers of the organised retail sector in India.

1.5.2 Growth of Retail Sector in India

Retail and real estate are the two booming sectors of India in the present times. And if industry experts are to be believed, the prospects of both the sectors are mutually dependent on each other. Retail, one of India's largest industries, has presently emerged as one of the most dynamic and fast paced industries of our times with several players entering the market. Accounting for over 10 per cent of the country's GDP and around eight per cent of the employment retailing in India is gradually inching its way toward becoming the next boom industry.

As the contemporary retail sector in India is reflected in sprawling shopping centers, multiplex-malls and huge complexes offer shopping, entertainment and food all under one roof, the concept of shopping has altered in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India. This has also contributed to large-scale investments in the real estate sector with major national and global players investing in developing the infrastructure and construction of the retailing business. The trends that are driving the growth of the retail sector in India are:

- Low share of organised retailing
- Falling real estate prices
- Increase in disposable income and customer aspiration
- Increase in expenditure for luxury items (CHART)

Another credible factor in the prospects of the retail sector in India is the increase in the young working population. In India, hefty pay packets, nuclear families in urban areas, along with increasing working-women population and emerging opportunities in the services sector. These key factors have been the growth drivers of the organised retail sector in India which now boast of retailing almost all the preferences of life - Apparel & Accessories, Appliances, Electronics, Cosmetics and Toiletries, Home & Office Products, Travel and Leisure and many more. With

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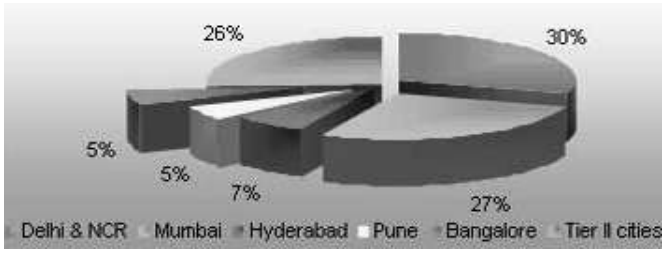
this the retail sector in India is witnessing rejuvenation as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores.

Figure 1.1: Predicted Mall Distribution Space in India



The retailing configuration in India is fast developing as shopping malls are increasingly becoming familiar in large cities. When it comes to development of retail space specially the malls, the Tier II cities are no longer behind in the race. If development plans till 2007 is studied it shows the projection of 220 shopping malls, with 139 malls in metros and the remaining 81 in the Tier II cities. The government of states like Delhi and National Capital Region (NCR) are very upbeat about permitting the use of land for commercial development thus increasing the availability of land for retail space; thus making NCR render to 50% of the malls in India.

India is being seen as a potential goldmine for retail investors from over the world and latest research has rated India as the top destination for retailers for an attractive emerging retail market. India's vast middle class and its almost untapped retail industry are key attractions for global retail giants wanting to enter newer markets. Even though India has well over 5 million retail outlets, the country sorely lacks anything that can resemble a retailing industry in the modern sense of the term. This presents international retailing specialists with a great opportunity. The organised retail sector is expected to grow stronger than GDP growth in the next five years driven by changing lifestyles, burgeoning income and favourable demographic outline.

1.5.3 Industry Evolution

Traditionally retailing in India can be traced to:

- The emergence of the neighbourhood Kirana stores catering to the convenience of the consumers.
- Era of government support for rural retail: Indigenous franchise model of store chains run by Khadi & Village Industries Commission.
- 1980s experienced slow change as India began to open up economy.
- Textiles sector with companies like Bombay Dyeing, Raymond's, S Kumar's and Grasim first saw the emergence of retail chains.
- Later Titan successfully created an organised retailing concept and established a series of showrooms for its premium watches.
- The latter half of the 1990s saw a fresh wave of entrants with a shift from Manufactures to Pure Retailers.
- For example, Food World, Subhiksha and Nilgiris in food and FMCG; Planet M and Music World in music; Crossword and Fountainhead in books.

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- Post 1995 onwards saw an emergence of shopping centers.
- Mainly in urban areas, with facilities like car parking.
- Targeted to provide a complete destination experience for all segments of society.
- Emergence of hyper and super markets trying to provide customer with 3 V's - Value, Variety and Volume.
- Expanding target consumer segment: The Sachet revolution - example of reaching to the bottom of the pyramid.
- At year end of 2000 the size of the Indian organised retail industry is estimated at ₹ 13,000 crore.

Regardless if it is a small town or an urban area populated by millions, tiny, usually open-air shops line neighbourhood streets throughout India. They sell fresh fruit and vegetables, groceries, clothing, tires, household goods and even appliances.

Traditional retail refers to these thousands of small, mostly family-owned retail businesses. They are also referred to as the "unorganised" retail sector. The "organised" sector refers to large, modern regional and national retail stores.

The Indian retail industry is the world's fifth largest, and accounted for 12 percent of GDP (gross domestic product) in 2009. Approximately 97 percent of retail businesses are traditional.

Through the centuries, Indians have purchased goods from small local vendors, entrenching this style throughout the country. Only recently have urban shopping centers been opened that offer goods at large "chain-type" stores. These continue to be rare in rural areas.

Supporters of traditional retail note several benefits—buyer proximity, personal service and monthly credit. Even though it is small, traditionalists understand their customer base and only stock goods suitable for them.

Indians debate which side—traditional unorganised or national organised—will prevail. One such analysis entitled "Indian Retailing—Will it be Traditional or Modern" states, "Modern retailing may take away a sizable share from traditional retailing but will never close down the opportunities of selling certain categories in specific denomination for the traditional retailers."

Lab Exercise Go to website http://www.euromonitor.com/retailing-in-india/report and collect information on how does Organised retailing strengthens both non-grocery and grocery channels.

1.5.4 Factors behind the Change of Indian Retailing Industry

There are various factors responsible for the change of Indian retailing industry. Few of them are given below:

- Raising incomes and improvements in infrastructure are enlarging consumer markets an accelerating the convergence of consumer tastes
- Liberalisation of the Indian Economy
- Increase in spending per capita income
- Advent of dual income familiar also helps in the growth of retailer sector

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- Shift in consumer demand to foreign brands like McDonald, Sony, Panasonic, etc.
- Consumer preference for shopping in new environs
- The Internet revolution is making the Indian consumer more accessible to the growing influence of domestic and foreign retail chains. Reach of satellite T.V. channel is helping in creating awareness about global products for local markets
- About 47% of India's young population, which is technology savvy, watch more than 50 TV satellite channels and display the highest propensity to spend, will immensely contribute to the growth of the retail sector in the country by 2015
- Availability of quality real estate and mall management practices foreign companies attraction to India is the billion-plus population

1.5.5 Key Challenges of Indian Retail Industry

The major challenges of Indian Retail Industry include:

(i) ***Location:*** Right Place, Right choice "Location" is the most important ingredient for any business that relies on customers, and is typically the prime consideration in a customer's store choice. Locations decisions are harder to change because retailers have to either make sustainable investments. When formulating decision about where to locate, the retailer must refer to the strategic plan: (i) Investigate alternative trading areas. (ii) Determine the type of desirable store location (iii) Evaluate alternative specific store sites

(ii) ***Merchandise:*** The primary goal of the most retailers is to sell the right kind of merchandise and nothing is more central to the strategic thrust of the retailing firm. Merchandising consists of activities involved in acquiring particular goods and services and making them available at a place, time and quantity that enable the retailer to reach its goals. Merchandising is perhaps, the most important function for any retail organisation, as it decides what finally goes on shelf of the store.

(iii) ***Pricing:*** Pricing is a crucial strategic variable due to its direct relationship with a firm's goal and its interaction with other retailing elements. The importance of pricing decisions is growing because today's customers are looking for good value when they buy merchandise and services. Price is the easiest and quickest variable to change.

(iv) ***Target Audience:*** "Consumer the prime mover ""Consumer Pull", however, seems to be the most important driving factor behind the sustenance of the industry. The purchasing power of the customers has increased to a great extent, with the influencing the retail industry to a great extent, a variety of other factors also seem to fuel the retailing boom.

(v) ***Scale of Operations:*** Scale of operations includes all the supply chain activities, which are carried out in the business. It is one of the challenges that the Indian retailers are facing. The cost of business operations is very high in India. To become a truly flourishing industry, retailing needs to cross the hurdles:

- Automatic approval is not allowed for foreign investment in retail.
- Taxation, which favours small retail businesses.
- Absence of developed supply chain and integrated IT management.
- Lack of trained workforce.
- Low skill level for retailing management.
- Intrinsic complexity of retailing – rapid price changes, constant threat of product obsolescence and low margins.

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1.5.6 Opportunities in Indian Retailing

Another credible factor in the prospects of the retail sector in India is the increase in the young working population. In India, hefty pay packets, nuclear families in urban areas, along with increasing working-women population and emerging opportunities in the services sector. These key factors have been the growth drivers of the organised retail sector in India which now boast of retailing almost all the preferences of life - Apparel & Accessories, Appliances, Electronics, Cosmetics and Toiletries, Home & Office Products, Travel and Leisure and many more.

With this the retail sector in India is witnessing rejuvenation as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores. The retailing configuration in India is fast developing as shopping malls are increasingly becoming familiar in large cities. When it comes to development of retail space specially the malls, the Tier II cities are no longer behind in the race. If development plans till 2007 is studied it shows the projection of 220 shopping malls, with 139 malls in metros and the remaining 81 in the Tier II cities. The government of states like Delhi and National Capital Region (NCR) are very upbeat about permitting the use of land for commercial development.

Thus increasing the availability of land for retail space; thus making NCR render to 50% of the malls in India.

1.6 Trends in Retailing

Indian retailing is undergoing a process of evolution and is poised to undergo dramatic transformation. The traditional formats like hawkers, grocers and paan shops coexist with modern formats like Super- markets and Non-store retailing channels such as multi level marketing and tele-shopping. Modern stores trend to be large, carry more stock keeping units, and have a self-service format and an experiential ambience. The modernisation in retail formats is likely to happen quicker in categories like dry groceries, electronics, men's apparel and books.

Notes Some reshaping and adaptation may also happen in fresh groceries, fast food and personal care products. In recent years there has been a slow spread of retail chains in some formats like super markets, malls and discount stores. Factors facilitating the spread of chains are the availability of quality products at lower prices, improved shopping standards, convenient shopping and display and blending of shopping with entertainment and the entry of Tatas into retailing. Foreign direct investment in the retail sector in India, although not yet permitted by the Government is desirable, as it would improve productivity and increase competitiveness. New stores will introduce efficiency. The customers would also gain as prices in the new stores tend to be lover.

The consequences of recent modernisation in India may be somewhat different due to lower purchasing power and the new stores may cater to only branded products aimed at upper income segments.

The Indian retail environment has been witnessing several changes on the demand side due to increased per capital income, changing lifestyle and increased product availability. In developed markets, there has been a power shift with power moving from manufactures towards the retailers. The strategies used by retailers to wrest power include the development of retailers own brands and the introduction of slotting allowances which necessitate payments by manufactures to retailers for providing shelf space for new products. The recent increased power

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of retailers has led to the introduction of new tactics by manufactures such as everyday low pricing, partnership with retailers and increased use of direct marketing methods.

Some of the recent trends in retail trade are given below:

1. ***Branches:*** Some retail shops set up their branches in different areas to sell goods to customers who find it inconvenient to go to the central branch. The central shop supplies goods to its branches and coordinates and controls their operations. When a retail shop becomes popular it may find it profitable to open new branches in the city. All the branches deal in the same products. They are centrally owned and controlled. All the branches are operated on similar lines. According to the Federal Trade Commission, it is "an organisation owning, controlling interest in two or more establishments which sell substantially similar merchandise at retail prices". Gradually, the various branches become a chain of stores owned by the same retailer. When the chain sells a wide variety of goods it is called 'variety store'. If the goods are sold at fixed prices, it may be described as a fixed priced chain store.

2. ***Vending machines:*** A vending machine is a machine from which the buyer can get an article by inserting coins in it. The articles sold by a vending machine are prepared and standardised in quality. Vending machines are installed in busy shopping centres and at public places such as railway stations and bus stands. In our country Mother Dairy milk, soft drinks, ice cream, etc., are sold through vending machines. Thus, vending machines represent automation in retailing. Vending machines provide quick service and convenience to customers. However, it is expensive to instalment and maintains such machines. Moreover, vending machines can be used only for selling a few products.

3. ***Packing:*** Packing means putting the products into a suitable package. Packing has become important due to increasing competition and widening markets. Proper packing protects the goods during transport and storage. It also gives individuality or identity to the product. The brand name is attractively printed on the package. The information concerning weight, price and use of the product can be printed or inserted inside the package. Thus, packing helps to create demand and attract customers.

4. ***After sales service:*** In case of consumer durables such as car, television, refrigerator, air conditioner, computer, washing machine, etc., consumers require regular repair and maintenance service. Such service is called after sale service. It is required both during the guarantee period and thereafter. During the guarantee period, after sale service is provided free of charge. After the guarantee period, it is provided on charge. Prompt, courteous and efficient after sale service, enables the seller to increase his reputation and satisfaction of consumers.

   A manufacturer can provide after sale service in the following alternate ways:

   (i) Directly by sending the staff for repair and maintenance of the product as and when it is out of order. The manufacturer may set up service centres at different places to repair the product.

   (ii) Making arrangements with distributors and dealers to provide the necessary service. The manufacturer may upgrade the efficiency and reliability of dealers through appropriate training programmes.

   (iii) Putting greater focus on product design through more effective research, testing and quality control thereby minimising breakdown and the need for after sale service.

   (iv) The manufacturer may leave it to independent service specialist firms to provide after sale service.

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Generally, manufacturers adopt the first alternative. In this alternative they can earn good profits on spare parts. This alternative also keeps the manufacturer in touch with the customers and their problems. In the second alternative, dealers can offer faster services because they are closer to the customers. Manufacturer can still make profit on spare parts but give the servicing profit to the middlemen. Over a period of time independent service firms emerge. They generally provide cheaper and faster service than the manufacturer or the authorised dealer. Ultimately, some big customers may take over the responsibility of repairing and maintaining themselves. For instance, a company having one hundred computers in its different departments/branches may find it cheaper to have its service staff. It may get its staff trained in self-serving.

5. ***Trading stamps:*** During severe competition, retailers offer sales incentives to attract customers. Discount sales, gift coupons, trading stamps, etc., are examples of such incentives. A retailer offers free trading stamps to customers who buy goods from him on regular basis. These stamps are issued generally at the rate of 2.5 per cent of the amount of goods purchased. Customers go on accumulating the stamps. They can exchange their stamps with any article of equivalent value from the retailer. Trading stamps induce consumers to buy their requirements from the retail shop offering such stamps. In other words, the purpose of trading stamps is to increase loyalty of customers.

Example: Raymon Bonus stamps have been popular in India.

Self Assessment

Fill in the blanks:

17. Today, the …… have attacked every retail category.
18. The Indian retail scene has witnessed too many players in too short a time, crowding several categories without looking at their ……, or having a well thought out branding strategy.
19. Retailing in India is gradually inching its way toward becoming the next …… industry.
20. The Indian population is witnessing a significant change in its ……

Case Study

Chinese Retailers Give Global Giants Run for Money

Even as the issue of 100 per cent foreign direct investment in retail has set off a major controversy in India, the Chinese experience offers a refreshingly positive tale to tell.

Almost two decades after China opened up retail fully, starting with allowing 26 per cent FDI in 1992, the sector has seen rapid growth, against the backdrop of increased market consolidation, higher production efficiency enabled by rising investments in rural infrastructure, and booming exports made possible by the setting up of new supply chains.

Many of these changes, according to Chinese analysts, were made possible by the entry of foreign retail giants such as Walmart and Carrefour, who changed the way Chinese companies managed their businesses, from farm procurement to logistics. Yet, 20 years

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on, it is Chinese local retailers — and not their foreign competitors — who dominate the retail market, with initial fears of a foreign invasion ultimately appearing unfounded as local companies learned quickly to out-compete their foreign rivals.

The country's biggest retail firms today are all Chinese companies — the Shanghai Bailian group, Suning, Gome and Dashang — all have bigger sales than Walmart in China, according to several research studies.

Walmart, which came to China in 1996 and has since opened more than 350 stores, has seen its market share fall from 8 per cent to 5.5 per cent in the past three years, according to the China Market Research Group.

Shi Yongheng, a professor from the School of Economics and Management at Tsinghua University who has studied China's retail sector, told *The Hindu* in an interview that the success of China's local retailers was enabled by the government controlling the speed of the 'gradual' opening up process, which gave local retailers enough time to adapt.

Foreign companies were allowed to hold 51 per cent majority ownership (which India has now decided to grant them) only 12 years after the sector was opened, first allowing 26 per cent foreign equity. Initially, China also only allowed foreign retailers to open in select metropolises, such as Beijing, Shanghai and Shenzhen, and, moreover, only in certain districts in those cities. In Beijing and Shanghai, foreign retailers like Walmart were only allowed to operate in districts where there were no local competitors. Through these 'invisible barriers', China succeeded in giving local retailers protection, while, at the same time, they learnt from the 'more efficient' business models of foreign companies, said Professor Shi.

"In terms of logistics, procurement and management, we have clearly seen the benefits," he said. "Prices have fallen, and efficiency has increased. Initially, we had fears of the coming of foreign companies, but now we are no longer concerned as local companies have been able to learn from them, and compete with them."

The lessons for India from China's FDI experience are, however, both limited and mixed, considering the differences in how retail operates in both countries.

For one, it is unclear if India can pose the barriers that challenged foreign retailers in China, starting right from land — foreign retailers here have complained of not being given land by local governments, who control all land transactions, in prime locations. The unorganised retail sector is also far larger in India, with organised retail accounting for less than 5 per cent, compared with 20 per cent in China. In China, unorganised retail, represented by street vendors and neighbourhood 'community retailers', has continued to thrive, offering cheaper prices than supermarkets and retail chains.

For farmers like Zhang Wei (named changed) from Hebei, who grows vegetables on a 10 mu (0.67 hectare) plot of land, the coming of retail has increased — not reduced — his client base, he said. Mr. Zhang has direct sales in a Beijing neighbourhood every evening, while also supplying a supermarket chain, which, he says, pays less for his produce. "My vegetables are cheaper than in the supermarket, so I will always have my customers," he said.

Consolidation of the retail sector in China, as a result of the government-supported rise of local retail giants like Bailian, has put many small farmers, who, unlike Mr. Zhang, could not cope with lower prices, out of work.

It has, however, also improved productivity by increasing the size of landholdings. In Mr. Zhang's village, for instance, each household had between 1 and 2 mu, but as more

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farmers moved to the cities for work, they rented out their land to those, like Mr. Zhang, who stayed behind.

"The job losses have not been felt because of the pace of urbanisation and the growth of cities," Professor Shi said. "Yes, some small retailers have lost their jobs, but the question is, have the benefits outweighed the costs? I would certainly say yes."

Question

What makes Chinese retailers competitive players in the world market?

Source: www.thehindu.com

1.7 Summary

- Retailing is the activity of selling goods and services to last level consumers for their use.
- It is concerned with getting goods in their finished state into the hands of customers who are prepared to pay for the pleasure of eating, wearing or experiencing particular product items.
- Retailing is all about the distribution of goods and services.
- Retailers play a key role in the route that products take after originating from a manufacturer, grower or service-provider to reach the person who consumes.
- The ways in which retailers evolve have been the subject of academic debate for over half of a century.
- Discount stores are factory outlets that give discount on the MRP.
- Specialty stores are single-category, focusing on individuals and group clusters of the same class, with high product loyalty.
- Traditional retail refers to these thousands of small, mostly family-owned retail businesses. They are also referred to as the "unorganised" retail sector.
- The "organised" sector refers to large, modern regional and national retail stores.
- Modern retailing has entered into the Retail market in India as is observed in the form of bustling shopping centers, multi-storied malls and the huge complexes that offer shopping, entertainment and food all under one roof.

1.8 Keywords

Category Killers: These are small specialty stores that offer a variety of categories. They are known as category killers as they focus on specific categories, such as electronics and sporting goods.

Convenience Stores: They are located in residential areas with slightly higher prices goods due to the convenience offered.

Departmental Stores: They are general retail merchandisers offering quality products and services.

Discount Stores: These are factory outlets that give discount on the MRP.

E-trailers: They are retailers providing online buying and selling of products and services.

Mom-and-pop Stores: They are family owned business catering to small sections; they are individually handled retail outlets and have a personal touch.

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Retail Revolution: It is the revolution in the shopping habits of the people across the entire world, which has virtually brought the super market to the main street.

Retailing: Retailing is the business activity of selling goods and services to the final consumer.

Shopping Malls: The biggest form of retail in India, malls offers customers a mix of all types of products and services including entertainment and food under a single roof.

Specialty Stores: They are retail chains dealing in specific categories and provide deep variety for example, Mumbai's Crossword Book Store and RPG's Music World.

Vending Machine: It is a relatively new entry, in the retail sector. Here beverages, snacks and other small items can be bought via vending machine.

1.9 Review Questions

1. Define the term retailing and discuss the concept of retailing.
2. Identify key challenges of Indian retail industry.
3. Discuss various opportunities in Indian Retailing.
4. Describe the act of retailing. Why do you think retailing is important?
5. "Retailers provide a collection of service benefits to their customers." Substantiate.
6. Discuss the functions of retailing with the help of suitable examples.
7. Explain how sorting by the retailer helps you as a customer.
8. "Retailing is not only an integral part of our economic structure but also shapes and is shaped by, our way of life." Discuss.
9. Discuss the pros and cons of a career in retail.
10. What are the jobs available in retail?
11. Explain the sudden surge in the global retail market.
12. Why do developing countries like Brazil and India constantly feature in the top of Global Retail Development Index?
13. What are the different alternate ways through which manufacturer can provide after sale service?
14. Discuss different trends in retailing from past to present.
15. What are the key challenges and opportunities in Indian retailing?

Answers: Self Assessment

1.	Wide	2.	Target market
3.	Tangible	4.	Personal
5.	True	6.	True
7.	False	8.	True
9.	Father and son	10.	Government
11.	50	12.	Haats, melas

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13. True
14. True
15. False
16. True
17. Organised players
18. Core competencies
19. Boom
20. Demographics.

1.10 Further Readings

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Unit 2: World of Visual Merchandising

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Objectives

After studying this unit, you will be able to:

- State the Definition and Meaning of Visual Merchandising
- Discuss the Functions of Visual Merchandising
- Analyse the Components of Visual Merchandising
- Describe the History of Visual Merchandising
- Explain the Trends in Visual Merchandising
- Discuss about Retail in India
- Explain Role of Retail in Nations Economy

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Introduction

Visual merchandising is concerned with presenting products to customers within the retail space. It is a term sometimes used as an alternative to merchandise display, but these days is generally understood to have a wider definition encompassing all activities concerned with the presentation of the product within the retail outlet, including the choice of store layout, the method of product presentation, the choice of fixture and fittings, the construction of displays, and the use of point-of-sale material. It also has a very close connection with the allocation of space within the outlet. Visual merchandising is more important in some retail sectors than others. For example, fashion and home furnishing retailers have always devoted considerable resources to displaying products in a visually appealing way, whilst discount grocery retailers are much more concerned with space efficiency. However, the need to adapt to style-conscious twenty-first-century customers is as relevant to the way products are presented as the way a store environment is designed.

The implementation of a visual merchandising strategy within a retail business is not standardised across the industry. Lea-Greenwood (1998) found that visual merchandising could be the responsibility of directors of corporate communications, promotion or marketing, whilst some retailers gave the function the status of a specific directorship. Often a multiple retailer will employ a team of regional visual merchandisers who rotate through a number of stores in a given area. The creative aspect of the visual merchandiser's role attracts people with a design training or background, although specific training for visual merchandising is becoming more common. One of the advantages of using a centralised team is that the retail brand identity can be controlled across all outlets, and visual merchandising can tie in with other corporate communication themes and messages. There is, however, a danger that the centralised approach may prevent the retailer from adapting to local themes, preferences and competition in the visual merchandising activity.

In this unit, we will study about Visual merchandising: definition and functions, history. We will also go through understanding retail in India

2.1 Visual Merchandising: Definition, Meaning and Functions

Visual Merchandising is the art of displaying merchandise in a manner that is appealing to the eyes of the customer. It sets the context of the merchandise in an aesthetically pleasing fashion, presenting them in a way that would convert the window shoppers into prospects and ultimately buyers of the product. A creative and talented retailer can use this upcoming art to breathe in new life into his store products. Passion for design and creativity are essential to be a good visual merchandiser. A perfect design process and the ability to create ideas that are different are required.

Caution Awareness of happenings in fashion world is needed so as to keep up-to-date with the dynamics of the market constantly.

2.1.1 Definition and Meaning of Visual Merchandising

"Visual Merchandising is the means to communicate a store's fashion, value, products, and quality message to prospective customers so as to entice them to buy from the store on a sustainable basis."

—Gini Frings

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Visual merchandising is the activity and profession of developing the floor plans and three-dimensional displays in order to maximise sales.

Visual merchandising is the activity of promoting the sale of goods, especially by their presentation in retail outlets. This includes combining products, environments, and spaces into a stimulating and engaging display to encourage the sale of a product or service. It has become such an important element in retailing that a team effort involving the senior management, architects, merchandising managers, buyers, the visual merchandising director, industrial designers, and staff is needed.

Visual merchandising includes window displays, signs, interior displays, cosmetic promotions and any other special sales promotions taking place.

Both goods and services can be displayed to highlight their features and benefits. The purpose of such visual merchandising is to attract, engage and motivate the customer towards making a purchase. Visual merchandising commonly occurs in retail spaces such as retail stores and trade shows

Did u know? Visual merchandising is not a science; there are no absolute rules. It is more like an art in the sense that there are implicit rules but they may be broken for striking effects. The main principle of visual merchandising is that it is intended to increase sales, which is not the case with a "real" art.

Visual merchandising starts with the store building itself. The management decides on the store design to reflect the products the store is going to sell and how to create a warm, friendly, and approachable atmosphere for its potential customers.

Many elements can be used by visual merchandisers in creating displays including colour, lighting, space, product information, sensory inputs (such as smell, touch, and sound), as well as technologies such as digital displays and interactive installations. Visual merchandising is one of the final stages in trying to set out a store in a way that customers will find attractive and appealing and it should follow and reflect the principles that underpin the store's image. Visual merchandising is the way one displays 'goods for sale' in the most attractive manner with the end purpose of making a sale. "If it does not sell, it is not visual merchandising."

Especially in today's challenging economy, people may avoid designers/visual merchandisers because they fear unmanageable costs. But in reality, visual merchandisers can help economise by avoiding costly mistakes. With guidance of a professional, a retailer can eliminate errors, saving time and money. It is important to understand that the visual merchandiser is there, not to impose ideas, but to help clients articulate their own personal style.

Thus, visual merchandising is the art of implementing effective design ideas to increase store traffic and sales volume. VM is an art and science of displaying merchandise to enable maximum sale. VM is a tool to achieve sales and targets, a tool to enhance merchandise on the floor, and a mechanism to communicate to a customer and influence his decision to buy. VM uses season based displays to introduce new arrivals to customers, and thus, increase conversions through a planned and systematic approach by displaying stocks available.

Recently, visual merchandising has gained in importance as a quick and cost effective way to revamp retail stores.

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2.1.2 Functions of Visual Merchandising

Following are the major functions of visual merchandising:

1. It is a tool which help in getting sales and targets.
2. It is a tool which enhance merchandise on the floor.
3. It is a mechanism to communicate to customer and influence customer desires to buy.
4. It uses season based display to introduce new arrivals to customers.
5. It educate the about product/service in the efficient and effective way.
6. It increases conversion through a planned and systematic approach by display available stands.
7. It establishes creative medium to present merchandise in 3D environment, thereby enabling long lasting impacts and recall value.
8. It establish the organisation in an exclusive mode.
9. It establish link among fashion, product design and keep the product in prime focus.
10. It associates the creative, technical and operational aspects of a product as well as business.

Self Assessment

Fill in the blanks:

1. …… is the art of displaying merchandise in a manner that is appealing to the eyes of the customer.
2. Visual Merchandising sets the context of the merchandise in an …… pleasing fashion, presenting them in a way that would convert the window shoppers into prospects and ultimately buyers of the product.
3. A creative and talented retailer can use an …… art to breathe in new life into his store products.
4. …… for design and creativity are essential to be a good visual merchandiser.
5. A perfect design process and the ability to create …… that are different are required.
6. Awareness of happenings in fashion world is needed so as to keep …… with the dynamics of the market constantly.

2.2 Components of Visual Merchandising

There are certain things which a retailer needs to take care while proceeding with the process of displaying his products. These components when combined together in a proper ratio will make a successful outcome.

2.2.1 Make Merchandise the Focal Point

The main goal of display is to showcase the products within the overall display area. Customers give three to five seconds of their attention to window display. The retailers' visual message should be conveyed to the customer in that short period of time. It should not be like an

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unsuccessful TV advertisement, where the product is forgotten altogether and only the concept of the commercial remains in the mind of the viewer. The arrangement of window display should go with the product and should not suppress them to make it discernable to the eye.

2.2.2 Right Choice of Colours is Vital

Colour is one of the most powerful tools in the Visual Merchandising segment. It is a visual perceptual property. Colours can be associated with emotions, special occasions and gender. It attracts attention and pulls more customers into the store. A retailer has to focus on the right choice of colour that would match with the theme of display. It is not possible to satisfy everyone all the time, but it is possible to cultivate the taste of customers gradually and purposefully. A right choice of colours in the display items can turn walkers into stoppers and significantly convert them into customers. It is therefore mandatory to choose the right colour for the right theme of display. A Halloween display would require black colour in the display theme. Valentines theme should be ruled by red colour supplemented with pink and white. A display of baby's accessories should reflect light shades of pink and blue colours. A Christmas display should contain colours of red, green, gold and silver.

Figure 2.1: Right Choice of Colour

2.2.3 Display Themes to Appropriately Support the Product

A theme is a display of sale items of similar categories e.g. a display of kitchen accessories. It's essential to have themes for all retail displays. They can be romantic, wild, or capricious, and capture peoples imaginations.

A good theme will lure the customer with a shopping mood into the store. Themes mainly depend upon the retailers' imagination and creativity. Focusing on the right theme rather than creating a display with expensive raw materials is the key to successful window display. A shoe store theme can be a group of elves buying shoes. A theme for display of casual wears can be a group of mannequins sitting casually at a get together in different poses. Related themes will tug the heartstring of the customers and will pay off.

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Figure 2.2: Display Theme

Self Assessment

State whether the following statements are true or false:

7. The main goal of display is to showcase the products within the overall display area.
8. Customers give three to five seconds of their attention to window display.
9. The retailers' visual message should be conveyed to the customer in that short period of time.
10. A bad theme will lure the customer with a shopping mood into the store.
11. Themes mainly are independent to retailers' imagination and creativity.
12. Focusing on the right theme rather than creating a display with expensive raw materials is the key to successful window display.
13. A shoe store theme can be a group of elves buying shoes.

2.3 History and Evolution of Visual Merchandising

Visual Merchandising has been around since the dawn of civilisation, since humans started selling merchandise to a customer. When a vendor arranged his goods to be more attractive for a customer, or when a farmer put the biggest and ripest apples on top of the basket for consumers to see and touch, that is visual merchandising.

When the giant nineteenth century dry goods establishments like Marshall Field & Co. shifted their business from wholesale to retail, the visual display of goods became necessary to attract the general consumers. The store windows were often used to attractively display the store's merchandise. Over time, the design aesthetic used in window displays moved indoors and became part of the overall interior store design, eventually reducing the use of display windows in many suburban malls. In the twentieth century, well-known artists such as Salvador Dalí and Andy Warhol created window displays.

As the 20th century ended, and the new millennium was entered, retailers were concerned with competition more than ever before. One of the ways in which merchants of every product classification, both large and small, helped to distinguish themselves from the others in the

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field, was through creative visual presentations. The challenges that confront these specialists run the gamut from the display installations in their stores to the development of designs for the environments. Today, Visual Merchandising has become more sophisticated and more encompassing than arranging merchandise for easy access to customers. Visual Merchandising elements are put into practice from designing the floor plan of the store to the beautiful mannequins that grace the store floor. With the specialty marketing of the 1990s, visual merchandising is a necessity to the retail industry.

Lab Exercise Go to website http://sarahmarie1.hubpages.com/hub/A-History-of-Visual-Merchandising-in-Retail-Stores and collect more information on "A History of Visual Merchandising in Retail Stores".

2.3.1 Trends in Visual Merchandising in India

Visual merchandising is showing merchandise and concepts at their very best, with the end purpose of making a sale. Visual merchandising techniques in the market are subtle, aesthetically appealing yet economical. Identifying the macro trends of visual merchandising that is prevalent in larger formats like hypermarkets in the market. This covers several categories of products which are available in a hypermarket and extends a keen eye to the fixtures, displays, lighting, signage, music, etc. This is based on a study spans over stores like Hypercity, Spencers Hypermarket, Star Bazaar, Big Bazaar, Shoppers Stop, Lifestyle, Westside, Homestop, Home Centre, Home Bazaar, Ezone, Tata Croma.

Thus, we try to identify trends by studying stores with comparable categories like Fashion, Food, Furniture, Fruits and Vegetables, Non-food, Hi-Tech & Appliance & Multimedia, etc. In categories like fashion, food, non-food, etc. the most common fixture is Gondola which is used in most categories with modifications. Browsers are used in case of fashion and most browsers stock merchandise on a slightly higher side in numbers than its actual capacity. Thus, the common practice is to use capacity fixtures to stock and showcase merchandise. Gondolas used for food, non-food are mostly of metal make and are top lit. Many fixtures are customised according to the store type and are combinations of Gonodlas, Browsers and Glass tops.

Displays is a technique of showcasing merchandise by putting them in a fashion which is aesthetically appealing and at the same time is able to convey a story line. Displays are done using mannequins and other props. Cross and complimentary merchandising techniques are used to make the displays attractive yet effective.

The general lighting in most of the stores is a combination of white and creamy yellow which accentuates merchandise and focal points and enhances visibility of the same. Special lighting like focus lights are used specially in windows for displays. The windows within the store are box-type, closed back top lit, while windows at the façade of the store are open back and bottom lit. These windows typically have themes while doing displays and mostly lifestyle merchandise is used to do the displays.

Colours and Signage vary according to different categories of products and formats as well. Signages are mostly varying according to the category it represents. For example in case of Hi-Tech is of size A-5, on Bins is A-6, in case of Fashion is of A-4, etc. There are also shelf talkers on shelf strips and wobblers are placed to highlight offers and new merchandise in most stores. Colours of the store walls are mostly off-white, cream or such light coloured.

Music is played in most stores which keeps the atmosphere of the store lively and relaxed.

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Cleanliness, upkeep and maintenance of the store and fixtures is given prime importance and the aim of all retailers is not just to provide a customer a wide variety of merchandise to buy but also ensure a good shopping experience.

Visual Merchandising is a technique commonly and rightly called "Silent Salesman" and is widely used in market to increase footfalls and attract shoppers and make shopping a pleasant experience to one and all.

2.3.2 Visual Merchandising and the Changing Face of Retail

Visual Merchandising is hence much more than functional configuration of space, layout and consumer flow. It also is a powerful communication and an experience enhancer and differentiator of the displayed merchandise even when product similarities are overwhelming.

The concept of Visual Merchandising (VM) perhaps, dates back to the time when human beings started selling products each vendor or trader wanted to make his goods appear more attractive to customer to enable a quick purchase. Examples of visual merchandising abound even in the traditional sector, with even the vegetable vendor arranging the vegetables in a manner in which all are not only visible, but the best ones receive the maximum visibility.

Various academics have defined visual merchandising. Alternately visual merchandising can be defined as the orderly systematic logical and intelligent way of putting stock on the floor. It has several aspects that involve store windows and floor displays signs, space, design, fixtures and hardware, props and mannequins. As retailing becomes increasingly complex, creating the right atmosphere in the store and presenting the merchandise in the rightly manner becomes even more important.

Visual Merchandising (VM) technically can be defined as the art of persuasion through presentation which puts the merchandise in focus. It educates the customers, creates desire and finally augments the selling process.

Visual merchandising is governed by the common principles of design, balance, emphasis, proportion rhythm and harmony. It works on attracting the attention of the customer, creating an interest for the product/service and creating a desire to own the product and then, initiate the decision to make the purchase.

The role of a Visual Merchandiser largely depends on the type of retail organisation, and the importance accorded to the role of visual merchandising. Visual merchandisers must be aware of the store's layout in intimate detail. Some organisations have two levels of visual merchandising positions: one is responsible for the overall look and colour flow of displays and the other is responsible for maintaining window and other displays on a day-to-day basis.

Thus, the roles that VM plays can be listed as below:

1. The primary purpose is to enable sales of the products/services sold by the retailer.
2. To inform and educate the consumer about the product/services in the store.
3. To enable ease of shopping for the consumer, by informing about colours, sizes prices and the basic location of the product.
4. Creating and enhancing the store's image.

Displays are usually planned two to four weeks in advance to co-ordinate with special promotions and advertising campaigns. If a visual merchandiser is working exclusively for a large organisations or chain, signage and prop packages are generally provided.

India is fast becoming the retail destination of the world. According to the international management consultant AT Kearney, India has emerged as the leader in terms of retail

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opportunities. The retail market in India is anticipated to grow to 427 billion USD by the year 2010.

However, the face of the Indian retail industry is changing. India is passing through a retail boom today. A number of changes have taken place on the Indian retail front such as increasing availability of international brands, increasing number of malls and hypermarkets and easy availability of retail space. With the Indian government having opened up the doors for FDI, the entry of foreign retailers into the country has become easier. India has come a long way from the traditional Kirana stores and is on its way to becoming a 'mall country'. The emphasis has shifted from reasonable pricing to convenience, efficiency and ambience.

The major factors fuelling this change are the increase in disposable income of the people, improving lifestyles, increasing international exposure and increasing awareness among the customers. India has a large middle class as well as youth population, which has contributed greatly to the retail phenomenon. The middle class is considered to be a major potential customer group. The youth are perceived as trend setters and decision makers. Tourist spending in India is increasing, which has also prompted the retail boom.

Example: Food and grocery are the two categories in the Indian retail sector which offer the most promising opportunities. Apart from this, the other areas where there are vast possibilities for Indian retailers are jewellery, apparel and consumer durables. Indian retailers are also trying to create a niche for themselves in areas such as books, gifts and music.

The Indian retail industry is going through a period of golden sunshine.

Caselet

Wal-Mart – Changing the Face of Retail

The company's five-element healthier food strategy is the latest in a long line of sustainability-oriented initiatives that are changing the face of retailing, not just in America, but in many of Wal-Mart's principal market economies including Canada and Mexico.

Wal-Mart started its greening initiative back in 2005 under Lee Scott, the company's then worldwide president, who sensed that change was needed to counter the less than favourable image as a company focused solely on endless consumerism and as a price-cutting bully driving out local 'Mom and Pop' retail outlets out of business.

Wal-Mart immediately launched an initiative to 'green' its supply chain, forcing existing and would be suppliers to the retail giant to examine all aspects of their operations to lower their carbon footprints, to reduce packaging wastage and to be more energy efficient in transporting products to Wal-Mart outlets.

The company then began to green its own operations by deploying energy saving technologies in its warehousing, renovating outlets to lower electricity usage, opening new outlets with advanced green building features - solar panels, green roofs, natural lighting, etc., and by switching to green energy supply wherever feasible.

But the new emphasis on healthier food at lower prices opens a new dimension of the fast changing face of retailing, one that not only could lead to changes in consumer buying habits, but also in the consumers themselves by changing their dietary habits.

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One might argue that healthier customers will also contribute to the bottom line, but it's a hard stretch to fit this into a conventional business profitability model. Whatever, the sustainability benefits of less saturated fats, sugars and additives, is real enough, and Wal-Mart's efforts in this regard clearly will accelerate an already growing shift in consumer attitudes toward healthier food products and lifestyle choices.

Other retailers have acted in this regard, most notably Pepsi and Kraft, and ultimately many competing retail giants will also benefit from the heavy lifting being done by Wal-Mart.

Source: http://www.globe-net.com/articles/2011/february/3/wal-mart-changing-the-face-of-retail.aspx

2.3.3 Status of Visual Merchandising in India

Unlike the western countries, where VM receives highest priority in commercial planning of a product, the Indian industry understanding and practice of the concept of VM is inadequate. With phasing out of quantitative restrictions after the year 2004, the textile industry will have to compete purely on the competitive edge of the products and VM will be a helpful tool in projecting the uniqueness of the products and thereby increasing the market access and sales. It is high time that the Indian textile and clothing industry, therefore, understands and adopts the scientific and professional system of VM rather than the traditional practices of display of products and communication.

2.3.4 Current Status of Visual Merchandising

The essence of retail is defined by the ability to compel the prospective customer to stop, to look, and to buy. Today's customers look beyond simple commodities and basic merchandise, to that which satisfies their wants, needs, and desires. This informed consumer demands selection and quality. To fulfil these expectations, successful retailers place a great emphasis on compelling life-style presentations of merchandise. Retail is naturally the showplace for new ideas, new concepts and new products. The store environment serves as the selling stage for the latest merchandise offerings of the day. Today, retailers have discovered the power of attractive displays to bring people into their stores, to interest customers in their merchandise, and to create a desire for the items displayed. Through displays, especially in their store windows, they tell you what they have that is new and different and suggest ways to make you and your home more attractive. All stores, large and small, use displays to catch the attention of passersby and help sell merchandise. The best displays are designed to make you think, to appeal to your emotions, and to persuade you to buy.

Visual display in the 1990s will continue to reflect the social, political, environmental and economic issues of the day. Demographics are changing and effective displays will have to mirror company image and direction while appealing to a specific market niche.

Did u know? Display has now become a profession, an integral part of the promotion and sale of merchandise. Today, there are many groups of resourceful and imaginative men and women working against deadlines that would defeat less inventive designers. They combine artistic understanding some, even genius with the profit motive and pragmatism of the merchandiser.

Our society looks upon them with respect and admiration, and they are amply rewarded, financially and otherwise, for their efforts. Display personnel maintain a weekly level of excellence that would be hard to equal in other fields, their windows having an aesthetic

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cleverness that seems to reach through the glass to catch the window shopper's attention. It is difficult to estimate the number of employees in the field. Anyone who arranges a few objects in a store window or on a counter may be considered a display person.

Self Assessment

Fill in the blanks:

14. ..... is a technique of showcasing merchandise by putting them in a fashion which is aesthetically appealing and at the same time is able to convey a story line.
15. Displays are done using ..... and other .....
16. Cross and ..... merchandising techniques are used to make the displays attractive yet effective.
17. Special lighting like focus lights are used specially in ..... for displays.

2.4 Understanding Retail in India

Retailing in India is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP. The Indian retail market is estimated to be US$ 450 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people.

Caselet

A T Kearney Global Retail Development Index, 2011

AT Kearney says the 2011 GRDI ranking mirrors the dramatic changes that have taken place in global markets, and the varying impacts they have had on different emerging economies.

For example, South American countries have fared well during the recession, posting an impressive 6 percent GDP growth in 2010. In addition to Brazil's top ranking, three other South American countries made the Top 10 of the GRDI: Uruguay, Chile and Peru. Brazil jumped to first place from no. 5 in last year's GRDI. Likewise, Uruguay climbed up the rankings to no. 2 from no. 8 last year, and Chile rose from #6 in 2010 to no. 3 this year.

The Middle East and North Africa also ranked highly in the 2011 GRDI. Political unrest in countries like Egypt and Tunisia are undoubtedly current challenges to growth, but Kuwait, Saudi Arabia, and the UAE (all top 10 GRDI markets in 2011) have not experienced the turmoil of some of their neighbours and are expected to remain stable going forward.

Here is a complete list of the Top 10 GRDI markets in 2011:

1. Brazil
2. Uruguay
3. Chile
4. India
5. Kuwait
6. China

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7. Saudi Arabia
8. Peru
9. U.A.E.
10. Turkey

Over the past ten years, the GRDI study has shown that global retail expansion is a portfolio game. Retailers must have an optimal mix of countries, formats and operating models to succeed.

Source: www.forums.industryweek.com/A T Kearney

India's retailing industry is essentially owner manned small shops. In 2010, larger format convenience stores and supermarkets accounted for about 4 percent of the industry, and these were present only in large urban centres. India's retail and logistics industry employs about 40 million Indians (3.3% of Indian population).

Until 2011, Indian central government denied Foreign Direct Investment (FDI) in multi-brand retail, forbidding foreign groups from any ownership in supermarkets, convenience stores or any retail outlets. Even single-brand retail was limited to 51% ownership and a bureaucratic process.

In November 2011, India's central government announced retail reforms for both multi-brand stores and single-brand stores. These market reforms paved the way for retail innovation and competition with multi-brand retailers such as Walmart, Carrefour and Tesco, as well single brand majors such as IKEA, Nike, and Apple. The announcement sparked intense activism, both in opposition and in support of the reforms. In December 2011, under pressure from the opposition, Indian government placed the retail reforms on hold till it reaches a consensus.

In January 2012, India approved reforms for single-brand stores welcoming anyone in the world to innovate in Indian retail market with 100% ownership, but imposed the requirement that the single brand retailer source 30 percent of its goods from India. Indian government continues the hold on retail reforms for multi-brand stores.

In June 2012, IKEA announced it has applied for permission to invest $1.9 billion in India and set up 25 retail stores. Fitch believes that the 30 percent requirement is likely to significantly delay if not prevent most single brand majors from Europe, USA and Japan from opening stores and creating associated jobs in India.

Task Visit your nearby retailers and find out what all activities do they perform to enrich customer service.

On 14 September 2012, the government of India announced the opening of FDI in multi brand retail, subject to approvals by individual states. This decision has been welcomed by economists and the markets, however has caused protests and an upheaval in India's central government's political coalition structure. On 20 September 2012, the Government of India formally notified the FDI reforms for single and multi brand retail, thereby making it effective under Indian law.

2.4.1 Role of Retail in Nations Economy

Retail sales are an important economic indicator because consumer spending drives much of our economy. Think of all of the people and companies involved in producing, distributing, and selling the goods you use on a daily basis like food, clothes, fuel, and so on.

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When consumers open their pocket books, the economy tends to hum along. Retail shelves empty and orders placed for replacement merchandise. Plants make more widgets and order raw material for even more.

However, if consumers feel uncertain about their financial future and decide to hold off buying new refrigerators or blue jeans, the economy slows down. This is why politicians have resorted to tax rebates to give the economy a boost. By putting cash in consumers' hands, they hoped to spend their way out of a recession.

Did u know? On the 12th of every month, the Census Bureau releases the Retail Sales Index, which is a measure of retail sales from the previous month as determined by a sampling of stores both large and small across the country. Subject to future revision, the market closely watches this number as an indicator of the nation's economy.

The report actually lists two numbers. The first is Retail Sales and the second number is Retail Sales Ex-Auto or without automobile sales included. The reason is auto sales can skew the overall number that they are big-ticket items and subject to seasonal fluctuations.

The number crunchers on Wall Street come to their own conclusions before the Census Bureau issues the report and that number is usually close. However, if the "street consensus" and the actual report differ significantly, look for the market to react abruptly. The market does not like surprises.

The Retail Sector of Indian Economy is going through the phase of tremendous transformation. The retail sector of Indian economy is categorised into two segments such as organised retail sector and unorganised retail sector with the latter holding the larger share of the retail market. At present the organised retail sector is catching up very fast.

Task "The Retail Sector of Indian Economy is going through the phase of tremendous transformation". What are those transformations?

The impact of the alterations in the format of the retail sector changed the lifestyle of the Indian consumers drastically. The evident increase in consumerist activity is colossal which has already chipped out a money making recess for the retail sector of Indian economy. With the onset of a globalised economy in India, the Indian consumer's psyche has been changed. People have become aware of the value of money. Nowadays the Indian consumers are well versed with the concepts about quality of products and services. These demands are the visible impacts of the Retail Sector of Indian Economy.

Since the liberalisation policy of 1990, the Indian economy, and its consumers are getting whiff of the latest national & international products, with the help of print and electronic media. The social changes with the rapid economic growth due to trained personnel, fast modernisation, and enhanced availableness of retail space are the positive effects of liberalisation.

The growth factors of the retail sector of Indian economy:

- Increase in per capita income which in turn increases the household consumption.
- Demographical changes and improvements in the standard of living.
- Change in patterns of consumption and availability of low-cost consumer credit.
- Improvements in infrastructure and enhanced availability of retail space.
- Entry to various sources of financing.

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Notes The infrastructure of the retail sector will evolve radically. The emergence of shopping malls is going steady in the metros and there are further plans of expansion which would lead to 150 new ones coming up by the year 2008. As the count of super markets is going up much faster than rate of growth in retail sector, it is taking the lions share in food trade. The non-food sector, segments comprising apparel, accessories, fashion, and lifestyle felt the significant change with the emergence of new stores formats like convenience stores, mini marts, mini supermarkets, large supermarkets, and hyper marts. Even food retailing has became an important retail business in the national arena, with large format retail stores, establishing stores all over India. With the entry of packaged foods like MTR, ITC Ashirbad, fast foods chains like McDonald's, KFC, beverage parlours like Nescafe, Tata Tea, Cafe Coffee Day and Barista, the Indian food habits has been altered. These stores have earned the reputation of being 'super saver locations'.

With the arrival of the Transnational Companies (TNC), the Indian retail sector will confront the following round of alterations. At present the Foreign Direct Investments (FDI) is not encouraged in the Indian organised retail sector but once the TNC'S get in they would try to muscle out their Indian counterparts. This would be challenging to the retail sector in India.

The future trends of the retail sector of Indian economy:

- The retail sector of Indian economy will grow up to 10% of total retailing by the year 2010.
- No one single format can be assumed as there is a huge difference in cultures regionally.
- The most encouraging format now would be the hyper marts.
- The hyper mart format would be further encouraged with the entry of the TNC's.

Self Assessment

State whether the following statements are true or false:

18. The infrastructure of the retail sector will dissolve radically.
19. The emergence of shopping malls is going unstable in the metros.
20. The non-food sector, segments comprising apparel, accessories, fashion, and lifestyle felt the significant change with the emergence of new stores formats like convenience stores, mini marts, mini supermarkets, large supermarkets, and hyper marts.

Case Study

FoodWorld

"Household groceries, at walking distance, at economical prices", is FoodWorld's USP. Where from do you get your vegetables and groceries? Pop this question to any housewife and the most likely response is from the neighbourhood vendor selling on a pushcart, or a nearby market, which houses groceries. But both these options make no allowance for hygiene and comfort. This germ of a thought is what set the process for the conception of FoodWorld in Chennai in 1996. From there on, FoodWorld,

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a joint venture between Dairy Farm International and RPG Gardinier, has gone to add four cities – Bangalore, Pune, Coimbatore, and Hyderabad – at 41 locations.

Raghu Pillai, managing director, FoodWorld says, "We started in Chennai because of the developed retail market, good real estate prospects and cosmopolitan atmosphere. We have the most comprehensive range of products at the most competitive prices." Lower pricing is a function of the volume that the store generates. It gets close to a million customers a year. The throughput in a store ranges from ₹ 20,000 lakh to ₹ 17 crore a month. It has plans to touch the ₹ 1000 crore figure by the year 2003-2004. Says Pillai, "From humble beginnings, today FoodWorld has 12 outlets in Chennai, 14 in Bangalore, 9 in Hyderabad, 4 in Pune, and 2 in Coimbatore. It occupies a total retail space of 100,000 sq. ft. and has additional 100,000 sq. ft. of warehousing facility. Not content to sit on its laurels, FoodWorld has chalked up plans of setting up 100 stores by December 2000. But instead of venturing into new cities, FoodWorld will consolidate itself in the already existing locations.

Normally groceries, food, and vegetables is a low interest area. So building a brand is much more difficult. To generate and retain interest, FoodWorld runs a host of contests and promos. It has a 52-week promotional calendar with a variety of schemes to attract consumers. Pillai says, "At any given time, there are 150 – 200 products at a certain level of discount."

The layout of the store is designed keeping convenience in mind. For example, pulses are kept at the front, rice at the back, while vegetables to be kept on top. The execution enables vegetables on the top of a basket during a purchase. FoodWorld sources most of its branded groceries from traditional C&F agents, rice from the rice mills, fruit and vegetables from the neighbouring villages or the mandi.

Some of the problems encountered are assessing the best location, attaining economic viability and leveraging synergies. As all volumes are aggregated in the state, generating large enough volumes to leverage it as an advantage is a difficult task. The infrastructure of cold chains and basic infrastructure is missing. Getting trained people to man, the stores have proved another challenge. FoodWorld has the largest number of employees from government and municipal corporation schools.

In India, on an average, there is one retail outlet per thousand people. The industry is poised to grow at 5 – 10 per cent per year over the next 25 years. But to grow at this rate, retail has to grow across all categories of the spectrum.

Question

What external factors FoodWorld exploits to ensure successful existence and expansion of its retailing activities?

Source: A & M, September 30, 2000

2.5 Summary

- A creative and talented retailer can use this upcoming art to breathe in new life into his store products. Passion for design and creativity are essential to be a good visual merchandiser.
- A perfect design process and the ability to create ideas that are different are required.
- Awareness of happenings in fashion world is needed so as to keep up-to-date with the dynamics of the market constantly.

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- The retailers' visual message should be conveyed to the customer in that short period of time.
- A good theme will lure the customer with a shopping mood into the store.
- Themes mainly depend upon the retailers' imagination and creativity.
- Focusing on the right theme rather than creating a display with expensive raw materials is the key to successful window display.
- A shoe store theme can be a group of elves buying shoes.
- Displays are done using mannequins and other props.
- Cross and complimentary merchandising techniques are used to make the displays attractive yet effective.
- The general lighting in most of the stores is a combination of white and creamy yellow which accentuates merchandise and focal points and enhances visibility of the same.
- Special lighting like focus lights are used specially in windows for displays.
- The non-food sector, segments comprising apparel, accessories, fashion, and lifestyle felt the significant change with the emergence of new stores formats like convenience stores, mini marts, mini supermarkets, large supermarkets, and hyper marts.
- Food retailing has become an important retail business in the national arena, with large format retail stores, establishing stores all over India.

2.6 Keywords

Display: Display is a technique of showcasing merchandise by putting them in a fashion which is aesthetically appealing and at the same time is able to convey a story line.

General Lighting: The general lighting is a combination of white and creamy yellow which accentuates merchandise and focal points and enhances visibility of the same.

Shoe Store Theme: A shoe store theme can be a group of elves buying shoes.

Special Lighting: Special lighting like focus lights are used specially in windows for displays.

Theme: A theme is a display of sale items of similar categories.

Theme for Display of Casual Wears: A theme for display of casual wears can be a group of mannequins sitting casually at a get together in different poses.

Visual Merchandiser: Visual Merchandiser is the person who performs different related functions to merchandising.

Visual Merchandising: Visual Merchandising is the art of displaying merchandise in a manner that is appealing to the eyes of the customer.

2.7 Review Questions

1. Define the term visual merchandising.
2. Who is a visual merchandiser? What are the functions of a visual merchandiser?
3. Discuss the history of visual merchandising.
4. Who is a creative and talented retailer?

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5. What is the essence of perfect design process?
6. "Awareness of happenings in fashion world is needed so as to keep up-to-date with the dynamics of the market constantly." Elucidate.
7. Who is the target source of retailer visual image? How displays are done?
8. What are cross and complimentary merchandising techniques?
9. Differentiate between general and special lighting effect.
10. What are themes? On what basis, the retailers' themes depend?
11. What are the different types of themes known to you?
12. Explain how does food retailing has become an important retail business in the national arena, with large format retail stores, establishing stores all over India.

Answers: Self Assessment

1.	Visual Merchandising	2.	Aesthetically
3.	Upcoming	4.	Passion
5.	Ideas	6.	Up-to-date
7.	True	8.	True
9.	True	10.	False
11.	False	12.	True
13.	True	14.	Display
15.	Mannequins, props	16.	Complimentary
17.	Windows	18.	False
19.	False	20.	True

2.8 Further Readings

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Unit 3: Image Mix

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Objectives

After studying this unit, you will be able to:

- Describe the Concept of Retail Store—Site and Design
- Discuss the Types of Retail Location
- Explain the Steps Involved in Choosing a Retail Location
- Discuss about Store Design and Layout
- Describe Trade Area Analysis
- Explain Image Mix: the Top Six Elements

Introduction

In an age of self-service stores, saturated markets and ever more demanding customers, the careful and science-driven design of the point of sale has become a crucial success factor for both retailers and service businesses. In this book, the interested reader will find a variety of hands-on suggestions on how to optimise the design of retail stores and service environments to increase customer satisfaction and sales.

A store may have good merchandise, good customer service and good sales promotion, but if the location where retailing has to take place is not proper, the retailer will face several day-to-day selling problems. Location decision is strategic and long term and hence involves a large investment that is irreversible in nature. If a retailer after setting up his store realises that the location is not proper, he has either to go on suffering losses or close down. In this unit, you will

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learn why a retailer while making a store location decision has to weigh in not only financial aspects but also technical, commercial, social and political aspects. Poor location results in increase distribution cost, poor marketing response and dissatisfaction among employees, suppliers and customers.

Here in this unit, we will study retail sore-site and design. We will also study Image mix and further focus on top six elements of Image mix.

3.1 Retail Store – Site and Design

Location decisions ultimately decide the future and overall profitability of the organisation. A good location may not always success, but undoubtedly it is a must for smooth flow of goods and day-to-day operations, such as loading and unloading of goods. In this unit, you will learn how an optimum or ideal location is arrived at.

Did u know? The location of stores is a key concern to any retail organisation, whether it's your first store or your one hundredth. Spending time and money wisely in the process of site selection is critical.

Newcomers to retail often open shop in a location simply because it is the only vacant space within a stone's throw of their home or office. Knowledgeable retailers, on the other hand, will make a thorough examination of possible locations before signing on the dotted line. They know their investment will be large and they want as reasonable a prediction of success as possible before making a commitment.

3.1.1 Types of Retail Location

Retailers have many store location factors to consider when choosing a place for their business. Here are a few of the more common types of retail locations.

***Mall Space*:** From kiosks to large anchor stores, a mall has many retailers competing with each other below one roof. There are generally 3 to 5 anchor stores, or large chain stores, and then dozens of smaller retail shops. Typically the rent in a mall location is much higher than other retail locations. This is due to the high amount of customer traffic a mall generates. Before selecting this type of store location, be sure the shopper demographic matches the description of your customers. Mall retailers will have to make some sacrifices in independence and adhere to a set of rules supplied by mall management.

Figure 3.1: Mall Space-Select CityWalk, Saket, Delhi

(a) Outside View

(b) Inside View

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Shopping Centre: Strip malls and other attached, adjoining retail locations will also have guidelines or rules for how they prefer their tenants to do business. These rules are probably more lenient than a mall, but make sure you can live with them before signing a lease. Your community probably has many shopping centres in various sizes. Some shopping centres may have as few as 3 units or as many as 20 stores. The types of retailers, and the goods or services they offer, in the strip mall will also vary. One area to investigate before choosing this type of store location is parking. Smaller shopping centres and strip malls may have a limited parking area for your customers.

***Downtown Area*:** Like the mall, this type of store location may be another premium choice. However, there may be more freedom and fewer rules for the business owner. Many communities are working hard to revitalise their downtown areas and retailers can greatly benefit from this effort. However, the lack of parking is generally a big issue for downtown retailers. You'll find many older, well-established specialty stores in a downtown area. This type of store seems to thrive in the downtown setting.

***Free Standing Locations*:** This type of retail location is basically any stand-alone building. It can be tucked away in a neighbourhood location or right off a busy highway. Depending on the landlord, there are generally no restrictions on how a retailer should operate his business. It will probably have ample parking and the cost per square foot will be reasonable. The price for all that freedom may be traffic. Unlike the attached retail locations where customers may wander in because they were shopping nearby, the retailer of a free standing location has to work at marketing to get the customer inside.

***Office Building*:** The business park or office building may be another option for a retailer, especially when they cater to other businesses. Tenants share maintenance costs and the image of the building is usually upscale and professional.

***Home-based*:** More and more retail businesses are getting a start at home. Some may eventually move to a commercial store location, while many remain in the business owner's spare room. This type of location is an inexpensive option, but growth may be limited. It is harder to separate business and personal life in this setup and the retailer may run into problems if there isn't a different address and/or phone number for the business.

3.1.2 Steps Involved in Choosing a Retail Location

Selection of location for constructing a store can be solved in the following four stages:

1. Home country Vs abroad
2. Selection of the region
3. Selection of the locality or community
4. Selection of the exact store

Home Country Vs Abroad: This decision relates to deciding whether the proposed store should be set up in the country or abroad. Today, in order to avail some low-priced inputs like cheap labour, cheap merchandise, less taxes, etc., Indian companies have started venturing into other countries for retailing, marketing, acquisition and even research and development.

Example: There is a long list of Indian retail units abroad; however, most of the stores deal with Indian foods, spices, juices and pickles.

Therefore, if the management has taken a decision to set up its retail store abroad, the first step is to decide upon a particular country. This is crucial because due to LPG (Liberalisation,

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Privatisation, and Globalisation) drive globally, every country is eager to attract foreign capital with a unique set of offering. The following key factors should be considered while deciding upon the name of a country:

1. Political factors like political policies and political stability
2. Trade barriers
3. Synergy
4. Economies of scale
5. Regulations
6. International competition
7. Incentive

Selection of Region: Generally, a country is divided into regions on the basis of directions (east, west, north and south) or political boundaries. Therefore, after selecting the country, the second step is to decide on the right region based on comparative cost advantages available out of the possible regions.

Notes India has twenty-eight states and seven territories. To decide on where to set up a store is not an easy task. A retailer has to critically analyse each state or study the country under its four major divisions, viz, Northern, Southern, Western and Eastern. If the retailer want to set up say, in the northern region, then is has to select a particular state, viz, Haryana, Punjab, Delhi, Rajasthan, UP, Uttranchal, HP or J&K.

The factors influencing such selection are as follows:

1. Availability of merchandise
2. Proximity to the market
3. Infrastructural facilities
4. Transport facility
5. Climatic conditions
6. Government policy
7. Subsidies and sales tax exemptions

Selection of the Locality/Community: After selecting the region, the third step in deciding on the store location is to select a particular locality or community within the selected region. It means taking decisions regarding:

1. Urban area
2. Rural area
3. Suburban area

The selection of a locality in a particular region is determined by the following factors:

1. Labour and wages
2. Community facilities

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3. Community attitudes
4. Banking facilities
5. Existence of supporting stores
6. Local taxes and restrictions
7. Water supply
8. Personal and emotional factors
9. Historical issues
10. Traffic flow

Selection of the Exact Store: The selection of an exact store in a selected is the final step in store location decision. A retailer's selection of a particular store is determined by the following factors:

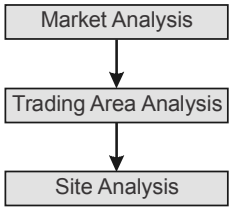
1. Availability of funds
2. Cost of land development
3. Flexibility potential
4. Transport facilities
5. Local laws/bylaws
6. Local taxes, water and fire protection facilities
7. Means of communication
8. Outlook of local people
9. Postal facilities
10. Waste disposal provision

3.1.3 Develop a Location Plan

Developing the location plan requires a careful study of potential markets. Market assessment begins by examining all regions or metropolitan areas, then choosing the one that appears to offer the greatest potential. Such a process is known as market selection.

Choices must then be made within the selected region or city. An analysis of the different subareas or trading areas, of a city is then conducted. Finally, separate site analyses and evaluations must be made. At this stage, management assesses the cost of land or rents, construction costs, traffic flow, etc. Note that each step in this process is a refinement of the previous one.

Figure 3.2: Location Plan



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Market Analysis

During the process of market selection, management evaluates a variety of factors in the target regions. These include demographics, economic characteristics, the competitive environment, and the overall potential of the area.

1. ***Population Characteristics***
   - (i) Total size
   - (ii) Age and income distribution
   - (iii) Growth trends
   - (iv) Education levels
2. ***Labour Availability***
   - (i) Availability of management candidates
   - (ii) Wage levels
   - (iii) Unions
3. ***Media Mix Issues***
   - (i) Type of media coverage
   - (ii) Media overlap
   - (iii) Costs
4. ***Economic Characteristics***
   - (i) Number and types of industry
   - (ii) Dominant industry
   - (iii) Growth projections
   - (iv) Financial base
5. ***Competitive Characteristics***
   - (i) Saturation level
   - (ii) Number and size of competition
   - (iii) Competitive growth trends
6. ***Location Characteristics***
   - (i) Number and type of locations
   - (ii) Costs
   - (iii) Access to customers
7. ***Regulation Characteristics***
   - (i) Taxes
   - (ii) Licensing
   - (iii) Zoning restrictions

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Index of Retail Saturation (IRS)

One of the more commonly used measures of market attractiveness is the Index of Retail Saturation (IRS). This index is based on the assumption that if a market has a low level of retail saturation, the likelihood of success is higher.

IRS is the ratio of demand for a product (households in the geographic area multiplied by annual retail expenditures for a particular line of trade per household) divided by available supply (the square footage of retail facilities of a particular line of trade in a geographic area.

In the following formula, a higher IRS indicates a lower level of saturation, thereby increasing the likelihood of retail success.

$$\text{IRS} = \frac{\text{Number of consumers} \times \text{Retail expenditures per consumer}}{\text{Square feet of retail selling space available}}$$

Census data, which is published every five years, can provide information on the number of potential customers in a trading area.

Task Take example of any one prime retail location in India and find out about the number of shops at that location, types of shops, and its attractiveness.

Trade Area Analysis

A thorough analysis of trade area is necessary to estimate market potential, understand customer profile, competition, develop merchandising plan, and focus promotional activities. Increasingly, retailers are using Geographic Information System (GIS) software in their trade area delineation and analysis. GIS combine digitised mapping with key locational data to graphically depict such trade area characteristics as the demographic attributes of the population, data on customer purchases, and listing of current, proposed and competitor's locations. Thus, GIS software lets retailers research the attractiveness of alternate locations and review findings on computer-screen maps.

Market Potential

In estimating the market demand potential, retailers consider factors that are specific to their product line. Hence, often there is a variable in the criterion used by retailers for market estimation. Some of the important indicators of market demand are as follows:

(i) ***Population Characteristics and its Trends*:** Population characteristics such as geo-demographics, psychographic, and behavioural characteristics are used to segment markets. Considerable information about an area's population characteristics can be acquired from secondary sources. Retailers can access data regarding population size, population density, and number of households, income distribution, sex, education, age, occupation and mobility. The information on behavioural characteristics can be obtained by carrying out a primary study measuring store loyalty, consumer lifestyles, and store patronage.

(ii) ***Purchase Power and its Distribution*:** The average household purchasing power and distribution of household income can significantly influence selection of a particular retail area. Thus, as purchasing power rises, the population is likely to exhibit an increased demand for luxury goods and more sophisticated demand for necessities.

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(iii) ***Business Climate:*** Retailers should take into account the employment trends of the market because a high level of employment drives up the purchasing power. It is in the interest of retailers and developers to determine which geographical areas are growing rapidly and why.

(iv) ***Competition:*** The level and nature of competition in an area also influence the selection of a particular retail location. On the basis of levels of competition, trade area can be classified into three types:

- Saturated
- Under-stored
- Over-stored

A saturated trade area offers customers a wide variety of merchandise, which also ensure impressive profits for retailers in the market. Customers tend to prefer these areas because of the variety of merchandise offered and competitive pricing. Therefore, retailers who find location characteristics compatible with their marketing mix prefer to establish their stores at such locations.

Example: Nirula's, McDonalds's, Pizza Corner, and Pizza Hut are some examples in this context in India.

Retailers located in a saturated trade area look for head-to-head competition. They develop, methods and internal systems that allows them to successfully compete and it ensures high footballs, which can be converted into sales with sustained marketing efforts.

Under-stored trade area is one that has too few stores selling specific merchandise to meet the needs of the segment efficiently.

Example: Subhiksha's early success was based on its location strategy of opening stores in small towns and residential neighbourhoods in Chennai that were relatively poorly served by the existing retailers.

Over-stored trade areas are characterised by the presence of multiple retailers in a specific product category.

Example: Nai Sarak in Delhi, which is well known all over India for its educational books and stationery products.

These areas pose great challenges for new entrants in terms of investment and efforts in attracting customers. In India, most of the over-stored trade areas are traditional markets with limited space for new retailers and high rentals.

(v) ***Peer Pressure and Competition*:** The importance of support of public and the already existing business in adjoining area is evident from the following example.

Example: Sonepat-Delhi national highway is one of the busiest highways in the country; therefore, it has immense economic potential for dhabas. An entire stretch of one kilometer on this highway near Delhi has no outlet serving non-vegetarian. Social norms have ensured that non-vegetarian outlets do not set shops on this stretch.

Notes

Site Analysis and Evaluation

Site analysis and evaluation is an important step in the selection of a retail location. As a retailer, you have three basic choices for a site:

- Shopping centres/malls
- Downtown core
- Freestanding location

The following chart highlights the strengths and weaknesses of these sites.

Table 3.1: Site Evaluation

Location Type	Potential Advantage	Potential Disadvantage
Downtown	• Good transit • Established market • Independent focus • Strong business audience	• Perceived parking problems • Possibly in decline • Usually poor evening traffic
Regional Mall	• High traffic • Plenty of parking • Established draw • Professional image	• High rent • Very competitive • High building costs • Controlled hours
Community Mall	• Trading area defined • Good parking • Community-driven	• Mixed images • Limited market • Limited traffic
Strip Mall	• Specialised tenant mix • Visibility • Convenient	• Limited draw • Limited access/transit
Free Standing/Big Box	• Lower rents • Value image • Lower overheads	• Unit size (large) • Exclusive to major tenants • Harder to attract customers

Choosing a Shopping Centre

- ***Sales Per Square Foot:*** Most shopping centres require tenants to report monthly sales figures. This valuable data makes it easier to compare malls and their rents. It also allows you to make more accurate sales forecasts.

Example: Let's say a mall's average sales for women's wear are $300 per square foot and you are contemplating renting a 1000 square foot location. If you perform to the average, you would expect to attain a sales level of $300,000 per year.

- ***Total Rent:*** Traditionally, malls will charge a minimum rent per square foot or a percentage of sales (whichever is greatest), plus a prorated common area and maintenance charge (CAM) per square foot leased. CAM expenses are the developer's total cost of maintaining the mall divided by the total allowable space for rent. They usually include the mall's expenses for insurance, real estate taxes, snow removal, maintenance staff wages, garbage removal, promotions, etc.
- ***Cost per Shopper Analysis:*** One approach to determining the true "cost" of a location is to calculate the "cost per shopper". The key here is to determine whether the traffic created at a particular site consists of your target customers or a more general customer base.

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- ***Responsiveness of the Landlord:*** Directly related to the appearance of a retail location is the responsiveness of the landlord to the individual merchant's needs. Unfortunately, some landlords actually hinder the operation of their tenants' business by restricting the placement and size of signs, renting adjacent spaces to incompatible or directly competing stores, and forgoing maintenance and repairs. By these actions, landlords can cripple a retailer's attempts to increase business. In addition to speaking to existing tenants, you should talk to previous tenants of the same location. Ask them if they would become tenants of this landlord again.
- ***Renegotiating a Lease:*** When times are good and retailers are optimistic, they sometimes sign leases that come back to haunt them in later years. Renegotiating a lease once it has been signed is difficult to do, but attempts to do so must be made under certain circumstances. Prolonged downturns in the economy can result in a drastic drop in sales. This puts occupancy costs in the danger zone where it is no longer profitable to remain in business.

Caution Before approaching the landlord for rent relief, you must be prepared with a list of actions you have taken to increase sales and reduce operating expenses. This may include such things as:

- Increased advertising.
- Reduction in wages and staff hours.
- Reduction in all other operating expenses.
- Revised merchandise mix to attract new customers.
- Current, professionally prepared financial statements indicating your losses.

3.1.4 Site Selection

With the advent of new retail formats in India such as planned shopping centres and malls emergence of freestanding department stores, hypermarkets, etc., and further development of traditional business districts and other unplanned shopping locations as discussed earlier, a retailer is presented with a wider choice of locations. Consideration of all the options keeping in view the product mix, customer profile, and overall business model presents an enormous challenge. A retailer has to consider the following factors while selecting a site:

- Kind of products sold
- Cost factor
- Competitor's location
- Ease of traffic flow and accessibility
- Parking and major thoroughfares
- Market trends
- Visibility

***Kind of products sold*:** For stores dealing in convenience goods the quantity of traffic is most important. The corner of an intersection, which offers two distinct, traffic streams and a large window display area, is usually a better site than the middle of a block. Convenience goods are often purchased on impulse from easily accessible stores. For stores dealing in shopping goods, the quality of the traffic is more important.

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Example: The emergence of several apparel factory outlets within a short stretch on the Delhi-Jaipur highway, at Mahipalpur market in Delhi, is driven by this factor. Stores carrying specially goods that are complementary to certain other kinds of shopping goods may desire to locate close to the shopping goods stores. In general the specialty goods retailer should locate in the type of neighbourhood where the adjacent stores and other establishments are compatible with his or her operation.

Cost factor in location decision: Location decision on cost consideration alone is risky. Space cost is a combination of rent or mortgage payment, utilities, leasehold improvements, general decoration, security, insurance, and all related costs of having a place to conduct business operations. Traditionally, the retail community placed great importance on owning the place since this was considered prestigious in the business community. However, there are many periodic retail markets in India, which operate on particular days of the week. The retailers operating in these periodic markets keep shifting from place to place and do not own any property; instead they pay a small rental for their setup in each market. This supports their model of selling goods at very low margins. With the emergence of new forms of retail formats such as franchising, malls, and department stores the dependence on rent or lease is increasing.

Competitor's location: The type and number of competitors is another important factor. The presence of major retail centres, industrial parks, franchisee chains, and department stores should be noted. Intense competition in the area shows that new businesses will have to divide the market with existing businesses. If one is not might reconsider that particular location. An excellent location may be next or close to parallel or complementary business that will help to attract customers.

***Ease of traffic flow and accessibility*:** These two factors are more important to some businesses than others. Consider the nature of the business you are planning to open and your potential customers. Retailers selling convenience goods must attract business from the existing flow of traffic. Studying the flow of traffic, noting one-way streets, street widths, and parking lots, is hence important.

Caution The following factors have to be considered: parking availability, distance from residential areas or other business areas, traffic congestion, side of street, width of street, part of the block, and neighbours. Evaluate how accessible the site is for walk-in or drive-by traffic as well as the amount of pedestrian traffic and automobile traffic that goes by the proposed location.

Parking and major thoroughfares: Parking is another site characteristic that is especially a cause for concern in densely populated areas. When evaluating the parking that exists at a retail site, there are two considerations, parking capacity, and parking configuration.

Caution There are several ratios that are generally used to determine the adequacy of a parking lot. While different ratios exist for different types of retailers or service providers the ideal ratio for food stores is in the magnitude of 7-8 cars per 1,000 square feet of food store. This means that a 10,000 sq. ft. food stores would have an ideal parking lot that could accommodate between 70 and 80 cars. Parking lots are generally designed on the basis of 400 sq. ft. per car.

Thus, the ideal parking ratio for a food store is about 3:1 or 3 sq. ft. of parking space for every square ft of store. However, it should be noted that an ideal ratio hardly ever exists in real life—

Notes

especially in densely populated areas. Obviously, the more suburban the location, the greater the emphasis should be on maximising parking availability. Urban stores generally get a significant amount of their business from walkers, bikers, and shoppers who use public transportation to and from the store and, thus, can get by with a lower parking ratio.

As to parking configuration there are several consideration to be followed. First a parking lot should be laid out so that the driving lanes are perpendicular to the storefront in order to facilitate shoppers to walk between their cars and the store door. Secondly, food shoppers usually like to park in reasonably close proximity to the main entrance/exit of the store, and within the sight of it.

***Market trends*:** Evaluate the community from a broad, futuristic perspective. Local newspapers are a good source of information. Discussions with business owners and officials in the area can also help. Make use of information available through the chamber of commerce. Is the community receptive to change and will a new business be welcome? Does the community depend on a single firm of industry? If so, is it prospering? Is there sufficient demand in the local market to support a new business?

***Visibility*:** Visibility has a varied impact on a store's sales potential. It is important when a shopper is trying to find the store for the first or second time. Once the shopper has become a regular customer, visibility no longer matters. But consider this fact: one in five families move every year, which means that some part of a community's population may be 'shopping' in a new store. It follows that, if a store cannot readily be seen, new residents of an area probably will not choose it. Another aspect of visibility relates to travellers and passersby. Generally spiking, a store's trade area accounts for 75-90% of its business. This means that about 10-25% of a store's business comes from beyond its trade area. With respect to this component of a store's business, visibility takes on added importance.

No one type of location is better than the others.

Example: Many retailers such as the Delhi-based retailers Mehrasons and Nirula's have been successful in all types of locations.

The following factor can be used to list a particular retail site:

- Is there a need to be in the middle of traffic flow of customers as they pass between the stores with the greatest customer pull?
- Who will be the store's neighbours?
- What will be their effect on stores sales?
- How much space is needed?

Task Make a report on one of the busiest and costliest retail location in the world – The Times Square.

Based on experience the amount of space required can be determined to run the expected level of operations. The amount of space will determine rent. Many retailers need to rethink their space requirements when locating a shopping centre. Rents are generally much higher and, therefore space must be used efficiently.

Notes

Self Assessment

Fill in the blanks:

1. ..... ultimately decide the future and overall profitability of the organisation.
2. A good location may not always success, but undoubtedly it is a ..... for smooth flow of goods and day-to-day operations, such as loading and unloading of goods.
3. Traditionally, the retail community placed great importance on owning the place since this was considered ..... in the business community.
4. There are many ..... retail markets in India, which operate on particular days of the week.
5. The retailers operating in various periodic markets keep ..... from place to place and do not own any property; instead they pay a small rental for their set-up in each market.
6. With the emergence of new forms of retail formats such as franchising, malls, and department stores the dependence on rent or lease is .....

3.2 Store Design and Layout

In addition to the store location decision, another decision vital decision that is important for a retailer is that of store design. If you look around today, the pace of change is certain to scare you at times. Rapid progress is being made in the way things are bought, made and sold. The consumer today is clearly the King. The choices he has before him today are unimaginable. For a simple toothbrush, he has about 100 choices. From colours to shapes to bristle length's to bristle types.

The places he buys from too are continuously being upgraded. Consumers want touch, feel and experience the product before they actually buy it. The choices that a consumer faces today extend right to the point of purchase. The consumer evaluates the outlets where he purchases and will not buy a product or service unless the retail outlet provides value to the customer.

Good store design creates the vital difference in today's competitive marketplace. Successful companies use design as a powerful tool in their marketing strategy by making better products and building a strong retail identity. Design creates a better environment at the workplace and projects the organisational image. Good design offers many benefits – a vastly improved quality; a defined statement of identity; an optimising of resources.

A well-planned retail store layout allows a retailer to maximise the sales for each square foot of the allocated selling space within the store.

Store layouts generally show the size and location of each department, any permanent structures, fixture locations and customer traffic patterns.

Each floor plan and store layout will depend on the type of products sold, the building location and how much the business can afford to put into the overall store design.

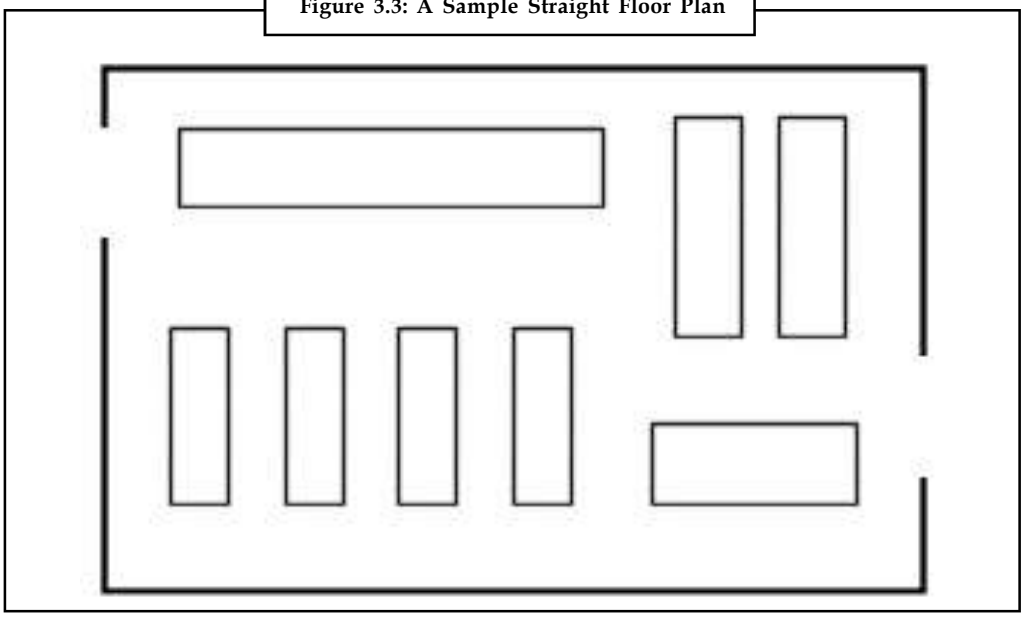
There are a number of different types of layouts commonly found in retail stores. The layout used will be dependent on the width and depth of the product range, the nature of the product categories sold, the type of fixturing used and the constraints of the outlet in terms of size and shape. The objective of a store layout is to maximise the interface between customers and merchandise.

Notes

Some of the common layouts are:

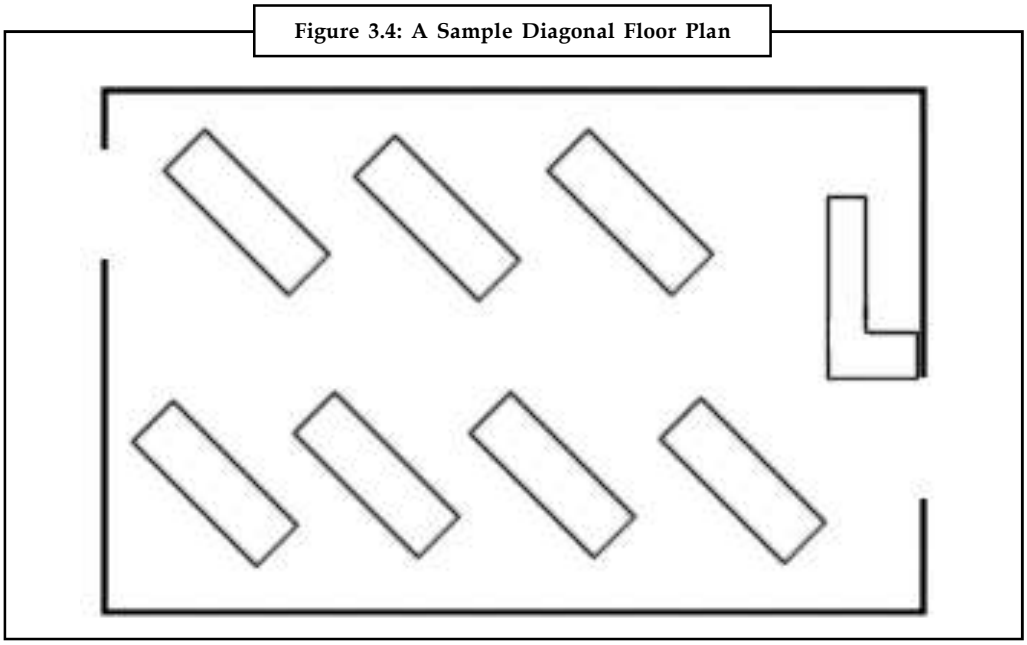
Straight Floor Plan: The straight floor plan is an excellent store layout for most any type of retail store. It makes use of the walls and fixtures to create small spaces within the retail store. The straight floor plan is one of the most economical store designs.

Figure 3.3: A Sample Straight Floor Plan



Diagonal Floor Plan: The diagonal floor plan is a good store layout for self-service types of retail stores. It offers excellent visibility for cashiers and customers. The diagonal floor plan invites movement and traffic flow to the retail store.

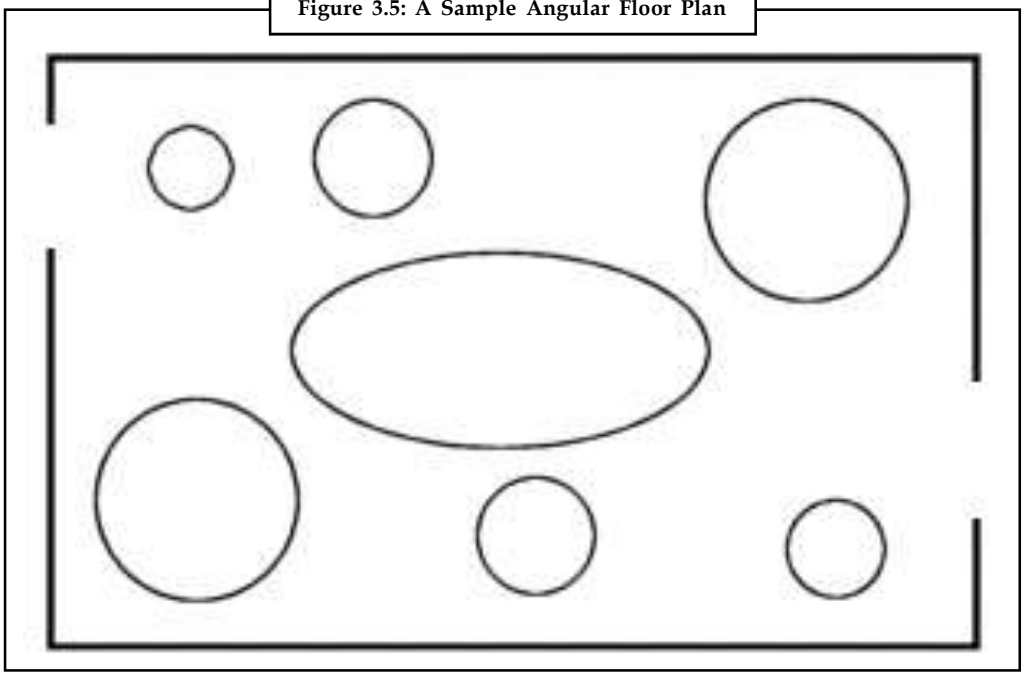
Figure 3.4: A Sample Diagonal Floor Plan



Angular Floor Plan: The angular floor plan is best used for high-end specialty stores. The curves and angles of fixtures and walls, makes for a more expensive store design. However, the soft angles create better traffic flow throughout the retail store.

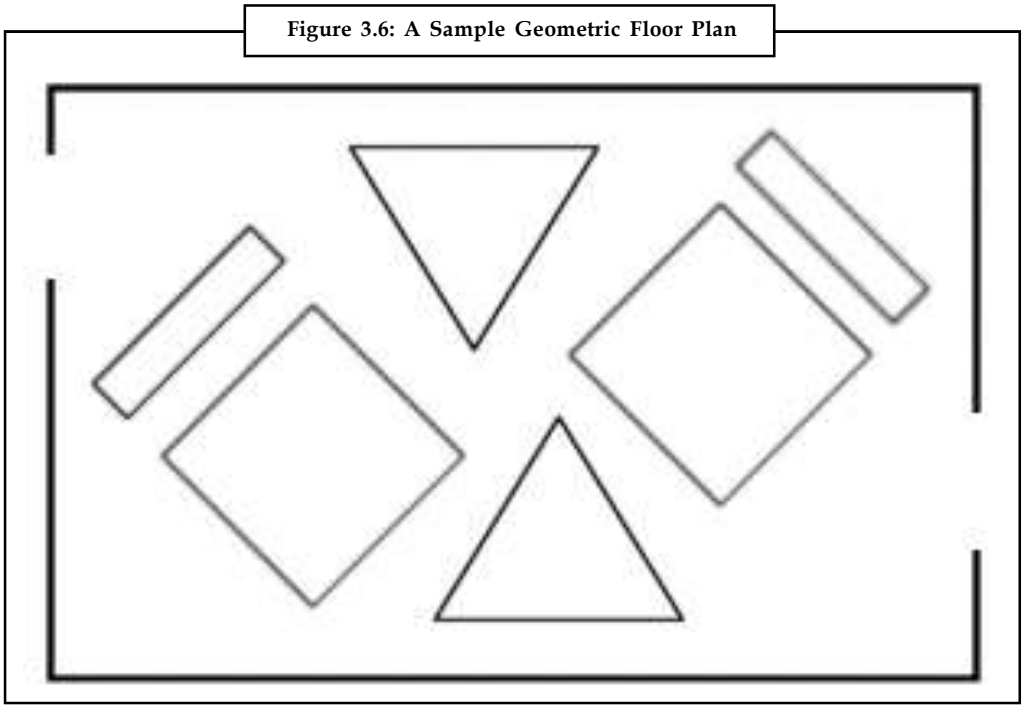
Notes

Figure 3.5: A Sample Angular Floor Plan



Geometric Floor Plan: The geometric floor plan is a suitable store design for clothing and apparel shops. It uses racks and fixtures to create an interesting and out-of-the-ordinary type of store design without a high cost.

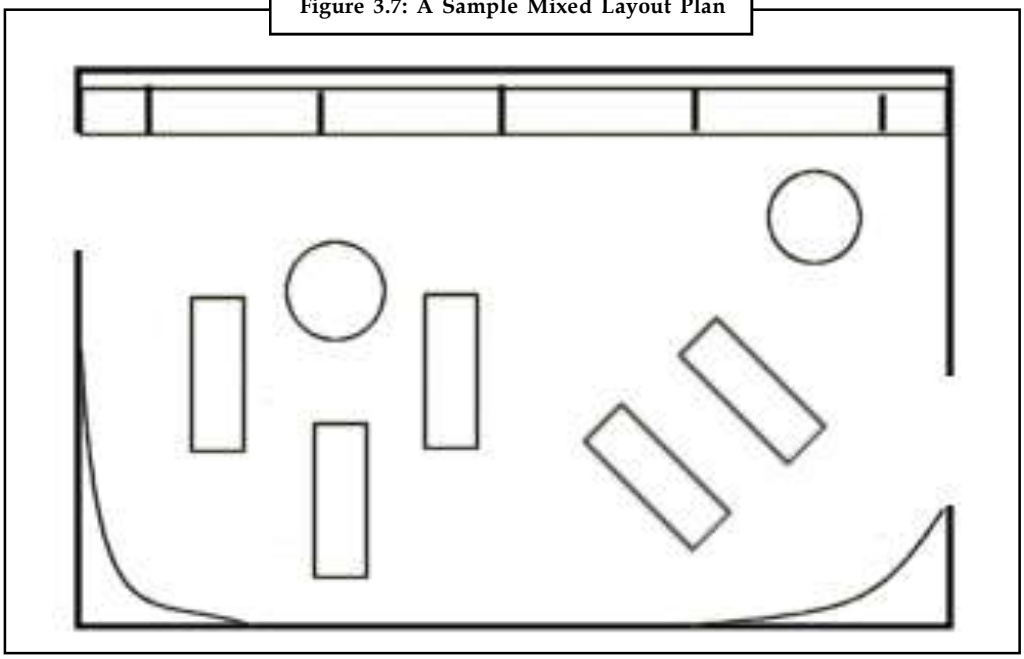
Figure 3.6: A Sample Geometric Floor Plan



Mixed Layout: The mixed floor plan incorporates the straight, diagonal and angular floor plans to create the most functional store design. The layout moves traffic towards the walls and back of the store.

Notes

Figure 3.7: A Sample Mixed Layout Plan



3.2.1 Design in Non-store Retailing

Although non-store retail formats place some significant restrictions on the use of design in the selling environment, innovative approaches have often paid off as a source of competitive advantage.

Example: When NEXT launched their NEXT Directory it was unlike anything customers had previously encountered in the home-shopping market. The format was more like a coffee-table book than a catalogue, with hard covers and a much higher proportion of full-page spreads than used by other mail-order retailers, and the bold and neutral corporate identity of the stores is clearly reflected in the pages. Early editions even included small swatches of material to allow customers to get a 'feel' for the garments prior to purchase. The catalogue was aimed at a more upmarket customer than the typical mail order catalogue profile, with a narrowly targeted, all retailer-branded range of products.

Lab Exercise Go to website http://vmsd.com/ and collect information on how opportunities in the experience gap can tell us how to design better stores.

3.2.2 Objectives of Store Design

Most of the largest retailers have a huge investment or asset tied up with their store portfolio. It is therefore in their interest to keep a high level of customer traffic moving through the store in order to maintain an adequate return on that investment. Good use of design in stores helps keep customers interested in store-based shopping. When consumers have a high level of choice, they will visit places where they feel comfortable inspired and even entertained. Customers are nowadays more design literate; the plethora of interior style media offerings has created a body of consumers that are not willing to tolerate badly designed and poorly decorated space.

Notes

Competitive threats from home shopping means that the store environment has to have something special to offer, and international competition can also force retailers to pay more attention to their selling environments. Spanish fashion retailers Mango and Zara, who use clean-cut and modern store interiors, have been able to threaten domestic retailers in the middle-market women's clothing sector.

Store design has always been used to reinforce other elements of a retail strategy.

Example: Plush carpeting and marble used in a store denotes high-quality merchandise and may suggest a high-price positioning. Strip lighting and dump bins for merchandise brings the word 'bargains' to mind. However, as retail markets mature, the design of retail space is increasingly being used as a means by which strategic aims are reached.

Example: In 2001, Safeway introduced a new store design to reinforce their position as a good-value fresh and quality grocery retailer. Wood panelling, slate tiling and pendent lighting were used in the wines and beers section to create the impression of an upmarket wine cellar; baskets and barrels were used in the fruit and – vegetable section to give the impression of 'market freshness' and chalkboard signage to foster the impression of good prices.

It is these small details that help to refocus the attention of the shopper onto revised core values, providing a struggling grocery chain with a new lease of life to compete against other forceful players in the market (Atkinson, 2001).

Caselet

Retail Buzz in South

Chennai and Bangalore have witnessed the highest high-street rental growth across India, according to a retail survey by real-estate services firm, Cushman & Wakefield. Banjara Hills in Hyderabad has seen the highest increase in annual rental growth at 114 per cent over last year, while Nugambakkam/Khader Nawas Khan Road in Chennai witnessed rental growth of 106 per cent. SP Road/Begumpet in Hyderabad and Koramangala 80 Feet Road in Bangalore has seen 100 per cent and 92 per cent growth respectively.

Mr Rajneesh Mahajan, National Head, Retail, Cushman & Wakefield India, says, "The economic growth in southern India has provided a large consumer base with increased spending power. The retailers are enjoying better revenues in these markets not only from the existing retail destinations but also in the suburban locations. As the store revenues become comparable to Delhi and Mumbai, the demand for retail real estate would push the prices closer to these two markets."

Banjara Hills and Jubilee Hills, though traditional markets, are preferred by new-age retailers; demand for space here far supersedes the supply. Begumpet witnessed cent percent increase in rentals over the last year, indicating strong demand dynamics.

Source: thehindubusinessline.com

Self Assessment

State whether the following statements are true or false:

7. Good store design never creates the vital difference in today's competitive marketplace.

Notes

8. Successful companies use design as a powerful tool in their marketing strategy by making better products and building a strong retail identity.
9. Design creates a better environment at the workplace and projects the organisational image.
10. Good design offers many benefits - a vastly improved quality; a defined statement of identity; an optimising of resources.
11. A well-planned retail store layout allows a retailer to minimise the sales for each square foot of the allocated selling space within the store.
12. Store layouts generally show the size and location of each department, any permanent structures, fixture locations and customer traffic patterns.
13. Each floor plan and store layout will depend on the type of products sold, the building location and how much the business can afford to put into the overall store design.
14. There are a number of different types of layouts commonly found in retail stores.
15. The layout used will be independent to the width and depth of the product range, the nature of the product categories sold, the type of fixturing used and the constraints of the outlet in terms of size and shape.
16. The objective of a store layout is to maximise the interface between customers and merchandise.

3.3 Image Mix: The Top Six Elements

Image mix is the mental picture that a retailer tries to project to the consumer. To a consumer, it is a persons attitude towards a store. Need to project an image, a functional and psychological image in consumer's minds that is necessary that is acceptable to the target market. It depends on the atmospherics, reputation, number of services offered, product mix, pricing etc.

Image mix is the sum total of all those essential factors which are required for the consistent recall in the value of brand. The top six elements comprises in the image mix are as follows:

1. Employee
2. Merchandise
3. Fixture
4. Sound
5. Odour
6. Visual

All the above six elements of image mix are specific to the type of retailer a customer go ahead. The desires and requirements of a customer who append to local shop are distinct from those who visit a specialty goods retail outlet or a departmental store.

Employee should be suitably educated and well dressed. The type of merchandise determine its density in a store. A supermarket is considered to be very dense. The fixtures have to complement the value merchandise. This in turn, has a big impact on the ease of shopping. Further sound can be pleasant or unpleasant and it may have a direct impact on the atmosphere of a store. An example of pleasant sound is a music and that of an unpleasant sound is like motor traffic and vehicle sound. Like sound, odour too has a positive as well as negative effect on the atmosphere of a store. An example of positive odour is that of fresh coffee or flower and that of negative

Notes

odour is musty carpet or cigarette smoke. Finally, visual are as a result of the overall presentation that includes the interior design, display and visual merchandising.

Following are some of the ways a store can turn off its customers:

1. Toilets/washrooms
2. Messy trial rooms
3. Loud music
4. Handwritten signs
5. Stained floor/ceiling tiles
6. Poor lighting
7. Unpleasant odour
8. Crowded aisles
9. Disorganised cash counters
10. Lack of shopping cost/baskets

Elements like lighting and colour can be controlled to ascertain customer buy more. Keeping the store neat and clean is not only easy to do. It is generally an expensive way to attract customers and create pleasant store atmosphere.

Self Assessment

Fill in the blanks:

17. Image mix is the ..... picture that a retailer tries to project to the consumer.
18. To a consumer, Image mix is a persons ..... towards a store.
19. Need to project an image, a functional and psychological image in consumer's minds is necessary that is acceptable to the ..... market.
20. Image mix depends on the ....., reputation, number of services offered, product mix, pricing etc.

Case Study

Mall Culture and Its Place in the Indian Environment

Indians are no longer afraid to dream. Why, some farmers in Maharashtra got together to float a company to build a special economic zone out of their farmlands. In Punjab, a few aggressive farmers have dared to take on the retail might of the likes of Reliance, and Soubhagya, with their very own retail ventures.

This in a nutshell, is the developing Indian retail story that is luring investors, domestic and foreign, to make a pitch for a portion of the great Indian market , its growing and ever-hungry consumers, and their apparently insatiable demand for all the good things in life — from groceries to vegetables to fancy gadgets to fancier cars . The purchasing power comes from the growing industry and services sectors, and a small section of the rich agrarian buyers.

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If one looks at Gurgaon, adjacent to the union capital of New Delhi, any weekend presents a chaotic picture with traffic congestions and huge crowds of visitors crowding the twenty odd big malls that it houses. And this is only Gurgaon. At the other end of Delhi in the East is Ghaziabad in Uttar Pradesh which also boasts sprawling malls.

Sales and bargain deals, attractive prizes, and schemes are the sure fire success formulae that the shopkeepers and showroom and super bazaars use to lure visitors in huge numbers. Malls are a mega hit.

And in fact, it is the semi-urban areas, small towns and cities, described as Tier II and Tier III towns (say an Amritsar or a Moga in Punjab, or Indore in Madhya Pradesh, or Nagpur in Maharashtra, or Pune for that matter) that are powering the retail revolution which is sweeping the urban and rural areas. Malls, the temples of consumerism are cropping up everywhere. These malls have changed the way people are shopping. They are teaching them how to appreciate the good things of life. 'Comfort', 'style', 'convenience' and 'cool', are only some of the words used by the shoppers introduced to the mall culture.

And no one is complaining. Not the mall owners, not the shopkeepers, and certainly not the marketing men and women of the big brands. Malls are the battlegrounds where the brands, small, medium and big, the known, the not-so-well-known and the wanna-be ones, fight it out for the consumer's attention. And the consumer is 'loving it' and asking for more.

Yes, this is one culture that consumers are happy about. So happy that no one seems to mind the 'unplanned expenditure' incurred by an outing to such an enticing place. They enjoy air-conditioned comfort, availability of a range of merchandise under one roof, and a one-stop family entertainment arena.

While the consumer is thus slowly getting hooked onto the mall culture, the owners of the malls are hardly complaining. Actually, they are busy planning the erection of new malls, and the more the merrier seems to be motto of the moment. Given the rate at which malls are coming up, the commercial as well as residential real estate business is spiraling upwards. The range and scope of the economic activity generated from mall culture promises many things to many people.

Other than offering shoppers more value for money, the scale of operations generates employment opportunities, direct and indirect, for thousands of people.

India was to have some 350 malls out of which nearly 250 were planned in tier II and tier III towns, taking this revolution further. Now there is a new association of big brands that has come together to give brand loyalists something to cherish, aspire for, and much, much more. Gurgaon alone hopes to play host to some 150 odd malls.

But are all the investors who rushed into the mall business happy? Are the returns coming in? Going by the mall traffic on weekdays, this seems highly unlikely. Barring the ones that have hit the big time and built a stable, loyal customer base, the shop owners and showroom managers are worried. They are worried because the Indian customer is yet to vote for malls when it came to making concrete purchases that translate into turnovers and profits. He still votes for the friendly, neighbourhood 'kirana' stores when it comes to groceries and for the shopping complexes where he has been shopping all his life.

For the big buyers, say for weddings, or corporate purchases, the preferred venues are still the traditional markets like the Johari Bazaar in old Jaipur city where bargaining still rules. Trust and faith still matter the most. Mall owners and shop owners in the malls, wish that all visitors (often a visit to a mall is just seen as entertainment) would turn into

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customers. It's no surprise that more than half of the malls report substantially poor occupancies, resulting in a depression in rentals.

The investors are not the only cribbers. Town planners are at their wits' end trying to figure out where to fit in all the traffic and how to cope with the pressures on infrastructure that is already under severe pressure. If power is a perpetual problem, then parking blues refuse to go away, what with the addition of several thousand new vehicles adding to the Indian roads each day.

These are the problems that any politician, economist or administrator laments about as India drives along the development superhighway, punctuated with modern marvels – designer glass structures that seem to touch the skies, and a dazzling display of the fierce battle of brands.

Question

Do you think malls will dominate the retail scene in future in India? Are they the best retail locations?

Source: www.chillibreeze.com

3.4 Summary

- Location decisions ultimately decide the future and overall profitability of the organisation.
- A good location may not always success, but undoubtedly it is a must for smooth flow of goods and day-to-day operations, such as loading and unloading of goods.
- Traditionally, the retail community placed great importance on owning the place since this was considered prestigious in the business community.
- There are many periodic retail markets in India, which operate on particular days of the week.
- The retailers operating in these periodic markets keep shifting from place to place and do not own any property; instead they pay a small rental for their set-up in each market.
- With the emergence of new forms of retail formats such as franchising, malls, and department stores the dependence on rent or lease is increasing.
- Good store design creates the vital difference in today's competitive marketplace.
- Successful companies use design as a powerful tool in their marketing strategy by making better products and building a strong retail identity.
- Design creates a better environment at the workplace and projects the organisational image.
- Good design offers many benefits – a vastly improved quality; a defined statement of identity; an optimising of resources.
- A well-planned retail store layout allows a retailer to maximise the sales for each square foot of the allocated selling space within the store.
- Store layouts generally show the size and location of each department, any permanent structures, fixture locations and customer traffic patterns.
- Each floor plan and store layout will depend on the type of products sold, the building location and how much the business can afford to put into the overall store design.
- There are a number of different types of layouts commonly found in retail stores.

Notes

- The objective of a store layout is to maximise the interface between customers and merchandise.

3.5 Keywords

Angular Floor Plan: The angular floor plan is best used for high-end specialty stores where curves and angles of fixtures and walls make for a more expensive store design.

Diagonal Floor Plan: The diagonal floor plan is a good store layout for self-service types of retail stores which offers excellent visibility for cashiers and customers.

Geometric Floor Plan: The geometric floor plan is a suitable store design for clothing and apparel shops and also uses racks and fixtures to create an interesting and out-of-the-ordinary type of store design without a high cost.

Image Mix: Image mix is the mental picture that a retailer tries to project to the consumer.

Mixed Layout: The mixed floor plan incorporates the straight, diagonal and angular floor plans to create the most functional store design where the layout moves traffic towards the walls and back of the store.

Space Cost: Space cost is a combination of rent or mortgage payment, utilities, leasehold improvements, general decoration, security, insurance, and all related costs of having a place to conduct business operations.

Store Layouts: Store layouts generally show the size and location of each department, any permanent structures, fixture locations and customer traffic patterns.

Straight Floor Plan: The straight floor plan is an excellent store layout for most of the types of retail store and it makes use of the walls and fixtures to create small spaces within the retail store.

3.6 Review Questions

1. Define the term Image mix.
2. What are the elements of Image mix?
3. How does sound influence the image of a store?
4. How does odour influence the image of a store?
5. Discuss employees as an important element of Image mix.
6. Discuss merchandise as an important element of Image mix.
7. Lighting and walls colour have a bearing on the Image of a store. Do you agree/not agree? Give reason.
8. What are the factors which turn off a customer in a store?
9. What are the essences of successful retail business?
10. "All decisions made by a visual merchandiser are based on what image a retailer wants to maintain of a store". Discuss.
11. How does a sound can be pleasant or an unpleasant?
12. What are the plus minus effects of sound?
13. "Like sound odour too have positive and negative effects on store atmosphere". Discuss.

Notes

Answers: Self Assessment

1.	Location decisions	2.	Must
3.	Prestigious	4.	Periodic
5.	Shifting	6.	Increasing
7.	False	8.	True
9.	True	10.	True
11.	False	12.	True
13.	True	14.	True
15.	False	16.	True
17.	Mental	18.	Attitude
19.	Target	20.	Atmospherics

3.7 Further Readings

Books

Barry Berman & Joel R Evans (2006). *Retail Management*: *A Strategic Approach*, Pearson.

Pradhan Swapana (2009). *Retailing Management*. Tata McGraw Hill.

Levy, Michale & Barton A. Weitz (2009). *Retailing Management: Tata McGraw Hill.*

Swati Bhalla and Anurag S (2010). *Visual merchandising*. Tata McGraw Hill.

Online links

en.wikipedia.org/wiki/Visual_merchandising

www.oyonale.com/imagemix.php

books.google.co.in/books?isbn=0070153213

www.businessdictionary.com/definition/visual-merchandising.html

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Unit 4: Store Exteriors and Interiors

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Objectives

After studying this unit, you will be able to:

- Describe the Role of Atmospherics in Retail Strategy
- Discuss the Key Components of Retail Atmospherics
- Explain the Concept of Store Exteriors
- Explain the Concept of Store Interiors
- Describe the Elements of Display
- Discuss AIDCS

Introduction

If you look around today, the pace of change is certain to scare you at times. Rapid progress is being made in the way things are bought, made and sold. The consumer today is clearly the King. The choices he has before him today are unimaginable. For a simple toothbrush, we have about 100 choices. From colours to shapes to bristle lengths to bristle's types.

The places he buys from too are continuously being upgraded. Consumers want to touch, feel and experience the product before they actually buy it. The choices that a consumer faces today extend right to the point of purchase. The consumer evaluates the outlets where he purchases and will not buy a product or service unless the retail outlet provides value to the customer.

Notes

Good store design creates the vital difference in today's competitive marketplace. Successful companies use design as a powerful tool in their marketing strategy by making better products and building a strong retail identity. Design creates a better environment at the workplace and projects the organisational image. Good design offers many benefits – a vastly improved quality; a defined statement of identity; an optimising of resources.

Visual merchandising is offered to the customers through exterior and interior presentation each should be coordinated with each other using the stores theme.

In this unit, we will focus on store exteriors and store interiors. We will also focus on AIDCS (All I do can sell).

4.1 Role of Atmospherics in Retail Strategy

Retail Atmospherics is a term used to describe the manipulation of elements such as colour, light levels, sound, scents and design within your store to influence the buying habits of your customers. Atmospheric changes to a stores environment will influence the customers mood or feeling for that retailer. Atmospherics are the physical characteristics and surrounding influence of a retail store that is used to create an image in order to attract customers. There are many ways in which retailers can try to enhance the appeal of their stores by stimulating the senses. Creating an aura or an atmosphere in a store can include the use of different aromas, sounds, colours, lighting, textures and temperatures. Some examples of elements that can be used for atmospheric purposes are listed below:

- ***Aromas***: Bread, coffee, chocolate, floral, pine (for Christmas).
- ***Sounds:*** Popular music, classical music, 'mood' music, voice (announcements, shop radio).
- ***Colours:*** Neutrals such as black, grey, white; natural materials, warm colours (reds, oranges, pinks, yellows); cool colours (blues, pale greens, white) and earthy colours (browns, greens, oranges).
- ***Lighting:*** Cool lighting (blue, bright), warm lighting (orange, yellow, pink, subdued), spotlights (to pick out and highlight), ambient (genera: lighting), sculptural light (in alcoves, behind panels and so on), illuminated panelling and signage, neon.
- ***Texture:*** Shiny and smooth (chrome, gilt, marble), metallic (brushed galvanised, embossed), textile (carpet, fabric, fur, sacking), wood (polished, raw, smooth, knotted), stone/brick.
- ***Walls as Retail selling tools:*** Retail atmospherics are the little steps that retail companies should take to make the purchasing experience easier, and more pleasant, on the customers.

Retail atmospherics are steps that will usually increase sales and profits with little effort on the part of the retailer. Along with heat, air, and lighting, there are other aspects of a store's utilities that add to the customer's experience when talking about retail atmospherics. If you notice, larger stores have both bathrooms and drinking fountains. Any store in which you are expected to spend a lot of time, such as Best Buy, Target, Walmart, and Bed Bath and Beyond all have these types of facilities for your use. In some cases, large stores might actually be forced to close if their bathrooms have to be shut down.

Notes In most cases, the cost of these steps are minimal next to the amount of extra money that is made with them, and the amount of money that would be lost without taking the

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steps. Remember, these are simple steps that make the customer more comfortable with their environment. Retail atmospherics usually direct companies to design their retail stores so that merchandise is on racks or on the walls. These racks should be placed in aisles so that customers can easily walk around the racks to find what they are looking for. There should be main aisles and side aisles so that the customers can be directed in some kind of logical flow of the store. The less clutter around, the more comfortable the customers will feel. All of these are aspects of retail atmospherics.

- ***Signage:*** Retail atmospherics deal a lot with signs. If a store has something on sale, it should be clearly marked so that the customer can be directed towards that, or those, items. Clearance should be clearly marked differently than the rest of the merchandise on the sales floor. While retail atmospherics suggest that all items that are for sale should be marked, many state laws take care of this issue on their own.
- ***Music:*** Most retailers have come to the realisation at this point that music calms people, and when people are calm, they are more likely to spend more money. Retail atmospherics teach that the music should make people comfortable, and not blow them away. If music could be used to symbolise the product being sold in the store, that kind of music should be used.
- ***Cleanliness:*** While you might think that cleanliness should be a basic staple of retail atmospherics, how many times have you been in stores and seen dust? How many times have you seen dirty windows as you walk through the front doors? How many times have you been stuck to the floor by a spillage of pop that had not been cleaned up hours after it appeared? Cleanliness is an aspect that is often even forgotten by the strictest of retail stores.
- ***Employees:*** Employees are also directly impacted by retail atmospherics. Their section deals with performing customer service to the best of their ability. They should be easy to find and identify, and should be knowledgeable about the product that is in their department. Maybe, employees should wear name tags, should smile, and should engage the customer whenever possible.

It is up to the retail designer to choose appropriate elements in order to create an effect that is suitable for the product being sold, and the type of customer.

Did u know? Out of all of the area of retail atmospherics, the employee section is the one that is drifting further and further away. Superstores like Wal-Mart and Target are spending less time and money on training their employees to ensure that this area of retail atmospherics is progressed. It will be interesting to see if this trend continues, or changes in the future.

4.1.1 Key Components of Retail Atmospherics

One of the oldest forms of retail is through stores that hold and display the goods available for customer purchase. Through its salespeople, a store-based retailer is able to communicate directly with its customers in real time, providing product suggestions and product information, as well as sales service. Customers usually obtain the products at the moment of purchase. Potential customers can be drawn into the store through advertising in various media, direct mail, or by using physical displays such as storefronts and signs.

Notes

Caution Online retail has challenged traditional retailers. Before online retail became prominent, retailers such as Barnes & Noble found themselves in a comfortable competitive position, knowing that through their nationwide retail outlets they had built a barrier to entry into their markets. However, the Internet allowed small companies – such as Amazon.com - to overcome this barrier with great ease, creating a new competitive dynamic that many traditional retailers are still attempting to adjust to.

Store Space Management: Once a retailer decides what to buy from vendors and how much of it to allocate to specific stores, someone needs to decide where in the stores the products will sit. This is a very important step in retail since store layouts are crucial to the shopping experience. Products need to be easy to locate, near related products, and have the correct facings. Should this product be on the end cap? Should it be at eye level? Should it have 8 facings or 10? Space management is about maximising every inch of the selling floor. Not only do their formats vary, but there's usually a degree of localisation that makes them even more unique. So often the corporate PoG is treated as advice only and compliance is low. The answer is more collaboration between headquarters and the store. An increase of 10% in compliance can decrease stock-outs by 1%, and that leads to higher sales.

Space Allocation: The allocation of space to products within a retail outlet links the designed selling environment to the financial productivity of the retail space. Space management has to consider the long-term objectives concerning market positioning and customer loyalty, alongside short-term objectives concerning stock-turn, sales and profits. A retail outlet that looks beautifully spacious will not stay that way if there are not enough products selling to sustain the business, yet if the store is full to bursting with merchandise some customers may choose not to enter the foray. Retail space is costly and increasingly scarce and so whatever the visual merchandising strategy is, an adequate return must be made.

The usual method for measuring retail performance is according to the amount of sales (or profits) generated by a given amount of space. Sales per square metre are a commonly used method of assessing the value of retail space, but linear and cubic measures can also be appropriate. Space planning needs to take account of not only the amount of space allocated, but also the quality of space; for example, the space nearest the front of the store and the till areas are usually the most productive. Certain practicalities also have to be taken into consideration, such as the size and weight of the merchandise.

Space-allocation decisions usually need to be made at various levels of merchandise classification, for example at departmental level, product category level and SKU (stock keeping unit) level. Retailers usually have some historical data that can act as guidance in the allocation of space, for example a similar store's performance, or historical department sales figures, but the need for the maximisation of financial objectives means that space planning and allocation is under constant review and refinement at individual store level. The allocation of space can be geared towards different objectives, for example achieving the highest sales turnover, maximising product profitability or maximising customer satisfaction, and a retailer may be faced with making trade-off decisions in order to achieve those objectives.

Caution Those products that generate the highest sales value may only achieve low profit margins, but concentrating on high-profit items may put unnecessary emphasis on products that are less of concern to customers, thereby decreasing their levels of satisfaction. The matrix suggests alternative space allocations according to whether a product has high profitability or high sales.

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Consideration of the financial implications of allocating amounts of space must be conducted within the framework of an outlet plan that is geared to making the shopping experience of the customer a satisfactory one. Too much emphasis on the retailer's financial objectives could result in a store being laid out illogically and make products difficult to find. Long-term profitability is dependent on customer satisfaction and loyalty, and so space planning must incorporate factors other than individual product sales and profitability. Aspects such as seasonal goods, the physical size and weight of the product, the type of fixturing required and the need to display complementary goods in close proximity should all have a bearing on the overall plan.

The complexity of space-allocation decisions has encouraged the use of computer-based systems as a retail management aid. Modern space-allocation systems are able to synthesise a plethora of quantitative and qualitative data such as product costs, sales forecasts, product sizes, complementary purchasing potential, fixturing details and so on. The output of these systems is a space-allocation plan or planogram that shows exactly how the products should be displayed on the fixturing, including the number of facings of each product that the customer should see.

Although space-allocation systems have resulted in retailers using space in a much more productive way, they do have limitations. Most large multiple retailers have a portfolio of stores that differ in size and shape, and so unless that retailer has access to individual store input data and the system is capable of producing customised plans for each store, the planogram will have to be subject to a certain degree of interpretation at store level. Many retailers have tackled this problem by grading their stores by size and producing a set of plans for the different store grades. However, grading by size is a very crude method of assessing different stores. Recent advances in micro-marketing have shown that the profile of a store's catchment area gives a better indication of the type and amount of merchandise required than the size of the outlet (Ziliani, 2000). As retail management-information systems become increasingly sophisticated, this type of store performance analysis and customer-profile customisation will become more widespread. Space allocation systems are expensive, and may be beyond the means of the smaller retail organisation.

Colour Planning: The success of a retail store can be heavily influenced by the chosen colour scheme, its layout design and atmosphere created by the retailers. All three of these are equally important elements when planning the opening of a new store or the remodelling of an existing store.

Let's begin with choice of colour scheme for the store. It is a good idea to research what each colours associate mentally to most shoppers. An example of how well this works are Walmart, known for blue accents and main colour and Target, whose main colour and accents throughout the store are red. Blue is associated with feelings of serenity and trustworthiness. Red, on the other hand, is representative of power and warmth. Because of the choices made early on in the beginning years of these two well known chains, most shoppers identify the blue with Walmart as well as the red with the Target chain. This has created a feeling of familiarity for the shoppers. Next, layout designs are most often set by the corporate headquarters so all stores in a retail chain have similarity. This is done to help shoppers navigate each store and be able to find what they are looking for. Usually, each retail store is given a Merchandise Flow Chart and Plannogram notebook to be used at the set up for the grand opening along with display fixtures, shelving and signage. New flow charts and plannograms are periodically (due to seasonal changes or special holidays) mailed updates to each store that must be carried out in a timely manner. Merchandising plays a big part in how well sales are in any given department. Sometimes featuring merchandise on a focal wall or end-cap showing ways items can be used to inspire impulse purchases.

The third element, atmosphere is set by both the associates hired to serve the customers and the customers themselves. How these two groups interact creates the feel of the store. Each retail store in a chain will have a different atmosphere. Factors that play integral parts are the median

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income level of the customers, how well the associates and managers communicate and serve the customer base and how well the buyers choose the right merchandise to be offered in each particular store.

As you can see, a lot of effort and planning must be incorporated in these three elements to create a successful retail store. Miscalculating on even one element could be the difference in whether the retail store will succeed or fail.

Self Assessment

Fill in the blanks:

1. ..... is a term used to describe the manipulation of elements such as colour, light levels, sound, scents and design within your store to influence the buying habits of your customers.
2. Atmospheric changes to a stores environment will influence the customers ..... or ..... for that retailer.
3. Atmospherics are the ..... characteristics and surrounding influence of a retail store that is used to create an image in order to attract customers.
4. The success of a retail store can be heavily influenced by the chosen colour scheme, its layout design and ..... created by the retailers.
5. Most large multiple retailers have a portfolio of stores that differ in size and shape, and so unless that retailer has access to individual store input data and the system is capable of producing ..... plans for each store.

4.2 Store Exteriors

Store design involves formulating and structuring all elements of the physical environment. The storefront includes all aspects of the front/exterior of the store. Elements include the marquee (or exterior sign), entrances, windows, banners, planters, awnings and lighting. As major vehicles for communicating image, storefronts create differentiation among retail stores. This is especially true in shopping centres and malls in which a store struggles for visual identity among all the others that surround it.

The architectural style of a retail business suggests the nature, quality, and price of the merchandise as well as the company's status in the marketplace. Exterior visibility for Customers travelling by foot or by automobile is essential. A unique building design and distinctive landscaping help retailers capture the attention of potential customers.

The architect must balance the aesthetic factors that affect image with the complex operational needs of the retail business. Economic considerations include future maintenance and energy or utilities requirements, as well as construction and materials costs.

The exterior of most stores includes the fascia, mentioned above, the store entrance, the architectural features of the building and windows. The contribution of these parts of a store's exterior to an overall design can vary in importance according to the type of store format and the products on offer. For example, superstores, hypermarkets and category killers rarely use window displays, but have bold fascias and easy to access entrances. Standalone stores may have to conform to strict architectural guidelines imposed by government planning authorities, whilst the centre management team may control the exterior of stores in a planned regional shopping centre. Entrances can be designed to be open and welcoming, or closed and exclusive. A key consideration for retailers is the need to be accessible for all members of society.

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The quality of a store front is a major determinant for a customer, particularly a new customer, and should not be underestimated. The exterior appearance of one store, a block of businesses or a cluster, silently announces what customers can expect inside. Good exterior visual merchandising attracts attention, creates interest and invites the customer into the business. The exterior presentation can offer a conservative, progressive, lavish, or discount image to the customer.

How a store visually welcomes customers has a lot to do with whether or not they enter the store. Although good prices and positive word-of-mouth advertising is important, it is hard to overcome the negative image of a poor store exterior. When examining a store's exterior, consider the following questions:

- How do customers locate the business?
- Are the sidewalks clean, safe and accessible?
- Are the exterior signs clean, fresh and readable?
- Does the store front need cleaning, painting or touch up?
- Are the outside entrances clean and accessible?
- Are the windows clean, bright and inviting?
- Are the window display preparation materials such as tape, pins and packaging materials removed?
- Are the window displays frequently changed?
- Do the window displays carry a theme?

Even with the perfect floor plan, it's important to note that Visual Merchandising begins even before the customer enters your front door. Stand outside your front door—are your windows a good representation of what the customer will find inside? Once a group of women were sent into what we considered to be a beautifully merchandised store. They were asked to take a look around and report back on what they saw. We anticipated that we would hear only good things. Boy, were we wrong. One woman was particularly annoyed by the dead flies she saw in the front window. Now, dead bugs in your windows are a fact of life— every store window in the world has a few—but this woman equated the fly carcasses to poor attention to detail. She felt that if the store didn't sweat the small stuff, then it probably wouldn't go the extra mile for its customers. We thought that was a stretch, yet we couldn't disagree, because this was her opinion—her perception—and perception is what counts with customers. Front windows must be clean, uncluttered, and have a simple message. They are not meant to be an historical museum of signs for community events that have already taken place. Customers will typically take just a five second glance at what's in your windows, so if yours are filled with complicated displays, or too many signs, then most customers will never see your message.

Three other important functional aspects of exterior design are customer visibility, store security, and potential for efficiency among staff and associates.

A variety of approaches to store exteriors are available to retailers. Modular or prefabricated structures are pre-manufactured, fitted with electrical and plumbing fixtures, and transported to be secured on a slab or attached to other units. These buildings are most commonly found in a self-service format, such as a convenience store. Chain store companies with freestanding stores may use uniform prototypes of different sizes, each having standard specifications, to achieve cost advantages through mass production.

Retailers entering shopping malls often find that the developers establish the rules for storefront design to ensure overall image consistency. An exterior design may be subject to the approval of many agencies, including zoning boards, fine arts commissions, and residents' associations as

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well as developers and other retail tenants. The aesthetic benefit of consistent design is evident in the traditional marketplaces that have been carefully restored.

4.2.1 Exterior Sign

A sign is a silent salesperson, and part of a shopper's first impression of a store. In less than 10 seconds the sign must attract attention, tell who the business is and what it has to sell. An effective sign will communicate what type of business is being conducted.

Salesperson and part of shoppers first impression of a store comprises of:

- ***Awnings:*** Colour and appeal can be added to the store thus protecting the window display, merchandise from the weather.
- ***Marquees:*** Special type of sign which displays name of the store it gives an opportunity to display special and seasonal offers.
- ***Banners:*** Used to display the offers of the store if banners changed more often this will be impacting on customers on the customers about the changes in the stores tempting them to come.
- ***Walks and Entries:*** Approximately 15% of the customers get the stores first and the last view of the store through the entrance.
- ***Landscaping:*** Landscaping leads the eyes of the customers to the focal point using colour and texture providing contrast and harmony.
- ***Window display:*** These are the information link to the potential customers there are less than 11 sec for the window to attract customers so display needs to be really very attractive, customers get bored looking at the same display over and over so it should be changed more often good themes should be added, display should be in harmony of the surroundings considering the whole.

Signs and windows also are important components of the exterior appearance of a retail business. Like other elements of the design mix, they help the retailer establish an identity in the minds of target customers.

Figure 4.1: Exterior Design

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4.2.2 Façade

A facade or façade is generally one side of the exterior of a building, especially the front, but also sometimes the sides and rear. The word comes from the French language, literally meaning "frontage" or "face".

Figure 4.2: Facade

Clearly, the role of shop to induce people's attention and interest, stimulate want to go take a look at the sense of participation. How go, where go, we need to import the right to tell customers a glance.

Figure 4.3: Store Design

In store design, customer design is to get out into the important part.

Will shop placed in the central store, or left or right, it should be according to the specific flow conditions:

1. General shopping malls can be placed in the central door, and out of small shops housed in the central area is not appropriate, because the narrow entrance hall, directly affect the actual use of the shop area and the free flow of customers. Go into the shop's not located on the left is right, it is reasonable.

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2. From a commercial point of view, and shops should be open, so the design should take into consideration not to let customers have a "claustrophobic", "dark" and other adverse psychological, to refuse customers in the door. Therefore, the crisp, clear, echo effect with the door profile is the best design.

3. Shop design, should also consider whether the flat road before the shop is level or slopes; front of the block and whether the impact of stores across the image of the object or building facade; lighting conditions, noise and sunlight orientation, etc., used in shop material, in the past and are based on the quality of hard wood, wood can also be an external package in iron or aluminium skin, making more convenient.

Caselet

Schultz Furniture

Schultz Furniture in Erie, Pa. features a carousel that can be seen from the store's exterior. The carousel not only attracts attention through its movement and color, but it also transforms the store into a destination for more than just furniture shopping. The free carousel ride enhances Schultz Furniture's brand positioning by creating a warm, fuzzy feeling for the consumer while at the same time exposing them to the store's product offerings. Even if a family isn't in the market for furniture at the time of their visit, chances are they will remember Schultz positively when they are.

Source: www.furninfo.com/Furniture%20World%20Archives/7990

Self Assessment

State whether the following statements are true or false:

6. The exterior of most stores includes the fascia, the store entrance, the architectural features of the building and windows.

7. General shopping malls can be placed in the central door, and out of small shops housed in the central area is not appropriate.

8. A facade or façade is generally one side of the exterior of a building, especially the front, but also sometimes the sides and rear.

9. Signs and windows also are important components of the exterior appearance of a retail business.

10. Window displays are the information link to the non potential customers.

4.3 Store Interiors

The interior of a store can be viewed in a similar way to living space. It comprises ceiling, walls, flooring and lighting, but instead of furniture retail outlet houses fixtures for the presentation of merchandise, and fittings for equipment such as tills. In choosing the materials used for the interior, retailers have to consider the type of product being sold, costs, store traffic and health and safety. For example, the store interior for a food retailer needs to be easy to clean and hygienic, but able to withstand high levels of customer footfall; high quality materials are therefore likely to be a worthwhile investment. Alternatively, a young fashion retailer will

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place more emphasis on less expensive but fashionable furnishings materials, in the knowledge that an updated refit is likely to be necessary in less than five years. All retailers have to conform to health and safety trading standards such as those set out under the Health and Safety at Work Act, 1974, and the Offices, Shops and Railway Premises Act, 1963.

It is the most important part of the store as this adds to the sale, the three most important aspects to be kept in mind while planning the store?

Three goals of the interior designing are as follows:

1. To motivate customers to spend money
2. Project the image of the store
3. Keep expenses to the minimum

The principles of design used in display include:

- ***Balance:*** Involves equilibrium and elements of display between 2 sides of display; it has 2 types, symmetrical or traditional and informal or asymmetrical.
- ***Proportion:*** A pleasing distribution of weights using merchandise of similar value will provide importance to both the sides.
- ***Rhythm:*** Is a flow involves the measurement of organised movement, a self-contained from object to object and background to foreground.
- ***Emphasis:*** Point of initial eye contact from here all the other eye movement starts, it is therefore formulation of focal point with all else in display subordinate, in majority cases the merchandise is the focal point.

Interior design involves all components of the store interior, including fixtures, graphics, flooring, ceiling, lighting; and other visual elements. Of all the elements of store design and visual merchandising, interior design has the greatest capacity to convey store image and create certain moods and emotions in buyers.

Task What are the functional aspects you will keep in mind while deciding exterior and interior of a store? Make a list of important considerations.

Basic interior design begins with such items as the width of aisles, the treatment of pipes and vents, the decoration of walls, and the style of lighting fixtures. All these elements contribute to customers' perceptions of and responses to the store.

Displays inside the store should relate to the displays seen in the windows. Good display effects should continue inside the store to move customer traffic through the store. The aisles, the signs that direct the customer, the walls, and the interior displays are most important to the total visual concept of the store. Each department, shelf, counter, ledge, case, and furnishing in addition to the display areas requires analysis in executing display techniques. The furnishings of the store should be attractive and placed so as to enhance the visual impact on the customer. There should be updating and improvements in fixtures to avoid a stagnant, dated effect.

Example: The seasons of the year usually dictate visual changes.

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Self Assessment

Fill in the blanks:

11. ..... comprises ceiling, walls, flooring and lighting, but instead of furniture a retail outlet houses fixtures for the presentation of merchandise, and fittings for equipment such as tills.

12. In choosing the materials used for the interior, retailers have to consider the type of product being sold, costs, store traffic and .....

4.4 Elements of Display

Display fixtures include racks, stands, tables, shelves, and other devices for physically presenting merchandise. They may be floor fixtures-round, rectangular, or box-racks, cubes –or wall fixtures such as brackets, shelves, etc.

In addition to holding merchandise and displaying it, store fixtures influence a store's interior design, from its traffic flow to the image it projects to customers.

All furnishings of the store should be placed to enhance the visual impression each floor presents. They should be arranged both to sell the most merchandise and to be pleasing to the customer.

Figure 4.4: Display Area in a Store

(i) ***Corner Shops:*** These shops, as well as other marked-off areas with distinctive decor, are employed by store engineers to relieve the monotony of departmental furnishings.

(ii) ***Shelves:*** Obviously, shelves are necessary to store stocked merchandise. They are poor display areas, however, and should be hidden whenever possible by walls, curtains, and so on.

(iii) ***Counter and Table Display:*** These sell merchandise more readily than do shelf displays, because they are located in front of the stock areas, bringing the goods nearer to the customer and allowing the customer to usual design for counters and cases. However, rounded, oval, and surrealistically shaped counters not only ease the flow of traffic through a store, they appear less regimented and do not present hazardous sharp edges to the customer. They are a pleasant change from the square design.

Placing store furnishings at an angle to the structural lines of the interior is an arrangement that will increase sales at no added expense to the store. If all aisles are straight from front

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to back, the customer moves too quickly through the store. Even a slight deviation from the usual parallel placement will lead people in a more comfortable and leisurely path, slowing them down and inviting them to take notice of the surroundings. Likewise, when customers are leaving, counters carefully arranged at angles to the wall will seem to hold them back, to delay their departure. Each hesitation on the part of the passerby is an opportunity for interior displays to make a sale.

(iv) ***Ledges:*** The tops of shelves sometimes serve as areas for display. They necessarily follow the set structural lines of a department. Ledge areas may be made very attractive with the addition of decorative pieces for seasonal promotions. Because ledges with shelf space below them are above the comfortable range of vision, constant care must be exercised in the placement of merchandise. Unsightly portions of it, such as chair seats, shoe soles, wrong sides of materials, or unfinished backs of stoves or refrigerators, should not be visible to the customer's eye and must be camouflaged with decorative effects.

(v) ***Merchandise walls:*** Imagine a customer standing in the entrance to a store, taking in the "view." Wherever that customer looks the background will be a merchandise wall. Merchandise walls form the total background of the store.

Types of merchandise walls are those that house merchandise and display that merchandise using face-outs or those that house merchandise and display that merchandise using grids.

But these walls can be treated in many ways to create a strong store "look" and provide an interesting, colourful background for the store's other fixtures and displays.

(vi) ***Colour & Lighting:*** Colour Contributes significantly to people's impression and the stores overall appearance. Colour can catch an eye and make people pause and look. Colour scheme contributes towards the atmosphere of the store. Changing the colour scheme can contribute towards the change in people's attribute and change their perception towards the store and increase the business.

Colours can be distinguished into two categories:

- ***Warm colours***: Colours like red, yellow, orange, etc. are warm colours. These colours are stimulating and cheery. They make a room feel warm and intimate. Warm color makes room look smaller while making the goods look larger. A warm color on the end of the wall of a long narrow room will appear to shorten the room.
- ***Cool colours:*** Blue, green, violet are all cool colours. They contribute towards cool and relaxing atmosphere. They make the room look larger and are therefore suitable for small rooms.

Lighting is essential in the stores to divert customers' attention towards merchandise. A shopper's eye is automatically diverted towards the brightest area. Lighting can also be used to direct customers towards the different merchandise but for this the lights should be 4 to 5 times stronger than the normal lights.

There are four types of lights used in store illumination:

- *Primary Lighting:* Overall Level of illumination.
- *Secondary Lighting:* Illumination for Designated display Area.
- *Atmosphere Lighting*: Play light against shadow to create distinctive effect on specific display.
- *Harmony:* It is the agreement in the feeling and consistency in the mood. The three forms of harmony are functional, structural, and decorative.

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Colour and lighting are critical to an ambiance that projects a store's image and attracts customers. Used strategically, colour can influence the perception at a room's size complement the merchandise on display, state a as lion position, and attract a particular clientele. The psychological effects of colour have been well documented.

Example: Blue, green, and violet project elegance and orange, yellow, and red convey intimacy.

Appropriate lighting in turn, enhances the effects of interior colour.

Lighting is essential to creating interest, shaping moods, and stimulating customer buying. Compared to other interior design elements, it has a very potent, immediate effect. Its functions include the illumination of space and merchandise, the accurate rendition of colour, and the use of contrast to direct customer attention and movement. Merchandise may be lit directly through colour and intensity or indirectly through surface highlighting. The degree and type or lighting needed depend on the merchandise to be presented. Spotlights emphasise key promotion, displays; lights of varying intensity draw shoppers to particular areas. In fitting rooms and mirrored selling areas, lighting must be designed to flatter customers.

Figure 4.5: A Store with Innovative Lighting

(vii) ***Sound and Aroma:*** Sound is an important design tool because of its ability to affect buying behaviour. Music in particular helps create a retail environment in which sensory satisfaction brings relaxation and a willingness to purchase, Programming can be used thematically to reinforce the merchandise or it can be used to attract the target customer group.

Music may also be used strategically to obscure other sounds or enliven an oppressively silent atmosphere. In price-positioned discount stores or supermarkets, promotional and informational announcements to help spur sales frequently interrupt background music.

Even aroma is a potential component, Pleasurable scents add to a store's atmosphere, stimulating customers' appetites and encouraging them to buy. The aromas of breads, pastries, chocolates, and coffee can be an extremely effective selling tool. Other products that may be enhanced through aroma are leather clothing and luggage, flowers and

houseplants, tobacco and cosmetics. And, of course, the primary method of marketing fragrances is in-store demonstrations of the scents.

Lab Exercise Suppose you are going to set up a departmental store. Prepare a computer design of your store focusing on layout, fixtures and displays.

Self Assessment

Fill in the blanks:

13. Display ..... include racks, stands, tables, shelves, and other devices for physically presenting merchandise.
14. Sound is an important ..... tool because of its ability to affect buying behavior.
15. Music in particular helps create a retail environment in which ..... satisfaction brings relaxation and a willingness to purchase.

4.5 All I Do Can Sell (AIDCS)

The abbreviation AIDCS stands for All I do can sell. In this AIDCS we come across the following understanding of each letter of the word like:

- A stand for Attention
- I stands for Interest
- D stands for Desire
- C stands for Conviction
- S stands for Sell

What attracts customers (different types of formats attracting customers):

- Traditional and basic style attracts purists.
- Post-modern style attracts younger consumer groups with higher incomes.
- Colourful attractive presentation style attracts a broad spectrum of quality-oriented consumer groups.
- Elegant but distanced presentation style attracts modern lifestyle-oriented consumer groups.
- Simple presentation style attracts altruistic consumer groups

4.5.1 Flexibility of Store Design

Most of the largest retailers have a huge investment or asset tied under their store portfolio. It is therefore in their interest to keep a high level of customer traffic moving through the store in order to maintain an adequate return on that investment. Good use of design in stores helps keep customers interested in store-based shopping. When consumers have a high level of choice, they will visit places where they feel comfortable inspired and even entertained. Customers are nowadays more design literate; the plethora of interior style media offerings has created a body

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of consumers that are not willing to tolerate badly designed and poorly decorated space. Competitive threats from home shopping means that the store environment has to have something special to offer, and international competition can also force retailers to pay more attention to their selling environments. Spanish fashion retailers Mango and Zara, who use clean-cut and modern store interiors, have been able to threaten domestic retailers in the UK middle-market women's clothing sector.

Store design has always been used to reinforce other elements of a retail strategy. For example, plush carpeting and marble used in a store denotes high-quality merchandise and may suggest a high-price positioning. Strip lighting and dump bins for merchandise brings the word 'bargains' to mind. However, as retail markets mature, the design of retail space is increasingly being used as a means by which strategic aims are reached. For example, in 2001 Safeway introduced a new store design to reinforce their position as a good-value fresh and quality grocery retailer. Wood panelling, slate tiling and pendent lighting were used in the wines and beers section to create the impression of an upmarket wine cellar; baskets and barrels were used in the fruit and vegetable section to give the impression of 'market freshness' and chalkboard signage to foster the impression of good prices. It is these small details that help to refocus the attention of the shopper onto revised core values, providing a struggling grocery chain with a new lease of life to compete against other forceful players in the market (Atkinson, 2001).

Self Assessment

Fill in the blanks:

16. The aromas of breads, pastries, chocolates, and coffee can be an extremely effective ..... tool.

17. In AIDCS: Alphabet I signifies ....., Alphabet D signifies ....., Alphabet C signifies ....., Alphabet S signifies .....

Case Study

KB's Fairprice

The new non-air conditioned, no-frills, retail chain, with each shop measuring an average of 2,000 square feet retail space, will be based on neighbourhood, convenience, stores concept. Stocking only a limited variety of items required to meet daily needs of its customers, the chain proposes to offer merchandise at 10% lower prices than market for national brands and up to 20% lower than market prices for local brands. Beginning with Mumbai and Delhi on a pilot basis, the chain plans to later on spread out to other metro and mega markets of Kolkata, Ahmedabad, Hyderabad, Bangalore, Pune and Chennai. KB's Fair Price Shops will bring the group into direct competition with no-frills, small format player Subhiksha, which has already set up over 780 stores, and is well on its way to achieve the target of 1,200 stores by March, 2008.

This will also put KB's fair price shops into competition among others with Ambani's Reliance 'Fresh,' RPG's Spencer's Daily Express, Birla's More, Piramal's Trumart, and Wadhwan's Spinach, which are also active in neighbourhood, convenience space, albeit with more glitzy presentation. The cost of setting up KB's fair price shops, which are initially to be owned by the group, according to Baheti, would be around ₹ 280 a sq ft against ₹ 2,000 a sq ft required for a modern super market store.

Contd...

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Analysis and Results

Targeting the lower middle class cost cutting being its basic dharma not much attention is paid towards the VM part, cartons are used to display the products at the entrance the schemes and offers are mentioned less attention is paid towards the marketing but still the store is doing very well sales wise but in near future how can the VM be done as well as cost cutting dharma can be practiced thus contributing to increment in sales.

The entrance of the store is messy because of lack storage space because of which the store keeps the stock outside but results into messy display to avoid this, the certain can occupy limited space and keep the rest of the space clean thus attracting the customers to enter the store thus adding to the sale.

Change in Display

The window display is not used as this may block the stores view of the customers the store can actually use the detachable transparent case (window display-2) to display the general merchandise stuff as this may make customers know about the stock available and this may also add to the sales as customers may come in to buy the stock and gm has a major margin it will also increase the profit margin and also not block the view of the store.

Signages

The signages here include MRP and fair price so that the customers can compare the price and understand the value of the product but customers fail to do so as the customers can't understand the difference between the price and they need help of the staff so the signages if changed will make a difference as the customers will understand thus increasing the sales.

Conclusion

VM as said adds to the cost but its a wrong assumption it on the contrary increases sale as consumers gets attracted to the display of the merchandise.

Visual merchandise is what the customer sees in the exterior and interior that creates a positive image of a business and results in a attention creating interest, desire, action on the part of the customer. A story can be commuted to the prospective customers what the store is all about ,it includes dramatic presentation of the merchandise of the store as well as other important subtle features that creates the stores overall atmosphere Eighty percent of the customers create the impression therefore rightly said

"One Picture Is worth Thousand Words" Visual merchandising today has become an indispensable and integral component of the fashion business. It is the tool or language that retailers use to communicate with the targeted customer. Visual merchandising is the passion and the pizzazz of retailing. Visual merchandising is a part of our popular culture. It adds to a pleasurable environment and has a welcome usefulness as a constant, constructive stimulus to better living that promotes the products of a healthy industrial economy In other words we can discuss visual, merchandising as the presentation of a store and its merchandise to the customers through the teamwork of the store's advertising, display, special events, fashion coordination and merchandising departments in order to sell the goods and services offered by the store. Drawing the attention of the customer to enable him to take purchase decision within shortest possible time, and thus augmenting the selling process is visual merchandising.

Source: http://www.indianwineacademy.com/dm_153_item_1.asp

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4.6 Summary

- Retail Atmospherics is a term used to describe the manipulation of elements such as colour, light levels, sound, scents and design within your store to influence the buying habits of your customers.
- Atmospherics are the physical characteristics and surrounding influence of a retail store that is used to create an image in order to attract customers.
- The success of a retail store can be heavily influenced by the chosen colour scheme, its layout design and atmosphere created by the retailers.
- The exterior of most stores includes the fascia, the store entrance, the architectural features of the building and windows.
- General shopping malls can be placed in the central door, and out of small shops housed in the central area is not appropriate.
- A facade or façade is generally one side of the exterior of a building, especially the front, but also sometimes the sides and rear.
- Signs and windows also are important components of the exterior appearance of a retail business.
- The interior of a store can be viewed in a similar way to living space.
- Interiors comprise ceiling, walls, flooring and lighting, but instead of furniture a retail outlet houses fixtures for the presentation of merchandise, and fittings for equipment such as tills.
- In choosing the materials used for the interior, retailers have to consider the type of product being sold, costs, store traffic and health and safety.
- Display fixtures include racks, stands, tables, shelves, and other devices for physically presenting merchandise.
- Display fixtures include racks, stands, tables, shelves, and other devices for physically presenting merchandise.
- Sound is an important design tool because of its ability to affect buying behaviour.

4.7 Keywords

Atmosphere Lighting: It Play light against shadow to create distinctive effect on specific display.

Balance: Balance involves equilibrium and elements of display between two sides of display; it has two types, symmetrical or traditional and informal or asymmetrical.

Cool colours: Blue, green, violet are all cool colours. They contribute towards cool and relaxing atmosphere.

Emphasis: It is the formulation of focal point with all else in display subordinate, in majority cases the merchandise is the focal point.

Exteriors: The exterior of most stores includes the fascia, mentioned above, the store entrance, the architectural features of the building and windows.

Fixturing: Fixturing is generally concerned with the housing of merchandise in what is sometimes termed 'on-shelf' displays. This is the routine display of goods from which customers are expected to make their selection.

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Harmony: It is the agreement in the feeling and consistency in the mood. The three forms of harmony are functional, structural, and decorative.

Interiors: It comprises ceiling, walls, flooring and lighting, but instead of furniture a retail outlet houses fixtures for the presentation of merchandise, and fittings for equipment such as tills.

Primary Lighting: Primary Lighting is Overall Level of illumination.

Proportion: Proportion is a pleasing distribution of weights using merchandise of similar value will provide importance to both the sides.

Rhythm: Rhythm is a flow involves the measurement of organised movement, a self-contained from object to object and background to foreground.

Secondary Lighting: Secondary Lighting is Illumination for Designated display Area.

Visual Merchandising: It is concerned with presenting products to customers within the retail space. More often a positioning strategy combines elements of both a product and process focus.

Warm Colours: Colours like red, yellow, orange etc. are warm colours. These colours are stimulating and cheery.

4.8 Review Questions

1. What is atmospherics in retail?
2. Explain store exteriors and store interiors.
3. Write down the fundamental of atmospherics.
4. Define the role of atmospherics in retail strategy.
5. What is the difference between cool and warm colours? Give examples.
6. What is fixturing aimed at?
7. What are the types of lightening?
8. What do you understand by retail ambience? Discuss its features.
9. Define visual merchandising.
10. What is the significance of harmony in designing store?
11. Explain the objectives of store design.
12. Give some examples of exteriors and interiors of retail store.
13. Explain the flexibility of store design.
14. Write all you about AIDCS.

Answers: Self Assessment

1.	Retail Atmospherics	2.	Mood, feeling
3.	Physical	4.	Atmosphere
5.	Customised	6.	True
7.	True	8.	True
9.	True	10.	False

Notes

11. Interiors
12. Health and safety
13. Fixtures
14. Design
15. Sensory
16. Selling
17. Interest, Desire, Conviction, Sell

4.9 Further Readings

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Unit 5: The Basics of Visual Merchandising

Notes

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Objectives

After studying this unit, you will be able to:

- Discuss about the Display Basics
- Describe the Design Basics

Notes

- Identify the Principles of Design
- Explain Colour Blocking—People buy Colours
- Describe Signage
- Explain Materials used in Visual Merchandising

Introduction

For a retail store design, aesthetics are developed to form a backdrop to the wares on display. The focus is on the merchandise followed by the comfort of the customer and by the actual functional aspects. Functional aspects that are integrated into a retail store design such as the cash counter, the changing rooms, the storage area and the computers must be discreet and unobtrusive. The challenge is to integrate all these functions with the actual retail space, without being too cluttered.

Retail store is an integral part of any mall design. The mall culture has influenced the lifestyle of the people to a great extent. Until not too long ago there was a general feeling that most retail outlets require a typical standard of design for their spaces. This has been proved wrong by innovatively designed spaces, where ambiance is given the utmost importance. Many a time, one can sell a marginal product at a maximum cost, by creating unique interiors.

In this unit, we will study display basics, design basics, principles of design, colour blocking—people buy colours, signage. We will explore on materials used in visual merchandising art.

5.1 Display Basics

Merchandise display is the arrangement and organisation of display materials and merchandise to produce a stimulus that leads to the sale of merchandise and services. It attracts the viewer's attention and induces action; it is visual selling and acts as a silent salesperson for the organisation.

Did u know? Merchandise displays serve to promote product offerings, inform customers, and contribute to the retailer's image. Successful visual merchandising excites customers and captures their attention.

5.1.1 Outcome of a Good Display

The outcome of a good display can be discussed as under:

1. It sells products and services
2. Publicises the business
3. Lays a foundation for the future sales
4. Builds prestige
5. Educates the public
6. Builds up the goodwill of the public
7. Offers the public useful, practical demonstrations
8. Familiarises the public with the operations of the business
9. Harmonises business interests with aesthetics

Notes

Caution Windows must not only draw people into the store but also support advertising and even attract publicity. The emphasis is on a store's image and not just a look.

5.1.2 Rules for Display Planning

Following the basic rules in display will cause the customers to focus their attention on the merchandise and cause the customers to buy the merchandise.

The rules of the display that should be observed in planning a display can be discussed as under:

1. Help the eye in finding the focal point of the display easily.
2. Limit the number of competing elements in the display.
3. Give the display one dominant theme.
4. Use contrast and rhythm to add life to the colours and proportion.
5. Select display props and material having some connection with the exhibited product.
6. Do not allow the display props and materials to take up most of the best space in the window.
7. Avoid anything that conflicts with the sales message.
8. Use colours appropriate to the season.
9. Do not mix the styles.
10. Relax and see if the display sells.

5.1.3 Purpose of Display

The purpose of Display in a store is to attract customers to the store, and ultimately convince them to buy the merchandise. The main purposes of a display can be discussed as under:

1. Sell by show
2. Encourage the shopper to enter the store
3. Establish, promote & enhance the store's visual image.
4. To enhance the customer's shopping experience
5. Introduce & explain new products
6. Educate customers by answering to their queries regarding the use & accessorisation of a product.

5.1.4 Functions of a Display

Merchandise displays serve to promote product offerings, inform customers, and contribute to the retailer's image. Successful visual merchandising excites customers and captures their attention. The display in a store functions in the following three ways:

1. It presents the selection of merchandise in a manner that will maximise both space and visibility to customers.
2. To allow store sales associates to interact with customers more effectively.

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3. To enhance the visual appeal of a product to encourage customer's interest and subsequent purchase.

Caselet

Store Display

Yet too often, small retailers create windows that are boring, cluttered or poorly lit. "If you just put some thought in it, it doesn't cost much," says Noelle Nicks, who oversees visual merchandising for Cole Hardware's four stores in San Francisco. Although she has never spent more than $100 on a single design, her windows rarely fail to get attention. Her displays have included a farmers market with light bulb carrots and radishes and a beach setting complete with real sand.

One Valentine's Day, she chose the theme, "how to mend a broken heart," painting a black jagged line down a giant plywood heart and attaching hinges, chains and other hardware. For Halloween, she hung more than a dozen types of brooms against an orange backdrop with the words, "Which broom?" across the glass beneath them. The display not only played on the traditional witch-on-a-broomstick theme, but it also showcased the store's large broom selection.

Source: Adapted from http://www.entrepreneur.com/article/223677

5.1.5 Types of Display

Approaches to merchandise presentation vary according to the type of display – from special, or feature, areas to regular freestanding assortments and wall units. Special display areas include end-of-aisle end caps, windows and point-of-sale and demo areas.

The primary purposes of displays are to present and to promote. A display is at its best when it simply shows a colour, an item, a collection, or just an idea. Types of displays include the following:

One Item Display: A one-item display is just the showing and advancement of a single garment or any single item. It features only one piece of merchandise-designer gown, automobile, piece of jewellery, etc.

Line-at-goods Display: It is a kind of display in which only one type of merchandise is shown, (viz.; all blouses, all skirts, pots, etc.) although they may be in a variety of designs and colours. They could be designed by the same designer, or created with the same fabric or print, or they could all feature a common theme. However, for more effective presentation, and for better comprehension and acceptance by the shopper, there should be some connection or relevance indicated.

Notes ***Related Merchandise Display***

In this kind of a display, separates, accessories, or any other item that "goes together" are displayed because they are meant to be used together, because they share an idea or theme. For example:

Contd...

Notes

1. It could be an "Import Window" where all the items are from the same country (from clothes to handicrafts, to kitchen utensils to furniture, and so on).
2. It might be a colour promotion where all the clothing in one window is red, and the next display setup may consist of all red household supplies and hard goods. A room setting in which red is the dominant colour may follow that presentation.
3. Alternatively, it could be a display of lizard shoes, bags, and belts-all related because they are made of lizard skin. Red, white and blue-striped hats, sweaters, scarves, and stockings would be a related merchandise display.
4. The items go together and reinforce together.

Variety or Assortment Display: It is a potpourri of anything and everything. It is a collection of unrelated items that happen to be sold in the same store. It can be work shoes, silk stockings, teakettles, Hawaiian print shirts, nightgowns etc. It is a mélange of odds and ends, a sampling of the merchandise contained within.

5.1.6 Exhibitions: Types of Exhibits

The other types of displays include exhibitions. Here we will discuss about the various types of displays used in an exhibition, main being the following:

Permanent Exhibits: Many museums have permanent exhibits in which paintings, sculpture, and other artwork are lastingly framed, hung, and encased. There is no surprise, novelty, or excitement in an unchanging, permanent display. If the object is world-famous and many persons come especially to see it (e.g., the "Mona Lisa," a Michelangelo sculpture, and so on), then the presentation and the area around the exhibit should be refreshed with a new attitude or look by adding changing floral arrangements, trying period furniture settings, experimenting with different lighting techniques, or using new background colours or texture.

Temporary Exhibits: A temporary exhibit is usually the presentation of an item or items that are on loan for a limited time. The showing schedule is announced and the duration of the showing is advertised, publicised, and anticipated by the public. The limited stay creates the necessary impetus to have the public come and see the exhibit while the artwork is on loan.

Trade Shows: Trade shows are commercial ventures wherein a manufacturer or distributor will show a line of merchandise, introduce a new product or an improvement on an existing one, or exhibit for the sake of "goodwill" or company image. The company seeking goodwill (instead of showing its merchandise) may provide, in a setting of plants and seats, an arrangement of a very few choice objects; perhaps, the earliest prototypes of their product or "antique" versions of the products the company is producing today. This is the "soft sell" approach, and such an exhibit would be designed to show the historical perspective of the company and the product rather than to place the emphasis on the current product or line. Often, trade shows are produced in large exhibition halls in which several hundred exhibitors battle for attention in rather open and exposed areas. The management of the exhibit hall or the organisation sponsoring the show may set restrictions concerning the height of a booth or exhibit, the use of opaque walls, fireproofed materials, lighting equipment, overhead signs, and sound equipment. The union regulations that govern the setting up, lighting, trimming and the eventual dismantling of the show can be a serious problem for the trade show designer. Following these regulations can become costly and time-consuming.

Travelling Exhibits: A travelling exhibit is a broad, all-inclusive term for movable or portable displays. A travelling exhibit is conceived and designed to be moved from one location to another and to be assembled quickly, with few changes and a minimum of professional assistance.

Notes

Some travelling shows are actually large buses or vans that have been converted into "galleries on wheels." The viewer enters at one end of the vehicle and exits from the other, after having seen the complete show. Other travelling shows are not designed to move "as in their own vehicles. These shows use collapsible panels, frames, or stands that can be reassembled and will adapt to a preestablished plan or pattern in an area of a specific size. Sometimes, the designer may have to supply several alternate arrangements for the panels or frames in order to accommodate variations in floor layouts or space allocations.

Outdoor Exhibits: An outdoor exhibit may take place in a garden, a park, a parking lot, or in the middle of a shopping mall. Depending on the material to be shown, this can be the most challenging type of exhibit. The garden or park setting is ideal for sculpture and other dimensional objects that are not affected by heat, cold, rain, or snow. The natural light and setting can be glorious "props" for these natural but "hard" materials.

5.1.7 Elements of Display

There are few attributes, which contribute to the display process in a store. These attributes are known as the "elements of display". These include six elements that are necessary components in the production of successful display units. Theme, Props and merchandisers are the most important amongst them.

The Themes: A display or merchandise presentation should convey a specific theme or idea. This theme is the framework for creating a visual presentation. Lack of a theme is the most common display error; therefore a theme needs to be properly planned and developed. A store's promotional policy dictates the appropriate theme of a display.

Before selecting a theme for a display, generally people first determine how a particular display will tie in to other promotional activities. Displays might feature all merchandise in one colour if a "colour story" is being presented, a special event might be featured, such as the Olympics. It is within the total promotional framework of a store and/or business that the specific display area must do its work.

Specific theme ideas might centre on a new fashion trend or silhouette or a popular fabric story such as the natural wrinkled fabrics popular in the mid-1980s. Pre-season, mid-season, or post-season clean-ups might be subjects for specific copy-card messages. Almost any establishment can take advantage of themes for display.

Example:

1. Easter
2. Independence day
3. Children's day
4. Father's day
5. Mother's day
6. Valentine's day
7. Halloween's Day
8. Seasonal festivals
9. Christmas
10. Thanksgiving day

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11. Friendship day
12. World AIDS day
13. Teacher's day

Figure 5.1: Halloween's Day

The display person's job is to combine display principles and procedures with the chosen theme according to the display policy of the store. The following are guidelines as to the correct use of themes in visual merchandising:

1. Over all themes should be selected after the bulk of the merchandise has been bought for the season.
2. Overall themes must relate to the merchandise in both colour and concept.
3. Overall themes must create an image instantaneously and it must be the correct image.
4. Overall themes can be achieved by the use of hanging banners or signs; floor signs; flowers or props that relate to the signs and banners; matching urns; merchandise coordination; and valance colours.

Smaller stores do better with an overall theme than do larger stores. The customer won't be bored by a strong theme in a small area but will become bored with an extensive repetition of an overall theme in a large space.

Constructing the Display: Professional constructing the display, cited several key components of successful merchandise display that are particularly relevant for small business owners. First, displays should be economical, utilising only space, materials, and products that are already available. Second, displays should be versatile, able to "fit almost anywhere, exhibit almost any merchandise, and convey almost any message. Finally, displays have to be effective.

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Figure 5.2: Display Construction

The effectiveness of merchandising display strategy can be increased by remembering several other tips as well, including the following:

1. Allocate merchandise display space and expenditures appropriately in recognition of customer demographics. If the bulk of your business's customers are males between the ages of 20 and 40, the bulk of your displays should probably be shaped to catch their interest.
2. Be careful of pursuing merchandise display designs that sacrifice effectiveness for the sake of originality.
3. Make certain that the cleanliness and neatness of the display is maintained.
4. Do not overcrowd a display. Customers tend to pass over messy, busy-looking displays. Instead, Ralston and Foster affirm that "a display should feature a single item or point of interest… Every primary article [in a display] must interact with every other so that they all come together as a group. If they don't it will look as if there is not one design, but several.
5. Combine products that are used together in displays. For example, pairing ski goggles with other outdoor apparel is apt to be more effective than placing it alone or with some other product that is only tangentially related to skiing.
6. Small items should be displayed so that would-be customers can get a good look at them without having to solicit the help of a member of the staff.
7. Pay attention to details when constructing and arranging display backgrounds. For example, Foster and Ralston counsel business owners to "avoid dark backgrounds when customers will be looking through a window, since this makes the glass behave as a giant mirror."
8. Merchandise displays can sometimes be utilised to educate customers. A well-conceived display could, for example, illustrate a product use that may not have occurred to most customers. "In addition to selling actual merchandise, display can be used to introduce a new product, a fashion trend, and a new 'look' or idea," explained Martin Pegler in Visual Merchandising and Display . "Display can be used to educate the consumer concerning

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what the new item is, how it can be worn or used, and how it can be accessorised. The display may also supply pertinent information, the price, and other special features."

Figure 5.3: Display Shelves

Design and Construct Three-dimensional Props and Merchandisers

1. Produce canvas backdrops with applied images or collage to client specifications or for use in specific window displays.
2. Produce three-dimensional props and merchandisers to reflect specified promotional and cultural themes or product categories used in displays.
3. Safely construct full-size fashion merchandisers to relevant standards, performance benchmarks and specifications for use in display windows.
4. Design and construct point-of-sale units and ticket holders to suit specific products.
5. Construct slat wall fittings to suit a corporate identity or sign.
6. Design and construct props to suit any given window or exhibition theme.

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Figure 5.4: Display

Maintain and Modify Fashion Mannequins

1. Assess ex-storage mannequins to ascertain maintenance requirements.
2. Recycle mannequins in whole or part using a variety of methods to create new mannequins.
3. Update mannequins to service window themes.
4. Customise mannequins to suit lifestyle themes and images.

Props and merchandisers may be used in retail windows, in-store displays, exhibitions, corporate promotional displays, and corporate or social events and may include:

1. Formal display props
2. Asymmetrical props
3. Minimalist props
4. Dynamic props
5. Harmonious props
6. Rhythmic props
7. Trompe l'oeil finishes on three-dimensional and three-dimensional surfaces
8. Miniature three-dimensional props

Notes

9. Display props made in reproducible moulds
10. Centerpieces for themed events
11. Mixed-media soft models.

Task Gather information on any five types of props stated above.

Self Assessment

Fill in the blanks:

1. ..... display is the arrangement and organisation of display materials and merchandise to produce a stimulus that leads to the sale of merchandise and services.
2. Merchandise displays serve to ..... product offerings, inform customers, and contribute to the retailer's image.
3. Successful visual merchandising excites customers and captures their .....
4. A ..... exhibit is usually the presentation of an item or items that are on loan for a limited time.
5. ..... are commercial ventures wherein a manufacturer or distributor will show a line of merchandise, introduce a new product or an improvement on an existing one, or exhibit for the sake of "goodwill" or company image.
6. A ..... exhibit is a broad, all-inclusive term for movable or portable displays.
7. Before selecting a theme for a display, generally people first determine how a particular display will tie in to other ..... activities.

5.2 Design Basics

The principles of design guide the organisation of the design elements for an effective visual impression. These principles help the display person decide where to place the merchandise in the display area. The five principles to be considered are unity, variety, emphasis, rhythm, balance, and proportion. The principles of design are used in all art forms. When knowledgeably applied, they combine to create purposeful, effective, aesthetically pleasing entities, whether in the fine arts, commercial art, or visual merchandising. In display, they appropriately coordinate all the parts of the display in varying degrees. Knowledge of these principles is imperative for the person seeking to become skilled in display. Therefore, after discussing the steps of a sale as applied in display, it seems natural to analyse a display in terms of these principles the coordinators.

5.2.1 Elements of Design

The elements are components or parts, which can be isolated and defined, in any visual design or work of art. They are the structure of the work, and can carry a wide variety of messages.

1. Line
2. Form, shape and space
3. Colour – Value, Hue and Intensity

Notes

4. Pattern
5. Texture

Line

A line is a mark made by a moving points and having psychological impact according to its direction, weight, and the variations in its direction and weight. It is an enormously useful and versatile graphic device that is made to function in both visual and verbal ways. It can act as a symbolic language, or it can communicate emotion through its character and direction.

Line is not necessarily an artificial creation of the artist or designer; it exists in nature as a structural feature such as branches, or as surface design, such as striping on a tiger or a seashell.

It can function independently to suggest forms that can be recognised, even when the lines are limited in extent. Lines can be combined with other lines to create textures and patterns. This is common in engravings and pen and ink drawings.

The use of line in combination results in the development of form and value, which are other elements of design.

However, line is not always explicit. It can exist by implication, as the edge of forms. As young children we usually begin drawing landscapes by making outlines for earth, sky, and other objects. Gradually we learn that objects do not have such outlines and we let colour changes define the edges of shapes, creating implicit lines. Thus we can speak of a horizon "line," or the "lines" of a car or a fashion silhouette, even though we know there is no literal line present.

Form, Shape and Space

Forms and shapes can be thought of as positive or negative. In a two dimensional composition, the objects constitute the positive forms, while the background is the negative space. This makes it difficult to ignore the background and treat it as merely empty space. The effective placement of objects in relation to the surrounding. Negative space is essential for success in composition. Some artists play with the reversal of positive and negative space to create complex illusions. Perception of form and shape are conditioned by our ingrained "instinct" to impute meaning and order to visual data. When we look at an image and initially form an impression, there is a tendency to latch on to that conclusion about its meaning, and then ignore other possible solutions. This may make it hard to see the other images. Training the eye to keep on looking beyond first impressions is a crucial step in developing true visual literacy.

Categories of Forms

There are various ways to categorise form and shape. Form and shape can be thought of as either two-dimensional or three dimensional. Two-dimensional form has width and height. It can also create the illusion of three dimension objects. Three dimensional shape has depth as well as width and height.

Colour Value, Hue and Intensity

Typically, colour is the first element we see when looking at an object or scene. It affects us physically and psychologically and is one of the most important elements in creating response, especially to display.

Colour is one of the most powerful of elements. It has tremendous expressive qualities. Understanding the uses of colour is crucial to effective composition in design and the fine arts. Colour is an inexpensive, versatile means of creating mood and drama in the presentation of

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fashion merchandise. Much of the colour comes from the merchandise itself, which requires no additional expense. Research shows that the proper choice of colour in store windows and store interiors has significant drawing power. Warm colours (reds, oranges, and yellows) physically attract customers to shop. On the other hand, cool colours (blues, greens, and violets) are more appropriate for areas where customers will be deliberating over a big-ticket purchase such as a fur coat. Colour used properly can attract the eye of the potential customer, create the desired mood, and stimulate the viewer to make a purchase decision.

Skilful use of colour begins with an understanding of its three dimensions-hue, value, and intensity.

Value

Value is defined as the relative lightness or darkness of a colour. It is an important tool for the designer/artist, in the way that it defines form and creates spatial illusions. Contrast of value separates objects in space, while gradation of value suggests mass and contour of a contiguous surface. In the drawing on the right, value contrast separates the artichoke from the background, and the separate leaves from one another, while gradation suggests the curves of leave surfaces and of the whole form.

Hue

Hue is the term for the pure spectrum colours commonly referred to by the "colour names" – red, orange, yellow, blue, green violet – which appear in the hue circle or rainbow. Theoretically all hues can be mixed from three basic hues, known as primaries. When pigment primaries are all mixed together, the theoretical result is black. Therefore pigment mixture is sometimes referred to as subtractive mixture.

If values are close, shapes will seem to flatten out, and seem closely connected in space; none will stand out from the others. If values contrast, shapes will appear to separate in space and some will stand out from the others. This works whether the colours are just black, white and grey, or whether hues are involved.

The primary colours consist of three hues from which we can theoretically mix all other hues:

1. Painters Primaries – red, blue, yellow
2. Printers Primaries – magenta, cyan (turquoise), yellow: spectrum. It is used as the basis for colour printing.
3. Light Primaries – red, blue, green.

This definition is active when coloured light is mixed, as on your computer screen, or when theatrical spotlights overlap on a white wall. Its effects are less familiar than pigment mixture to most people. If all three primaries are mixed, the theoretical result is white light. Therefore Light mixture is sometimes referred to as additive mixture. Your computer screen mixes colour as light, and therefore follows additive colour mixture rules. This means that the depiction of subtractive mixture shown here is less than ideal, particularly for the cyan (turquoise) and magenta of the printer primaries.

Intensity or Chroma

Refers to the brightness, purity, or saturation of colour. These intense colours catch the eye and stop the customer long enough for her to notice the merchandise.

- High-intensity colours are active and stimulating.

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- Low-intensity colours are greyed or dull in appearance, for example, maroon. Dull or low-intensity colours tend to create a calm and restful mood.

Colour Schemes

Colours often occur in various combinations, referred to as colour schemes. Combining colours attractively is an art marked by individual style and preference. Although there are no laws for combining colours, there are some formalised methods for producing harmonious colour schemes that students may find helpful. These methods are illustrated on a wheel of 12 colours.

The two major categories of colour scheme in terms of hue are related and contrasting.

The second category is referred to as contrasting because there are no common hues in these colour schemes. Contrasting colour schemes are often bold and dramatic.

Related Colour Schemes

The first category is referred to as related because this type of colour scheme utilises one or more hues in common, that is, colours that are adjacent on the colour wheel. Related colour schemes tend to produce a stable feeling and allow the mood of the hue of the colour scheme to be expressed clearly.

The principal types of related colour schemes are monochromatic and analogous.

1. ***Monochromatic:*** Harmony uses only one hue in various values from almost black to almost white and intensities from brilliantly saturated to very grey. This mixing of black, white, and greys can be used in all schemes because includes neutrals, which are not considered colours. If texture is a selling points, a monochromatic colour scheme may be a good choice for highlighting textures, which would be more apparent when the colours are all the same or similar.
2. ***Analogous:*** colour schemes comprise three colours that are adjacent on the wheel, which means they contain a common hue. An example is yellow-orange, yellow, and yellow-green. Another example, from the cooler side of the colour wheel, is blue, blue-violet, and violet. An analogous colour scheme offers more variety in colours than a monochromatic scheme and avoids the possibility of clashing colours since there is a common hue to provide harmony.

Contrasting Colour Schemes

Contrasting colour schemes are subdivided as follows:

1. ***Complementary:*** These schemes are formed by two hues that are directly opposite each other in the colour wheel, such as red and green, orange and blue, or yellow-orange and blue-violet. Complementary colour schemes can be exciting because opposites are combined. However, they are more difficult to handle than analogous schemes because their colours can clash. One of the two colours should be present in a larger amount than the other and thereby become the dominant hue for the scheme.
2. ***Double Complementary:*** These schemes are based on two adjacent colours combined with their complementary or opposite colours, such as yellow orange and yellow with violet and blue-violet, or red-orange and orange with blue and blue-green. This scheme incorporates both contrast by means of opposite hues and similarity by means of related hues. The related hues give a sense of unity, making this scheme slightly easier to produce than a simple complementary scheme.

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3. ***Split-complementary:*** Colour scheme is composed of any hue plus the two hues on either side of its complement, such as yellow with red-violet and blue violet, or blue-green with red and orange.

4. ***Triad:*** Schemes are built on three hues equidistant from each other, such as red, yellow, and blue; or orange, green, and violet. The combination of unrelated hues is lively, but harmony may be difficult to create because of the variety generated.

5. ***Tetrad:*** Scheme combines four hues equidistant from each other on the colour wheel, such as orange, yellow-green, blue, and red-violet. When three or more hues are combined, the colour scheme works better if the value or intensities are similar so as to create some unity. The various hues provide the contrast and interest. The merchandise itself can provide the colour schemes for the display. In a merchandising grouping, a multicolour item such as a figured blouse can establish the colour scheme. When an item comes in several colours, that range, of hues can become the colour scheme.

The colours within the merchandising area also contribute to the colour scheme. The hues in the flooring, carpet, walls, and partitions may be very apparent or rather inconspicuous. Orange, red, and yellow in the walls and ceiling demand attention and must be considered as an important part of the presentation of the merchandise. Clear, bright greens, yellows, and red-oranges would be good items to place on the forward stands on the aisle. They would harmonise with the clear, bright colours on the walls to carry out the active mood for a sportswear or junior department.

Colours on the fixtures that are deep in a department are less important than the colours on forward fixtures, because the aisle provides space for the shopper to see the total picture of the front merchandise against the backdrop of the wall. There is less space farther into the department, so the colours are seen close up, eliminating the background wall from view.

More neutral colours for walls, flooring, and carpeting provide an inconspicuous background for many colour schemes.

Colour Illusions: Some of the effects of colour occur only in the eye and brain of the viewer, and are not physical properties of light waves or pigment. These illusions, however, are very powerful, and have enormous impact on our responses to colour.

Colour Proportion: It refers to the impact of the relative quantity of a given hue or value used in colour compositions. In order to achieve overall unity, and/or create emphasis, one should make a clear decision as to which colours should be assigned the largest and least areas.

The colour proportion choice will also affect the impact of the colour composition. This can be seen in the set of panels shown here. The very same colours are used in each panel. Yet depending on the choice of dominant colour, the feeling of the composition, and even the appearance of each colour, is altered.

Simultaneous Contrast: It is the phenomenon, which occurs when a colour appears to change when seen against a different background.

Optical Mixture: It is the phenomenon, which occurs when small particles of different colours are mixed in the eye; this type of mixture differs from pigment mixture in that it is based on light primaries. However, optical mixture differs from light mixture in which the primaries will mix to white, and from pigment mixture, in which the primaries mix to black. In optical mixture there is an averaging of hue and value, resulting in grey. Optical mixture is experienced when observing many textiles, such as this example, a detail from a hand-woven tapestry. It can also be seen in natural objects, colour television, and printed colour pictures.

Psychological Implications of Colour: Market researchers have done extensive studies exploring the emotional responses of people to colour. Some of these responses seem to be powerful and

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fairly universal. However, much of this information is culturally biased. We know that cultural traditions endow colours with powerful meanings that can differ greatly from place to place. For example, in Europe and the United States, black is the colour of mourning. In many tropical countries and in East Asia white is the colour of death. On the other hand, white is the colour worn by American brides, while brides in much of Asia wear red. Meanwhile, we know that the following associations are generally found to hold in Euro-American societies:

Red: Associated with blood, and with feelings that are energetic, exciting, passionate or erotic. Most colours carry both positive and negative implications. The downside of red evokes aggressive feelings, suggesting anger or violence.

Orange: The colour of flesh, or the friendly warmth of the hearth fire. The positive implications of this colour suggest approachability, informality. The negative side might imply accessibility to the points of suggesting that anyone can approach— a lack of discrimination or quality.

Yellow: Is the colour of sunshine? This colour is optimistic, upbeat, and modern. The energy of yellow can become overwhelming. Therefore yellow is not a colour that tends to dominate fashion for long periods of time.

Green: In its positive mode, green suggests nature (plant life, forests), life, stability, restfulness, and naturalness. On the other hand, green in some tones or certain contexts (such as green skin) might instead suggest decay (fungus, mould), toxicity, and artificiality.

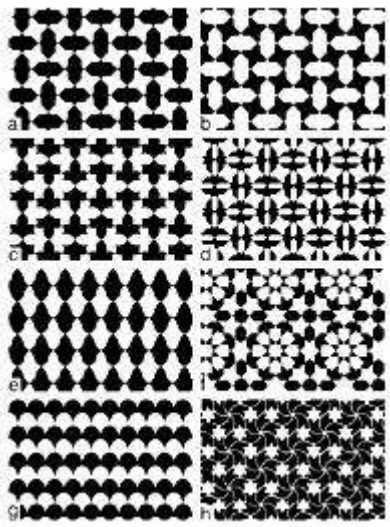
Blue: Suggests coolness, distance, spirituality, or perhaps reserved elegance. Some shade of blue is flattering to almost anyone. In its negative mode, we can think of the "blues"-the implication being one of sadness, passivity, alienation, or depression.

Violet: Is the colour of fantasy, playfulness, impulsiveness, and dream states. In its negative mode, it can suggest nightmares, or madness.

Pattern

Pattern is an underlying structure that organises surfaces or structures in a consistent, regular manner. Pattern can be described as a repeating unit of shape or form, but it can also be thought of as the "skeleton" that organises the parts of a composition.

Figure 5.5: Patterns



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Pattern exists in nature as well as in designed objects; it is useful to look at the parallels. According to Peter S. Stevens there are only a finite number of ways that patterns can be structured. The modes he describes include the following, which are described here in terms of examples from nature.

Lab Exercise Go to website www.slideshare.net/kotharivr/visual-merchandising-5256539 and gather information available for pattern in visual merchandising.

Texture

Texture is the quality of an object, which we sense through touch. It exists as a literal surface we can feel, also as a surface we can see, and imagine the sensation might have if we felt it. Texture can also be portrayed in an image, suggested to the eye, which can refer to our memories of surfaces we have touched. So a texture can be imaginary. Whereas colour catches the eye, texture draws the customer to the merchandise for close examination. Texture is subtler than colour but is nevertheless important in gaining a positive response from the customer.

Texture is the quality of the surface of an object or material. It has visual and tactile aspects. As a visual element, texture is the result of light being reflected or absorbed by the surface of the object or material. Satin reflects light, and velveteen absorbs light. As a tactile element, texture is essentially the "feel" of material as a person touches it.

The texture of the merchandise helps determine the particular mood in a display or presentation. One texture or type of texture could dominate a display so that there is a sense of harmony without confusion; however, contrasting textures help to achieve excitement. Sometimes an unexpected combination of texture is most effective in capturing shoppers' attention, for example, satin with denim or linen with tweeds.

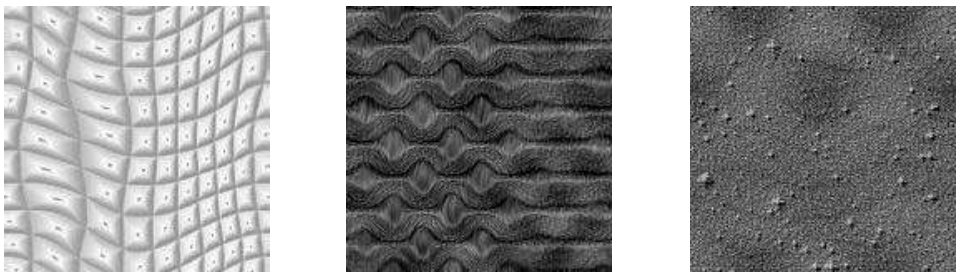
Types of Textures

Textures are of many types:

Bristly, rough and hard: This is what we usually think of as texture, but texture can also be smooth, cold and hard, too. Smooth, soft, and/or warm and wet or dry are also textures; in fact, any tactile sensation we can imagine is a texture.

In other words, all surfaces can be described in terms of texture. Many artists and designers make use of texture as a dominant element in their work. This is particularly evident in craft media, such as fibres, metal, wood and glass, where the tactile qualities of the material are a major feature.

Figure 5.6: Texture



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Creation of the illusion of texture is also an important element in many paintings, drawings, textile designs, and other surface designs. This can be observed and discussed separately from the tactile qualities of the actual materials and surface of the work.

Self Assessment

State whether the following statements are true or false:

8. A line is a mark made by a moving points and having psychological impact according to its direction, weight, and the variations in its direction and weight.
9. Forms and shapes can be thought of only positive not negative.
10. Three-dimensional form has width and height.
11. Two-dimensional shape has depth as well as width and height.
12. Value is defined as the relative lightness or darkness of a colour.
13. Hue is the term for the pure spectrum colours commonly referred to by the colour names – red, orange, yellow, blue, green violet – which appear in the hue circle or rainbow

5.3 Principles of Design

Design elements and principles describe fundamental ideas about the practice of good visual design that are assumed to be the basis of all intentional visual design strategies. The elements form the 'vocabulary' of the design, while the principles constitute the broader structural aspects of its composition. Awareness of the elements and principles in design is the first step in creating successful visual compositions. These principles, which may overlap, are used in all visual design fields, including graphic design, industrial design, architecture and fine art.

The principles of design are the recipe for a good work of art. The principles combine the elements to create an aesthetic placement of things that will produce a good design.

Centre of Interest: Centre of interest is an area that first attracts attention in a composition. This area is more important when compared to the other objects or elements in a composition. This can be by contrast of values, more colours, and placement in the format.

Balance: Balance is a feeling of visual equality in shape, form, value, colour, etc. Balance can be symmetrical or evenly balanced or asymmetrical and unevenly balanced. Objects, values, colours, textures, shapes, forms, etc., can be used in creating a balance in a composition.

Harmony: Harmony brings together a composition with similar units. If your composition was using wavy lines and organic shapes you would stay with those types of lines and not put in just one geometric shape. (Notice how similar Harmony is to Unity - some sources list both terms.)

Contrast: Contrast offers some change in value creating a visual discord in a composition. Contrast shows the difference between shapes and can be used as a background to bring objects out and forward in a design. It can also be used to create an area of emphasis.

Directional Movement: Directional Movement is a visual flow through the composition. It can be the suggestion of motion in a design as you move from object to object by way of placement and position. Directional movement can be created with a value pattern. It is with the placement of dark and light areas that you can move your attention through the format.

Rhythm: Rhythm is a movement in which some elements recur regularly. Like a dance it will have a flow of objects that will seem to be like the beat of music.

Notes

The Principles of design are the results of your working with the elements of art. Use them in every piece of art you do and you will be happy with the results.

Self Assessment

Fill in the blanks:

14. Balance can be symmetrical or evenly balanced or ..... balanced.

15. ..... is a movement in which some elements recurs regularly.

5.4 Colour Blocking—People Buy Colours

Colour blocking is using colour as a tool to merchandise products for sale. E.g. using all red handbags on a fixture or wall section then focusing on another colour for the next fixture. One common way to colour block is to use light to dark from left to right. Colour blocking is used to make it easier to shop and more visually coherent.

Colour-blocking also is an effective visual tool to separate and differentiate products that may be part of a larger comprehensive product category but where certain subsets of product families exist and exhibit subtle differences. These differences may be product size, application, durability, quality or some other functional difference that warrants separation from other related products.

In this manner, colour-blocking can easily convey to the shopper where to focus their purchasing decisions by helping them focus in a particular area or on similar products within a set area. It can also help facilitate easier 'compare and contrast' efforts between products in the same category but with different features and benefits.

Thus, the term colour blocking always meant several different colours on one article, such as a handbag or a top, for example. It shouldn't refer to wearing a different colour top than bottom, or adding a different colour scarf or handbag.

Colour blocking is most commonly styled with bright colours. Often almost neon shades! That isn't something for the faint of heart. However, you can still wear the colour blocking trend by doing the simplest definition of the trend. Combine two solid block of colour.

Colour blocking is just that, wearing blocks of colours. For the most part this is what we do anyways when we dress, but Spring 11 "colour blocking" is an exaggerated version. To get the colour blocking look you want to go for bright and bold colours. There are some rules to follow, however, and here they are:

- ***Louder the Better:*** If there's never been a better time to wear loud pops of colour, it's now. Take advantage of the opportunity to be loud for no reason and still be fabulous.
- ***Clashy Attire Only:*** Don't be afraid to clash. We're so used to the same coordinating colours but try pink and red. Try navy and black. If you're hesitant, you can always stick to the old faithful complementary colour wheel. That thing is fail proof.
- ***K.I.S.S.:*** Keep It Simple Sister! This look will look best with neutral accessories. Grey is the new neutral tone. Grey belts, shoes, accessories will compliment your outfit nicely.
- ***Three's the Charm: Stick*** to 2 or 3 colours max. It makes for a more interesting outfit.

If you've never used a colour wheel before, don't worry. All you need to know is how to draw a line straight through the middle of the wheel from one side to the other. This is how you identify which colours traditionally compliment each other.

Notes

Self Assessment

State whether the following statements are true or false:

16. Colour-blocking also is an ineffective visual tool to separate and differentiate products that may be part of a larger comprehensive product category.

17. Colour blocking is most commonly styled with light colours.

5.5 Signage

Graphics and signage communicate your store image. They can be used to educate customers' store. Graphics and signage should present a uniform level of quality. The purpose of a marquee, or exterior sign, is to gain the customer's awareness and announce the store's identity. Well- designed marquees, however, can communicate far more than words it carries. These are designed to draw customers into the store through visual appeal and physical convenience. Signage sets the tone for the store.

Figure 5.7: Signage

Despite a picture being "worth a thousand words," some display persons and store designers-like men who wear belts and suspenders-want to be sure that the message is read as well as seen, so they add some words to the graphic display. The fewer words the better: the more simply stated, the more effective! Do not complicate matters or confuse the shopper. There is a negative side to signage and it can apply to graphics as well. It is a case of visual clutter: a window or a store swamped, smothered, and overcome with signage. It is a bombardment of messages and a paper blizzard that chills and then kills the senses. Instead of informing, this barrage has a negative effect and turns off the shopper. Shoppers equipped with their sales oriented antennae just need a few good and clear clues and they will figure out what is going on and where it is happening. The excessive signage may hinder rather than help the shopper in search of bargains.

Graphics combined with some signage can be an effective twosome in window display. The colours used, the style of lettering, the artwork, and the materials all can further the store's and the products' image as well as complement the overall design of the store.

Notes

5.5.1 Window Signage

This signage can compel individuals who have never entered the store to visit for the first time and encourage past visitors to become repeat customers. The window offers a preview of product, as well as an instant image of the store. Many store use large posters, photo enlargements or other large graphics in their windows with items placed nearby. This approach offers a clean dramatic look. Large graphics should be able to be seen from 20 feet away and be immediately recognisable to an individual walking by. These oversized graphics are currently a popular display prop because recent technological advancements have reduced the cost of producing them.

Figure 5.8: Window Signage

Large graphics can reflect product style. For instance, if the store sells children's products, like educational toys, a blowup of a little red schoolhouse or a college campus as a backdrop for the merchandise.

Large graphics can suggest a lifestyle or how your products are to be used once purchased. For example, a graphic of a family enjoying the outdoors can be placed behind picnic or beach items that you might have for sale.

Repetition of large graphics in one window, various windows or throughout the store in various sizes serves as a reminder of a particular product creates a dramatic effect and draws customer from the windows to the store.

5.5.2 Interior Signage

These can show brand identification of specific products, identify classifications of products within the store, and, depending on the size of the store, offer direction to various departments. Interior signage can be a medium for promoting a campaign, previewing a product "coming

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soon" or announcing an upcoming even like a book signing, demonstration, or a holiday promotion.

This signage can set the tone for a special campaign. They educate by announcing a sale, promotion or discount. If selling a brand- recognised product it may be beneficial to highlight that product with a small strategically placed sign of its logo near the product.

5.5.3 Types of Signage

Signs get human beings organised through direction and education. Without signs, we are lost. How many new customers will enter your store this year and be unable to find what they're looking for? What signs are ideal for your retail establishment? How do we obtain effective signage? Before addressing how to create the "perfect" sign, we'll focus on the importance of signage at four different levels: directional, departmental, marketing and information.

Directional Signs: As the name implies, directional signs point customers to the place of business. Directional signs are large and attract attention through colour and simplicity.

Billboards: Advertising on large billboards can spark the shopping experience miles away from the establishment. Business information (company name, directions, products and services) and attractive pictures are essential on billboards. Lettering should be large enough to catch the eye of fast-moving vehicles.

Figure 5.9: Lighting the Billboard

Lighting the billboard gives you an added advantage, as it extends advertising time into the evening.

Entrance Signs: Effective entrance signs are crucial, because they form the first impression customers have of the retailer's business. Unique and seasonal entrance signs prepare customers for the shopping experience by creating a sense of excitement and anticipation.

Entrance signs that can be changed weekly or bi-weekly are great because retailers can easily highlight weekly specials, new items, and upcoming seminars and workshops. Entrance signs can also provide answers to customers who are shopping for gifts or searching for garden improvement ideas.

Be careful with entrance signs. In the eyes of customers, a poorly maintained entrance sign is a sure sign of a sloppy business. Conduct routine maintenance by applying a fresh coat of paint or removing vines and brush that hinder the customers' view of the sign. Brightly coloured, low growing plants that can withstand the abuse of drought and other harsh environmental conditions

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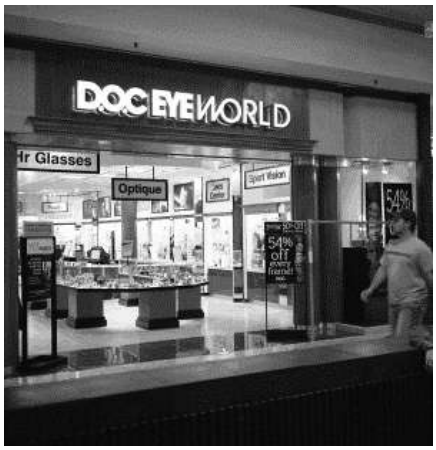
should be used around the sign. Mulch or weed barrier should also be placed around the entrance sign to avoid weed buildup and constant maintenance.

Figure 5.10: Entrance Signs



Customers may encounter other directional signs before entering the retail area, and in the retail area itself. These may include signs for parking, the display garden, restrooms, the office, and the production greenhouse. These areas should be clearly marked for good traffic flow.

5.5.4 Functions of Signage

The main purpose of signage is communication, to convey information such that its receiver can make cognitive decisions based on the information provided. In general, signage can be classified into the following functions:

Information: Signs giving information about services and facilities, e.g., maps, directories, instructions for use, etc.

Figure 5.11: Information

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Directory with ordinary text and Braille giving information on the services and facilities.

Direction: Signs leading to services, facilities, functional spaces and key areas, e.g., sign posts, directional arrows, etc.

Figure 5.12: Directional Sign with Colour Contrast

Identification: Signs indicating services and facilities, e.g., room names & numbers, toilet signs, number of floors, etc.

Figure 5.13: Pictorial Signage with Tactile and Braille Information

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Safety and Regulatory: Signs giving warning or safety instructions, e.g., warning signs, traffic signs, exit signs, rules & regulations, etc.

Figure 5.14: Pictorial Signage Giving Instructions for Use of Exercise Equipment

5.5.5 Sign Preparation

From a human factors point of view, here are some keys to remember when creating visual consumer displays:

Quality Production: The retailers don't have to spend big bucks to get signs that look professional. The retailers still need to be willing to spend a few bucks to create the image that they want to represent their business. They should also consider the lifespan of the sign. Exterior signage needs to last several years and thus require a fairly large investment. The shorter the lifespan of the sign, the less it should cost.

Simple Colour Scheme: Pick a simple, two or three colour scheme and stick with it throughout the store. Also pick a background colour, text colour and highlight colour.

Make sure that colours have enough contrast to be easily read. Red on black, while a dynamic and high power combination, does not have enough contrast to be easily viewed. However, if the text is very large, bold and only one or two short words, the retailers might get away with it. Outlining the text with a thin white line will also improve the contrast.

Also be careful with combinations such as yellow/green or orange/pink/red or green/blue. These combinations can be powerful and trendy, but require more work with design to make them legible.

Strong contrasts such as white/black, yellow/black, red/white, white/blue increase visibility and legibility.

Easy to Read: The signage should be easy to read. Too much on a sign should never be put. Some signs are so full of tiny images, starbursts, exclamation marks, and small print, that retailers can't take it all in. One main image; a headline and a few bullet points should be put in an informational sign.

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A sign in a store window should be even simpler to get the message across immediately as the customer walks, or drives by. This means that only a strong image, a headline, or a simple combination of both can be used on the sign.

The more time the customer will be spending looking at the sign, the more information retailers can include. E.g. assign near the cash counter, here the customer will be waiting for a transaction to be processed; can provide details of a contest or other offers and policies.

Clear, Simple Message: Keep the message simple. Avoid trying to say too much. The retailers should choose one main message that they want to convey. Rather than telling about a sale, a price, product info, and return policy all at once, they should try a sale sign on the top of the rack, price and product info on the tag, and return policy at the cash register. When the retailers craft their signage, they should write down the message they want to get across, and then rewrite it in as few words as possible. Continuing this they should reduce until they have one to five words for the headline.

Well Placed: While placing the signage, the retailers should be careful about its placement. They should place it where it will catch the customer's eye, but will not block essential elements of the store.

They should think about customer approach of the store while placing the marquee signboard of the name of the store. They should also keep in mind that the signs should not block the traffic flow, displays or the view of the interior of the store. Reflections on the window that make the interior signage invisible during the day should also be checked out. This can be improved upon by the improvisations in the display lighting inside, and also by using light colours in the windows. Light coloured signage will stand out, while dark colours will recede and virtually disappear behind reflections on the glass.

Simple Outlook – The simpler the signage the better: The visual clutter should be reduced, and focus should be placed on important message across to the customer. This will attract more walk-in traffic, and avoid confusing the customer. The sales should increase as a result.

Use of proper Font – Type: There are many styles of type, from block lettering to script. They should be selected to reflect the image of the store and the clientele. A store that caters primarily to kids could use rounded, simple letters with no capitals to indicate more casual look. A more sophisticated store would tend to choose an elongated script. All of these choices depend upon the store image. The large department stores with their own sign shops make signs that are hand-lettered and can be laminated. Some artists can do calligraphy; others can silkscreen multiple signs.

Selection of Colours for Signs*:* In selecting colours for an appropriate sign, it is important to consider the psychological connotations of different colours as well as the factors affecting visibility and legibility. Although we will detail the attributes that have come to be associated with certain colours, we do want to point out that the suggestions given below are not hard and fast rules. The sign user should also be guided by his own sense of what is appropriate.

1. ***Red:*** Red is an exciting, active colour. It is used to suggest boldness, quickness and efficiency. Its warmth is appetite inspiring. Fast-food chains use red to connote warmth, fresh food (meat) and action.
2. ***Yellow:*** Fast-food restaurants to create a welcome atmosphere frequently use yellow. It suggests light and activity, especially in its redder shades and tints.
3. ***Green:*** Green is associated with things, and therefore, freshness, youth and purity. It is the predominate colour of nature (and therefore should be used judiciously in a rural setting, so that it does not fade into the surroundings). It is powerful in suggesting naturalness and vitality and yet it connotes peacefulness.

Notes

4. ***Blue:*** Blue's coolness tends to connote dignity, serenity, wisdom and quite. While it use might not be appropriate for a business, which wishes to emphasise speed and efficiency, it might be used by a business which wants to suggest that it has a leisurely pace and a general atmosphere of cultivation and calm. It also tends to suggest stability and do banks and large corporations often use a colour.

5. ***Purple:*** Purple has come to be associated with royalty, pomp and luxuriousness. Its visibility factor is low, making it unsuitable for freeway sign, but it is often used for personal service business such as beauty salons.

6. ***Brown:*** Brown is the colour of the warmth and tends to connote naturalness and strength. Businesses, which want to indicate their strength and mainstream value system often, use brown and wood hues in their signs. Brown often connotes ranching and farming. Some fast-food franchises have used brown on their signs to suggest the ranch association of their foods. Brown is basically neutral due to its association with the earth and wood. It is not a colour to catch your eye or to suggest action.

7. ***White:*** White is Western society, has been the colour of innocence. On a sign it can be used to suggest cleanliness and purity.

8. ***Black:*** Black can be used effectively in signage to create an impression of low-keyed crispness and sedateness. Sophistication also is suggested, if large areas are used.

Self Assessment

Fill in the blanks:

18. ..... is an exciting, active colour.

19. Strong contrasts such as white/black, yellow/black, red/white, white/blue, etc. increase ..... and .....

5.6 Understanding Materials

This focuses on understanding whether you need display material for a retail outlet, a product launch, and a conference or exhibition hall.

Figure 5.15: Display Material

Notes

5.6.1 Exhibition Display System

The different types of Exhibition Display Systems offered by us are explained below:

Figure 5.16: Exhibition Display System

Every store owner knows that points of sale material helps increase the impulse buys made by retail buyers in most industries. While they are waiting to make a purchase or are waiting in reception areas, they have time to look at advertising material, fill out competition forms, be alerted to new products, or even buy an impulse item such as treats like chocolates.

This makes the points of sale signage you choose important to increasing the value per sale from your clients. The difference between up selling the client at points of purchase is greatly increased with attractive well placed points of sale material.

Points of sale also include retail signs that bring a passing client into your store. This can include sale signs, a frame signs, neon led lights, banner flags and other eye catching street side items. This is especially true for corner store, food outlets, and almost all other types of retail stores with passing traffic. The aim is to catch the attention of the public and give them a reason to come into your store.

Some of the more popular retail signs that fit this category are A frame signs and LED lights. They are popular for different reasons. The A frame sign can usually be easily changed to suit special of the day, or seasonal advertisements. They may be a simple blackboard, magnetic or have plastic letters which make it easy to write a new advertisement.

LED lights are particularly effective in the night time. There are scrolling led signs that let you get a longer message across, flashing signs to definitely catch the human eye, or rotating signs to get different messages across. They have also become popular in indoor shopping centres, to add points of difference.

Notes

Inside the store, there are many different types of brochure, magazine, flyer holders and many other types of display material available. The best thing to do is take a look at the type of points of sale material you would like to offer and buy your points of sale displays based around that. This is much better than trying to fit the material to the display. Buying from an experienced points of sale distributor, will also give you a better chance of getting sensible advice that can save you both time and money.

Most points of sale retailers will stock all you need for pricing, ticketing, such as price ticket or food ticketing, brochure holders, blackboards, whiteboards, banners, bags, competition boxes, shelf stripping and much more. Again it is important to think about what messages you need to get across and choose the points of sale displays that suit your purposes. Talk to your supplier about what you want to achieve and they will be able to suggest items to get this message across, or recommend the products to display the promotional material you want to offer effectively.

5.6.2 Prop and Fixture

A variety of retail store displays, fixtures and equipment are available in many different styles and colours. Market offers every type of retail store fixtures and equipment you need to open your new retail store or remodel your current one. Our vast selection of retail store equipment and points of purchase displays allows you to easily remodel your store or shop to make a stunning retail environment. An attractive and well-designed retail store display will attract more customers and help you to sell more of your product.

Figure 5.17: Prop and Fixture

5.6.3 Tools and Equipments

There are thousands of designs that you can custom size, colour and combine to make unique signs and eye-catching graphics with the help of various tools of design.

Storage of Display Tools

Tool Cabinets with Table: These are highly durable and resistant to wear and tear thus providing maximum customer satisfaction. These cabinets are provided with Table on their top, which increases its utility. These cabinets are manufactured from top quality materials that are procured from reliable sources. These are available in various sizes and lengths thus adjusting every place in the office. We also offer custom specifications for these cabinets at most competitive prices.

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Figure 5.18: Tool Cabinets with Table

Tool Trolleys: Tool Trolleys are available in various sizes, shapes and specifications. Made using optimum grade material, these tool trolleys are appreciated for their application specific design, corrosion resistance, sturdy construction and high durability. Available with wheels, these tool trolleys are easily portable and are light in weight.

Figure 5.19: Tool Trolleys

Self Assessment

Notes

State whether the following statements are true or false:

20. A variety of retail store displays, fixtures and equipment are available in many different styles and colours.

21. Market offers every type of retail store fixtures and equipment you need to open your new retail store or remodel your current one.

Case Study

The Art of Visual Merchandising

Visual Merchandising is the art of displaying merchandise in a manner that is appealing to the eyes of the customer. It sets the context of the merchandise in an aesthetically pleasing fashion, presenting them in a way that would convert the window shoppers into prospects and ultimately buyers of the product. A creative and talented retailer can use this upcoming art to breathe in new life into his store products. Passion for design and creativity are essential to be a good visual merchandiser. A perfect design process and the ability to create ideas that are different are required. Awareness of happenings in fashion world is needed so as to keep up-to-date with the dynamics of the market constantly.

Visual merchandising includes window displays, signs, interior displays, cosmetic promotions and any other special sales promotions taking place.

Components of Visual Merchandising

There are certain things which a retailer needs to take care while proceeding with the process of displaying his products. These components when combined together in a proper ratio will make a successful outcome.

Make Merchandise the Focal Point

The main goal of display is to showcase the products within the overall display area. Customers give three to five seconds of their attention to window display. The retailers' visual message should be conveyed to the customer in that short period of time. It should not be like an unsuccessful TV advertisement, where the product is forgotten altogether and only the concept of the commercial remains in the mind of the viewer. The arrangement of window display should go with the product and should not suppress them to make it discernable to the eye.

Right Choice of Colours is Vital

Colour is one of the most powerful tools in the Visual Merchandising segment. It is a visual perceptual property. Colours can be associated with emotions, special occasions and gender. It attracts attention and pulls more customers into the store. A retailer has to focus on the right choice of colour that would match with the theme of display. It is not possible to satisfy everyone all the time, but it is possible to cultivate the taste of customers gradually and purposefully. A right choice of colours in the display items can turn walkers into stoppers and significantly convert them into customers. It is therefore mandatory to choose the right colour for the right theme of display. A Halloween display would require black colour in the display theme. Valentines theme should be ruled by red colour

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supplemented with pink and white. A display of babies' accessories should reflect light shades of pink and blue colours. A Christmas display should contain colours of red, green, gold and silver.

Display Themes to Appropriately Support the Product

A theme is a display of sale items of similar categories e.g. a display of kitchen accessories. It's essential to have themes for all retail displays. They can be romantic, wild, or capricious, and capture peoples imaginations.

A good theme will lure the customer with a shopping mood into the store. Themes mainly depend upon the retailers' imagination and creativity. Focusing on the right theme rather than creating a display with expensive raw materials is the key to successful window display. A shoe store theme can be a group of elves buying shoes. A theme for display of casual wears can be a group of mannequins sitting casually at a get together in different poses. Related themes will tug the heartstring of the customers and will pay off.

Display should Complement the Retailers other Strategies

The content of the display should complement the in store environment and other marketing strategies of the retailer. If the retailer has a specific logo, the colours of the

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display can reflect the same colour of the logo. For example, McDonalds display, the clown is of the same colour, red and yellow as in their logo.

Cleanliness

Neat and clean arrangement is the foundation of an inviting a successful visual display. A beautiful display can be ruined by a cracked sign holder or an unclean display environment. Effective cleaning schedule of showcases and display fixtures is required.

Change the Display Settings in Frequent Intervals

Changing the arrangement of the displays in regular intervals will initiate new interest about the products in the minds of the customer. By designing a planogram and activating changes frequently one can thus be a proactive retailer.

With globalisation and the retail boom, visual merchandising is growing in leaps and bounds. It is not simply concerned about decorating a store beautifully; but must also symbolise the brand keeping the target audience in mind.

Questions

1. Analyse the case and interpret it.
2. Write down the case facts.
3. What do you conclude about display themes from the given discussion?

Source: http://www.fibre2fashion.com/industry-article/6/547/the-art-of-visual-merchandising2.asp

5.7 Summary

- Merchandise display is the arrangement and organisation of display materials and merchandise to produce a stimulus that leads to the sale of merchandise and services.
- Merchandise displays serve to promote product offerings, inform customers, and contribute to the retailer's image. Successful visual merchandising excites customers and captures their attention.
- The purpose of Display in a store is to attract customers to the store, and ultimately convince them to buy the merchandise.
- Merchandise displays serve to promote product offerings, inform customers, and contribute to the retailer's image. Successful visual merchandising excites customers and captures their attention.
- A temporary exhibit is usually the presentation of an item or items that are on loan for a limited time.
- Trade shows are commercial ventures wherein a manufacturer or distributor will show a line of merchandise, introduce a new product or an improvement on an existing one, or exhibit for the sake of "goodwill" or company image.
- A travelling exhibit is a broad, all-inclusive term for movable or portable displays.
- There are few attributes, which contribute to the display process in a store. These attributes are known as the "elements of display".
- Display elements are theme, merchandise, shelf or display area, props, lighting, and copy cards (show cards).

Notes

- Before selecting a theme for a display, generally people first determine how a particular display will tie in to other promotional activities.
- A line is a mark made by a moving points and having psychological impact according to its direction, weight, and the variations in its direction and weight.
- Forms and shapes can be thought of as positive or negative.
- Two-dimensional form has width and height.
- Three-dimensional shape has depth as well as width and height.
- Value is defined as the relative lightness or darkness of a colour.
- Hue is the term for the pure spectrum colours commonly referred to by the colour names – red, orange, yellow, blue, green violet – which appear in the hue circle or rainbow.

5.8 Keywords

Balance: Balance is a feeling of visual equality in shape, form, value, colour, etc. Balance can be symmetrical or evenly balanced or asymmetrical and unevenly balanced. Objects, values, colours, textures, shapes, forms, etc., can be used in creating a balance in a composition.

***Centre of Interest*:** Centre of interest is an area that first attracts attention in a composition. This area is more important when compared to the other objects or elements in a composition. This can be by contrast of values, more colours, and placement in the format.

Colour Blocking: Colour blocking is using colour as a tool to merchandise products for sale.

Contrast: Contrast offers some change in value creating a visual discord in a composition.

Directional Movement: Directional Movement is a visual flow through the composition.

Harmony: Harmony brings together a composition with similar units.

Hue: Hue is the term for the pure spectrum colours commonly referred to by the colour names – red, orange, yellow, blue, green violet – which appear in the hue circle or rainbow

Line: A line is a mark made by a moving points and having psychological impact according to its direction, weight, and the variations in its direction and weight.

Merchandise Display: Merchandise display is the arrangement and organisation of display materials and merchandise to produce a stimulus that leads to the sale of merchandise and services.

Rhythm: Rhythm is a movement in which some elements recur regularly.

Temporary Exhibit: A temporary exhibit is usually the presentation of an item or items that are on loan for a limited time.

Trade Shows: Trade shows are commercial ventures wherein a manufacturer or distributor will show a line of merchandise, introduce a new product or an improvement on an existing one, or exhibit for the sake of "goodwill" or company image.

Travelling Exhibit: A travelling exhibit is a broad, all-inclusive term for movable or portable displays.

Value: Value is defined as the relative lightness or darkness of a colour.

Notes

5.9 Review Questions

1. What is merchandise display? What functions does merchandise serves?
2. What are the outcomes of a good display?
3. What are the ideal rules for display planning?
4. What is the purpose of display in visual merchandising?
5. Discuss various functions of display.
6. What are the various types of display in visual merchandising?
7. What are the various elements of display?
8. Define the term theme in display? How many types of themes are there in a display?
9. Describe the construction of display in detail.
10. Discuss various design basics. Describe various elements of design.
11. What is colour illusion?
12. What are the various principles of design?
13. Explain the term colour blocking. How can you explain the term–people buy colours?
14. Describe colour wheel.
15. What is window signage? Explain the significance of various display materials.

Answers: Self Assessment

1.	Merchandise	2.	Promote
3.	Attention	4.	Temporary
5.	Trade shows	6.	Travelling
7.	Promotional	8.	True
9.	False	10.	False
11.	False	12.	True
13.	True	14.	Asymmetrical and unevenly
15.	Rhythm	16.	False
17.	False	18.	Red
19.	visibility, legibility	20.	True
21.	True		

5.10 Further Readings

Books

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Unit 6: Store Planning and Fixtures

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Objectives

After studying this unit, you will be able to:

- Describe the Concept of Store Planning
- Discuss the Objectives of Store Planning
- Explain the Purpose of Planning Fixtures
- Identify the Functions of Fixtures
- Explain the Different Types of Fixtures

Introduction

Fixture planning is a complex activity restricted by the extreme diversity of workpieces and several environmental factors including machine tools, assembly tools, grasping devices and cutting tools. Fixture synthesis methods including geometrical analysis and fixture assembly planning are surveyed.

Fixtures are used to locate, hold and support workpieces in manufacturing operations such as machining, inspection, and assembly. A traditional fixture, called dedicated fixture, is designed to hold a specific workpiece. The cost of design and fabricating dedicated fixtures can take up to 10-20% of the total manufacturing system cost. Usually, design and manufacturing of dedicated fixtures are time-consuming due to some workpieces' tight tolerance and restricted machining operations. Flexible and adaptable fixtures dramatically reduce the fixturing cost and lead-time since they are reusable .Using flexible and adaptable fixtures can expect as much as 80% reduction of the fixture cost. Modular fixture, one type of flexible fixtures, is a set of ready-made, reusable, standard components and combination units. The set includes base plates, supports, locators, clamps and accessories. Modular fixtures provide many fixture configurations for different workpieces by using a variety of fixture element combinations. Much work of fixture planning has been reported based on modular fixtures.

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Computer-Aided Fixture Planning (CAFP) aims to determine fixture configurations and assembly for modular fixtures and dedicated fixtures with the aid of computer techniques. Existing CAFP methods rarely consider integrating environmental factors into fixture planning, which may have a large impact on fixture feasibility.

In this unit, we will study store planning, the purpose of planning fixtures and further we will study different types of fixtures.

6.1 Store Planning

Retail store displays can be used to get people interested in coming into your store, and then they can be used to get people interested in buying your products. There are some tried and tested rules of retail display that you should consider when you are setting up your store. However, it may also be a good idea to experiment with some newer ideas that may be effective at getting people to shop in your retail store.

The mission of a store is identifying the goods and services that will be offered to customers. It also deals with the issue of how the resources and capabilities of a store will be used to provide satisfaction to customers and how the store can compete in the target market vis-à-vis its competitors.

The mission also involves the way of the store's functioning. How a store will work and accomplish its day-to-day operations. What is the emergency planning? All these questions are answered in the store's mission statement.

Example: Big Bazaar

Big bazaar they have philosophy of customer satisfaction through 'manufacturing retailing'. This reflect not only the way it tends to treat its customers but discuss secret of its competitive advantage, i.e. the profit saved from absence of intermediaries like agents and brokers, the profit saved is thus, distributed to the customers by way of low price items.

Once the organisation mission has been determined, its objectives the desired future positions that it wishes to reach, should be identified. A store's objectives are defined as ends that the store seeks to achieve by its USP and operations.

Did u know? The store's objectives may be classified into two parts:

1. External store objectives: are those objectives that define the impact of store on its environment, e.g., to develop high degree of customer confidence by providing quality goods at affordable price.
2. Internal store objectives: are those objectives that define how much is expected to be achieved with the available resources, e.g., to raise the store turnover by 20% in the coming year.

6.1.1 Different Types of Analysis

Different types of analysis during store planning are discussed hereunder:

Situational Analysis: The objective of doing store's situation analysis is to determine where the store is at present and to forecast where it will be if the formulated strategies are implemented. The difference between current and future position is known as planning. And the objective of

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conducting store's situation analysis, normally study in the context of external environment and internal environment.

External Analysis: The purpose of examining the store's external environment is to study the opportunities and threats in the retailing environment. The external analysis studies factors that affect the macro-environment of the retailing industry and the task environment. Under external analysis retailer studies these parameters:

1. ***Economic Environment of Retailing***
   - Inflation
   - Employment
   - Disposal income
   - Business cycle
   - Energy availability and cost
   - Others
2. ***Political/Legal Environment of Retailing***
   - Monopolies legislation
   - Environmental protection laws
   - Taxation policy
   - Employment laws
   - Government policy
   - Legislation
   - Others
3. ***Socio-cultural Environment of Retailing***
   - Demographics
   - Distribution of income
   - Social mobility
   - Lifestyle changes
   - Consumerism
   - Levels of education
   - Others
4. ***Technological Environment of Retailing***
   - New discoveries and innovations
   - Speed of technology transfer
   - Rates of obsolescence
   - Internet
   - Information technology
   - Others

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5. *International Environment of Retailing*

- Growth
- Opportunities
- Others

Internal Analysis: The objective of studying the internal environment of its own store is to identify the store's capabilities and weakness. The store will try to increase its capabilities, and overcome the weakness that deters the business profit. While doing the internal analysis, the store examines the quality and quantity of its available resources and critically analysis how effectively these resources are used. These resources for the purpose of examining are normally grouped into human resource, financial resources, physical resources and intangible resources.

The questions may arise under these resources:

1. ***Human Resource***

- Is the present strength of employees at various levels sufficient for future action?
- Are the employees trained and capable to perform the tasks assigned to them?
- Are the employees loyal to the store?
- Are the employees punctual and regular?
- Are the employees skills matched to their assigned tasks?

2. ***Financial Resource***

- What is the total cash flow from the store's present activities?
- What is the ability of the retail store to collect money at the time of requirement/ emergency?
- How effective and stable are the financial policies?
- What is the ratio between fixed and current assets?
- What are the contingency plans in case of negative cash flow?

3. ***Physical Resources***

- What is the contribution of fixed assets?
- What is the position of abandoned/unused assets?
- How effective and updated are the store's information systems?

4. ***Intangible Resources***

- What are the present capabilities of the company's management?
- How effective is the R&D cell?
- How good is the competitor's intelligence system?
- How effective are the store's loyalty programmes?
- What is the capability of a retail store manager?
- Are customers loyal towards the company's products?

Formulation of Retail Strategy: After analysing the store's capabilities in terms of HR, finance, physical and intangible resources, a store manager formulates a retail strategy with regards to marketing retail positioning and retail mix.

Notes

Marketing is the way to achieve the set objectives. Therefore, marketing strategy should be devised according to the store's primary and secondary objectives. Generally, marketing strategy is developed on the basis of product and/or market segmentation instead of the market as a whole.

Notes Retail positioning is a plan of the store's action for how the retailer will enter the target market and will compete with its main competitors. Retail positioning from a retail store's point of view, is a step-by-step plan to create and maintain a unique and everlasting image of the store in the consumers mind. This process reveals the fact that understanding 'what the customer wants' is the success key to retail positioning in the market. Under retail positioning, a retailer conveys the message that its products are totally different and as per customer's requirement. The reason is that its products are attracted towards items that are new for them with the perception that if it is new, it will have some extra/added features.

Retail positioning is made possible under these circumstances:

- By differentiation of the stores merchandise from that of its competitors.
- By offering a high level of service after sales at nominal cost.
- By adopting low pricing policies.

Self Assessment

Fill in the blanks:

1. Big bazaars have philosophy of customer satisfaction through "....."..
2. The objective of doing store's ..... analysis is to determine where the store is at present and to forecast where it will be if the formulated strategies are implemented.
3. The ..... analysis studies factors that affect the macro-environment of the retailing industry and the task environment.
4. The difference between current and future position is known as .....
5. The objective of studying the ..... environment of its own store is to identify the store's capabilities and weakness.

6.2 Areas of Retail Store Planning

Any organisation or enterprise cannot lean on a particular corporate strategy to be more successful for a given business environment. A successful retail business strategy requires strategy evaluation before strategy implementation phase functions. The process of strategy evaluation links the management course of actions and compares the performance of strategy against predetermined target. Managers, corporate and executives express the result of evaluation in terms of profit, sales volumes, earning per share, rate of return and even image of the enterprises, it means the strategy is very effective and efficient for them. But, in fact, there are many other number of hidden factors that determine the current performance of strategy at that particular business environment which are difficult to assess and diagnose. By the time diagnose start, the available opportunity or threats may pose real danger to the retail business environment. Therefore strategist would stress on the scanning of the critical factors of the strategy rather than evaluating on the assessed factors for a long-term or short-term of the retail business.

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Task Effective diagnosis receives the ailments of effective strategy. Elucidate.

Physicians do not leave the dying patient to the destiny, evaluates the symptoms and courses of corrective treatment. Likewise, evaluation of strategy should be a continuous process, testing the strategy for its worthiness designing, redesigning for its effectiveness till the desire goals are attained. Every organisation reaches the future by moving from the past through the present. Management should anticipate the future results of the current strategy in the light of past experience. Past experience reveals the theory of evaluation, standards to attain the desired results and the needs thereon.

Here are the main areas of retail store planning you need to consider.

1. ***Store Formats:*** An effective store format or store type gives you the basis for delivering a specific offer to a customer type. You can then build your retail planning on all the processes needed to organise the format. Retail Vision can help you define your store formats based on your customer types, your store locations and sizes. We match your customer to the store.

Figure 6.1: Store Formats

Caselet

Wal-Mart: Staying on Top of the Fortune 500

Wal-Mart Stores Inc. is the largest retail company in the United States and has been ranked number one on the Fortune 500 Index by Fortune Magazine. Wal-Mart has four parts to their corporate strategy.

1. Dominance in the Retail Market.
2. Expansion in the U.S. and International Markets.
3. Creation of Positive Brand and Company Recognition.
4. Branch Out into New Sectors of Retail.

Wal-Mart's public affairs strategy must work to make implementation of these policy goals happen. Its public affairs strategy enables the company to move into other sectors of the marketplace and expand into foreign countries. The public affairs strategy also involves

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gaining access to politicians who can help Wal-Mart achieve its goals. Wal-Mart has a very active Political Action Committee that gives almost a quarter million dollars annually.

While Wal-Mart's public affairs strategy works well with its corporate strategy. We feel that there are a few recommendations which could make the company work better. Recently, Wal-Mart has been criticised for their opposition to allowing their employees to be unionised. Wal-Mart needs to clarify their reasons for their opposition to unionisation. The public affairs strategy must also address the negative feelings harbored by some groups who feel that Wal-Mart is encroaching into far too many other sectors retail than it should. These concerns must be addressed if Wal-Mart is to enjoy continued success in creating positive name recognition.

Wal-Mart will need to implement these recommendations if they are going to remain at the top of the Fortune 500, while simultaneously keeping a good reputation and making their name synonymous with cheap prices and good quality merchandise.

Source: http://allman.rhon.itam.mx/~oromero/Wal_Mart_CaseStudy.pdf

2. ***Site Selection:*** Where are the best sites for your stores? They are either where your customers live, work or where they can easily travel to. You can find the best sites for your customers by using Retail Visions comprehensive site selection tools.

Figure 6.2: Site Selection

3. ***Site and Building Planning:*** Make the best use of the site. Access, car parks, traffic flow and size of building in relation to the site you will have to consider. How big is the stockroom in relation to the sales floor? Where do I position the service, back up areas, offices, staff facilities and production departments?

4. ***Space Allocation:*** How much space do you allocate to each category, if you are a supermarket how much space goes to Non-food, Household Ambient Food and Fresh Food? You will need a Space Model allocating the optimum space to each category for each store format and size. Correct space allocation can add 10% to your sales.

5. ***Store Layouts:*** Your store layouts should be based on your customers decision making hierarchy and allow for ease of movement around the store. Each category should be positioned with the correct space and category adjacencies.

6. ***Store Concepts:*** Once you have your format, space allocation and layout, Retail Vision can give you a complete store concept with all the latest designs ideas and fixtures.

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Figure 6.3: Latest Designs Ideas and Fixtures

7. ***Retail Planning Guides:*** A Retail Planning guide will ensure that you can communicate your formats and planning throughout your operation and implement to a high standard.

Figure 6.4: Retail Merchandising Guide

Creating an attractive product display can draw the customer in, promote a slow-moving item, announce a sale, or welcome a season. If your store front is fortunate enough to feature one or more windows, then you have one of the most proven (and least expensive) forms of advertising at your disposal.

Some stores located in a mall or other structure may lack windows, but don't despair. There are many places throughout the store to build beautiful displays.

Task Take a look at the flow of traffic in your store. Are there any areas that are a focal point for customers?

Your local community may have individuals or visual merchandising companies you can hire to dress your windows, but if you're concerned with saving money, the following tips will help you create an attractive display.

Self Assessment

Notes

State whether the following statements are true or false:

6. A successful retail business strategy requires strategy evaluation after the strategy implementation phase functions.
7. The process of strategy evaluation links the management course of actions and compares the performance of strategy against predetermined target.
8. Your store layouts should be independent to customers decision making hierarchy and allow for ease of movement around the store.
9. Each category in store should be positioned with the correct space and category adjacencies.
10. Creating an attractive product display can draw the customer in, promote a slow-moving item, announce a sale, or welcome a season.

6.3 Purpose of Planning Fixtures

Fixturing is generally concerned with the housing of merchandise in what is sometimes termed 'on-shelf' displays. This is the routine display of goods from which customers are expected to make their selection.

Fixturing is necessary to display merchandise to customers, whilst making best use of the retail space. Fixtures can be obtained from a shopfitting wholesaler, or they may be custom-built to tie into a specific retail design. The following fixtures are commonly found in retail stores: shelving, gondolas railings, four-ways, round fixtures, bins, baskets and tables. The type of fixturing used will depend on the product and its presentation method.

In order to create a consistent look within the outlet, it is sensible to choose fixturing that is coordinated in terms of the type of material and style. An array of different types of fixturing may provide flexibility, but it can make a store appear cluttered and untidy. It is generally the merchandise rather than the fixturing that should be noticed, although some fashion stores do use unique designs for fixtures that help to reinforce the retail brand image.

Fixture planning is a complex activity restricted by the extreme diversity of workpieces and several environmental factors including machine tools, assembly tools, grasping devices, and cutting tools. Fixture synthesis methods including geometrical analysis and fixture assembly planning are surveyed. The implementation of CAD-based and Web-based fixture planning systems is discussed in respect to their reasoning methods, functionality, limits and potentials. A novel fixture planning system is proposed and further research activities are identified.

Fixture planning determines precise locating and rigid clamping of a workpiece according to workpiece's design and process requirements. The locating planning chooses surfaces on the workpiece as locating planes and selects suitable fixture components for locating these surfaces. Locating surfaces are classified as plane, pin-hole and external profiles.

Commonly used fixture locating methods include:

1. 3-2-1 point locating for prismatic workpieces, it uses three locators on the primary locating surface, two locators on the secondary locating surface, and one locator on the tertiary locating plane;
2. One plane and two pins locating for general parts with two holes. It uses a primary locating plane, a primary pin, and a secondary pin to restrict the freedom of a workpiece;
3. V-block locating for external cylindrical parts. One wide V-block or two short V-pads may be used to hold the workpiece. The clamping methods can be summarised as top clamping

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and side clamping. It is usually used to restrict a workpiece's movement to keep it stable during processing .The clamping planning determines clamping surfaces and points on the workpiece and clamping components, the magnitude of each clamping force, and the clamping sequence when the stability of the workpiece becomes a concern. Some locating and clamping variations may be applied for different part geometrical and processing requirements. Fixture assembly planning determines the fixture assembly sequence and assembly tools used. It can also verify the possible interference of fixture components and workpieces in an assembly process, and the ease of workpieces loading and unloading.

The fixture planning requires workpieces and machining information including geometry, material, dimension and tolerance, processing plan and tool path. To hold a specific part, several design constraints may be applied. Among them, four main constraints in the fixture planning are as follows:

1. ***Geometrical constraints:*** Accurate locating of a workpiece should be ensured to meet machining accuracy requirements of a workpiece.
2. ***Accessibility constraints:*** There should be no interference among fixture components, workpieces, and machining tools during assembly and machining. In addition, it should be easy to load and unload the workpiece.
3. ***Force constraints:*** The fixture should be strong enough to resist the forces and moments produced by clamps and machining tools. A minimum clamp force should be specified for the workpiece stability.
4. ***Deformation constraints:*** The stiffness of a fixture system should be sufficient to keep the workpiece deformation within the design tolerance.

CAFP can be divided into four phases: problem description, fixture analysis, fixture synthesis, and fixture verification. The problem description defines fixture design variables, design constraints and design objectives. In the fixture analysis, a workpiece-fixture interaction model is built in terms of geometry, kinematics, force and deformation. The analysis result is then used to select the locating, supporting and clamping surfaces and points on the workpiece. The fixture synthesis determines details of the fixture configuration including selecting fixture elements, placing the elements in suitable locations, and generating fixture assembly plan. The fixture configuration is verified in respect to geometrical interference, locating determinant, clamp stability and machining tolerance in the fixture verification phase. If design objectives are not satisfied, the result will be sent back to fixture analysis phase for further improvements.

Self Assessment

Fill in the blanks:

11. Fixturing is generally concerned with the ..... of merchandise in what is sometimes termed 'on-shelf' displays and is the routine display of goods from which customers are expected to make their selection.
12. An array of different types of fixturing may provide ....., but it can make a store appear cluttered and untidy.
13. Fixture planning is a complex activity restricted by the ..... of workpieces and several environmental factors including machine tools, assembly tools, grasping devices, and cutting tools.
14. ..... can be divided into four phases: problem description, fixture analysis, fixture synthesis, and fixture verification.
15. A ..... clamp force should be specified for the workpiece stability.

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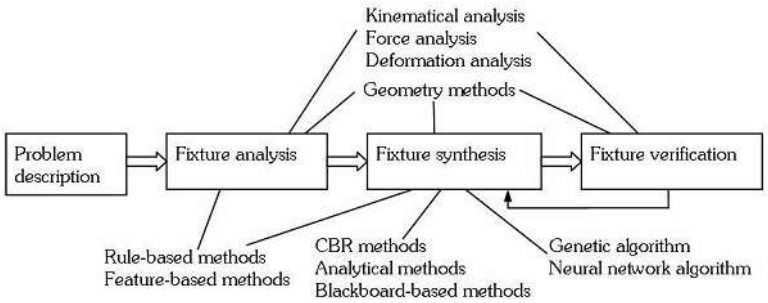
6.4 Types of Fixtures

Several methodologies have been developed for fixture planning to satisfy various constraints. The main methods in four fixture planning phases are summarised in figure 6.5.

In the fixture analysis phase, several prominent methods have been developed including geometrical, kinematical, force, and deformation analysis methods, rule-based methods and feature-based methods. The geometrical analysis checks the locating errors and interference among fixture elements, the workpiece and cutting tool paths by spatial reasoning. The kinematical analysis ensures the determinant locating against locating planes, and the easiness of loading/unloading. A sufficient clamp force is determined for static equilibrium under the cutting force based on force analysis. The deformation analysis determines the elastic and/or plastic deformation of the workpiece under the clamping and cutting force, which directly affects the final dimensional tolerance of a workpiece. Finite Element Analysis (FEA) is usually used for the deformation analysis. Similarly, these methods are used in the fixture verification to justify the generated fixture configuration.

Figure 6.5: Summary of CAFP Approaches



Lab Exercise Go to website http://www.cadanda.com/CAD_5_1-4__424-433.pdf and gather more information on CAFP Approaches.

In the fixture synthesis phase, the locating, clamping, and supporting layout are determined. Various modular fixtures in store planning are shown in figures below.

Figure 6.6: 2-Tier Adjustable Rack Display

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Figure 6.7: Abstract Adjustable Wall Display

Figure 6.8: Abstract L-shaped Stepped Display

Figure 6.9: Abstract Wall Display

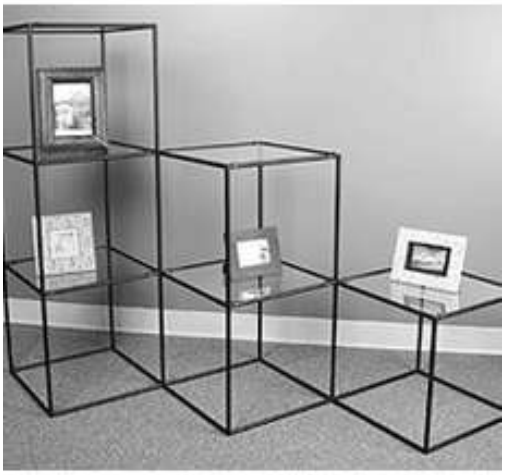

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Figure 6.10: Cross Merchandising four-way Display Fixture

Figure 6.11: Eight-Shelf Modular Merchandiser

Figure 6.12: Island Multi-Merchandiser Display Fixture

Notes

From store layout and fixture design through installation, Warehouse Concept's veteran store planning department has the expertise to turn your dream store into a visually attractive shopping experience that your customers will remember.

To say the key to success with any retail establishment is "Location, Location, and Location." But after you find that instead of "Location", the battle cry should be "Store Layout, Store Layout, and Store Layout." A proper store and plan can mean the difference between profitability and just staying in business. Simply having shelving and racks with product on them is not the definition of a successful store layout.

How effective is your store layout and does it encourage impulse and tie-in sales? Did any of you customers see the new product that you put out near aisle 20? It is all well and good when customers can run in and get what they need, and leave, but it is the unplanned purchases that your customers make that make you more profitable.

By definition, store layout is the creation of a comfortable shopping environment and a traffic pattern that encourages buying and makes possible the total exposure of all goods available for sale in your store. Let's begin by looking at some of the objectives that a profitable store layout promotes:

1. Encourages the customer to travel throughout the entire store.
2. Introduces new goods effectively.
3. Leads the customer through high margin merchandise areas.
4. Builds impulse sales. It also promotes step-up sales.
5. Makes the customer feel comfortable shopping in your establishment.
6. Builds prestige for your store and good will for your customers.

Ultimately, these points are what a good store layout is going to accomplish. Successful implementation of all of the objectives will lea to an increase in sales. The three main factors in developing a profitable store layout are Atmosphere, Traffic Flow and Merchandise Prominence. Fixture planning is a complex activity affected by the extreme diversity of workpieces and several environmental factors. This will review main methodologies in CAFP. Generally, the fixture planning consists of four phases: the problem description, fixture analysis, fixture synthesis, and fixture verification. Fixture analysis and verification methods are summarised as geometrical analysis, kinematic analysis, force analysis, and deformation analysis. In fixture synthesis, CBR methods, assembly sequence planning methods, and optimisation methods are surveyed. The implementation issues in CAD-based CAFP systems, Web-based CAFP systems and information sharing are discussed.

Caution A framework of virtual fixture planning system is subjected to integrate environmental factors into fixture planning process.

Further research will improve approaches for fixture design and fixture assembly motion planning based on VR techniques in respect to environmental factors.

Self Assessment

State whether the following statements are true or false:

16. The kinematical analysis checks the locating errors and interference among fixture elements, the workpiece and cutting tool paths by spatial reasoning.

Notes

17. The geometrical analysis ensures the determinant locating against locating planes, and the easiness of loading/unloading.
18. A sufficient clamp force is determined for static equilibrium under the cutting force based on force analysis.
19. The deformation analysis determines the elastic and/or plastic deformation of the workpiece under the clamping and cutting force, which directly affects the final dimensional tolerance of a workpiece.
20. Finite Element Analysis (FEA) is usually used for the deformation analysis.

Case Study

Swarovski Crystal Shopper Insight

Shopworks is a major international retail consultancy offering a range of research-based solutions tailored to meet individual business requirements. The company offer retail store design and floor planning, shopper research, category management and shop fitting to a wide range of blue chip retailers and manufacturers worldwide.

Shopworks was appointed by Swarovski to support the development of their new retail store concept, by providing detailed research insight into shopper's response to a revolutionary new store design.

The research programme, spanning a period of two years formed an integral part of the design development process, starting with the evaluation of three prototype stores in London, Boston and Hong Kong.

The programme was conducted in stores both before and after implementation of the new design, enabling us to establish benchmarks so as to compare and contrast customer response.

Contd...

Notes

Our approach for this research was based on using a range of data sources and research methodologies, then cross-referencing data points to ensure a complete and objective assessment of shopper response. These included:

- Traffic flow analysis – assessing the effectiveness of store layouts and verifying "actual" shopper behaviour.
- Window assessment – quantifying store front attractiveness and potential to convert customers to entry.
- Accompanied shopping – depth interviews to provide a detailed understanding of shopper response to the retail environment.
- Exit interviews – to quantify changes in shopper profile, perception and shopping missions.

Whilst the initial shopper research revealed a generally positive response to the design, it also revealed that certain key factors needed to be addressed to ensure the new stores delivered on all three areas of brand experience, ease of shopping and sales performance.

Notably, ensuring immediate brand recognition, reflecting core brand values and improving product stand out were identified as potential weaknesses, based on shopper insights and observed shopper behaviour.

Applying insights from this first wave of research, the Swarovski retail team implemented our recommendations in a second iteration of the new store design. Shopworks then conducted further research to verify shopper response to the design revisions in a broader number of markets, including Kyoto, Paris, Geneva, Chicago and London.

This project constitutes, in our view, an excellent example of how shopper insights can be used to guide and refine the design process to achieve a truly world class store environment.

Swarovski Testimonial

"We were convinced by Shopworks sophisticated combination of insights methodologies and their broad experiences. And I can tell you: at the end we had plenty of actionable recommendations which indeed have proven to be really successful after having been implemented"

Dr. Alexander Linder, Director

Corporate Consumer & Market Insights,

Swarovski AG

Question

Assume yourself as a retail store design consultant. What are insights can you provide to make Swarovski store a hit with customers?

Source: http://www.shopworks.co.uk/file/60206079deab254ea17b2e75878703bd/swarovski-crystal-shopper-insight-case-study.html

6. 5 Summary

- Retail store displays can be used to get people interested in coming into your store, and then they can be used to get people interested in buying your products.
- The external analysis studies factors that affect the macro-environment of the retailing industry and the task environment.
- The difference between current and future position is known as planning.

Notes

- The objective of studying the internal environment of its own store is to identify the store's capabilities and weakness.
- A successful retail business strategy requires strategy evaluation before strategy implementation phase functions.
- The process of strategy evaluation links the management course of actions and compares the performance of strategy against predetermined target.
- Fixture planning is a complex activity restricted by the extreme diversity of workpieces and several environmental factors including machine tools, assembly tools, grasping devices, and cutting tools.
- Various methods and techniques for the geometry analysis of fixture feasibility in product development. Fixture synthesis methods including geometrical analysis and fixture assembly planning are surveyed.
- A minimum clamp force should be specified for the workpiece stability.
- The geometrical analysis checks the locating errors and interference among fixture elements, the workpiece and cutting tool paths by spatial reasoning.
- The kinematical analysis ensures the determinant locating against locating planes, and the easiness of loading/unloading.
- Finite Element Analysis (FEA) is usually used for the deformation analysis.

6.6 Keywords

Deformation Analysis: The deformation analysis determines the elastic and/or plastic deformation of the workpiece under the clamping and cutting force, which directly affects the final dimensional tolerance of a workpiece.

Finite Element Analysis: Finite element analysis (FEA) is usually used for the deformation analysis.

Fixture Planning: Fixture planning is a complex activity restricted by the extreme diversity of workpieces and several environmental factors including machine tools, assembly tools, grasping devices, and cutting tools.

Geometrical Analysis: The geometrical analysis checks the locating errors and interference among fixture elements, the workpiece and cutting tool paths by spatial reasoning.

Kinematical Analysis: The kinematical analysis ensures the determinant locating against locating planes, and the easiness of loading/unloading.

Mission of Store: The mission of a store is identifying the goods and services that will be offered to customers.

Planning: The difference between current and future position is known as planning.

Sufficient Clamp Force: A sufficient clamp force is determined for static equilibrium under the cutting force based on force analysis.

6.7 Review Questions

1. Define the term retail store planning.
2. What is the mission of a retail store?

Notes

3. "Big bazaars have philosophy of customer satisfaction through manufacturing retailing". Discuss.
4. What is meant by situation analysis?
5. What is the objective of doing store's situation analysis?
6. What is store external analysis?
7. What is the objective of doing store external analysis?
8. What is the objective of studying the internal environment a retail store?
9. What is the need of a successful retail business strategy?
10. Discuss the process of store strategy evaluation.
11. Explain how does store strategy evaluation links the management course of actions and compares the performance of strategy against predetermined target.
12. On what bases a store layout should be based?
13. "Each category in store should be positioned with the correct space and category adjacencies." Justify the statement.
14. Discuss the various methods and techniques used for the geometry analysis of fixture feasibility in product development.
15. What is the essence of work piece stability?

Answers: Self Assessment

1.	Manufacturing retailing	2.	Situation
3.	External	4.	Planning
5.	Internal	6.	False
7.	True	8.	False
9.	True	10.	True
11.	Housing	12.	Flexibility
13.	Extreme diversity	14.	CAFP
15.	Minimum	16.	False
17.	False	18.	True
19.	True	20.	True

6.8 Further Readings

Books

Barry Berman & Joel R Evans (2006). *Retail Management*: *A Strategic Approach*, Pearson.

Levy, Michale & Barton A. Weitz (2009). *Retailing Management*. Tata McGrawHill.

Pradhan Swapana (2009). *Retailing Management*. Tata McGrawHill.

Swati Bhalla and Anurag S (2010). *Visual merchandising*. Tata McGrawHill.

Notes

Online links

www.en.wikipedia.org/wiki/Visual_merchandising

www.businessdictionary.com/definition/visual-merchandising.html

www.managementstudyguide.com/visual-merchandising.htm

www.fortune.com

Notes

Unit 7: Retail Design and Circulation Plan

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Objectives

After studying this unit, you will be able to:

- Discuss the Concept of Retail Design
- Describe the Circulation Plans Layout
- Analyse the Role of Retail Design
- Explain the Concept of Circulation Plans
- Describe the Various Types of Circulation Plans

Introduction

Retail design is a creative and commercial discipline that combines several different areas of expertise together in the design and construction of retail space. Retail design is primarily a specialised practice of architecture and interior design. However, it also incorporates elements of interior decoration, industrial design, graphic design, ergonomics, and advertising.

Store layout refers to the way the store or business space is used to promote sales and to please the customer.

A well-planned retail store layout allows a retailer to maximise the sales for each square foot of the allocated selling space within the store. Store layouts generally show the size and location of each department, any permanent structures, fixture locations and customer traffic patterns. Each floor plan and store layout will depend on the type of products sold, the building location and how much the business can afford to put into the overall store design.

In this unit, we will study retail design, circulation and types of circulation plans.

Notes

7.1 Retail Design

Retail design is a very specialised discipline due to the heavy demands placed on retail space. Because the primary purpose of retail space is to stock and sell product to consumers, the spaces must be designed in a way that promotes an enjoyable and hassle-free shopping experience for the consumer. For example, research shows that male and female shoppers who were accidentally touched from behind by other shoppers left a store earlier than people who had not been touched and evaluated brands more negatively. The space must be specially-tailored to the kind of product being sold in that space; for example, a bookstore requires many large shelving units to accommodate small products that can be arranged categorically while a clothing store requires more open space to fully display product.

Retail spaces, especially when they form part of a retail chain, must also be designed to draw people into the space to shop. The storefront must act as a billboard for the store, often employing large display windows that allow shoppers to see into the space and the product inside. In the case of a retail chain, the individual spaces must be unified in their design.

7.1.1 History of Retail Design

Retail design first began to grow in the middle of the 19th century, with stores such as Bon Marche and Printemps in Paris, "followed by Marshall Fields in Chicago, Selfridges in London and Macy's in New York." These early retail design stores were swiftly continued with an innovation called the chain store. The first chain store was opened in the early 20th century by Frank Winfield Woolworth, which quickly became a franchise across the US. Other chain stores began growing in places like the UK a decade or so later, with stores like Boots. After World War II, a new type of retail design building known as the shopping centre came into being. This type of building took two different paths in comparison between the US and Europe. Shopping centres began being built out of town within the United States to benefit the suburban family, while Europe began putting shopping centres in the middle of town. The first shopping centre in the Netherlands was built in the 1950s, as retail design ideas began spreading east. The next evolution of retail design was the creation of the boutique in the 1960s, which emphasised retail design run by individuals. Some of the earliest examples of boutiques are the Biba boutique created by Barbara Hulanicki and the Habitat line of stores made by Terence Conran. The rise of the boutique was followed, in the next two decades, with an overall increase in consumer spending across the developed world. This rise made retail design shift to compensate for increased customers and alternative focuses. Many retail design stores redesigned themselves over the period to keep up with changing consumer tastes. These changes resulted on one side with the creation of multiple "expensive, one-off designer shops" catering to specific fashion designers and retailers.

The rise of the internet and internet retailing in the latter part of the 20th century and into the 21st century saw another change in retail design to compensate. Many different sectors not related to the internet reached out to retail design and its practices to lure online shoppers back to physical shops, where retail design can be properly utilised.

7.1.2 Role of Retail Design

A retail designer must create a thematic experience for the consumer, by using spatial cues to entertain as well as entice the consumer to purchase goods and interact with the space. The success of their designs are not measured by design critics but rather the records of the store

Notes

which compare amount of foot traffic against the overall productivity. Retail designers have an acute awareness that the store and their designs are the background to the merchandise and are only there to represent and create the best possible environment in which to reflect the merchandise to the target consumer group.

Since the evolution of retail design and its impact on productivity have become clear, a series of standardisations in the techniques and design qualities has been determined. These standardisations range from alterations to the perspective of the structure of the space, entrances, circulation systems, atmospheric qualities (light and sound) and materiality. By exploring these standardisations in retail design the consumer will be given a thematic experience that entices them to purchase the merchandise. It is also important to acknowledge that a retail space must combine both permanent and non permanent features, that allow it to change as the needs of the consumer and merchandise change (e.g. per season).

Once the overall structure and circulation of the space has been determined, the atmosphere and thematics of the space must be created through lighting, sound, materials and visual branding. These design elements will cohesively have the greatest impact on the consumer and thus the level of productivity that could be achieved.

Lighting can have a dramatic impact on the space. It needs to be functional but also complement the merchandise as well as emphasise key points throughout the store. The lighting should be layered and of a variety of intensities and fixtures. Firstly, examine the natural light and what impact it has in the space. Natural light adds interest and clarity to the space; also consumers also prefer to examine the quality of merchandise in natural light. If no natural light exists, a sky light can be used to introduce it to the retail space. The lighting of the ceiling and roof is the next thing to consider. This lighting should wash the structural features while creating vectors that direct the consumer to key merchandise selling areas. The next layer should emphasise the selling areas. These lights should be direct but not too bright and harsh. Poor lighting can cause eye strain and an uncomfortable experience for the consumer. To minimise the possibility of eye strain, the ratio of luminance should decrease between merchandise selling areas. The next layer will complement and bring focus onto the merchandise; this lighting should be flattering for the merchandise and consumer. The final layer is to install functional lighting such as clear exit signs.

Ambiance can then be developed within the atmosphere through sound and audio, the music played within the store should reflect what your target market would be drawn to, this would also be developed through the merchandise that is being marketed. In a lingerie store the music should be soft, feminine and romanticised; where in a technology department the music would be more upbeat and more masculine.

Materiality (architecture) is another key selling tool, the choices made must not only be aesthetically pleasing and persuasive but also functional with a minimal need for maintenance. Retail spaces are high traffic area and are thus exposed to a lot of wear this means that possible finishes of the materials should be durable. The warmth of a material will make the space more inviting, a floor that is firm and somewhat buoyant will be more comfortable for that consumer to walk on and thus this will allow them to take longer when exploring the store. By switching materials throughout the store zones/areas can be defined, for example by making the path one material and contrast it against another for the selling areas this help to guide the consumer through the store. Colour is also important to consider it must not over power or clash against the merchandise but rather create a complementary background for the merchandise. As merchandise will change seasonally the interior colours should not be trend based but rather have timeless appeal like neutral based colours.

Notes

Visual branding of the store will ensure a memorable experience for the consumer to take with them once they leave the store ensuring that they will want to return. The key factor is consistency exterior branding and signage should continue into the interior, they should attract, stimulate and dramatise the store. To ensure consistency the font should be consistent with the font size altering. The interior branding should allow the consumer to easily self direct themselves through the store, proper placement of sales signs that will draw consumer in and show exactly where the cashier is located. The branding should reflect what the merchandise is and what the target market would be drawn to.

Self Assessment

Fill in the blanks:

1. Retail design is a very specialised discipline due to the ..... demands placed on retail space.
2. As the primary purpose of retail space is to stock and sell product to consumers, the spaces must be designed in a way that promotes an enjoyable and ..... shopping experience for the consumer.
3. Retail design first began to grow in the middle of the ..... century.
4. The rise of the internet and ..... in the latter part of the 20th century and into the 21st century saw another change in retail design to compensate.
5. A retail designer must create a ..... experience for the consumer, by using spatial cues to entertain as well as entice the consumer to purchase goods and interact with the space.
6. The success of designs are not measured by design critics but rather the records of the store which compare amount of foot traffic against the .....

Caselet

Green Room Project of Mercedes Benz

Green Room is a highly intuitive and creative design agency. The company was given a job of creating a range of striking visual concepts for the 50 meter window display in the Mercedes-Benz Brentford dealership, which runs parallel to the M4.

The aim was to broaden their appeal and capture the interest of a younger demographic, as well as appealing to the current Mercedes Benz customer.

By using the latest lighting technology in conjunction with striking graphics and oversized prop design, Green Room delivered some striking 3-dimensional window displays, using themes such as London Fashion Week (Style, Quality & Performance – Always in fashion), Utopia (Mercedes Benz – Driving the Future) and the forthcoming Christmas themed window execution.

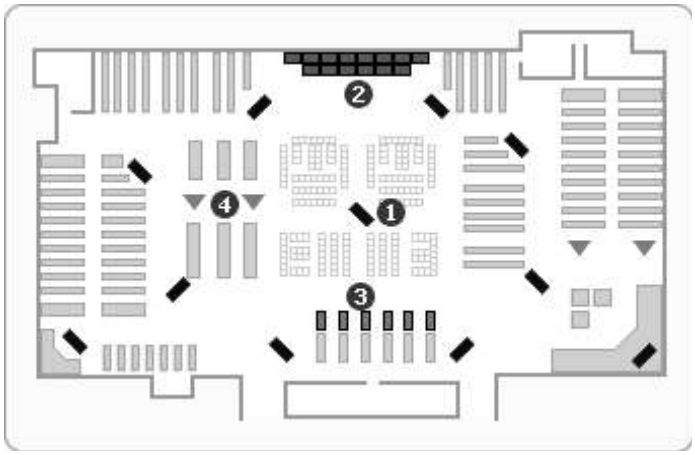
Source: greenroom.bubblerocks.com/projects/mercedes-2

7.2 Concept of Circulation Plan

As we have already stated, store layout is the way, the store or business space that is used to promote sales and to satisfy the customer. Below is a picture of a general layout of a retail store.

Notes

Figure 7.1: Layout of a Retail Store



Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

A circulation plan is the plan that shows the location and types of facilities for all modes of transportation required for the efficient movement of people and goods into, about, and through the specified medium from one location to another.

In general, a circulation plan is a schematic empirical projection/model of how pedestrians and/or motor vehicles flow through a given area.

Example: A neighbourhood or a Central Business District (CBD).

Circulation plans are used by city planners and other officials to manage and monitor traffic and pedestrian patterns in such a way that they might discover how to make future improvements to the system.

The two types of people most cognisant of circulation plans are developers and local city and county planning officials. New multi-family residential developments, for example, introduce increased volume (and thus density) of traffic flows into their vicinity.

Caution City planners might analyse this projected impact and justify charging higher impact fees.

In other cases, local residents lobbying against a new development might use circulation plans to justify the denial of a development's building permit, citing decreased quality due to overcrowding, noise pollution, traffic, and so on.

Good city planners do their best to use main thoroughfares and so on to draw commuter traffic out of local neighbourhoods (where excessive traffic is seen by local voters as undesirable) and onto larger roads, which often utilise considerable buffers like setback land and vegetation to divorce non-local (commuter) traffic from local (neighbourhood) traffic.

Circulation plan is the silent guide. Once customer is inside the store, he needs to be guided silently to where to go, also to expose entire store offerings. It can be achieved by planning the circulation and the location of merchandise.

Notes

Did u know? Circulation planning is a combination of art and science.

Every circulation manager and company has unique aspects of their business. There is no universal cookie-cutter circulation planning method that works for everyone. Instead there is a toolbox of methods and approaches that must be adapted to a direct marketer's specific needs.

An equally important part of any plan is projecting expected results. It does little good to improve response but then spend more money in operations to fulfil unexpected orders. We help clients prepare detailed order projections by week to help operations prepare for peaks and for inventory control to secure sufficient merchandise. We have in depth experience with projecting order flows and inventory forecasting

Customer circulation in a retail store through store planning can be achieved by:

- Proper product assortment.
- By rendering full time service to customers.
- By charging affordable price to customer through their price decision.
- By having enough storage facilities at disposal.
- By creating a very conducive shopping environment.
- By introducing latest and upgraded technology.

The structure of retail space creates the constraints of the overall design; often the spaces already exist, and have had many prior uses. It is at this stage that logistics must be determined, structural features like columns, stairways, ceiling height, windows and emergency exists all must be factored into the final design. In retail one hundred percent of the space must be utilised and have a purpose.

Lab Exercise Go to website http://www.itc.nl/library/papers_2009/msc/upm/jingnan.pdf and make a study on spatial structure of large scale retail store.

The retailer must plan out each and everything well, the location of the shelves or racks to display the merchandise, the position of the mannequins or the cash counter and so on. The floor plan creates the circulation which then directly controls the direction of the traffic flow based on the studied psychology of consumer movement pattern within a retail space. Circulation is important because it ensures that the consumer moves through the store from front to back, guiding them to important displays and in the end to the cashier.

Self Assessment

State whether the following statements are true or false:

7. Store layout is the way, the store or business space that is used to demote sales and to dissatisfy the customer.
8. A circulation plan is a schematic empirical projection/model of how pedestrians and/or motor vehicles flow through a given area.
9. Circulation plans are used by city planners and other officials to manage and monitor traffic and pedestrian patterns in such a way that they might discover how to make future improvements to the system.

Notes

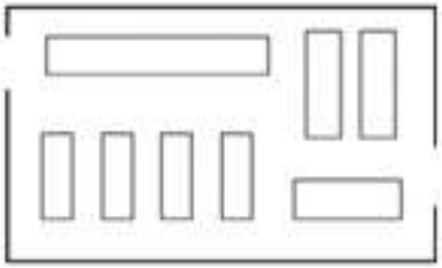
10. Circulation plan is the violent guide.
11. The structure of retail space creates the constraints of the overall design.
12. Circulation is important because it ensures that the consumer moves through the store from front to back, guiding them to important displays and in the end to the cashier.

7.3 Types of Circulation Plans

Following are the basic store layouts and circulation plans that all provide a different experience:

1. ***Straight Plan***: The straight floor plan makes optimum use of the walls, and utilises the space in the most judicious manner. The straight floor plan creates spaces within the retail store for the customers to move and shop freely. It is one of the commonly implemented store designs.

Figure 7.2: Straight Plan

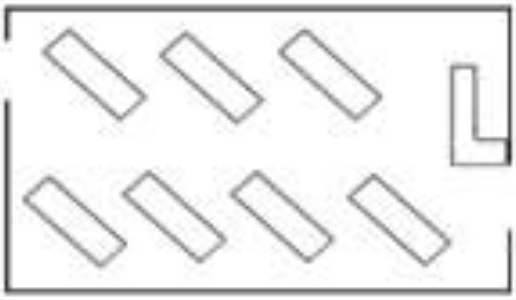


Source: http://www.managementstudyguide.com/store-design-and-layout.htm

This plan divides transitional areas from one part of the store to the other by using walls to display merchandise. It also leads the consumer to the back of the store. This design can be used for a variety of stores ranging from pharmacies to apparel.

2. ***Diagonal Plan:*** According to the diagonal floor plan, the shelves or racks are kept diagonal to each other for the owner or the store manager to have a watch on the customers. Diagonal floor plan works well in stores where customers have the liberty to walk in and pick up merchandise on their own. It uses perimeter design which cause angular traffic flow. The cashier is in a central location and easily accessible. This plan is most suited for self-service retail.

Figure 7.3: Diagonal Plan

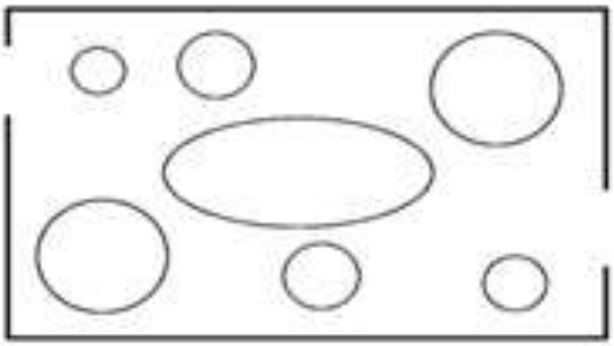


Source: http://www.managementstudyguide.com/store-design-and-layout.htm

Notes

3. ***Curved Plan***: This is also called angular floor plan. The fixtures and walls are given a curved look to add to the style of the store.

Figure 7.4: Curved Plan



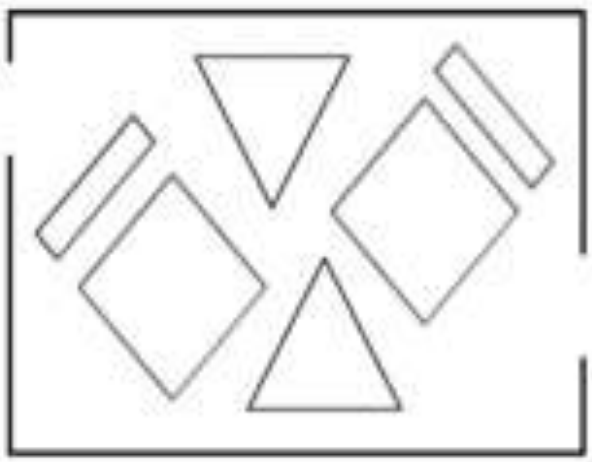
Source: http://www.managementstudyguide.com/store-design-and-layout.htm

Angular floor plan gives a more sophisticated look to the store. Such layouts are often seen in high end stores. It aims to create an intimate environment that is inviting. In this plan there is an emphasis on the structure of the space including the walls, corners and ceiling this is achieved by making the structure curved and is enhance by circular floor fixtures. Although this is a more expensive layout it is more suited to smaller spaces like salons and boutiques.

4. ***Varied Plan:*** In this plan attention is drawn to special focus areas, as well as having storage areas that line the wall. This is best suited footwear and jewellery retail stores.

5. ***Geometric Plan:*** The racks and fixtures are given a geometric shape in such a floor plan. The geometric floor plan gives a trendy and unique look to the store. It uses the racks and the retail floor fixtures to create a geometric floor plan and circulation movement. By lowering parts of the ceiling certain areas can create defined retail spaces. This is well suited for appeal stores.

Figure 7.5: Geometric Plan

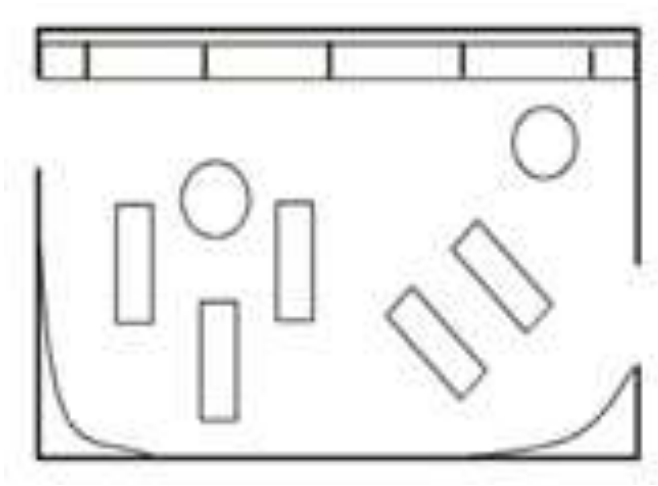


Source: http://www.managementstudyguide.com/store-design-and-layout.htm

Notes

6. ***Mixed Plan:*** The mixed floor plan takes into consideration angular, diagonal and straight layout to give rise to the most functional store lay out.

Figure 7.6: Mixed Plan



Source: http://www.managementstudyguide.com/store-design-and-layout.htm

Did u know? Pathway Plan is most suitable for large stores that are single level. In this plan there is a path that is unobstructed by shop fixtures, this smoothly guides the consumer through to the back of the store. This is well suited for apparel department stores, as the clothes will be easily accessible.

The final element of a well-executed retail space is the staging of the consumer's perspective. It is the role of retail design to have total control of the view that the consumer will have of the retail space. From the exterior of a retail store the consumer should have a clear unobstructed view into the interior.

Additionally, some of the layout circulation types:

1. ***Free-flow Circulation:*** Free-flow Layout is a type of store layout in which fixtures and merchandise are grouped into free-flowing patterns on the sales floor.

   Its advantages include:

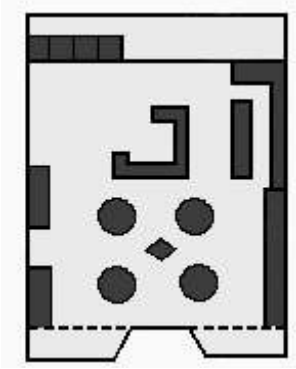
   - Allowance for browsing and wandering freely,
   - Increased impulse purchases,
   - Visual appeal Flexibility.

   On the other hand disadvantages includes:

   - Loitering encouraged,
   - Possible confusion,
   - Waste of floor space, Costly,
   - Difficulty of cleaning,
   - Merchandise and fixtures are grouped in clusters as in boutiques.

Notes

Figure 7.7: Free Flow Circulation



Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

Following are some of the examples of Free-flow Layout used by Disney Stores:

Figure 7.8: Free-flow Layout at Disney Stores

Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

Figure 7.9: Free-flow Layout Example of Disney Store

Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

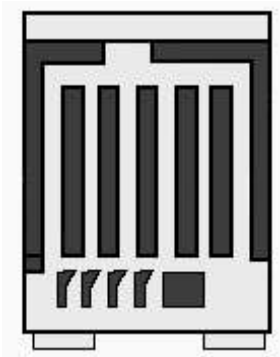
Notes

Figure 7.10: Free-flow Layout Example of Disney Store

Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

2. ***Grid Circulation:*** This type of circulation plan is used typically in supermarkets where aisles and fixtures r at right angles to each other.

Figure 7.11: Grid Circulation



Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

Figure 7.12: Grid Circulation Example

Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

Notes

Its advantages include:

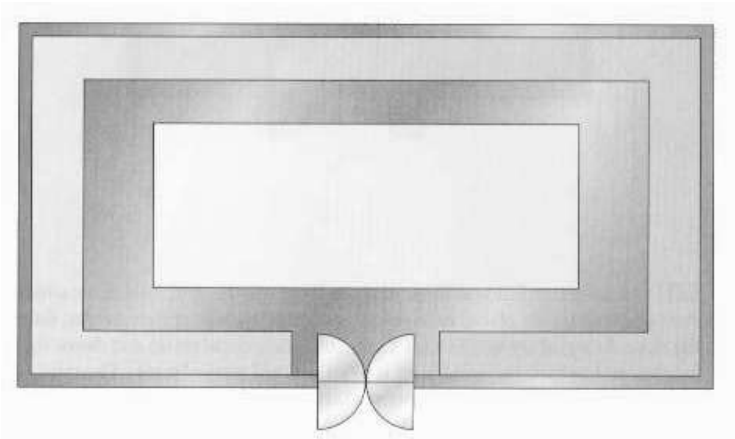
- Low cost
- Customer familiarity
- Merchandise exposure
- Ease of cleaning
- Simplified security
- Possibility of self-service

On the other hand its disadvantages include:

- Plain and uninteresting
- Limited browsing
- Stimulation of rushed shopping behaviour
- Limited creativity in décor

3. ***Circulation Loop Layout***

Figure 7.13: Circulation Loop Layout



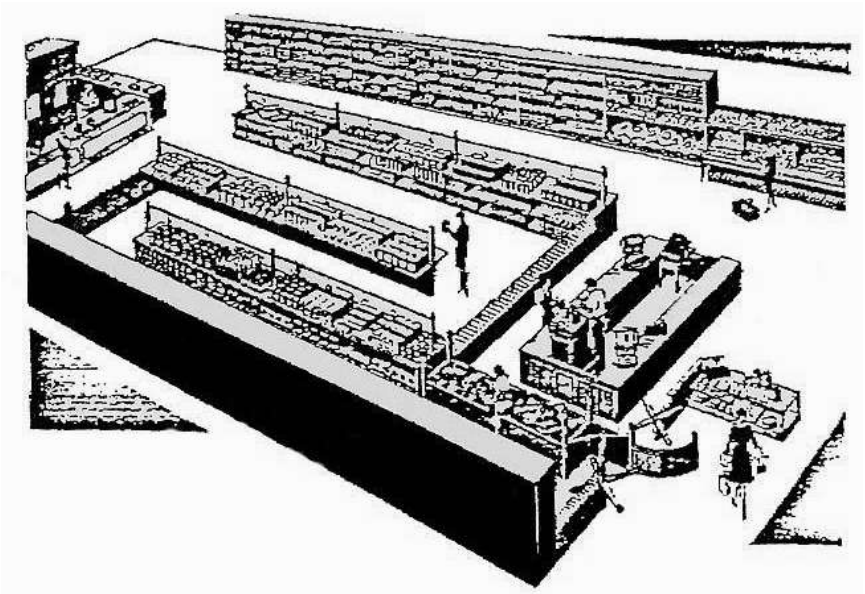
Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

Figure 7.14: Circulation Loop Layout Example

Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

Notes

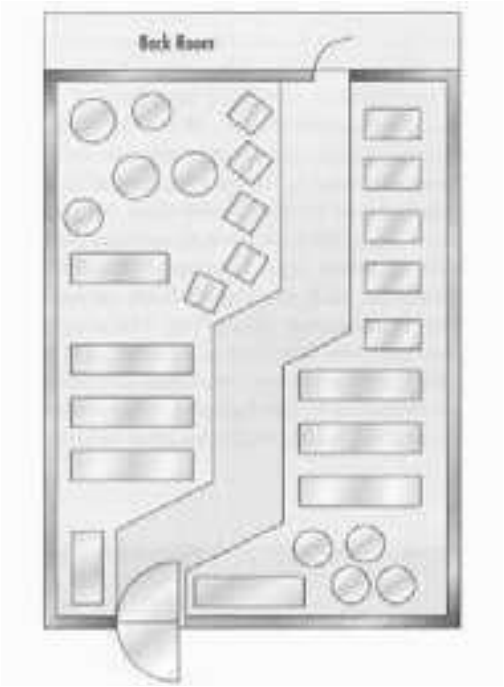
Figure 7.15: Clarence Sander's Piggly Wiggly Grocery Store



Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

4. ***Circulation Spine Form:*** It is herringbone layout without the side roads, e.g. crossword.

Figure 7.16: Spine Form



Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

Notes

Figure 7.17: Circulation Spine Layout

Source: http://www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

Self Assessment

Fill in the blanks:

13. The ..... plan creates spaces within the retail store for the customers to move and shop freely.
14. ..... plan works well in stores where customers have the liberty to walk in and pick up merchandise on their own. It uses perimeter design which cause angular traffic flow.
15. Curved Plan is also called ..... plan.
16. Pathway Plan is most suitable for ..... stores that are ..... level.
17. The final element of a well-executed retail space is the ..... of the consumer's perspective.
18. Grid circulation plan is used typically in .....
19. ..... play loud music at the store.
20. The fixtures or furniture ..... act as an object of obstacle.

Notes

Notes **Tips for Store Design and Layout**

- The signage displaying the name and logo of the store must be installed at a place where it is visible to all, even from a distance. Don't add too much information.
- The store must offer a positive ambience to the customers. The customers must leave the store with a smile.
- Make sure the mannequins are according to the target market and display the latest trends. The clothes should look fitted on the dummies without using unnecessary pins. The position of the dummies must be changed from time to time to avoid monotony.
- The trial rooms should have mirrors and must be kept clean. Do not dump unnecessary boxes or hangers in the dressing room.
- The retailer must choose the right colour for the walls to set the mood of the customers. Prefer light and subtle shades.
- The fixtures or furniture should not act as an object of obstacle. Don't unnecessary add too many types of furniture at your store.
- The merchandise should be well arranged and organised on the racks assigned for them. The shelves must carry necessary labels for the customers to easily locate the products they need. Make sure the products do not fall off the shelves.
- Never play loud music at the store.
- The store should be adequately lit so that the products are easily visible to the customers. Replace burned out lights immediately.
- The floor tiles, ceilings, carpet and the racks should be kept clean and stain free.
- There should be no bad odour at the store as it irritates the customers.
- Do not stock anything at the entrance or exit of the store to block the way of the customers. The customers should be able to move freely in the store.
- The retailer must plan his store in a way which minimises theft or shop lifting.
- Merchandise should never be displayed at the entrance or exit of the store.
- Expensive products like watches, jewellery, precious stones, mobile handsets and so on must be kept in locked cabinets.
- Install cameras, CCTVs to have a closed look on the customers.
- Instruct the store manager or the sales representatives to try and assist all the customers who come for shopping.
- Ask the customers to deposit their carry bags at the entrance itself.
- Do not allow the customers to carry more than three dresses at one time to the trial room.

Notes

Case Study

Anti-Clockwise or Clockwise? The Impact of Store Layout on the Process of Orientation in a Discount Store

More and more consumers are not making their buying decisions until they are at the Point-of-Sale (POS). There, they are inspired by the store design and presentation of products on the shelves. One of the key factors influencing buying behaviour at the POS is consumer orientation, since they can only buy those items they are able to find. In this article we examine the process of customer orientation in retail stores and focus on the impact of the store layout (anti-clockwise or clockwise) on their ability to find products and orientate themselves at the POS. Several empirical studies of store environments (Groeppel-Klein, 2001; Groeppel-Klein and Germelmann, 2003; Grossbart and Rammohan, 1981; Sommer and Aitkens, 1982) show evidence of a significant correlation between the existence of maps of shops (knowledge of product location, assortments, service points, escalators, etc.) and sentiments regarding the convenience of shopping.

Research into consumer behaviour has paid little attention in the past to product location in consumers' mental maps as a success factor in retailing. One notable exception is a study by Sommer and Aitkens (1982) in which participants had to locate eleven different products on a store map (as a measure of how detailed shoppers' mental maps were). To extend the results of Sommer and Aitkens's study, we used a geographical information system (which analyses the location of products as indicated on a store map by test participants using a computer program) and integrated moderating variables (guidance direction, right- or left-handedness of the shoppers) and tested the relationship between the accuracy of the mental maps and perceived ease of orientation.

Most shops guide customers through the store in an anticlockwise direction. This is generally justified by the fact that costumers are for the most part right-handed (Underhill 2000, 76). However, neurophysiological research suggests a different explanation for this turning preference–the hormone dopamine, which is responsible for locomotion in space. The higher the dopamine concentration on the left side of the brain, the more consumers' attention (and consequently their locomotion) is focused on the right side (Mead and Hampson, 1996; Mohr et al. 2004). In a clockwise-orientated shop, customers will therefore frequently glance at the shop's interior. It has further been suggested that shoppers also have a general orientation towards the walls because of security reasons of the shops as this makes them feel secure (Appleton 1986); this leads them to notice products on the left-hand side of aisles. Taken together, these two tendencies enable customers to remember more products in a shop with a clockwise layout, which in turn gives them a more positive attitude toward the shop.

By contrast, in a store with an anti-clockwise layout, both tendencies concentrate on the right-hand side. This leads us to our first hypothesis (H1): If shoppers are guided in a clockwise direction, they will have a more detailed mental map, evaluate the shop more positively, and be willing to spend more money than if they are guided in an anti-clockwise direction. The first part of our second hypothesis (H2a) re-investigates the central result of Sommer and Aitkens (1982): Irrespective of the guiding direction (clockwise or anticlockwise), customers will recall products located in peripheral aisles better than those in central aisles. The second part of the second hypothesis (H2b) tests, as discussed

Contd...

Notes

above, whether a more detailed mental map leads to a more positive evaluation of the ease of orientation and value for money.

We conducted our empirical studies in two shops belonging to a discount grocery chain. Both shops were identical in terms of assortment and prices. However, in one customers were guided clockwise around the store and in the other anti-clockwise. Before entering the shop, subjects in the first study (n=196) had to locate eight specific products on central and peripheral aisles on a store map. The results provide support for H1: subjects in the store with the clockwise layout had a more detailed mental map and evaluated the store better in terms of perceived ease of orientation and value for money. Additionally, they spent more money in the store. In both stores, products on the peripheral aisles were located with a significantly higher level of accuracy than products on the central aisles (supporting H2a). As we had assumed, there was a significant correlation between having a detailed mental map and the ease of orientation/perceived value for money (supporting H2b).

To validate our findings about the relevance of turning bias and the accuracy of mental maps we conducted a second study with a given shopping task. In this study, we looked at shoppers' travel and search patterns (Titus and Everett 1995; Larson, Bradlow, and Fader 2005). If the clockwise layout is really superior to the anticlockwise layout then shoppers should take shorter distances to find the products in such a setup. This leads us to our third hypothesis (H3): In a clockwise store layout, significantly more consumers will belong to the group of "efficient shoppers" (in terms of distance and/or time) than in an anti-clockwise layout. In our second study, test participants (n=76, shopping frequency and store patronage were controlled for) were asked to shop eight specific products. Two disguised observers kept track of the walking behaviour of the subjects. As in the first study, we used a GIS to process our data and to test our hypothesis. After a standardisation of the distance covered by test participants we split subjects up into two groups: "short-distance shoppers" and "long-distance shoppers". The results show that there were significantly more shoppers who covered a short distance for the shopping task in the store with the clockwise layout than in the store with the anti-clockwise layout. A questionnaire completed after the shopping task showed relevant differences in the characterisation of the two groups of shoppers: this related to the accuracy of the mental map, time spent, enquiries made of shop assistants, the perceived ease of the task, and the willingness to spend money.

In summary, the results of our two empirical studies show that embedding spatial information (i.e. knowledge of the location of products) in the shopper's mind is a key factor for retailing success. The result for both studies reveals that guiding direction and product location are responsible for improving mental maps and shopping efficiency.

Question

After going through the study, do you agree with the findings of the study? Give reasons.

Source: www.acrwebsite.org/volumes/eacr/vol8/eacr_vol8_153.pdf

7.4 Summary

- Store layout is the way, the store or business space that is used to promote sales and to satisfy the customer. Below is a picture of a general layout of a retail store.
- A circulation plan is a schematic empirical projection/model of how pedestrians and/or motor vehicles flow through a given area.

Notes

- Circulation plans are used by city planners and other officials to manage and monitor traffic and pedestrian patterns in such a way that they might discover how to make future improvements to the system.
- Circulation plan is the silent guide.
- The structure of retail space creates the constraints of the overall design.
- Diagonal floor plan works well in stores where customers have the liberty to walk in and pick up merchandise on their own. It uses perimeter design which cause angular traffic flow.
- Curved Plan is also called angular floor plan.
- Pathway Plan is most suitable for large stores that are single level.
- Never play loud music at the store.
- The fixtures or furniture should not act as an object of obstacle.

7.5 Keywords

Circulation Plan: A circulation plan is a schematic empirical projection/model of how pedestrians and/or motor vehicles flow through a given area.

Diagonal Floor Plan: Diagonal floor plan works well in stores where customers have the liberty to walk in and pick up merchandise on their own. It uses perimeter design which cause angular traffic flow.

Fixture: A fixture is a work-holding or support device used in the manufacturing and retailing industry.

Free Flow Circulation: Free flow circulation is a type of store layout in which fixtures and merchandise are grouped into free-flowing patterns on the sales floor.

Retail Design: Retail design is a creative and commercial discipline that combines several different areas of expertise together in the design and construction of retail space.

Retail Spaces: Retail spaces are high traffic area.

Store Layout: Store layout refers to the way the store or business space is used to promote sales and to please the customer.

Straight Floor Plan: The straight floor plan creates spaces within the retail store for the customers to move and shop freely.

7.6 Review Questions

1. What is store layout aimed at?
2. What is a circulation plan?
3. What are the various types of circulation plan known to you?
4. What is the essence of having circulation plan in a retail store design?
5. "Circulation plan is the silent guide." Discuss.
6. "The structure of retail space creates the constraints of the overall design". What are those constraint?

Notes

7. What is free flow circulation?
8. What is Diagonal floor plan?
9. What is Curved Plan?
10. What is meant by store ambience?
11. What is meant by visual branding of a store?
12. Differentiate between circulation spine layout and circulation loop layout.
13. Which Plan is most suitable for large stores that are single level?
14. Why it is advised not to play loud music at the store?
15. "The fixtures or furniture should not act as an object of obstacle'. Elucidate.

Answers: Self Assessment

1.	Heavy	2.	Hassle-free
3.	19th	4.	Internet retailing
5.	Thematic	6.	Overall productivity
7.	False	8.	True
9.	True	10.	False
11.	True	12.	True
13.	Straight floor	14.	Diagonal floor
15.	Angular floor	16.	Large, single
17.	Staging	18.	Supermarket
19.	Never	20.	Should not

7.7 Further Readings

Books

Barry Berman & Joel R Evans(2006). *Retail Management*: *A Strategic Approach*, Pearson.

Levy, Michale & Barton A. Weit (2009). *Retailing Management*. Tata McGraw Hill.

Pradhan Swapana (2009). *Retailing Management*. Tata McGraw Hill.

Swati Bhalla and Anurag S(2010). *Visual merchandising*. Tata McGraw Hill.

Online links

www.redmond.k12.or.us/145520121313341393/lib/145520121313341393/Ch_18_notes_ONLINE.pdf

en.wikipedia.org/wiki/Visual_merchandising

www.businessdictionary.com/definition/visual-merchandising.html

www.managementstudyguide.com/visual-merchandising.htm

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Unit 8: Planograms

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Objectives

After studying this unit, you will be able to:

- Explain the Meaning and Purpose of Planogram
- Discuss about the Retail Planogram
- Identify the Benefits of a Planogram
- Explain the Implementation of a Planogram
- Describe the Maintenance of a Planogram

Introduction

How do you think buildings are constructed? With the help of architectural drawings, an architectural drawing creates a rough print of the building on paper which gives an idea about the floor plans, location of rooms, lobby and so on. In retail a planogram replaces architectural drawings. Once a retailer opens a store, he needs to have a rough idea about the

Notes

store plan. A planogram helps in the same. Planograms are similar to architectural drawings and help the retailer to understand where the merchandise should be stocked in order to catch the customer's attention and make the maximum impact.

Planograms are nothing but diagrams which give the retailer an idea how and where to place the merchandise to attract the customers into the store. Any good retailer realises the key to increased sales is through proper merchandising. A planogram is one of the best merchandising tools for presenting products to the customer.

The planogram is a visual diagram, or drawing, that provides in detail where every product in a retail store should be placed. These schematics not only present a flow chart for the particular merchandise departments within a store layout but also show on which aisle and on what shelf an item is located. A planogram should also illustrate how many facings are allocated for each SKU.

In this unit, we will focus on meaning and purpose of planogram, benefits of a planogram. We will also study implementation and maintenance of a planogram.

8.1 Meaning and Purpose of a Planogram

A planogram is a tool in any form which are used by the retailer, which helps determine the location of merchandise within a department. It is a diagram that visually communicates how merchandise and props physically fit onto a store fixture or window, to allow for proper visibility and price point options.

A planogram is created after taking into account factors like product sales, the movement of the products within the product category and the space required for the various products. They usually list the exact number of square feet used for the various products and the exact number of products to be displayed in a particular area.

Planogramming is an inventory control and merchandise display method that allows a retailer to maintain shelf inventory in an orderly way to improve efficiency and customer service.

Caution The complexity of a planogram may vary by the size of the store, the software used to create the planogram and the need of the retailer.

8.1.1 Retail Planogram

Planograms are diagrams that show where products or merchandise should be placed on a shelf or other sort of display. The idea is to maximise the amount of merchandise on the shelf and the amount of sales by arranging in such a way that makes it appealing to the consumer while minimising wasted space.

Planograms differ significantly by retail sector. Fast-moving consumer goods organisations and supermarkets largely use text and box based planograms that optimise shelf space, inventory turns, and profit margins. Apparel brands and retailers are more focused on presentation and use pictorial planograms that illustrate "the look" and also identify each product.

Often retailers use planograms to decide how best to get as much on their shelves as possible or increase sales. Even more often, however, the suppliers will send a planogram before sending their product as a suggestion to help in displaying their goods so they can be easily seen and will be placed alongside like objects.

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Figure 8.1: Planogram

Source: http://www.dmsretail.com/retailplanograms.htm

8.1.2 Purpose of Planogram

Product placement and improved sales are just two very basic reasons a retailer should be implementing planograms in their shops. Planograms provide many other positive benefits, such as:

1. Assigned selling potential to every square foot of space
2. Satisfying customers with a better visual appeal
3. Tighter inventory control and reduction of out-of-stocks
4. Easier product replenishment for staff
5. Better related product positioning
6. Effective communication tool for staff-produced displays

8.1.3 Need for Planograms – Why Planograms?

1. Presentation of product plays an important role at the retail store. With the help of Planograms; a retailer can actually know where to place the products for the maximum effect.
2. Planogram enables the retailers to stock the products at the right place and at the right time to attract the customers and prompt them to buy.
3. A retailer can make the best possible use of the available space with the help of planograms.
4. The merchandiser can actually create an attractive display to entice the customers with the help of planograms.

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5. Planograms indirectly also contribute in maximising the sale of the merchandise and thus generate revenues for the store. A cluttered store fails to attract the customers. The planograms help the retailer to arrange the products in the best possible way for the customers to pick up almost everything.

8.1.4 When and How is a Planogram Prepared?

The following description tells about the when and how is a planogram prepared.

When is planogram prepared? A Planogram ideally should be prepared before the merchandise reaches the retail store. The retailer should be very clear where he wants to place his products to impress the customers.

How is planogram prepared? There are various softwares available which help to create planograms. These softwares help the retailers to draw three dimensional diagrams of the store and help them visualise the overall image of the store.

Did u know? Planograms can be as simple as a photo of a preset section or more detailed with numbered peg holes and shelf notches showing exact placement of each item.

Big box stores and larger retailers typically hire merchandising specialists to assist in developing planograms or they may have their own in-house planogrammers. Due to the hefty price tag of most planogram software, small and independent retailers often resort to using word processors or paper and pen to optimise shelf layout.

As competition increases, we're seeing vendors and distributors becoming more aware of the importance of correctly merchandising their products. That awareness is leading to better point-of-sale displays, planograms and other marketing aids provided to retailers directly from the suppliers at no cost.

Self Assessment

Fill in the blanks:

1. ..... are nothing but diagrams which give the retailer an idea how and where to place the merchandise to attract the customers into the store.
2. Any good retailer realises the key to increased sales is through proper .....
3. A planogram is one of the best ..... tools for presenting products to the customer.
4. Different softwares help the retailers to draw ..... dimensional diagrams of the store and help them visualise the overall image of the store.
5. Due to the ..... price tag of most planogram software, small and independent retailers often resort to using word processors or paper and pen to optimise shelf layout.

8.2 Benefits of a Planogram

For a retailer who has a number of stores spreads over various locations, planogram is a good way of communicating how displays are to be done. This allows for consistency in presentation, across locations. When products are presented in the same manner across locations, the customer feels familiar and comfortable at each location. This helps to build brand loyalty and customer trust.

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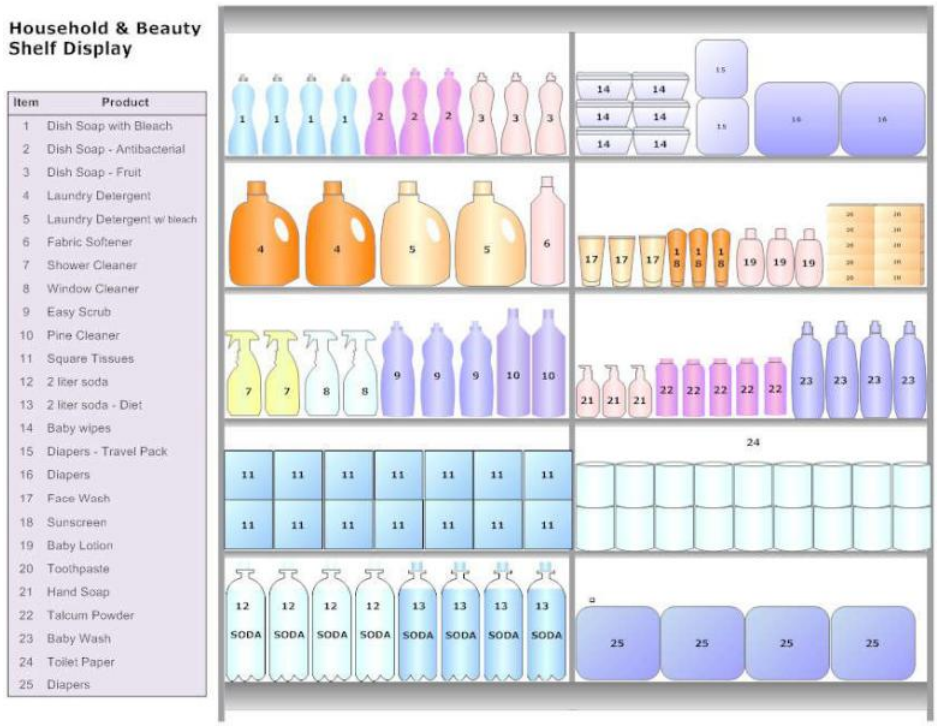
Figure 8.2: Household and Beauty Products' Shelf Display



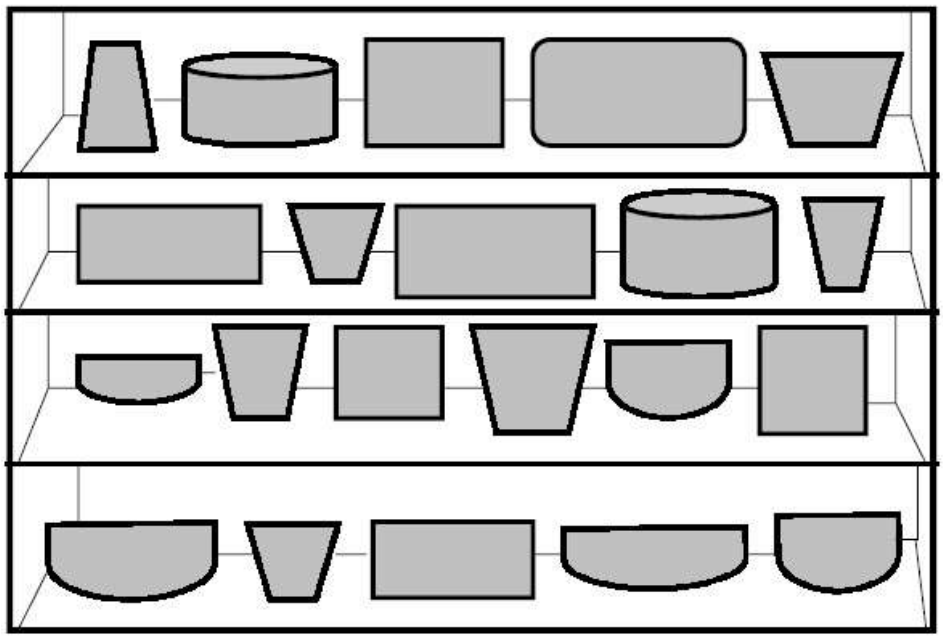
Source: http://www.dmsretail.com/retailplanograms.htmsource

Following are the key business benefits of a planogram:

1. Consumer driven store-specific planograms increases value leading to lifetime customer loyalty.
2. Targeted store-specific planograms lead to maximum in-store compliance resulting in an accurate understanding of product distribution.
3. Accurate store-specific planograms ensure optimum supply chain efficiency that results in higher availability to consumers, maximum stock turn and the most efficient use of space.
4. Introducing focused store-specific planograms leads to increased sales and profitability, reduction in stock and operational costs and an overall improvement in bottom line contribution.
5. Tailors assortments including product launches and group-specific go-to-market strategies, so that you can improve cluster results and meet true local demand.
6. Increases movement at full retail value while lowering carrying costs and decreasing out-of-stocks and excess inventory, so that you can enhance your overall profitability.
7. Streamlines space and floor planning, so that you can increase your space productivity and optimise your capital investment.
8. Translates merchandising strategy into tactics, so that you can drive consistent store execution of your corporate strategic and assortment decisions.

Notes

Figure 8.3: Exampl of a Planogram



The allocation of space to products within a retail outlet links the designed selling environment to the financial productivity of the retail space. Space management has to consider the long-term objectives concerning market positioning and customer loyalty, alongside short-term objectives concerning stockturn, sales and profits. A retail outlet that looks beautifully spacious will not stay that way if there are not enough products selling to sustain the business, yet if the store is full to bursting with merchandise some customers may choose not to enter the foray. Retail space is costly and increasingly scarce and so whatever the visual merchandising strategy is, an adequate return must be made.

The usual method for measuring retail performance is according to the amount of sales (or profits) generated by a given amount of space.

Did u know? Sales per square metre are a commonly used method of assessing the value of retail space, but linear and cubic measures can also be appropriate.

Space planning needs to take account of not only the amount of space allocated, but also the quality of space.

Example: The space nearest the front of the store and the till areas are usually the most productive.

Certain practicalities also have to be taken into consideration, such as the size and weight of the merchandise.

Space-allocation decisions usually need to be made at various levels of merchandise classification.

Example: At departmental level, product category level and SKU (Stock Keeping Unit) level.

Notes

Retailers usually have some historical data that can act as guidance in the allocation of space, for example a similar store's performance, or historical department sales figures, but the need for the maximisation of financial objectives means that space planning and allocation is under constant review and refinement at individual store level. The allocation of space can be geared towards different objectives, for example achieving the highest sales turnover, maximising product profitability or maximising customer satisfaction, and a retailer may be faced with making trade-off decisions in order to achieve those objectives. Those products that generate the highest sales value may only achieve low profit margins, but concentrating on high-profit items may put unnecessary emphasis on products that are less of concern to customers, thereby decreasing their levels of satisfaction. The matrix suggests alternative space allocations according to whether a product has high profitability or high sales.

Caselet

Retail Solutions Inc.

Retail Solutions applies science to retailer data. Retail Solutions develops and delivers a comprehensive suite of Software-as-a-Service (SaaS) solutions that turn retailer data, such as Point-of-Sale (POS), supply chain, merchandiser feedback and EPC data into actionable visibility into the store and onto the shelf.

Leading companies such as 3M, Abbott, Bausch & Lomb, Bayer, Colgate-Palmolive, Crayola, Clorox, Heineken, HP, Kao Brands, Kraft, Nestlé, Novartis, Procter & Gamble, Reckitt-Benckiser, Schering-Plough Corp., Stemilt and Unilever trust Retail Solutions to grow their retail sales, maximise in-store operation productivity, plan and execute more effective promotions, reduce their costs and join efforts with retail partners to improve shelf availability and consumer satisfaction.

Source: http://www.retailsolutions.com

Consideration of the financial implications of allocating amounts of space must be conducted within the framework of an outlet plan that is geared to making the shopping experience of the customer a satisfactory one. Too much emphasis on the retailer's financial objectives could result in a store being laid out illogically and make products difficult to find. Long-term profitability is dependent on customer satisfaction and loyalty, and so space planning must incorporate factors other than individual product sales and profitability. Aspects such as seasonal goods, the physical size and weight of the product, the type of fixturing required and the need to display complementary goods in close proximity should all have a bearing on the overall plan.

Notes **Space Allocation**

The complexity of space-allocation decisions has encouraged the use of computer-based systems as a retail management aid. Modern space-allocation systems are able to synthesise a plethora of quantitative and qualitative data such as product costs, sales forecasts, product sizes, complementary purchasing potential, fixturing details and so on. The output of these systems is a space-allocation plan or planogram that shows exactly how the products should be displayed on the fixturing, including the number of facings of each product that the customer should see.

Contd...

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Although space-allocation systems have resulted in retailers using space in a much more productive way, they do have limitations. Most large multiple retailers have a portfolio of stores that differ in size and shape, and so unless that retailer has access to individual store input data and the system is capable of producing customised plans for each store, the planogram will have to be subject to a certain degree of interpretation at store level. Many retailers have tackled this problem by grading their stores by size and producing a set of plans for the different store grades. However, grading by size is a very crude method of assessing different stores. Recent advances in micro-marketing have shown that the profile of a store's catchment area gives a better indication of the type and amount of merchandise required than the size of the outlet (Ziliani, 2000). As retail management-information systems become increasingly sophisticated, this type of store performance analysis and customer-profile customisation will become more widespread. Space allocation systems are expensive, and may be beyond the means of the smaller retail organisation.

Self Assessment

State whether the following statements are true or false:

6. Planogram is a good way of communicating how displays are to be done.
7. Consumer driven store-specific planograms decreases value leading to lifetime customer loyalty.
8. Targeted store-specific planograms lead to maximum in-store compliance resulting in an accurate understanding of product distribution.

8.3 Types of Merchandise Placement

Merchandise placement is nothing but visual product placement. Visual Product Placement refers to a technique where the products are placed in a way to immediately catch the attention of the customers walking into the store.

Task Try to make a difference between product integration and product placement. Illustrate with suitable examples.

8.3.1 Types of Visual Product Placement

1. ***Horizontal Product Placement:*** According to horizontal product placement, products are placed side by side on shelves to offer a wide range of options to the customers.
2. ***Vertical Product Placement:*** The vertical product placement displays the merchandise on more than one shelf level.
3. ***Block Placement:*** According to block placement of products, the related products or merchandise belonging to a similar family are stocked at one place together under one common umbrella.
4. ***Commercial Product Placement:*** Commercial product placement takes into account the brand value of the merchandise. Every customer has a perceived image of the merchandise which decides its placement in the store. A product which has several takers would definitely get the best position as compared to something which does not contribute much to the revenue of the store.

Notes

5. ***Market Share Product Placement:*** Market share product placement plan works on a simple strategy: A product which generates the maximum revenue for the store should ideally be placed at a prime location for the customers to notice it and immediately buy it.

6. ***Margin Product Placement:*** According to Margin product placement, the more a product earns profit for the retailer, the better the location it is placed.

Lab Exercise Go to website http://en.wikipedia.org/wiki/Product_placement and gather more information on product placement or embedded marketing.

Self Assessment

Fill in the blanks:

9. ..... refers to a technique where the products are placed in a way to immediately catch the attention of the customers walking into the store.

10. The ..... placement displays the merchandise on more than one shelf level.

11. According to ..... of products, the related products or merchandise belonging to a similar family are stocked at one place together under one common umbrella.

8.4 Implementation and Maintenance of a Planogram

As already explained, a planogram is a visual description, diagram or drawing of a store's layout to include placement of particular products and product categories. In order to optimise shelf layout and receive a return on investment, the planogram should be properly executed and maintained by staff. Here's how:

1. Plan plenty of time to setup a new planogram without interruption.

2. Gather cleaning supplies, additional shelving, peg hooks, signage, product, planograms and any other items needed to begin working. Take these items to the workspace.

3. Each new planogram should begin with a good cleaning of the shelves and fixtures. Don't forget the base.

4. Using the planogram, begin setting shelving and peg hooks in the required location. We read planograms from left to right. Shelves should be worked from bottom to top, left to right. Pegs should be worked from top to bottom, left to right.

5. If necessary, use the actual product to help determine the exact distance needed between each facing and/or each SKU.

6. Once the planogram is set, fill each space with the correct product. Additional merchandise should be kept in the stock room as overstock.

7. Create current shelf labels, signage and any other pricing needed for the newly set section.

8. Zone the finished section by bringing all items forward with labels straight and facing the customer.

8.4.1 Tips

1. Perform daily store recovery to keep shelves appearing neat and full.

2. Replace any worn labels or signs immediately.

Notes

3. Reorder empty spaces as soon as possible.
4. Provide general housekeeping to keep shelves and product free from dust.

8.4.2 What You Need

1. Clean rag or duster
2. All-purpose cleaner
3. Additional shelving or peg hooks
4. Merchandise
5. Price Labels, Signage

Self Assessment

State whether the following statements are true or false:

12. Plan only once to setup a new planogram without interruption.
13. Gather cleaning supplies, additional shelving, peg hooks, signage, product, planograms and any other items needed to begin working.
14. Each new planogram should begin with a good cleaning of the shelves and fixtures.
15. Shelves should be worked from top to bottom, right to left.
16. If necessary, use the actual product to help determine the exact distance needed between each facing and/or each SKU.

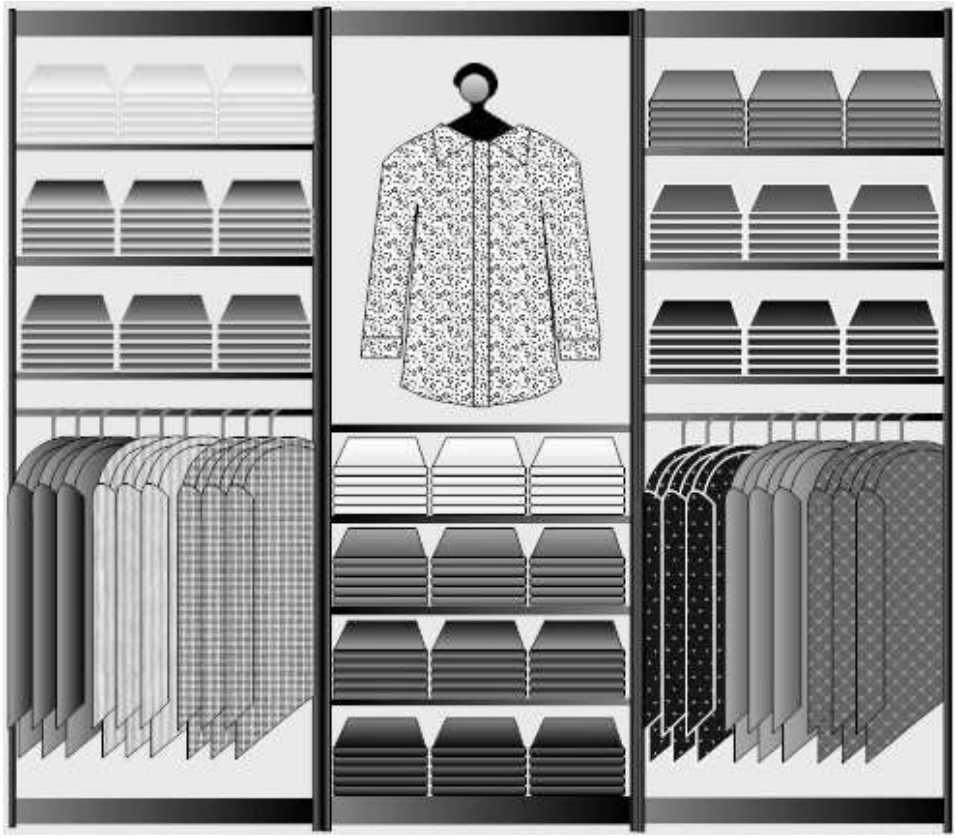
8.5 Best Practices

Following are some of best practices experienced in retail planogramming:

1. ***Identify the purpose:*** Decide what you are making the planogram for, whether for a store or for your home. Also, decide what will be going on the shelves or display you are outlining.
2. ***Set the scene:*** Begin by drawing the backdrop, the display case or shelf that the items are to go on. Draw it as accurately as possible so it can be used literally as instructions for organising your shelves.
3. ***Organise the items:*** Decide where you want the products or items to go using shapes that share the actual items dimensions and form. Experiment with different ways of arranging the objects so that they fit as best as possible and will be easily seen.
4. ***Add visuals:*** Although optional, using pictorial representations of the objects will give you the complete feel of what you've arranged. It will also allow anyone you share it with to imagine the display.
5. ***Use it:*** Now that you've completed your planogram, use the diagram to create the life size display. Since all of your dimensions are accurate, you should not have to worry about whether or not everything will fit as you envisioned it; you know it will all fit together perfectly.

Notes

Figure 8.4: Best Practices



Source: http://www.dmsretail.com/retailplanograms.htmsource

Case Study

Reducing Out-of-Stocks with More Effective Planograms

How the J.M. Smucker Co. Leveraged Granular Retailer Data to Support Planogram Recommendations in the Coffee Category in November 2008, as the J. M. Smucker Co. completed its acquisition of the Folger Coffee Co. from Procter and Gamble, it found itself with a commanding presence in the coffee market. With its original Folgers Brand, Millstone, as well as a license to manufacture and distribute Dunkin' Donuts coffee, the jelly and jam maker added the #1 selling ground coffee in the United States to its portfolio.

J.M. Smucker realised that they were experiencing widespread out-of-stock situations across many retail chains on Dunkin' Donuts coffee. "This did not come as a major surprise for us," commented Amy Derrenberger, a category development analyst at J.M. Smucker. "When the issue surfaced, we were already deeply engaged in an analysis to understand out-of-stock levels and try to find solutions."

Contd...

Notes

More specifically, Derrenberger, along with one of her colleagues, Cathrine Lockhart, worked on the situation at Food Lion, a Charlotte, NC-based retailer with over 1,300 stores in 11 Southeast and Mid-Atlantic states. "We had a unique opportunity to start there," said Lockhart, also a category development analyst at J.M. Smucker. "Food Lion's data sharing program, Vendor Pulse, provides us with comprehensive access to actual data: we now have full visibility over sales and inventory levels by day, by store, for each of our references.

With this level of detail, we now can accurately determine where we have out-of-stocks and understand how we can address their root cause."

Understanding the Real Out-of-Stock Picture

Using solutions provided by Sunnyvale, CA-based Retail Solutions Inc. to leverage the Food Lion Vendor Pulse data, J. M. Smucker realised that the out-of-stock problem at Food Lion was indeed structural. "We looked at the warehouses first," explained Derrenberger. "We realised that there was no issue there and that our service levels were satisfactory. We then started analysing the information down to the store level, matching stores not scanning the products with inventory levels. Leveraging our partnership with Retail Solutions Inc., we were able to look at sales and in-stock levels for 160 days, in each store, for each SKU."

The outcome was astonishing: at any point in time, an average of 12% of Food Lion stores were out-of-stock for Dunkin' Donuts Original Blend, the best selling reference in the range. During promotions, the numbers tended to spike even higher. Equally importantly, the issue happened across a large number of stores: 50% of stores were actually out-of-stock for more than 10 days during the study period, and 13% of the stores were out-of-stock for 50 days or more, or nearly a third of the reference period. "When you hit these long out-of-stocks, it presents a clear risk to customer loyalty," commented Lockhart. "The last thing we want is to give an opportunity to a committed customer to switch brands because they hardly ever find their first choice on the shelf."

"Retail Solutions showed us we were losing 24% of our sales by not being in-stock," added Jessica Fording, the Food Lion team director at J. M. Smucker. "Based on that kind of number, it was obvious we needed to move into structural changes rather than tactical ones."

Recommending an Optimised Planogram

The opportunity presented itself in the form of a major planogram reset at Food Lion scheduled for August 2009. Till then, most stores just followed a simple guideline for Dunkin' Donuts: A single facing for each SKU. Derrenberger and Lockhart conducted an extensive space-to-sales analysis (while reincorporating the lost sales to account for real customer demand) for two different planogram sets at Food Lion.

"We went back with a completely different proposal," said Scott Dacus, J. M. Smucker's national account manager for Food Lion. "We presented our findings to the category management team at Food Lion and they blended our proposal with other suppliers' recommendations."

"Our strategy was not solely based upon incremental facings for Dunkin' Donuts and the other J. M. Smucker brands," clarified Derrenberger. "We worked under a set of criteria defined by Food Lion to not increase the planogram size but rather to reallocate space between various products."

This resulted in Dunkin' Donuts coffee products receiving significantly more planogram exposure while some slower-selling SKUs in other ranges saw their number of facings decrease. The reset was enacted on August 3 and quickly rolled out across all stores.

Contd...

Notes

The results: 47% sales growth for Dunkin' Donuts, 34% for the overall coffee category

A few months after the reset, J. M. Smucker started analysing the results. "When comparing sales per store per week before and after the reset, we found a 47% increase for Dunkin' Donuts, which also resulted in growth for the category," stated Fording.

A more detailed analysis shows the improvement. The average number of stores out of stock for Dunkin' Donuts Original Blend was nearly cut in half, with equally impressive results for the other product variants. However, it still shows potential. "The Retail Solutions updated in-stock analysis still highlights a large sales increase potential," added Derrenberger. "By further improving in-stock situations, we still have an opportunity of growing total sales for the Dunkin' Donuts range by about 10%."

The results have received executive visibility and the project has been presented in several occasions to category managers. "With the help and support of Retail Solutions, we were able to recommend increased space on Dunkin' Donuts coffee based on real consumer demand, considering real shelf availability," summed up Derrenberger. "With a 34% overall sales growth, the results speak for themselves."

"These results are indeed very compelling, but one of the most valuable benefits here is intangible," stated Fording. "One of our core objectives is to build a relationship with Food Lion based on our objective analysis of their data that deliver actionable solutions. The combination of the Food Lion Vendor Pulse program and the analytical and data management skills brought by Retail Solutions helped provide the tools to build relationships and achieve business success."

Questions

1. Analyse the case and interpret it.
2. Write down the case facts.

Source: http://www.retailsolutions.com/pdfs/Retail_Solutions-J.M._Smucker-Case_Study_2009-11.pdf

Self Assessment

Fill in the blanks:

17. Decide what you are making the planogram for, whether for a ..... or for your .....
18. Begin by drawing the backdrop, the ..... or shelf that the items are to go on.
19. Experiment with different ways of ..... the objects so that they fit as best as possible and will be easily seen.
20. It is advises to use the ..... to create the life size display.

8.6 Summary

- Planograms are nothing but diagrams which give the retailer an idea how and where to place the merchandise to attract the customers into the store.
- A planogram is one of the best merchandising tools for presenting products to the customer.
- Visual Product Placement refers to a technique where the products are placed in a way to immediately catch the attention of the customers walking into the store.
- The vertical product placement displays the merchandise on more than one shelf level.

Notes

- According to block placement of products, the related products or merchandise belonging to a similar family are stocked at one place together under one common umbrella.
- Plan plenty of time to setup a new planogram without interruption.
- Gather cleaning supplies, additional shelving, peg hooks, signage, product, planograms and any other items needed.
- Decide what you are making the planogram for, whether for a store or for your home.
- Experiment with different ways of arranging the objects so that they fit as best as possible and will be easily seen.
- Use the diagram to create the life size display.

8.7 Keywords

***Block Placement*:** According to block placement of products, the related products or merchandise belonging to a similar family are stocked at one place together under one common umbrella.

Commercial Product Placement: Commercial product placement takes into account the brand value of the merchandise.

Horizontal Product Placement: According to horizontal product placement, products are placed side by side on shelves to offer a wide range of options to the customers.

Margin Product Placement: According to Margin product placement, the more a product earns profit for the retailer, the better the location it is placed.

Market Share Product Placement: Market share product placement plan works on a simple strategy: A product which generates the maximum revenue for the store should ideally be placed at a prime location for the customers to notice it and immediately buy it.

Planogram: A planogram is a tool in any form which are used by the retailer, which helps determine the location of merchandise within a department.

Planogramming: Planogramming is an inventory control and merchandise display method that allows a retailer to maintain shelf inventory in an orderly way to improve efficiency and customer service.

Vertical Product Placement: The vertical product placement displays the merchandise on more than one shelf level.

Visual Product Placement: It refers to a technique where the products are placed in a way to immediately catch the attention of the customers walking into the store.

8.8 Review Questions

1. What are planogram? What is planogramming?
2. Explain how does any good retailer realises the key to increased sales?
3. "Due to the hefty price tag of most planogram software, small and independent retailers often resort to using word processors or paper and pen to optimise shelf layout". Elucidate.
4. "Planogram is a good way of communicating how displays are to be done". Discuss.
5. What is the influence of consumer driven store-specific planograms over lifetime customer loyalty?
6. What are targeted store-specific planograms?

Notes

7. What is visual product placement?
8. What is vertical product placement?
9. Discuss the block placement with suitable example.
10. How does each new planogram should begin?
11. What are shelves? In what order shelves should be worked?
12. What are Pegs? How they should be worked?
13. What you are making the planogram for?
14. How does planograms are created?
15. Discuss the implementation and maintenance of planograms.

Answers: Self Assessment

1.	Planograms	2.	Merchandising
3.	Merchandising	4.	Three
5.	Hefty	6.	True
7.	False	8.	True
9.	Visual product placement	10.	Vertical product
11.	Block placement	12.	False
13.	True	14.	True
15.	False	16.	True
17.	Store, home	18.	Display case
19.	Arranging	20.	Diagram

8.9 Further Readings

Books

Barry Berman & Joel R Evans(2006). *Retail Management: A Strategic Approach*, Pearson.

Levy, Michale & Barton A. Weitz (2009). *Retailing Management.* Tata Mc Graw Hill.

Pradhan Swapana (2009). *Retailing Management*. Tata Mc Graw Hill.

Swati Bhalla and Anurag S(2010). *Visual Merchandising*. Tata Mc Graw Hill.

Online links

http://www.managementstudyguide.com/what-are-planograms.htm

en.wikipedia.org/wiki/Planogram

www.businessdictionary.com/definition/visual-merchandising.html

www.managementstudyguide.com/visual-merchandising.htm

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Unit 9: Merchandise Presentation

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Objectives

After studying this unit, you will be able to:

- Describe the Meaning of Merchandise Presentation
- Identify the Ways of Presenting Merchandise in a Store
- Discuss the Principles of Merchandise Presentation
- Discuss the Categories in Merchandise Presentation
- Explain the Merchandise Presentation Techniques

Introduction

The store image plays a large role in attracting customers. Merchandising plays a large role in projecting the desired image and making the products attractive. Effective merchandising means achieving the sales and profit objectives of the store.

The efficiency of a retail store is based on the retailer's ability to provide the right goods of good quality to the consumer, in the right quantity, at the right place and at the right time. The entire process of retailing depends on efficient inventory management. In this unit, you will learn to plan merchandise and merchandise budget.

Notes

In the large retail store, we find a dizzying array of goods to clothe our bodies, decorate our homes and entertain our families. All of this merchandise comes in a variety of sizes, colours, makes and models. Bringing it all together requires the successful coordination of numerous individuals and divisions, including buyers, warehouse employees, financial staff, store operations, etc.

Yet, merchandising takes top priority. It doesn't matter how efficiently the other departments are operating. If merchandising is not firing on all cylinders, the company merchandising is not firing on all cylinders, the company cannot succeed.

In this unit, we will focus on concept of merchandise presentation, principles of merchandise presentation and categories in merchandise presentation.

9.1 Concept of Merchandise Presentation

Merchandise presentation is the basic ways to present merchandise in an orderly, undesirable, easy to shop and find the product format. Merchandise refers to the goods bought and sold in business. Merchandising refers to the activities aimed at quick retail sale of goods using bundling, display techniques, free samples, on-the-spot demonstration, pricing, shelf talkers, special offers, and other point-of-sale methods. According to American Marketing Association, merchandising encompasses "planning involved in marketing the right merchandise or service at the right place, at the right time, in the right quantities, and at the right price."

Did u know? Merchandise Presentation is the science of arranging merchandise in order to enhance the viewer's perception and create a sense of added value.

Organisations adopt an intelligent approach to fixture placement and merchandise presentation that will effectively help move your merchandise off the shelves and provide a greater level of customer service.

Methods of merchandise presentation include:

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

Psychological factors to be considers when merchandising stores: Value/Fashion image, Angles and Sightlines and Vertical colour blocking.

Caution View the merchandise presentation from a customer's perspective. This can be difficult, because of the hard work that one puts into creating the presentation.

Consider a few points:

- Do the merchandise groupings make sense? Are the products related?
- Does the presentation enable you to view each item? Do you know exactly what each presentation is offering? Does each set include product details?
- Are the merchandise presentations attractive, logical, and themed?

Notes

Caselet

A Day in the Life of…

Joel is the team leader for the bedding and soft furnishings department of Middleton's department stores. In order to achieve the sales targets, Joel ensures that all products are merchandised in line with the store policy.

The first part of Joel's day is identifying the products to be advertised or promoted and communicating with his team to inform them of the display standards and pricing policies. Joel coordinates his team to ensure that they arrange, present and label the merchandise according to the store requirements, within the require time frames.

Joel develops most of the merchandise plans herself and undertakes an evaluation of the merchandising and promotional activities, to determine their effectiveness.

Source: http://www.fir.edu.au/pdf/Training%20resources/Coordinate%20merchandise%20presentation%20-%20SIRXMER002A%20-%20Skills%20Text%20-%20%5BWeb%5D.pdf

Use the answers to each of the questions above to determine if your merchandise presentation is both logical and attractive. The presentation should grab your attention and hold it; it should make you want to know more about the products. How well did you do? Don't worry; you can always change your presentations. In fact, change is necessary as product inventory fluctuates, seasons change, and promotional events rotate. Change is great, because it keeps the customer excited about your products.

Notes **Coordination of Merchandise Presentation**

The coordination of merchandise presentation involves the team leader or manager applying their knowledge of store merchandising, pricing policies and standards to support frontline staff to ensure that they arrange, present and label or price merchandise according to the store's requirements.

The coordination of merchandise presentations could apply to:

- Regular stock arrangements within its normal location within the store
- Displays that are specific arrangements of examples of stock
- Specific promotions or events

In the coordination of merchandise presentation there are a number of factors to consider, including:

- Deconstructing and evaluating the display
- Constructing and maintaining the display
- Planning the merchandise presentation

Merchandise presentation includes developing an appropriate presentation of the merchandise, so the customer can see its most appealing features and benefits.

Notes

Aside from assisting customers to make a buying decision, a successful stock arrangement should also do as many as possible of the following functions:

- Publicise the business
- Promote the business's image
- Keep up with the relevant trends/fashions
- Attract attention
- Create desire
- Educate the public
- Show how to use the displayed product/service

Meeting Company Expectations

When considering the presentation of the merchandise, consider if there is a standard display appearance in the store, and between stores in a chain.

This is an important factor for companies that want their stores to look similar to each other. This can be useful for customers who shop at different branches of the same company as they can more easily locate merchandise in different stores. It can also assist with staff training and staff transfers between stores.

An organisation may have predetermined standards for merchandise presentation. These company standards are developed to ensure that stores meet predetermined benchmarks including:

- Professional presentation
- Safe and secure stock
- Allowing customers to logically find merchandise within any branch
- Profitable layout for maximum return
- Encouraging the preferred traffic flow through the store

It is part of the manager's role to ensure that all areas/departments in the store are meeting company requirements.

Self Assessment

Fill in the blanks:

1. ..... refers to the goods bought and sold in business.
2. ..... refers to the activities aimed at quick retail sale of goods using bundling, display techniques, free samples, on-the-spot demonstration, pricing, shelf talkers, special offers, and other point-of-sale methods.
3. Merchandise ..... is the science of arranging merchandise in order to enhance the viewer's perception and create a sense of added value.
4. It is better to view the merchandise presentation from a ..... perspective.
5. An organisations may have ..... standards for merchandise presentation.

Notes

9.2 Principles of Merchandise Presentation

Following are the basic principles of merchandise presentation.

9.2.1 Define Your Merchandise Policy

Every retail organisation must have a vision in order to provide it's buyers with some insight into the following business components:

- Demographics of current and potential customers
- Store's image
- Merchandise quality levels
- Price point policy
- Marketing approach
- Customer service levels
- Desired profit margins

This will allow you to develop a clear merchandise policy that outlines buying goals and objectives.

Task Visit different retail organisations and analyse different business components therein, prepare a comparative analysis report.

Communicating this policy effectively will not only provide direction, but should also drive all decision making throughout the merchandise planning process.

9.2.2 Gather Historical Information

In building your six month plan, the objective is to prepare a month-by-month total dollar-purchasing schedule for the company. Then, repeat this process for the next level of detail (i.e. the departmental level). Depending on the sophistication of company information systems, each department can then be broken down into smaller segment "classes", for which a similar sales plan is prepared.

The first step in preparing these plans is to pull the sales information for the same period last year. Not only should we gather actual sales numbers, but also statistics on returns, markdowns and any inventory carry-over. Unless your store is computerised, detail of this nature will not always be available. However, even a manual analysis of total merchandise purchases will provide you with an acceptable level of data, which is far better than having no information at all.

Caution Every retail organisation must have a vision in order to provide it's buyers with some insight.

Notes

9.2.3 Perform Qualitative Analysis

Most professionals will agree that the buying process is 90% analytical and 10% intuitive. In other words, you must do your homework to achieve any level of success. But your efforts will be rewarded. As the most critical aspect of a successful operation, buying/merchandise management is what retail is all about.

"Qualitative Analysis" refers to "identifying the proper components in a mixture". In this case, the mixture is the merchandise plan and the components that affect this plan are as follows:

- ***Customer profile analysis***
  - Who are our best customers, and what are their buying behaviours and attitudes?
  - Who do we want our customers to be?
  - Who are our secondary customers, and what should we be buying for them?

  Winning specialty store concepts focus on one "individual" and build their merchandise mix to please this specific shopper. Learn right away that you can't be everything to everybody.
- ***Department analysis:*** To effectively forecast sales and purchase the right product, you need a further breakdown of your store's major departments.

Example: A typical family shoe store may have the following departments: men's footwear, women's footwear, children's footwear and accessories. The men's department may be made up of the following subcategories or "classes": dress shoes, sport shoes, boots and slippers.

To plan at the "class" level, you need sales and inventory data at the "class" level.

- ***Key Department Trend:*** The professional buyer is always looking for trends in his market.

Example: What is happening in men's footwear? Maybe Western boots are growing in popularity, brown dress shoes have been declining for the last two seasons and black sport shoes are hot with the youth market. Do you always run out of large sizes in slippers weeks before Xmas?

Trend information is available from a number of sources, including trade publications, merchandise suppliers, the competition, other stores in the U.S. and Europe, and your own experience.

- ***Major Vendor Analysis:*** "Information is power." Even a minor analysis of the performance of your major vendors can identify significant buying issues.
- ***Advertising Review:*** Increased traffic flow often results in higher sales. To this end, advertising and promotions are used to improve traffic levels. The buying and advertising departments must work closely together to ensure the company's investments in this area result in strong performance.

  A promotional calendar outlining event dates, media buys and budgets should be developed and taken into consideration when the merchandise planning process takes place. Buyers may have to coordinate product deliveries with promotions, or vice versa. A successful promotion last year may be hard to equal this season, or, by contrast, a poor promotion may require a higher forecast for this season.

Notes

- ***Visual Presentation Analysis:*** People usually respond best to visual stimuli, so product presentation is a major driver of sales. For this reason, another segment of the buyer's seasonal written report describes their thoughts about visual merchandising for the products. This includes the following:
  - Are any special fixtures required?
  - Where the product should be displayed?
  - What type of signage is necessary?

Did u know? People usually respond best to visual stimuli, so product presentation is a major driver of sales.

Visual merchandisers work very closely with the buying departments in most chains. Information concerning delivery dates, promotions and product quantities may affect decisions about what to feature in store windows and key display areas. The "visual people" will also handle any special in-store signage that will accompany the product.

Self Assessment

State whether the following statements are true or false:

6. Most professionals will agree that the buying process is 10% analytical and 90% intuitive.
7. The most critical aspect of a successful operation, buying/merchandise management is what retail is all about.
8. "Qualitative Analysis" refers to "identifying the proper components in a mixture".
9. Information is power.
10. A promotional calendar outlining event dates, media buys and budgets should be developed and taken into consideration when the merchandise planning process takes place.

9.3 Categories in Merchandise Presentation

Basically categories of merchandise presentation includes like books of kids, fiction, classics and school books, etc. Merchandise displays are special presentations of a store's products or services to the buying public. The nature of these displays may range somewhat from industry to industry, but all merchandise displays are predicated on basic principles designed to increase product purchases. Indeed, merchandise displays are an integral element of the overall merchandising concept, which seeks to promote product sales by coordinating marketing, advertising, and sales strategies.

Many business consultants believe that small business owners are among the leaders in innovative merchandise display strategies.

Example: In many instances, smaller specialty chains are leading the way in store ambience supporting their overall marketing strategy in a broad range of categories from fashion through hardware and house wares and building supplies areas.

By their very nature, specialty stores depend on their fixturing to generate a differentiation or niche in the marketplace. And being physically smaller in some cases allows for faster response

Notes

to market trends and conditions. Successful retailers today are using their fixturing to productively dispense their merchandise and communicate an appropriate environment on the retail floor.

9.3.1 Basic Forms

Merchandise displays generally take one of several basic forms:

- ***Storefront Window Displays:*** These typically open on to a street or shopping mall walk or courtyard and are intended to attract passerby that might not otherwise enter the store.
- ***Showcase Displays:*** These typically feature items that (1) are deemed to be too valuable for display in storefront setups, or (2) are niche items of high interest to the business's primary clientele. These display centres are usually located in high traffic areas and typically feature multiple tiers for product display and a sliding door on the clerk's side for access.
- ***"Found-Space" Displays:*** This term refers to product presentations that utilise small but nonetheless usable areas of the store, such as the tops of product carousels or available wall space.

Figure 9.1: Found Space Display: T-shirts Displayed on the Wall

Source: bigapplejazz.com

Storefront window displays and "found space" displays are particularly popular tools for publicising and selling sale items.

9.3.2 Successful Merchandise Display

Trudy Ralston and Eric Foster, authors of *How to Display It*: A Practical Guide to Professional Merchandise Display, cited several key components of successful merchandise display that are particularly relevant for small business owners. First, displays should be economical, utilising only space, materials, and products that are already available. Second, displays should be versatile, able to "fit almost anywhere, exhibit almost any merchandise, and convey almost any message." Finally, displays have to be effective. The ideal display, said Ralston and Foster, "is readily visible to any passerby and [should be arranged so that] there is no time or space lag between when a potential buyer sees the design and when he or she can react to it. The ideal display also

Notes

shows the customer what the product actually looks like, not some flat and intangible picture of it. Few other forms of promotion can give such a vivid presentation of both the merchandise and character of a store."

The effectiveness of these cornerstones of merchandising display strategy can be increased by remembering several other tips as well, including the following:

- Allocate merchandise display space and expenditures appropriately in recognition of customer demographics. If the bulk of your business's customers are males between the ages of 20 and 40, the bulk of your displays should probably be shaped to catch their interest.
- Be careful of pursuing merchandise display designs that sacrifice effectiveness for the sake of originality.
- Make certain that the cleanliness and neatness of the display is maintained.
- Do not overcrowd a display. Customers tend to pass over messy, busy-looking displays. Instead, Ralston and Foster affirm that "a display should feature a single item or point of interest. Every primary article [in a display] must interact with every other so that they all come together as a group. If they don't, it will look as if there is not one design, but several.
- Combine products that are used together in displays. For example, pairing ski goggles with other outdoor apparel is apt to be more effective than placing it alone or with some other product that is only tangentially related to skiing.
- Small items should be displayed so that would-be customers can get a good look at them without having to solicit the help of a member of the staff.
- Pay attention to details when constructing and arranging display backgrounds. For example, Foster and Ralston counsel business owners to "avoid dark backgrounds when customers will be looking through a window, since this makes the glass behave as a giant mirror."
- Merchandise displays can sometimes be utilised to educate customers. A well-conceived display could, for example, illustrate a product use that may not have occurred to most customers. "In addition to selling actual merchandise, display can be used to introduce a new product, a fashion trend, and a new 'look' or idea," explained Martin Pegler in Visual Merchandising and Display. "Display can be used to educate the consumer concerning what the new item is, how it can be worn or used, and how it can be accessorised. The display may also supply pertinent information, the price, and other special features."

All of these considerations need to be weighed when putting together a merchandise display. But ultimately, the final barometer of a display's worthiness is its ability to sell products.

Self Assessment

Fill in the blanks:

11. ..... Displays open on to a street or shopping mall walk or courtyard and are intended to attract passerby that might not otherwise enter the store.
12. ..... Displays are usually located in high traffic areas and typically feature multiple tiers for product display and a sliding door on the clerk's side for access.
13. "....." Displays refers to product presentations that utilise small but nonetheless usable areas of the store, such as the tops of product carousels or available wall space.

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14. Merchandise displays can sometimes be utilised to ..... customers.

15. Do not ..... crowd a display.

9.4 Merchandise Presentation Techniques

There are essentially two ways of presenting merchandise in a store. The first is to place or stack a product on some kind of fixture; stacked merchandise can be neatly arranged or, as in the case of promotional items, it can be 'dumped'. The second way is to hang the product; either directly onto a hanger, or onto a prong, using some kind of specially designed packaging. Having decided on the type of presentation to be used, it may then be necessary to use a specific method of organising the product presentation in order to provide logic in the offering, or to enhance the visual appeal of merchandise. For example, clothes are often presented according to colour themes, and greetings cards are presented according to end use. Other techniques include grouping according to price, technical features and size.

Following are some of the well known techniques of merchandise presentation.

9.4.1 Fixturing

Fixturing is necessary to display merchandise to customers, whilst making best use of the retail space. Fixtures can be obtained from a shopfitting wholesaler, or they may be custom-built to tie into a specific retail design. The following fixtures are commonly found in retail stores: shelving, gondolas railings, four-ways, round fixtures, bins, baskets and tables. The type of fixturing used will depend on the product and its presentation method.

In order to create a consistent look within the outlet, it is sensible to choose fixturing that is coordinated in terms of the type of material and style. An array of different types of fixturing may provide flexibility, but it can make a store appear cluttered and untidy. It is generally the merchandise rather than the fixturing that should be noticed, although some fashion stores do use unique designs for fixtures that help to reinforce the retail brand image.

9.4.2 Displays

Presentation also applies to the type of display that could be used to promote the product. Various forms of display include:

- Window display
- Wall display
- Table display
- Showcase display
- Floor display
- Shelf display

Types of Display

As fixturing is generally concerned with the housing of merchandise in what is sometimes termed 'on-shelf' displays. This is the routine display of goods from which customers are expected to make their selection. 'Off-shelf' or feature displays are used to create a visual impact with the merchandise, or to show how the product might be used. They might also be used to introduce and promote new products or to support supplier promotions or trade initiatives (such as Fair Trade). As they are not intended to be used in the routine selling of the products they can be

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artistically arranged and situated in parts of the store that are not useful for selling purposes, such as high up on walls or within an alcove (although the closer to the selling stock the better, in order to encourage customers to respond to the display). Often, more than one product is used in an off-shelf display, for example to suggest complementary purchases or to show the depth of offer in a particular product category; mannequins are used for displaying complementary or coordinate clothing products in this way.

Lab Exercise Go to website http://www.fir.edu.au/pdf/Training%20resources/Coordinate%20merchandise%20presentation%20-%20SIRXMER002A%20-%20Skills%20Text%20-%20%5BWeb%5D.pdf and find out the differences between hot spots and dead spots.

Feature displays often follow a theme to add interest within the selling environment. Themes for displays include seasonal, colour and lifestyle orientations. Within the calendar year there are a number of seasonal opportunities over and above the general 'weather'-dictated seasons of Spring, Summer, Autumn/Fall and Winter; for example New Year (celebrations and resolutions), Valentine's Day, Mother's Day, Easter, Father's Day, Holidays, Back to School, Halloween and Christmas. Lifestyle themes can take an extensive variety of forms, and follow some kind of preference in terms of personal consumption or time expenditure. Lifestyle themes that retailers could use include sporting interest or participation, health interests, musical preference, home entertaining, hobbies, occupations, and so on.

Another type of off-shelf display is the promotional display. This is a technique frequently used in grocery stores and features a display comprising a large amount of stock of one item, often housed on a dedicated fixture. This type of display is often found at the end of the gondola (on 'end caps'), where the sheer volume of one product item catches the shopper's attention.

For many retailers, the most important display space is their windows, as they are the means by which customers are attracted into the store. The window communicates the type of product the retailer sells and is also used to indicate market positioning. Window displays can be open, where the customer can see behind the merchandise into the store, or the window may have a closed back which allows the retailer to create a more elaborate display. Destination stores like department stores often use closed window displays, but many retailers are of the opinion that the backed window can act as a barrier between customer and store, and therefore is less welcoming to customers. Diamond and Diamond (1999) suggest that effective displays follow one or more of the general principles of design, which are: balance, emphasis, proportion, rhythm and harmony.

Notes **Space Allocation**

The allocation of space to products within a retail outlet links the designed selling environment to the financial productivity of the retail space. Space management has to consider the long-term objectives concerning market positioning and customer loyalty, alongside short-term objectives concerning stock-turn, sales and profits. A retail outlet that looks beautifully spacious will not stay that way if there are not enough products selling to sustain the business, yet if the store is full to bursting with merchandise some customers may choose not to enter the foray. Retail space is costly and increasingly scarce and so whatever the visual merchandising strategy is, an adequate return must be made.

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The usual method for measuring retail performance is according to the amount of sales (or profits) generated by a given amount of space. Sales per square metre are a commonly used method of assessing the value of retail space, but linear and cubic measures can also be appropriate. Space planning needs to take account of not only the amount of space allocated, but also the quality of space; for example, the space nearest the front of the store and the till areas are usually the most productive. Certain practicalities also have to be taken into consideration, such as the size and weight of the merchandise.

Space-allocation decisions usually need to be made at various levels of merchandise classification, for example at departmental level, product category level and SKU (stock keeping unit) level. Retailers usually have some historical data that can act as guidance in the allocation of space, for example a similar store's performance, or historical department sales figures, but the need for the maximisation of financial objectives means that space planning and allocation is under constant review and refinement at individual store level. The allocation of space can be geared towards different objectives, for example achieving the highest sales turnover, maximising product profitability or maximising customer satisfaction, and a retailer may be faced with making trade-off decisions in order to achieve those objectives. Those products that generate the highest sales value may only achieve low profit margins, but concentrating on high-profit items may put unnecessary emphasis on products that are less of concern to customers, thereby decreasing their levels of satisfaction. The matrix suggests alternative space allocations according to whether a product has high profitability or high sales.

The complexity of space-allocation decisions has encouraged the use of computer-based systems as a retail management aid. Modern space-allocation systems are able to synthesise a plethora of quantitative and qualitative data such as product costs, sales forecasts, product sizes, complementary purchasing potential, fixturing details and so on. The output of these systems is a space-allocation plan or planogram that shows exactly how the products should be displayed on the fixturing, including the number of facings of each product that the customer should see.

Deconstructing and evaluating the display: The construction and monitoring of the merchandise presentation is not the final stage in coordinating the process. At some stage, the merchandise display will need to be finalised. This will be due to a number of factors, including:

- The end of a promotional event
- The end of a season
- Changing product demands
- The need for space for other merchandise presentations

When the merchandise presentation has been completed, there are two final tasks that are required to be completed. These are:

1. ***Dismantling the presentation:*** As with the construction of the display, when dismantling the presentation you need to consider:
    - *Communication:* Team members need to be aware of all requirements, including:
        - Location where all promotional items must be withdrawn for storage/re-merchandising
        - Location where all associated equipment is to be stored
        - Correct procedure for remarking of stock to post-sale prices to ensure compliance with store procedures

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- *Time management:* Consider any time constraints to dismantle the display or merchandised area.
- *Customer service:* Ensure that customer service levels are not affected during the dismantling, due to:
  - Disruption of traffic to other areas of the store
  - Staff being occupied with other tasks
- *Safety:* Stock and other items must be removed safely so there is minimal risk to staff and customer safety.

2. ***Evaluating the merchandise:*** Managers must be able to evaluate the success of merchandising and displays. While this evaluation includes the improvement to the decor of the store, it eventually involves deciding how the merchandising/display has contributed to sales and therefore profit.

   Businesses normally do this by considering a number of factors including:

   - Overall sales increases in a category/department that is a merchandising focus at that time.
   - Comparing the sales rate of an item when it is in a prime position or is part of a promotional display, as opposed to the same merchandise when it is located elsewhere in the store.
   - Comparing the sales rate of an item that is a display focus, as opposed to similar items that are not currently a merchandising focus.

The preparation for the evaluation of the merchandising presentation needs be conducted at the same time as the planning stage. This allows you to gather evidence and information to use for comparison after the merchandise presentation.

This evidence would include sales reports, turnover figures and profit statements.

Self Assessment

State whether the following statements are true or false:

16. There are essentially two ways of presenting merchandise in a store.
17. In order to create a consistent look within the outlet, it is sensible to choose fixturing that is coordinated in terms of the type of material and style.
18. An array of different types of fixturing may provide flexibility.
19. Off-shelf display is the promotional display which is used in grocery stores.
20. For many retailers, the most important display space is their windows.

Case Study

Merchandise Presentation for Agricultural Businesses

As consumers enter your retail outlet, walk down aisles and through various sections they will be seeking goods that meet their needs and wants. Many consumers may only walk through a portion of your retail space or may not notice all that

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you stock and sell. Though a majority of U.S. consumers are familiar with the uniform layout of goods sold in grocery stores and supermarkets, merchandise placement varies greatly among most smaller agricultural retailers. Concepts commonly used within the retail industry, including elements that draw attention to displays and categories of merchandise, increase the chance that consumers will shop more of the store and notice items they might not otherwise expect.

Transition Zone

Within a store there are many 'zones' to be aware of that are universal in retail design. After a consumer passes through the front doors of a retail outlet they enter a space called the 'transition' or 'decompression' zone. This area is the first 10 to 15 feet, or six to 10 feet in smaller stores, of the store. Here, consumers adjust to the interior environment by: removing coats or changing their eyeglasses, preparing children for the shopping trip, organizing lists, or grabbing carts. It is strongly suggested that merchandise is kept to a minimum within this area for two reasons:

- It is likely that the customer will not notice items placed here because their attention will be on making adjustments.
- Ample space is needed for consumer adjustments and goods placed here would be in the way or could get damaged.

Prime Selling Zone

Just past the transition zone is the prime selling zone, which is the first one-third of the retail space. The space on the right hand side of this zone should be used to display key items of interest and items that correspond to an upcoming holiday or non-holiday occasion.

Displays in this area should be changed frequently. A good rule to follow is that they should be changed at intervals that correspond with the frequency at which more loyal customers visit. For example, if loyal or frequent customers visit an average of every two to three weeks, displays should be changed based on this schedule. At a minimum, this area should be changed once a month. Most agricultural retailers offer some selection of edible and non-edible goods that correspond to holiday and non-holiday celebrations or events. As product is rotated, remove associated merchandise from this area and incorporate it in with goods displayed in the remainder of the retail outlet. Then introduce merchandise appropriate for the next holiday into this prime selling zone. Use of colour becomes even more important past the prime selling area. Accent colours, signage, and visual displays should be used to draw customers down aisles and encourage them to walk throughout the remainder of the sales floor.

Anchor Goods

Another strategy to encourage consumers to walk throughout the retail space is to identify the goods that attract the most consumer attention and are purchased frequently. These goods are referred to as 'anchor goods.' After anchor goods are identified, they should be dispersed throughout the retail outlet, just as milk and bread are placed in the back, corners, or sides of the grocery store. 'Anchor goods' may change throughout the seasons, so it is necessary to analyse sales and use this data to decide what six to 12 goods are 'anchor goods' and how to best place and manage them within the retail space.

Cross Merchandising

Often more than one item needs to be purchased to complete a garden or prepare a table for a celebration.

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Hence, if customers purchase all that is needed to create a final product in one location it provides one-stop shopping for the customer and increases sales for the retailer. One way to encourage customers to purchase all that is needed to recreate a display is to cross merchandise goods and place them together within one space.

For example, sales associates who work in a winery tasting room could encourage consumers to purchase picnic accessories. By placing a bottle of one of their more popular varieties on a prominent surface and surrounding it with a corkscrew, picnic basket and accessories, blanket, wine glasses, and insulated cooler for the wine bottle, the retailer has created a scene that requires much more than a bottle of wine. In some instances cross merchandising can occur between stores. For example, if a small specialty food store is designing a display to focus attention on food items and accessories appropriate for birthdays, weddings, or other occasions where a cake may be the centrepiece, it is quite possible that they would incorporate items from a local bakery. In addition to building a cross merchandising display, it would be appropriate to include a list of items needed to recreate the exhibit. In addition, include a list of items available from other local merchants and their contact information. Asking these retailers to do the same for your business can certainly help to increase your customer base and sales.

Importance of Height

There are some general rules when displaying goods in a retail outlet. Goods placed at eye level will garner more attention while goods placed below waist level will often be overlooked. Using benches, shelves, and other display materials is important so that items are moved from the floor to waist level or higher. Not only does moving items from the floor to a table top make the item more noticeable but this approach also prevents customers, especially those who might have physical limitations, from bending over to pick up items.

Similarly, goods placed too high can be an annoyance for consumers and a liability for the retailer should items fall. Though it is reasonable for retailers to use this space to store excess goods or to display products, it is necessary to have additional quantities nearby so that customers can see and select from them rather than reach above their head. If necessary, small signs can be placed around these elevated displays indicating where customers can find the items for purchase.

Merchandising Niche Goods

There may also be situations when retailers offer merchandise that are considered niche goods or are not normally stocked and sold in the outlet. There are several reasons that retailers might want to offer niche goods since they can increase retail sales per customer. As consumers make selections from traditional stock they may also find a need or want for items not normally included in the assortment. Niche goods can also encourage impulse purchase as consumers might not otherwise expect to find the item at a particular retailer and they either become intrigued with it or find that it complements another good they selected.

Examples of niche goods that agricultural retailers offer vary. In order to attract consumers on a frequent basis, florists and garden centres have sold goods that need to be replenished on a regular basis such as dog food and birding supplies.

Attention has been given to the brand offered with selection made based primarily on quality and brand recognition.

- Others have studied trends and offered coffee sold in their coffee bars and cafes.

Contd...

Notes

- Florists sell flowers and a niche good that could work within this primary product line could be chocolates with a floral theme, either the look of flowers or chocolates with a hint of a floral flavour.
- Retailers who primarily sell cheese might also consider offering cheese plates and knives, as well as napkins and other items that correspond to some extent to the primary product line.

In some instances it will be necessary to develop a vignette or place goods on furniture or fixtures that correspond with the use of the good. For example, garden centres or florists that sell specialty jams, jellies, or other unique items may want to plan a display area that looks like a kitchen. This display then helps convey the use of the product to those walking through the store. Specialty food stores may wish to design a display area that looks like a bath or spa to stock the lotions, bath gels, and related goods that they offer. If the retailer feels that niche goods are meeting resistance, they should provide opportunities for consumers to sample the good prior to the purchase.

Being Strategic

Providing shoppers with an area where they can sit and rest is necessary; however, do surround the seating area with goods for sale and make sure that these items are in easy view. If seating is traditionally sold in the retail outlet, be sure to use this as seating throughout the space. Some larger agricultural retailers may have a café on the premises, if so then the seating area should be decorated with accessories and merchandise sold in the store.

Conclusion

Though the Internet is becoming a resource for on-line shoppers, many consumers still prefer to purchase from an actual retail store. Certain consumer segments truly desire a retail experience that is much more than just a store with shelving and goods for sale. Elements and strategies described in this fact sheet should be considered, implemented, and resulting sales should be analysed. Minor changes may still need to be made in order to increase sales further. Keep the following in mind when considering additions or subtractions to your product line: If retailing is a play, then the outlet is the stage and goods stocked are the props. As with any production it is necessary to consider all elements and ensure that they correspond with the overall theme and are presented in the best way. The final effect should communicate to the audience, the customer, that the effort was well executed.

Question

1. What is the importance of presentation in visual merchandising?
2. Discuss the importance of height as referred in the case.

Source: http://www.agrisk.umn.edu/uploads/ARL04707.pdf

9.5 Summary

- Merchandise refers to the goods bought and sold in business.
- Merchandising refers to the activities aimed at quick retail sale of goods using bundling, display techniques, free samples, on-the-spot demonstration, pricing, shelf talkers, special offers, and other point-of-sale methods.
- Merchandise Presentation is the science of arranging merchandise in order to enhance the viewer's perception and create a sense of added value.

Notes

- Most professionals will agree that the buying process is 90% analytical and 10% intuitive.
- The most critical aspect of a successful operation, buying/merchandise management is what retail is all about.
- "Qualitative Analysis" refers to "identifying the proper components in a mixture."
- Information is power.
- "Found-Space" Displays refers to product presentations that utilise small but nonetheless usable areas of the store, such as the tops of product carousels or available wall space.
- Merchandise displays can sometimes be utilised to educate customers.
- An array of different types of fixturing may provide flexibility.

9.6 Keywords

"Found-Space" Display: "Found-Space" Display refers to product presentations that utilise small but nonetheless usable areas of the store, such as the tops of product carousels or available wall space.

Merchandise Presentation: Merchandise Presentation is the science of arranging merchandise in order to enhance the viewer's perception and create a sense of added value.

Merchandise: Merchandise refers to the goods bought and sold in business.

Merchandising: Merchandising refers to the activities aimed at quick retail sale of goods using bundling, display techniques, free samples, on-the-spot demonstration, pricing, shelf talkers, special offers, and other point-of-sale methods.

Off-shelf Display: Off-shelf display is the promotional display which is used in grocery stores.

Qualitative Analysis: Qualitative Analysis refers to "identifying the proper components in a mixture."

Showcase Displays: Showcase Displays are usually located in high traffic areas and typically feature multiple tiers for product display and a sliding door on the clerk's side for access.

Storefront Window Displays: Storefront Window Displays open on to a street or shopping mall walk or courtyard and are intended to attract passerby that might not otherwise enter the store.

9.7 Review Questions

1. Define the term merchandise.
2. What is merchandising aimed at?
3. Discuss merchandise presentation in detail.
4. Discuss the merchandise presentation from a customer's perspective.
5. "An organisation may have predetermined standards for merchandise presentation". Elucidate.
6. "Most professionals will agree that the buying process is 90% analytical and 10% intuitive". Justify the statement.
7. What is the most critical aspect of a successful operation, buying/merchandise management?
8. What is the benefit of having qualitative analysis?

Notes

9. How will you explain that Information is power?
10. What is a promotional calendar? What is its significance?
11. Differentiate amongst storefront window displays, showcase displays and "found-space" displays.
12. "Merchandise displays can sometimes be utilised to educate customers". Discuss.
13. Why it is advised not to overcrowd a display?
14. What are the two essential ways of presenting merchandise in a store?
15. How will you account for the statement that, for many retailers, the most important display space is their windows?

Answers: Self Assessment

1.	Merchandise	2.	Merchandising
3.	Presentation	4.	Customer's
5.	Predetermined	6.	False
7.	True	8.	True
9.	True	10.	True
11.	Storefront Window	12.	Showcase
13.	Found-Space	14.	Educate
15.	Over	16.	True
17.	True	18.	True
19.	True	20.	True

9.8 Further Readings

Books

Barry Berman & Joel R Evans (2006). *Retail Management*: *A Strategic Approach*. Pearson Education.

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Online links

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en.wikipedia.org/wiki/Visual_merchandising

www.managementstudyguide.com/visual-merchandising.htm

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Unit 10: Dominance Factor in Merchandise Presentation

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10.4 Cross Merchandising

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Objectives

After studying this unit, you will be able to:

- List the Dominance Factors in Merchandising Presentation
- Discuss the Colour as the Dominance Factor
- Describe Budget as Another Dominating Factor
- Explain the Three Aspects to Visual Merchandise Budgets
- Describe the Cross Merchandising

Introduction

In every composition, it is advisable that some element should be dominant. There should be some unit or object that by its colour, its size, or its position in the composition, attracts the eye first and possible directs the viewer to other parts of the composition.

The world of display has been expanded from a concentration on eye-catching windows to a concept of storewide visual merchandising that includes not only window and interior displays but how to present any and all merchandise for customer inspection, and create total, exciting environments. This includes the choice and use of functional and unusual lighting throughout the premises and signage and graphics that differentiate one part of the store from the others. Merchandise presentation must be creative as well as functional so that customers can make purchases easily.

Visual merchandisers perform their duties for many different types of retailers, with each requiring the same basic preparation for success. All retailers are confronted with the question of how to allocate dollars for their visual presentations. Included in their budgeting considerations are display fixturing, materials and props, and labour costs. Safety plays an important role in visual merchandising. Carelessness in installation could result in injuries to store employees as well as shoppers.

Notes

In this unit, we will learn about dominance factor in a merchandise presentation. We will also focus on cross merchandising.

10.1 Dominance Factor

When preparing a visual merchandising layout, it is desirable that the visual merchandiser give emphasis to some special aspect of the product. It can be the colour, the coordinates, the brand name, the size, the price, and end use. This emphasis is known as the "dominance factor".

Did u know? In most displays, the dominant element is the merchandise.

While judging the visual merchandising plan of a product category, a visual merchandising needs to decide those aspects that need to be emphasised. In merchandise presentation, the dominance can be due to either of the following factors:

1. ***Dominance by Colour:*** Colour dominance is the simplest, the most direct, and usually the most effective way to visually present products. Effective visual merchandising means first and foremost the folding, stacking, and hanging products by colour. Colour takes precedence over style and size.

Notes **Colour and Light**

Colour means little unless it is considered in relation to the type of light in which the colour is seen. It is light that makes things visible. All colours depend on light. There is natural daylight and artificial light, which can be incandescent, fluorescent, or High-Intensity Discharge (HID) lighting. It is not quite that simple, however. These three broad classifications of artificial light are further subdivided. There are many different types of fluorescent lamp tubes available, ranging from a warm white deluxe that attempts to create an "incandescent" effect, to the cool, bluish "daylight" quality usually associated with fluorescent lighting. HID lamps are being improved daily and now even approach the warm end of the coloured light scale. Incandescent lamps (i.e., bulbs) are warm and glowing, but placing filters or gel sleeves over them can change the colour and quality of the light.

Let us, therefore, consider the colour of light, the effect of light on pigment colour, and how light can affect the merchandise and the area that surrounds the merchandise. Visible light is actually composed of the whole spectrum of colours, from violet to red. Imagine a beam of light passing through a glass prism or reflecting in a pool of water or oil, and you will see that spectrum broken up into a rainbow of colours—from violet, through the blues and greens, to the yellows and oranges, and finally, red. All light is caused by waves of radiant energy that vary in length. The shortest wavelength of the visible spectrum is violet light; then comes blue light, green light, and so on; and at the other end of the spectrum, with the longest wavelength, is red light. All these wavelengths—the entire spectrum—combine to form visible, or white, light, which is the light we see. Ultraviolet light, X-rays, and gamma rays have shorter wavelengths than we can see. Infrared and radio waves are too long for us to perceive. For the purpose of understanding light and colour in display and store planning, this discussion will be limited to the colours that appear in the visible spectrum. We will find that some light sources reflect the shorter

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wavelengths and emit cooler, or bluer, light, whereas others have a warmer light and favour the longer wavelengths.

To comprehend the relationship between colour and light and why an object is perceived by an observer as a particular colour, it is important to understand that light is capable of being reflected and absorbed. The colour of an object is seen as a result of the object's selective absorption of light rays. Thus, if an object is blue, for example, this means that it absorbs all the wavelengths of light except those of blue light, which are reflected back to the observer.

The same occurs with other colours, but with a different wavelength being reflected. If the object is pure white, the full visible spectrum of light is being reflected back in approximately equal quantities. If it is pure black, then all colours in the spectrum are being absorbed by the object.

Light bounces from one surface to another, and in this movement it is capable of throwing off new colours. For example, a wall or panel is painted pink. A wedgewood- blue carpet is installed. If warm, incandescent lights are used, the carpet may turn slightly lavender from the warm pink reflection cast by the walls. The incandescent light may also play up any reds that are in the warm blue carpet. (A warm blue has some purple in it, i.e., red and blue. Incandescent light reflects most in the red end of the spectrum.) If a daylight fluorescent light were switched on instead, the blue of the carpet might seem more sparkling and cool, and the walls would take on the lavender tone. The overall light will affect the colour of the walls, the floor, and the ceiling, and bouncing around as it does, most of all it will affect the colour of the merchandise.

2. ***Dominance by Coordination:*** Merchandise can also be presented with the emphasis on coordination. It is always effective to coordinate merchandise. The shopper sees how pieces can be matched/mixed — coordinated to go outfits to create a wardrobe of alternative outfits. Instead of a single colour being dominant, it can be a team/group of colours/patterns/prints plus solids that are organised for easy shopping.

3. ***Dominance by Brand Name:*** In vendor shops, the manufacturers often provide not only the fixtures and the promotional graphics but the visual merchandise and display directives as well. Brand-name products are visually presented to help promote and sell the name, product line, and the compatible accessories.

4. ***Dominance by Size:*** In some stores, especially speciality stores, the size is the determining factor when a purchase is planned. This is especially so in the larger-size women's wear, the "big and tall" men's shops and of course children's shops.

5. ***Dominance by Price:*** If this translates into inexpensive, bargain, or sale merchandise where the discounted/slashed price is the first and foremost then maybe this is the time to turn the area into a bazaar/open market place. Let the volume of the product and savings is dominant.

6. ***Dominance by End Use:*** This kind of merchandising is very much like dominance by coordination, but here the term is mainly applied to white goods and hard goods. You should show and stock items that go together or complement each other but are not clothing items.

Self Assessment

Fill in the blanks:

1. The world of display has been expanded from a concentration on ..... windows to a concept of storewide.

Notes

2. Visual merchandising includes not only window and interior displays but also, how to present any and all merchandise for customer inspection, and create total, ... environments.
3. Merchandise presentation must be creative as well as ..... so that customers can make purchases easily.
4. When preparing a visual merchandising layout, it is desirable that the visual merchandiser give emphasis to some special aspect of the product. It can be the colour, the coordinates, the brand name, the size, the price, and end use. This emphasis is known as the .....
5. It is always ..... to coordinate merchandise.

10.2 Budgeting

Retailers of all sizes must grapple with how much of the budget to allocate for their visual merchandising. No matter how much is earmarked to accomplish the store's goals, it never seems to be enough. Budgets are established in many ways, with the major department store organisations using the most structured formats. The small, independent merchant, on the other hand, tends to be less disciplined about budgeting, particularly where visual presentations are concerned. This may be because the staff does not include visual professionals who can lobby for reasonable allocations or because these merchants view visual merchandising as something to be achieved with whatever resources are left over after stock purchasing, human resource costs, and advertising. Generally, there are three aspects to visual merchandise budgets, no matter how large or small the organisation: display fixturing, materials and props and labour costs.

Display Fixturing: Equipment of a more permanent nature, such as stands, platforms, pedestals, merchandise forms, and mannequins, is generally used for a long time. Except for the major department stores where specialised forms and mannequins are set aside for specific purposes (such as the mechanical ones often used at Christmas time), this type of equipment is generally used for all presentations. Since the materials from which these forms are made are long-lasting, expenditures for this classification of display pieces are made infrequently, perhaps once a year or less often. Repairs to such equipment, such as mannequin restoration, often come out of a contingency budget. More and more retailers are setting their sights on less costly mannequins, such as unisex types made of wire or other materials that can be used for many purposes. Creative visual merchandisers are even producing their own mannequin substitutes to feature merchandise. These forms are often very exciting and can be made inexpensively. Using a variety of basic materials, the trimmer comes up with forms that serve the retailer's purposes.

Materials and Props: The settings that we see in store windows or inside stores that set the scene for a display are changed frequently. Sometimes these backgrounds are painted or adapted for repeated use, saving the retailer a great deal of expense. For specific seasons such as Christmas, when glittery fabrics, imaginative mechanical devices, and other materials indicate a specific setting, it is difficult to use the same fabrics that worked well the rest of the year. The transformation of a store at this holiday period is costly. However, because it is a time when most retailers generate a major portion of their annual sales, budget cuts are not usually made at this time. The majority of retailers over-expend themselves at this time of the year and, if necessary, cut back on the moneys used for visual presentations for the remainder of the year. By borrowing props such as chairs, ladders, bicycles, and musical instruments from other businesses or from their own merchandise departments, retailers can stretch budgets. It is the creative visual merchandiser who can develop effective presentations when costs have been greatly reduced.

Notes

Labour Costs: A look at any major store's organisational chart for the visual merchandising department indicates that a significant amount is spent on the staff who create, construct, and install the store's visual presentations. In special situations such as storewide promotions, the labour cost is further increased by overtime pay for the staff and by hiring temporary employees to complete the project. In small stores where freelancers are generally used, expenses increase when higher prices are charged by the freelancers.

Caselet

Budget as a Dominance Factor

Faced with imminent human resources cuts in just about every division and reductions in budgeted expenditures for materials and supplies for the forthcoming year, the divisional managers at P.J. Marin, a Midwestern department store, are preparing their recommendations for the new budget. The company had been a dominant force in retailing but has fallen on hard times. The board of directors has instructed management to cut expenses until profits improve. The company's visual merchandising manager believes that the way to become more profitable is through promotion, with visual merchandising playing a key role. Mr. McCarthy, who heads visuals, has tried to convince management of the dangers of curtailing his budget at this time, saying that an increase would be in order to help alleviate the problem. Though he advocated a visual plan that would require an increase in spending, or at least remain at the current budgetary level, the powers at the top still directed a cut.

The budget for the visual area is divided into three parts: display fixturing, materials and props, and labour. It was suggested by the assistant visual manager that several trimmers be terminated and department managers be responsible for making interior changes. Another suggestion was to reuse last year's materials and props. Still another suggestion was to cancel the order for action mannequins earmarked for the active sportswear department.

The time has arrived when Mr. McCarthy must deliver a revised budget that not only will reflect dollar reductions but will still make P.J. Marin a force in visual presentation.

Source: http://wps.pearsoncustom.com/wps/media/objects/7617/7800692/MCH140_Ch01.pdf

Many chains have reduced their labour costs by turning to a variety of graphics instead of the traditionally used displays. In order to cut labour costs, some small retailers create their own displays or at least make some changes in merchandise presentation themselves between freelancer visits. By using seasonless props that are easy to change, retailers can reduce the labour cost of trimming. Although the expense for visual presentations may be considerable, most retailers agree that the visual impression is very important in attracting shoppers and that any investment in creative display pays off in the end-of-the-year bottom line.

Lab Exercise Professionals in visual merchandising most often use the website www.visualstore.com when they are researching a problem related to visual presentation and store design. Being a visual merchandiser, log on to this website and choose from the many areas of information, such as the retail designer list, associations, and VM, SD magazine, to determine what they provide in the way of current information to the professional in the field. Once you have chosen a particular area of interest, write a paper summarising what you have learned about it.

Self Assessment

Notes

State whether the following statements are true or false:

6. Retailers of all sizes must grapple with how much of the budget to allocate for their visual merchandising.
7. Budgets are established in many ways, with the major department store organisations using the most structured formats.
8. The small, independent merchant tends to be less disciplined about budgeting, particularly where visual presentations are concerned.
9. Many chains have hike up their labour costs by turning to a variety of graphics instead of the traditionally used displays.
10. In order to cut labour costs, some small retailers create their own displays or at least make some changes in merchandise presentation themselves between freelancer visits.

10.3 Safety Factors

Visual merchandise design is based on such elements as lighting, merchandise selection, and the principles of display employed to ensure success. In executing designs, the installers must always make certain that the presentations are safely produced.

Caution Most retailers are reluctant to discuss careless display work that resulted in injuries and lawsuits.

An electrical wire that extends past the interior display area, an overhead sign that falls, or an unsecured mannequin that topples when a customer touches it are typical of the safety problems associated with display.

Safety is an important consideration on the job, for the well-being of the visual merchandising staff as well as the customers. The potential exists for someone to be burned by hot lights, shocked by faulty electrical equipment, or tripped by poorly placed wires. In order to prevent these accidents, the following precautions should be taken when working on an installation:

- When signs or graphics are suspended from the ceiling, a sufficient amount of space must be left for shoppers to walk under them. The signs must also be out of the shoppers' reach.
- Ceiling grills or grids should be used to suspend items. The use of screw eyes directly in a ceiling might not guarantee good support. If there is any doubt about the holding ability of screws, toggle bolts should be used for plaster or plasterboard ceilings.
- All parts of a mannequin should be secured, with special attention to the base plate and rod that attaches to the buttock or ankle. The support rods should be tightened to prevent toppling. Even when mannequins are used in enclosed windows and out of the reach of shoppers, automobile and pedestrian traffic could cause them to tip over. If base plates are not used, the mannequin should be wired to the floor by a process called striking a mannequin.
- Heavy-duty nails or screws should be used to secure merchandise or props to walls. The use of pins should be avoided when long-term support is needed.
- Three-dimensional letters should be attached with bonding materials such as hot glue, double-face foam tape, or headless nails called brads. Vibration or heat from light fixtures could cause letters to fall if they are not well attached.

Notes

- Lighting fixtures should be placed out of the customers' reach. Unprotected floor spotlights should not be used in interior installations where someone could get burned by touching one.
- Extreme caution should be exercised when using hot glue guns, spray paint, or any other tool that could cause damage or injury.
- Electrical wiring should be examined regularly to make certain there is no damaged wire that could start a fire. Suspending wire that is strong enough for its task should be used. Although nylon filament and number 30 (invisible) wires are common choices, they do have limitations. The supports should be tested before the display is completed.

Task Put together a portfolio of work for use in securing a visual merchandising position. Make certain that all samples of your work (photos of displays, lettering, layouts, etc.) are carefully mounted on presentation board or in a binder.

Self Assessment

Fill in the blanks:

11. Safety is an important consideration on the job, for the ..... of the visual merchandising staff as well as the customers.
12. The potential ..... for someone to be burned by hot lights, shocked by faulty electrical equipment, or tripped by poorly placed wires.
13. In order to prevent various accidents, the sufficient ..... should be taken when working on an installation.
14. When signs or graphics are ..... from the ceiling, a sufficient amount of space must be left for shoppers to walk under them.
15. If there is any doubt about the holding ability of screws, then ..... bolts should be used for plaster or plasterboard ceilings.

10.4 Cross Merchandising

Each retailer wants to boost his sales. The increase in sales can be either through the main line of products which he is stocking or complimentary goods which may arouse interest in the customer. Maintaining stocks of complimentary goods along the main line is known as Cross Merchandising.

In today's era, where every retailer is trying to increase the footfalls in his outlet it is very essential that he adopts the cross merchandising in strategic manner. It makes it relatively easy for the retailer to convince the customer with a wider range of same utility products for the ultimate purchase.

Cross merchandising is simply grouping related products together. There are a few methods that can be used to accomplish this technique in an online setting. Let's take a look at the possibilities.

- Create gift baskets or sets that include multiple related items, such as a skincare basket with a moisturiser, cleanser, toner, and an eye cream. Maybe you sell books. You can create a Reader's Dream set that includes a few bestsellers, a bookmark, and any other related items in your inventory selection. A Writer's Dream set could include a hardbound

Notes

journal, notebooks for everyday use, stationery with matching envelopes, a selection of note cards, and a nice pen. Whether you sell DVDs, game consoles, fragrances, lingerie, or toys, you can build gift baskets or sets. Customers love sets like these for the holidays. It saves them time and money, because they don't have to shop around for ideas or each piece to make a set. You did the work for them. Dress packages up nicely for the holidays and watch them fly out the door!

- Group similar items on the same web page. A customer who plans to purchase a game console would be a prime candidate for buying games as well. This approach is similar to the gift basket idea, yet products are sold individually. Present related products near each other to suggestive sell additional merchandise. A build your own set or deal works wonders to increase sales by discounting the sale for each additional item purchased in the same transaction.
- Another popular method used by many stores, such as Victoria Secret, offers a related product once an item has been added to the customer's cart.

Example: When a customer adds a pair of pyjamas to their cart, an offer for matching slippers appears – either on the shopping cart page or through a pop-up.

Nowadays, many Internet users block pop-ups, so an ad placed on the actual web page may be a better option.

Notes **Careers in Visual Merchandising**

Whether you will be employed by a major department store, starting as an apprentice and rising through the ranks, work for a chain to trim the windows of several units, or go into business as a freelancer, a career in visual merchandising will require particular skills and abilities. Some people have a natural colour sense; others might be sufficiently talented to construct backgrounds that generate excitement. The challenge is to develop both what comes naturally and what can be learned from books and experience.

In order to prepare for a career in visual merchandising, several practical courses are beneficial. Courses in colour, design, lighting, lettering, photography, advertising layout, prop construction, and general display techniques can give the prospective visual merchandiser the background necessary for success. Schools, colleges, and technical institutes across the country offer such courses either in degree programs or on a course-by-course basis.

Once the preliminary tasks have been mastered, you should prepare a resume. It should be about one page in length and should briefly describe professional training, educational accomplishments, and related experiences. A good resume is always needed to compete with all of the others that companies receive from candidates.

An appropriate cover letter should accompany the resume, outlining your interest in the position you are seeking. In addition to the resume, you should develop a portfolio of your visual merchandising projects. It should include samples of any work created either in class or on the job.

Once a prospective employer shows interest by granting you an interview, it is important to appear with a prepared portfolio of work and to present a professional and enthusiastic manner. Proper attention to the details of a job search will ultimately match you with a suitable employer. Once you are hired, an exciting world filled with opportunity awaits you.

Notes

Cross merchandising is a viable merchandising solution for e-commerce stores. Choose a method that is suited to your unique situation. Grouping merchandise is similar to suggestive selling without the verbal aspect. Customers tend to spend more money when cross merchandise presentation strategies are used.

Figure 10.1: Cross Merchandising in a Retail Store

Source: flickr.com

Self Assessment

State whether the following statements are true or false:

16. Some retailer do not wants to boost their sales.
17. The increase in sales can be either through the main line of products which he is stocking or complimentary goods which may arouse interest in the customer.
18. Maintaining stocks of complimentary goods along the main line is known as Cross Merchandising.
19. In today's era where every retailer is trying to increase the footfalls in his outlet it is very essential that he adopts the cross merchandising in strategic manner.
20. It makes it relatively easy for the retailer to convince the customer with a wider range of same utility products for the ultimate purchase.

Notes

Case Study

The Know–It–All

Some months ago one of the Show Window's agents called upon a prominent firm in an eastern city to solicit their subscription, and was sent to their window trimmer. That gentleman said to our agent:

"Why should I take your magazine? I have been trimming windows twenty years, and I know all about my business. Your magazine can't teach me anything. Show me a magazine that's been published over twenty years and I'll subscribe for it, for I might get a pointer. But I suppose I could teach you fellows more in a day about window dressing than you ever knew."

Our agent caught his breath, leaned against a post, and remarked mildly: "You can see by our pictures what other people are doing in other cities." That doesn't amount to anything. They can't show me anything I don't know.

"But," said the agent, in despair, "you could see how much better your own work is than everyone else's. Every number would pat you on the back, so to speak." The trimmer for a moment wavered. Then he said decidedly: "I know I'm good, and that's enough. I don't care to see how bad the other fellow is."

Going out, our solicitor met the head of the firm and got a subscription. "I want to see," said the merchant, "whether my man is keeping up with the profession." This was three months ago. The other day this merchant wrote us, saying: "I'm looking for a modern, up-to-date window trimmer. I find my man is one of the old timers, who knows it all and can't learn anything new. So see if you can find me a man who is learning all the while, and can keep my windows in line with the times."

Well, that's the whole story; but it points to its own moral. Window trimming is never learned. There is always something new being brought out, some advanced plan or arrangement and construction produced, and these improvements are not the result of one man's study, but the conception of innumerable heads, all working in the same direction. The man who thinks he knows it all is a self confessed failure. It is the wise man who posts himself thoroughly on all that is going on in his line, and strives to keep abreast of the current. Thoughtful men, able men, men of genius and artistic discernment are constantly studying to make window trimming more effective, and old methods are swamped every month in the flood of new ideas that are given to the world. There are some simple technical details, which are always useful, and which every man should know. But it takes more than knowledge of puffing and pleating and draping to make a window trimmer.

One of the most successful men in the profession recently told me that he thinks of his windows night and day, eats with them in his mind, sleeps with panoramas of windows running through his dreams, and plans new ideas while he is at work trimming a window he has previously thought out. He studies every window illustrated therein adopts every good idea he finds, and endeavours to improve upon others. Nothing pertaining to window trimming is so insignificant as to be disregarded by the man who aims at excellence. Hard work, constant thought, and, above all, a willingness to learn what you don't know is the price of success. But do not let this discourage you—the same requirements apply to every other trade or occupation.

Contd...

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Questions

1. Analyse the case and interpret it.
2. What do you infer from the given discussion?
3. Write down the case facts.

Source: L. Frank Baum, Editor Show Window Magazine Editorial, 1899. Copyright © Visual Merchandising & Store Design Magazine. Courtesy of www.visualstore.com http://www.visualstore.com

10.5 Summary

- Visual merchandisers perform their duties for many different types of retailers, with each requiring the same basic preparation for success.
- All retailers are confronted with the question of how to allocate dollars for their visual presentations. Included in their budgeting considerations are display fixturing, materials and props, and labour costs.
- Safety plays an important role in visual merchandising.
- Carelessness in installation could result in injuries to store employees as well as shoppers.
- When preparing a visual merchandising layout, it is desirable that the visual merchandiser give emphasis to some special aspect of the product.
- It can be the colour, the coordinates, the brand name, the size, the price, and end use. This emphasis is known as the "dominance factor".
- Safety is an important consideration on the job, for the well-being of the visual merchandising staff as well as the customers.
- The potential exists for someone to be burned by hot lights, shocked by faulty electrical equipment, or tripped by poorly placed wires.
- In order to prevent these accidents, the following precautions should be taken when working on an installation.
- Cross merchandising is simply grouping related products together. There are a few methods that can be used to accomplish this technique in an online setting.

10.6 Keywords

Colour Dominance: Colour dominance is the simplest, the most direct, and usually the most effective way to visually present products.

Colour: It is the light that makes things visible.

Cross Merchandising: Cross merchandising is simply grouping related products together.

Dominance Factor: Visual merchandiser gives emphasis to some special aspect of the product. This emphasis is known as the "dominance factor".

Effective Visual Merchandising: Effective visual merchandising means first and foremost the folding, stacking, and hanging products by colour.

Visible Light: Visible light is actually composed of the whole spectrum of colours, from violet to red.

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Visual Merchandise Design: Visual merchandise design is based on such elements as lighting, merchandise selection, and the principles of display employed to ensure success.

Visual Merchandising: Visual merchandising is the activity and profession of developing the floor plans and three-dimensional displays in order to maximise sales.

10.7 Review Questions

1. What is dominance means?
2. Define the term dominance factor.
3. List various types of dominance factors in merchandise presentation.
4. How colour is an influencing dominating factor?
5. Write short notes on:
   (a) Dominance by Coordination
   (b) Dominance by Brand Name
6. What is the role of budget in merchandising presentation?
7. What are the essentials of budget in a merchandising presentation?
8. In what way can a store that utilises mannequins reduce its outlay for such forms while still capturing the shopper's attention?
9. Write short notes on:
   (a) Dominance by Size
   (b) Dominance by Price
   (c) Dominance by End Use
10. By what means can a visual merchandiser cut costs for materials and props?
11. Why must the visual merchandiser pay strict attention to safety when creating presentations?
12. What are some of the safety points that should be considered when planning and installing a display?
13. What types of knowledge must the visual merchandiser possess in order to develop a career?
14. Discuss the concept of light and colour.
15. What is cross merchandising? Discuss in detail.

Answers: Self Assessment

1.	Eye-catching	2.	Exciting
3.	Functional	4.	Dominance factor
5.	Effective	6.	True
7.	True	8.	True
9.	False	10.	True

Notes

11.	Well-being	12.	Exists
13.	Precautions	14.	Suspended
15.	Suspended	16.	False
17.	True	18.	True
19.	True	20.	True

10.8 Further Readings

Books

Barry Berman & Joel R Evans (2006). *Retail Management*: *A Strategic Approach.* Pearson Education.

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Unit 11: Window Displays

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Objectives

After studying this unit, you will be able to:

- Explain Meaning and Scope of Window Display
- Evaluate Window Display vis-à-vis Merchandise
- Discuss the Types of Setting
- Explain the Promotional Display vs Institutional Display
- Describe the Window Display—Construction

Introduction

Window display is emerging as the new mantra in retail and is fast changing from a dull, uninteresting exhibition of wares in the store window to a dynamic form of advertising. Retailers are recognising the importance of window display as the first point of contact between the store and the customer and a chance to create the most critical first impression on the customer. Developed countries look at window display as a critical tool of marketing; however, in India, it is still an emerging concept.

A display window is a window in a shop displaying items for sale or otherwise designed to attract customers to the store. Usually, the term refers to larger windows in the front façade of the shop. Display windows at boutiques usually have dressed-up mannequins in them.

Putting a window display of merchandise in a store's window is called "window dressing", which is also used to describe the items displayed themselves. As a figure of speech, "window

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dressing" means something done to make a better impression, and sometimes implies something dishonest or deceptive.

Window displays can communicate style, content, and price. Display windows may also be used to advertise seasonal sales or inform passersby of other current promotions.

In this unit, we will study meaning and scope of window display, window display vis-à-vis merchandise. Further, we will focus on types of setting, promotional display vs. institutional display and window display—construction.

11.1 Window Display—Meaning and Scope

Window display is the fine art of displaying store merchandise in the store window. Window display are the information link to the potential customers there are less than 11 seconds for the window to attract customers so display needs to be really very attractive, customers get bored looking at the same display over and over so it should be changed more often good themes should be added, display should be in harmony of the surroundings considering the whole.

Special emphasis should be placed on a store's window displays because they are the information link to the potential customer. Window displays can be as important, if not more important, than advertising as many as one in every four sales could be the result of a good window display.

Window displays should attract attention, create interest and invite people into the store to purchase goods. There is less than 11 seconds to accomplish this, as that is the average amount of time an individual will spend looking at a window display. Be careful not to crowd too much merchandise into a window, as customers find it difficult to determine the message and what items are being promoted.

Shoppers also lose interest when the same window display is left up too long. It is especially important to frequently change window displays in small towns where customers pass by several times a week. New displays indicate that new, up-to-date merchandise is available. In malls and larger towns, customers pass by less frequently.

Properly lighted window displays can help sell specific products or ideas that promote a store's image. Window lights should be strong enough to overcome the reflections from outside objects, such as parked cars and buildings. At night, additional lights on overhead marquees and projecting cornices can make the window area look larger.

Closed-back windows require a high level of general illumination. Massed window displays are often lighted with overhead fluorescents which are supplemented by closely spaced clear incandescent lamps. Use miniature portable spotlights to accent small display areas, price cards and specific items in a massed display. Compact footlights help relieve shadows near the bottom of vertical displays.

Window displays are more successful when a dominate theme is carried throughout the display, regardless of whether the featured products are fashion-oriented, institutional or promotional in nature. Suggested window treatments that have proven successful include:

- A single object against seamless paper.
- Merchandise displayed as it would be utilised in a realistic setting.
- A theatrical setting using fantasy and drama.
- Straight merchandise glamorised with props.
- Animation, such as in holiday windows that draws crowds of shoppers.

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- The use of sculpture, paintings or art objects for a touch of class.
- Media tie-ins, with current area activities, films, stars or best selling books.

Window displays should be in harmony with the entire surroundings; a *whole* is being created rather than a fragment. When planning a window display consider the building facade, street, people and their perceptions, color harmony, lighting and viewing angle.

Store window displays attract the attention of passersby. The design of display windows plays a major role in organising the display in the store. They are of two types:

1. ***Exclusive Windows:*** Windows are exclusive when they have an absolutely closed backdrop. The store windows following the theme and seasonal motif.
2. ***Open Windows:*** Open window do not have any backdrop, and the passing customer can see the interior of the store through the displays. This is often done in large stores, especially those that sell apparel and related accessories. A wide façade with a glazed frontage automatically serves as an open window to entice eyeballs.

Half of all decisions to buy are made when the consumer is out shopping. When people are looking in your window there is, therefore, a massive opportunity to influence whether they purchase from you or from someone else. When you get them to enter, that's where the fun starts – using the power of displays, signage, movement, interactivity, lighting and colour you can really increase your sales.

Did u know? Live Displays are Live models are used sometimes for product displays at the entrance of the store. They may also demonstrate the use of products. Children dressed as cartoon characters to attract kids example where live characters are used.

11.1.1 Importance of Window Display

Window display is more than just a display of wares. It is a unique form of advertising. As stated earlier, it is the first contact point between the store and the customer. It defines the store and gives an idea of what the store is all about to the customer. It determines whether the customer will walk into the store or walk away from it. It is an effective tool to use when the image of the store needs to be changed. Window display can be used as a means to portray seasonal merchandise. Window display can convey what age group or income group of customers the store caters to.

With the rising level of economic growth in the country, the level of disposable income of the customers is rising. This has, in turn, led to tough competition among the retailers. In this cut-throat competition, those retailers win who are able to attract and sustain the attention of the customers. Unique and effective window displays play an important role in this regard. It is essential for all kinds of stores in the modern times, ranging from the smallest to the largest.

Done properly, window display can attract more customers than a hoarding or a television advertisement. Moreover, it can attract the right kind of customers. In other words, window display acts as a filter. Only those customers enter the store who have a fair idea of what products it stocks and are interested in buying them. A lot of time and energy of the salesmen is saved as they need not concentrate on customers who might not be potential buyers.

Window display makes the decision making process of the customer rather simple. Based on the window display, the customer can easily decide whether he wants to enter the store or not. Hence, window display also helps the customer by preventing unnecessary consumption of energy and time. There is no substantive evidence to indicate that window display leads to an

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increase in sales. However, a number of cases have been noted wherein customers have undertaken impulse buying under the influence of attractive window display.

Creativity plays a very important role in window dressing, but at the same time, business acumen is also required in order to make it effective. The window display should be designed in a way that attracts customers, rather than looking like a piece of art. The window display designer should design the window in the best way possible within the budget fixed for the same by the retailer. Retailers in developed countries spend large amounts on window displays, but Indian retailers lag behind in this respect.

Notes **10 basics essentials for an effective display:**

1. ***Put your most sensible foot forward:*** Selecting what to display is a strategic decision. What do you have in stock? What's most popular? What will customers notice? Somehow the item you select to put on display must make sense for your business. The general formula is attract, interest and sell.

2. ***Focus attention:*** Show a customer one product and you're dealing with 100% of their attention. Show them two products and you've got only half as much attention on each. That's called splitting attention. And the more products you add, the worse the math. Some store owners violate this principle hoping that something in the window will catch the eye.

   In practice, however, the normal result is to catch nothing at all. So little attention is available for any given item, the average passerby sees nothing at all.

3. ***Mask distractive background:*** If viewing above and around the display is distractive, if it looks cluttered, use a backdrop of some sort to wall off distractions. Cover the background panel in fabric or display vinyl. This could be a large panel, or even fire-resistant seamless photography paper.

4. ***Keep it clean:*** A dirty or dusty window display lowers not only perceived value of the product, but also the integrity and control of store management. Using cleaning agent and water. Wipe edges with clean paper towels or newspapers.

5. ***Present the correct quantity:*** Generally speaking the less involved the customer is in the purchase of the item, the more you may want to display a volume of the items on display.

   For example, a potato does not require a lot of thought on the part of a buyer, whereas an expensive watch does. So display only one of the watch, but offer potatoes in a huge pile.

6. ***Elevate:*** Get your items off the ground. Never place items on the floor in a display. Make it special. Elevate.

   And if you have multiple items in the same window, put some items on different levels to break up the visual monotony and make it more interesting.

7. ***Cover surfaces:*** It makes a better impression when receiving a present in wrapped instead of unwrapped condition.

8. ***Accent with light and shadow:*** When you light something brilliantly and cast its surroundings in shadow, you force attention onto the lit item in a dramatic and

Contd...

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powerful way. The best practice is to use both light and shadow to make a display item "pop.

9. ***Use signage:*** The use of signage in a window display gives the chance to reinforce the purpose if tasteful and clever.

10. ***Add trim:*** The word trim is used in the same sense as to "trim" a Christmas tree, meaning to add lights, tinsel and ornaments. In those days, if you said "I'm a trimmer" everyone in the apparel industry understood.

11.1.2 Emerging Trends

Window designers are now experimenting with concepts to try to attract and hold the attention of the customers. One of these concepts is the use of smell. In biscuit and cake shops, the windows are linked to nearby bakeries through pipelines. Whenever a customer looks at the window display, the fragrance of fresh bakery products is released. Similarly, apparel retailers are also making use of the fragrance of freshly laundered clothes in designing window displays. Some retailers are making use of motion to attract customers.

As more and more retailers are realising the importance of window display, a new class of professionals called window display designers have come into existence. These professionals work full-time with large business houses, while they work on a contractual basis with small firms. The work of a window display designer requires a lot of creativity and a good aesthetic sense as well as patience, hard work and a fair idea of market trends and customer behaviour. Moreover, they should also possess a good flair for communication as they are required to communicate extensively with store managers and owners regarding the image they wish to portray through the store. Knowledge of fields such as graphic design, fine arts, construction, carpentry, architecture and lighting is an added advantage for a window display designer.

Self Assessment

Fill in the blanks:

1. A display window is a window in a shop displaying items for sale or otherwise designed to ..... customers to the store.
2. Usually, the term display window refers to larger windows in the front ..... of the shop.
3. Display windows at boutiques usually have dressed-up ..... in them.
4. Window display makes the ..... process of the customer rather simple.

11.2 Window Display vis-à-vis Merchandise

Location of Merchandise within departments can be done in various ways. Merchandise displays generally take one of several basic forms:

1. ***Storefront Window Displays:*** These typically open on to a street or shopping mall walk or courtyard and are intended to attract passerby that might not otherwise enter the store.
2. ***Showcase Displays:*** These typically feature items that (1) are deemed to be too valuable for display in storefront setups, or (2) are niche items of high interest to the business's primary clientele. These display centres are usually located in high traffic areas and typically feature multiple tiers for product display and a sliding door on the clerk's side for access.

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3. ***"Found-Space" Displays:*** This term refers to product presentations that utilise small but nonetheless usable areas of the store, such as the tops of product carousels or available wall space.

Figure 11.1: Found Space Display: Window Display of a Store

Source: bigapplejazz.com

Did u know? Storefront window displays and "found space" displays are particularly popular tools for publicising and selling sale items.

How to do up a Wall (Ready-to-Wear)

1. Never mix categories like full sleeves and half sleeves; formals and casuals, stripes, checks and solids. Use a disciplined way of grouping merchandise mix:
   - Division (apparel or non-apparel)
   - Department (ladies, men's, kids, etc.)
   - Category (ladies formals, ladies casuals, etc.)
   - Subcategory (ladies formal suits, ladies formal trousers, etc.)
   - Brand (Allen cooper, Park Avenue, etc.)
   - Style (Suits: Single button, etc.)
   - Options (Colours, sizes, etc.)
2. Always keep merchandise as per size sets. The last row has least visibility (below eye level) and thus is meant for cutsizes/broken sizes.
3. Not all colours will be available at a given point of time. A Visual Merchandiser tries his best to put the given colours as per the VIBGYOR.
4. Vertical colour blocking: The typical starting point is the right side of the wall, top end corner. All colours should be kept dark to light from top to bottom, and starting with cool colours, ending with warm colours.

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5. Follow the VIBGYOR. This way colours will fit in as per the warm colours and cool colours.

Figure 11.2: Wall Display

Source: http://www.scribd.com/doc/70272147/50461627-BIC-session-2

How to do up the Floor Fixtures

1. Never mix categories like full sleeves and half sleeve; formals and casuals, stripes, checks and solids.
2. Within a category, subdivide them as per brands.
3. Light colours come in front, dark ones go behind.
4. Keep merchandise as per size sets, always!
5. Make a separate browser for cut/broken sizes.
6. Merchandise can be put as coordinates as well.
7. The front of a section is meant for new arrivals

Figure 11.3: Floor Fixtures

Source: http://www.scribd.com/doc/70272147/50461627-BIC-session-2

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Self Assessment

State whether the following statements are true or false:

5. Location of Merchandise within departments can be done in various ways.
6. The front of a section is meant for old arrivals.
7. In floor fixturing light colours come in front, dark ones go behind.
8. Never follow the VIBGYOR.

11.3 Types of Setting

In the presentation of any display, there are some basic approaches that any visual merchandiser will make to set the scene for the merchandise or the concept to be sold. These approaches can be summed up as under:

1. ***Realistic Setting:*** A realistic setting is essentially the depiction of a room, area, or otherwise recognisable locale, reinterpreted in the allotted display area, either in the windows or inside the store. The realistic setting is best controlled and most effective in a fully enclosed display window. Here, the display person can do a miniature stage setting. He or she can simulate depth, dimension, use colour, and light with great effect-all viewed, as planned, from the front, through a large plate-glass window.

   Caution When realism is the thing, scale is of utmost importance. The display area should not be weighted down with props or elements so large that the scale of the setting shrinks by comparison.

   A realistic setting requires the careful blending of colour, textures, shapes, and the proper lighting to keep the background at a proper distance.

   At certain times and in certain stores, however, a realistic setting can be most effective. Some holidays are just right for a true-to life presentation.

   Example: On a New Year's Eve, a gala party is the perfect setting for gala clothes, on Christmas morning, mannequins wearing assorted ropes and lounge wear might be busily engaged in unwrapping more of the merchandise.

2. ***Environmental Setting:*** This is a merchandise presentation that shows an assortment of various related items in a setting depicting how and where they may eventually be used. In this form of realistic setting, the "background" is actually the "foreground" because the details that make up the realistic set are actually the merchandise being promoted in the display. Everything on display in this setting is for sale in the store.

   Example: A display depicting a corner of a room with a bed, made up with matching sheets, pillow cases, and comforter; a window with coordinated curtains and drapes; and an area rug of the appropriate colour and design. A chair near the bed has a robe casually tossed over it, and there is a pair of slippers on the floor. The setting also includes a bedside table, on which is an arrangement of frames, boxes, a lamp, and a clock. Everything on display in this setting is for sale in the store.

3. ***Semi-Realistic/Vignette Setting:*** When space and budget do not allow the time or effort for a fully realistic presentation, the display person may opt for the very popular,

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semi-realistic or "vignette" setting. The visual merchandiser presents the essence, and leaves the rest to the active imagination of the shopper. This is a more effective but simpler approach to merchandise settings.

Example: In a predominantly black or dark grey window (walls, floors, and side walls), imagine a small table covered with a red and white checkered cloth, two bent wood chairs with cane seats, a candle stuck into a straw-encased Chianti bottle already heavy with rivulets of melted wax, some bread sticks in a water tumbler, a brass hat stand, a potted palm. Couldn't this be any romantic, old-fashioned, neighbourhood, Italian restaurant? Or, simply, a palm tree dripping heavy with green leaves, a mound of sand, an open, boldly striped beach umbrella-anybody would know it was some faraway island in the sun. Who needs to look beyond this into the nebulous, no-colour, no-detail background?

On ledges, in island displays, and in store windows with open backs, a semi-realistic setting works most effectively. It is theatre in-the-round, but the viewer does not go beyond the fragment being shown. To the display person, it means getting to the heart of the setting, presenting that "heart," and then fleshing it out only as necessary. A park bench, a tree, some pigeons or a squirrel, the hint of sky, some grass and gravel-it is a park! An awning swaged off the dark back wall, a small metal table for two, two ironwork chairs, a bottle of wine and two glasses, a suggestion of a kiosk, over to the side, bedecked with French posters-it's romance, it's April in Paris!

4. ***Fantasy Setting:*** A fantasy setting can be as detailed or as suggestive as the display person, budget, and time permit. It is creative, requires thought, energy, and lots of planning, but it can be very rewarding. It can be surrealistic or just completely off-the wall.

5. ***Abstract Setting:*** An abstract setting might seem as if it would be the easiest to do, but it is often the most difficult. The least amount of display often makes the biggest statement. In an abstract setting, the merchandise is the dominant feature and the setting supports and reinforces the message, often subliminally.

Task Collect information on some more types of setting with visual examples.

The abstract setting is predominantly an arrangement of lines and shapes, panels, cubes, cylinders, triangles, curves, arcs, and circles. The design does not really represent or look like anything in particular, but it does evoke certain responses from the viewer.

Lab Exercise Go to website http://studyvm.blogspot.in/2012/02/types-of-display-setting.html#!/2012/02/types-of-display-setting.html and collect more information on types of display setting.

Self Assessment

Fill in the blanks:

9. A ..... setting is essentially the depiction of a room, area, or otherwise recognizable locale, reinterpreted in the allotted display area, either in the windows or inside the store.

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10. A ..... setting can be as detailed or as suggestive as the display person, budget, and time permit.

11. An ..... setting might seem as if it would be the easiest to do, but it is often the most difficult.

12. The visual merchandiser presents the essence, and leaves the rest to the active ..... of the shopper.

11.4 Promotional Display vs Institutional Display

Window displays are more successful when a dominate theme is carried throughout the display, regardless of whether the featured products are fashion-oriented, institutional or promotional in nature. Suggested window treatments that have proven successful include:

- A single object against seamless paper.
- Merchandise displayed as it would be utilised in a realistic setting.
- A theatrical setting using fantasy and drama.
- Straight merchandise glamorised with props.
- Animation, such as in holiday windows that draws crowds of shoppers.
- The use of sculpture, paintings or art objects for a touch of class.
- Media tie-ins, with current area activities, films, stars or best selling books.

Window displays should be in harmony with the entire surroundings; a whole is being created rather than a fragment. When planning a window display consider the building facade, street, people and their perceptions, colour harmony, lighting and viewing angle.

Promotional Display is a kind of display that advances concept, trend and an item. The basis of this kind of display is often the sales. It has a very low margin of profit and thus needs a large sales volume to exist. These display stores generally advertise prices. They usually feature several items of merchandise, backed up by lighting, signs, props and traditional display techniques.

Institutional Display is a kind of display that promotes an idea and not an item. It promotes the institutional services. This display presents the store as member of the community which helps further in building the image of the store. In this kind of display only incidental mention is made of merchandise; service, special features, or facilities of the store are featured.

These displays create customer loyalty and goodwill. They do not produce direct sales of merchandise.

Caselet

Can Displays Improve Your Business?

Mr. X ought to know the basics of window display. With more than 30 years experience as a display artist and literally thousands of displays under his belt, Mr. X probably qualifies more than anyone as an authority on the subject. He has taught people how to do it, delivered seminars and workshops, written articles and even a manual on the subject.

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He started doing apparel displays while working at The Gap when he was 17. Their business improved so much that after only a few months, he was their Southwest Regional Display Manager. With a successful operation in the retail sector, he moved into the wholesale end of the apparel business and within a year he was probably among the highest paid (and hardest working) display artists in the world.

Since then, he has mastered other creative fields but throughout it all he has remained active as a display artist. And in all those years, he never lost a customer to any rival. History has shown that presentation has a direct impact on sales.

Source: http://www.stevehallcreative.com/professional-displays.html

Self Assessment

State whether the following statements are true or false:

13. Promotional Display is a kind of display that advances concept, trend and an item.
14. Promotional Display stores generally advertise prices.
15. Institutional display is a kind of display that promotes an idea and not an item. It promotes the institutional services.
16. Institutional display presents the store as member of the community which helps further in building the image of the store.

11.5 Window Display—Construction

Let's say you're in the market for a diamond necklace. You looked online and found two stores with the necklace you want; both at the same price. Both stores are on the same street and you're walking up to the first one now.

You found that this store is not well maintained. Their dusty window if full of dimly lit junk: cigarette lighters, sun glasses, shoe shine brushes, cell phones. Necklaces hang from wire racks next to a selection of sun-bleached men's ties. Somewhere in there is the necklace you want. Then, you turn to second store.

The second store is also an older building but the window is clean. The glass reveals a panel covered in clean black velvet. Alone in the centre of the window is a red velvet pillow on a table draped in satin. Three spotlights converge onto the pillow illuminating the necklace in a pool of brilliant light. There is nothing else in the window except a small card stating, "Talk is cheap."

Where would you rather make your purchase? That's the value of presentation in selling.

This example demonstrates how a little work, clean glass, a few yards of velvet and a few lights can affect sales. But techniques vary based upon what you are selling.

Let's take another example. You're at a party. A waiter threads the crowd with a tray of eatables. Unfortunately, by the time he reaches your group there's only one left. Five people gaze hungrily at the tray.

Ever notice that when there's just one of something, it's harder to accept? This is the law of abundance in reverse. You can see this same technique used to move merchandise in warehouse stores where there is so much of one item it's easy to take just one. So you have to select the right approach.

Still, there are exceptions. An upscale grocery might create quite a stir with displays that treat single vegetables as if they were high-end jewellery. People would notice. Move the velvet

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display into a grocery and swap out the necklace for a potato. Now it's over the top. In any kind of marketing, a playful approach is hard to beat. This grocery concept would work because people notice the unexpected.

Notes **Build-up Display**

There is a vast difference between creating a one-item or line-of goods display and a mass display of a variety of items "related" only in use, material, colour, or place of origin. To display different dinnerware place settings, one is dealing with a group of objects that are similar in material, construction, and use, but are decidedly different in appearance. It is the difference in pattern, colour, shape, and size that will make one design of dinnerware more attractive to a customer than another.

In doing a display of five, six, or more place settings or groupings of different patterns (or pots and pans, luggage, toiletries and cosmetics, or other "related" types of merchandise), certain methods of presentation are more effective than others. The overall display must be balanced and easy to look at. There has to be a movement from grouping to grouping or item to item. Each group or item should be able to be viewed as a separate entity, somehow set apart from the others.

The display person is working with objects of the same general size or weight, he or she might use assorted size cubes or cylinders clustered together to create a buildup display. It is easy for the viewer's eye to travel upward, making a stop at each level to absorb what is being shown before moving on to the next level and the next showing. Thus, each group is separate and apart in space. Each group can be dominant as the viewer's eye climbs the setup. The topmost group, by its position, could be assumed to be the best or the most attractive-the most desirable. Therefore, if the display person wants to make all the items equally "best" or "beautiful," the top step could be reserved for a plant, a vase filled with flowers, or any decorative or related item or prop.

The buildup itself can be a series of forms of different sizes, arranged in a straight line with each cube or cylinder butting up to the next tallest one, but all flush in front. For the sake of interest and effect, there can be a combination of bigger steps and smaller steps. In a formal or traditional arrangement, however, each step would be exactly the same increment of height (e.g., 6 inches, 9 inches) until the next plateau is reached.

Where there is sufficient depth in which to set up the display, the buildups can go from front to back as well as from side to side. It would be like creating a pyramid with risers or cubes building up from either end while, at the same time, building from a low point out in front to the high point in the centre. When displaying merchandise that is related, but of different sizes and shapes (e.g., handcrafted ceramics which includes boxes, plates, bowls, decorative figures, and maybe even urns and vases), the step or pyramid buildup will work, but it requires a very deft feel for balance, especially asymmetrical balance. It is now a matter of building up one riser (or platform) with an object on it while balancing it with another riser that has a different-sized object displayed on it. The overall height and look of the riser plus the merchandise must be visually weighted against the other riser and merchandise. It might, therefore require a lower platform or elevation to hold a tall vase, for example, if it is to balance with a low, squat bowl on a taller riser. This asymmetrical buildup must be arranged so that the viewer's eye will still move comfortably, through the various levels, to the top.

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Benefits closed back displays (enclosed window) have as well as the three types of floors that are commonly used for window display. The benefits of showcasing a closed back display are the visual merchandiser can be arranged, which makes you become creative when just be giving full back walls, sides, & a large window that is displayed to pedestrians. The types of flooring that are commonly used in a window display are raised floors, raked floors and elevated type windows.

11.5.1 Ways to Use Your Window Display to Boost Your Sales

If you own a shop or store then you owe it to yourself to read this page. Your window display, if used effectively, can bring you new clients, can enhance the image/brand of your business, can create customer loyalty, can promote certain lines of products and, above all, can be a major tool in increasing your sales.

Did you know that 50% of all purchase decisions are made on impulse? In other words, half of all decisions to buy are made when the consumer is out shopping. When people are looking in your window there is, therefore, a massive opportunity to influence whether they purchase from you or from someone else. When you get them to enter, that's where the fun starts – using the power of displays, signage, movement, interactivity, lighting and colour you can really increase your sales.

Take the ideas from this page and incorporate them a few at a time. See what works for you and always look for continual improvements. When you are ready, come back and dip into this page for more ideas.

1. ***What would you like to achieve?*** Success is in the planning. An old quote says "if you fail to plan, you are planning to fail". Remember that investing in the right system can have a massive benefit in helping to increase your sales. You may find it helpful to make a list of the objectives you hope to achieve with your window display.
2. ***Allow sufficient time:*** Your window display is an incredibly important tool for growing your business, so you really must allow sufficient time to plan it properly. Set aside a specific time in your calendar or day planner to allow you to think the whole display through properly and make plans.
3. ***Involve others:*** Who else do you need to involve in this planning process? Who else would have really good ideas? Using "other people's brains" is a well-known cornerstone to success.
4. ***Get the customer's view:*** Go outside and have a good, hard look at your window from a customer's point of view. Is it well laid out? Is it well lit? Is it inviting? Is there anything to attract your attention? Would it make you want to go inside? Ask one or more of your customers to join you and find out what they really think. Ask them how they think the display could be improved.
5. ***Using contractors:*** If you are using designers or storefitters to refit your premises, make sure they give sufficient importance to the window display. This is one area that is often overlooked or minimised. The window is YOUR tool for increasing business. Take responsibility for getting what YOU want. Give your designer or storefitter a copy of this booklet when you are at the planning stages of the project.
6. ***Budgeting:*** Make sure you allocate sufficient funds to achieve what you want. Window display systems do not need to be expensive but it may be well worth the investment to shell out for a system that will do everything you want it to. Investing in the right system can have a massive benefit in helping to increase your sales.

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7. ***Change it regularly:*** Imagine you are walking down the street. You walk down that same street every day, past that same row of shops. Do you notice what is in the windows? Suddenly something attracts your attention and prompts you to enter the shop. What has made the difference? Probably, something has changed. Something is different from yesterday and it is this change, even though it may be quite subtle, that has attracted you. It is what has caught your attention and caused you to take action. However, if there had been no change, you probably would have walked right by.

   To catch the attention of your customers or prospective customers you must change the windows regularly. The change does not have to be major or expensive – even small changes are better than no changes. So decide to change something on a regular basis. Put a regular date in your calendar or agenda and take some action.

8. ***Add lighting:*** Lighting could be the one key factor in helping you to increase sales. Did you know that research has shown that, when you add lighting, it can increase sales by up to 107%? Yes, simply adding lighting could more than double your sales. The reason is that lighting attracts the eye and draws attention to the display. If 50% of all purchases are made on impulse then that must be your primary aim.

   A poorly lit display will seriously spoil all the hard work you have done in creating the display in the first place.

   Consider the effect you want from the lighting – the general overall level of light, highlighting specific objects or areas of the window etc. Also, remember to consider colour and movement. Lastly, in order to create the effect you want, take advice from a specialist display company – a regular electrician may not have the specialist knowledge needed.

9. ***Movement attracts:*** Studies by POPAI (Point of Purchase and Advertising Institute) have shown that displays with motion can increase sales by up to 317%! Nothing attracts more attention to a window than movement. There are many ways of achieving this, such as: animated figures, props or mannequins, items on turntables, moving signs, scrolling banners, lights moving or changing colour, computer displays or video projection.

   Sit down and see how many ideas you can come up with. You will surprise yourself. There are many things that can be done, even on a limited budget.

10. ***Interactivity:*** You may wish to allow your customers to interact with your display from outside. This is guaranteed to catch and hold their attention. There are many "devices" available which work through the glass of the shop window without any holes having to be made. These range from movement detectors that will detect when anyone passes near the window to touch-sensitive systems.

    Almost anything can happen as a result - from flashing lights, sounds/music playing, advertisements, videos, marketing information and even systems which will allow customers to purchase goods when the shop is closed. If the customer has registered with the shop in advance, using a "smart card", allows personalised, one-to-one marketing messages to be relayed to him/her, together with the ability to make transactions.

    Reducing costs of digital systems now put this within the range of all. Contact one of the specialist suppliers available and find out for yourself the dramatic effect this can have on your business.

11. ***The 3rd dimension:*** Displays do not have to be flat. Think about using not only the height and width of the window but also the depth. In other words, make your displays three dimensional. Even if you are just displaying posters, they do not have to be in a straight

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line. Staggering the displays or putting them at an angle will make the display more interesting.

If you have room, why not add some depth to your own window display?

12. ***What's your angle?*** Displays do not have to be set in a straight line. Consider making your window more interesting by setting displays at an angle. High items could be angled down and low items angled up. This would make them much easier to see from the customer's point of view. You could also consider angling items towards the left or right. If most people seem to be approaching from a particular direction, this may be extremely important.

    When ordering your display, make sure that the system will allow you to angle your displays in just the way you want.

13. ***Keep it transparent:*** The days are long gone when it was the practice to have a backing to the window and hide the view into the store. Now it is generally agreed that the appearance of the shop should be inviting in order to encourage customers to enter. If you are going to have a window displays keep it, therefore, as transparent as possible.

    There are many display systems available to help with this process, the primary being the use of very fine cables suspended from the ceiling and fixed to the floor. These, together with the use of transparent acrylic accessories, can be used to display just about any kind of product or poster/graphic display with lighting incorporated.

    When designing your window display bear in mind the view into the shop. Keep the fittings as minimal as possible. The impact of your window display will be far greater and customers will get an idea of what further treats may be 'in store' for them when they enter the premises.

14. ***Make it easy to change:*** As mentioned in an earlier tip, it is essential to change the window display on a regular basis. When designing a window display, it is therefore important to consider just how easy it will be to change the display. If it is too difficult the staff will just not bother and the impact will be lost. If you are going to radically change the display will you be left with empty screw holes in your ceiling and floor? An alternative is to use a system perhaps based on a rail which allows easy repositioning of the displays. If you have posters or graphic information to change on a regular basis, this should ideally be possible without the use of any tools. After all, time is money, and it just does not make sense for your staff to be wasting their time with systems that are difficult to change.

    Make your window display systems as easy as possible to change and make sure that the displays are changed as often as possible.

15. ***Make it easy to clean the window:*** When designing your window, remember the person who has to come and clean. It is important that your displays always look at their best, so you really do not want them damaged. Either leave enough space for the window cleaner to gain access or design your display in such a way that it can be easily removed when required.

16. ***Don't go too high or too low:*** When designing your display, consider the person who is going to be looking at it. If you want your display to get noticed, then don't force people to get on their hands and knees or stand on tip toes. Make it easy to see and take in at a single glance. To get the best results, position your displays at eye-level. Remember, children and women are usually shorter than men, so you may want to position the displays lower if either of these are important to you.

17. ***Enhance your corporate image:*** A window display is not a separate thing. It is part of your whole corporate image. When designing, you should therefore consider any corporate

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colours, styles or logos you may wish to include. Consider using an expert designer or your display equipment supplier to help you portray the right image.

18. ***Get your message across:*** Did you know that including a message of some type with your display will increase its effectiveness by 53%? But what is the message you want to get across? This should really be your first consideration when thinking about your display. Are you after new customers? Do you want people to take some action e.g. purchase a new product or service?

    Get advice from a professional company to make sure your message is seen.

19. ***Don't stick things on the window:*** Sticking things on the window not only looks extremely tacky, but also puts across an image of amateurishness. This is fine if that is your image. Most people however, would prefer to provide an image of efficiency and professionalism. There are display systems available which allow you to easily suspend the information, change it quickly and ensure that it is displayed in a visually attractive and eye-catching way.

    Find out about suspended display systems using cables or rods which will provide the perfect solution for you.

20. ***Keep it maintenance free:*** Time is money and maintenance is not only hassle but is also extremely expensive. The purpose of any display is to enable you to get your message across. If the system you have chosen lets you down, this could result in the loss of valuable sales. And don't forget the cost of your own time and the expense of getting the repair carried out.

    Keep the design simple, make sure you buy from a company that offers a guarantee and has spare parts available. Even better, buy a system that just can't go wrong.

21. ***Make it stand out from the crowd:*** Do whatever it takes to really be seen. It is essential that your message stands out from the crowd. Be creative, use movement, use lighting - just get noticed.

    Get into the habit of looking at what others are doing - and not just from those in the same line as you. The best ideas will come from the most unexpected places.

22. ***Get it designed professionally:*** Unless you want your window display to look like it was designed by an amateur, get some help from a company who knows what they are doing. Many companies will design your window for free if you purchase the system from them. If you don't want to buy a new system find a professional designer to help.

23. ***Use large graphics:*** Your window is an important advertising space. If you want to be seen by people on the other side of the road or those driving by, make your graphics as big as possible.

    Get advice from a professional graphics company.

    You will be amazed at the result.

24. ***Creative use of colour:*** Did you know that colour accounts for 60% of the initial impression? If it's that important, you owe it to yourself to make sure that you use the correct colours. Certain colours will help you stand out from the crowd. A professional display company will advise you on the colours you need to use to create the correct impression.

25. ***Get your name remembered:*** This could be one of the goals of your window display. Is your name clearly visible to people looking in the window? If you want to get your name remembered, make sure it can be clearly seen along with your logo. Stop and think about how you can feature your name or logo in the display.

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26. ***Use incentives to get people to enter:*** One of the main goals of your window display has to be to get more people to enter your store. One way to achieve this could be to provide information about a special offer which is only available today. By making the offer time limited you will encourage people to take the decision to enter there and then. If, for example, it is a sale which runs until the end of the month, they may put off coming in now and, as a result, may never enter at all.

    Remember to remove the offer at the end of the day. If people see the same offer there day after day they will lose trust in you and all your good work will be wasted.

27. ***Remember to view from the inside:*** Your window display is not only for attracting people walking or driving by. It also can play an important role on the inside. But consider the objectives - they could well be different from the ones facing the street. On the outside, the objective may well be to attract attention and encourage the person to enter. On the inside you may want to direct people towards a special product. This is an important area. Plan it just as carefully as the external display.

    Many window display systems are double-sided and will automatically allow you to do an internal display. Make sure you inform the supplier of your window display system of this requirement.

28. ***Don't block out light to the interior:*** Depending on the design of your store, the window may be an important source of light for you. If this is the case, use a display system that will not block out the light. Many display systems are made using very light and almost invisible materials such as fine cable.

29. ***Allow people to see what is happening inside:*** Your window is important - but so is what is happening inside. Don't block your window so much that it is not possible to see the inside of the store. If you want people to enter your store (and why you wouldn't?) let them see what it's like. Keep the window display light so that people can get a 'taster' of the many delights to be found inside.

30. ***Don't block out the view to the outside:*** Once you have managed to persuade people to enter, they will feel much more comfortable if they can still have some connection with the outside. As the saying goes "let them see the light". When designing the display always imagine the view from the inside looking out.

31. ***Use lighting effects:*** Good lighting has been proven to increase sales. This is a simple, yet very effective, way of creating an impact. Lighting can be used to create a mood by using colours. Create attention by making the lights move, flash or strobe. Use lighting controllers to help you create just the effect you are looking for. This is a specialised area so take advice from a company that knows what it is doing.

    Think through your ideas and know exactly what it is you want to achieve. This will save you masses of time when dealing with your supplier.

32. ***Seasonal changes e.g. Christmas, Easter, Mothers Day:*** You can really boost your business by being aware of any special occasions and adapting your window to suit. People look at what they are focusing on. So, if their focus is Christmas be sure to catch their attention. Use the many different types of props that are available. Be creative - you can really make your window stand out from the crowd.

33. ***Less is more…:*** You can make a big impact with small objects. In order to display small objects and get them noticed, you can use small shelves suspended at different levels. This 'floating effect' will attract the eye of customers and really draw attention to these displays. Suspended cable systems are excellent for this type of display and for focusing attention on small products.

Notes

34. ***Secure your display:*** In certain businesses security can be an important issue. There are many ways of making your window display secure. One way is to put a backing to the window. If you use acrylic, this will not block out the light and will still allow the display to be transparent. You will, however, need to be consider the question of access to the window for changing the displays or for cleaning the window.

    Another solution could be to use suspended acrylic cubes or showcases. These allow the products to be reasonably secure, whilst allowing them to be viewed from all angles. It is important that you consider the level of security required when designing your display. Get advice from a company who understands the importance of this and how to make it happen.

35. ***Check readability from a distance. Who is the message aimed at - people walking or cars driving past?*** Think about who is going to read your messages and where they are when they see your window. If you are aiming at people walking past, the message you want to get across needs to be at around eye level and of a suitable size text that is easy to read without squinting. If you want to aim at people on the other side of the road, the message needs to be much larger. Larger banner type adverts may be suitable. If you want people driving past to get the message - think - can it be read in a one second glance? Test it out for yourself. Does your display allow the message to be seen where and when you would like?

36. ***Pile 'em high and sell 'em cheap:*** Many successful stores have made their fortunes using this formula. However, this is not what most of us do. You do not need to fill every single inch of space in the window. Instead, put fewer items and allow the eye to focus on the main items or products.

If you show everything you have in the window there may be no reason for people to enter the store. Instead, make people curious and you will be surprised at the result.

Self Assessment

Fill in the blanks:

17. Success is in the .....
18. An old quote says "if you fail to plan, you are .....".
19. Almost in all businesses, ... is an important issue.
20. Sticking things on the window not only looks extremely tacky, but also puts across an image of .....

Case Study

Pull and Bear

Pull & Bear uses a boutique layout for their store design; with the use of dark wood, warm lighting and upbeat music to encourage product browsing and lingering among customers.

Their window display is uses similar white modern nautical props as Zara.

With wide aisles and free placed stands within the store, this allows customers to pick up the different clothes and to encourage spontaneous purchase by highlighting selected products on offer.

Contd...

Notes

In addition to POP merchandise, Pull & Bear has allocated several feature walls to highlight products to customers using a combination of product placing and lighting.

The use of appropriate warm spotlights directed at merchandise or installed in shelves, and dark wood display shelves allow individual products to stand out and attract the customer's attention. This also creates a cosy store ambiance that encourages browsing.

Within this boutique layout, Pull & Bear has designated product zones for both men and women's apparel, to allow customers to easily locate products.

Questions

1. Analyse the case and interpret it.
2. What do you infer from the case?
3. Write down the case facts.

Source: http://pulllandbear.wordpress.com/merchandise-presentation-store-design/

11.6 Summary

- Window displays should attract attention, create interest and invite people into the store to purchase goods.
- Be careful not to crowd too much merchandise into a window, as customers find it difficult to determine the message and what items are being promoted.
- Shoppers also lose interest when the same window display is left up too long.
- It is especially important to frequently change window displays in small towns where customers pass by several times a week.
- Window lights should be strong enough to overcome the reflections from outside objects, such as parked cars and buildings.
- At night, additional lights on overhead marquees and projecting cornices can make the window area look larger.

Notes

- Always keep merchandise as per size sets.
- A Visual Merchandiser tries his best to put the given colours as per the VIBGYOR.
- Promotional Display is a kind of display that advances concept, trend and an item.
- Institutional Display is a kind of display that promotes an idea and not an item.

11.7 Keywords

Display Window: A display window is a window in a shop displaying items for sale or otherwise designed to attract customers to the store.

Exclusive Windows: Windows are exclusive when they have an absolutely closed backdrop. The store windows follow the theme and seasonal motif.

Institutional Display: Institutional Display is a kind of display that promotes an idea and not an item.

Open Windows: Open window do not have any backdrop, and the passing customer can see the interior of the store through the displays.

Promotional Display: Promotional Display is a kind of display that advances concept, trend and an item.

Realistic Setting: A realistic setting is essentially the depiction of a room, area, or otherwise recognisable locale, reinterpreted in the allotted display area, either in the windows or inside the store.

Window Display: Window display is the fine art of displaying store merchandise in the store window.

Window Dressing: Putting a window display of merchandise in a store's window is called window dressing.

11.8 Review Questions

1. What is window display? What is display window?
2. What is window dressing?
3. Is there any difference, do you observe between window display and display window?
4. "Window display is emerging as the new mantra in retail and is fast changing from a dull, uninteresting exhibition of wares in the store window to a dynamic form of advertising". Elucidate.
5. "Retailers are recognising the importance of window display as the first point of contact between the store and the customer and a chance to create the most critical first impression on the customer". Justify.
6. "Developed countries look at window display as a critical tool of marketing; however, in India, it is still an emerging concept". Discuss.
7. What are open windows?
8. What are exclusive windows?
9. Discuss the importance of window display.
10. Discuss the essentials of an effective window display.

Notes

11. What are the emerging trends in window display?
12. Discuss Window display vis-à-vis Merchandise.
13. What are the different types of setting known to you in window display?
14. Discuss Promotional Display vs Institutional Display.
15. Discuss window display construction in detail.

Answers: Self Assessment

1.	Attract	2.	Façade
3.	Mannequins	4.	Decision making
5.	True	6.	False
7.	True	8.	False
9.	Realistic	10.	Fantasy
11.	Abstract	12.	Imagination
13.	True	14.	True
15.	True	16.	True
17.	Planning	18.	Planning to fail
19.	Security	20.	Amateurishness

11.9 Further Readings

Books

Barry Berman & Joel R Evans (2006). *Retail Management: A Strategic Approach*, Pearson.

Levy, Michale & Barton A. Weitz (2009). *Retailing Management*. Tata Mc Graw Hill.

Pradhan Swapana (2009). *Retailing Management*. Tata Mc Graw Hill.

Swati Bhalla and Anurag S (2010). *Visual Merchandising*. Tata Mc Graw Hill.

Online links

http://www.scribd.com/doc/70272147/50461627-BIC-session-2

http://www.redcliffe.co.uk/point_of_sale/boost-your-sales.htm

http://www.stevehallcreative.com/professional-displays.html

www.managementstudyguide.com/visual-merchandising.htm

Notes

Unit 12: Visual Merchandising – Hands On

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Objectives

After studying this unit, you will be able to:

- Describe the Styling
- Discuss about the Display Calendar
- Evaluate the Sales Tracking
- Explain the Handling the Mannequin
- Describe the Props and Lighting
- Recognise how to Organise an In-store Event
- Explain the VM Tool Kit

Notes

Introduction

Goods can be effectively displayed on a variety of styles such as gondolas, tables, cubes, mannequins, waterfalls and other racks, display cases, and manufacturer point-of-purchase displays. A fixture should not only complement the merchandise, but also the atmosphere created in the store. Each fixture should present the merchandise to the public and thereby act as a silent salesperson. Customers generally look to the centre of gondola sides first, and then to either the right or left. Additional high profit impulse items should be placed in the centre of gondola sides and other related merchandise to either the right or left. Larger more expensive merchandise should be placed to the right.

The high turnover, high-profit items should also be placed at eye level. If possible, remove a sample from the container to allow the customer to handle and feel the item. Old merchandise should be cleaned and pulled forward as new merchandise is added to the back. Use a starter gap in which at least one item is missing, so the customer will not feel like they are messing up a neat display. Restock the display before it gets down to the last item so customers will not get the impression that something is wrong with the item. As merchandise begins to have broken sizes or assortments, the remaining items should be moved to the bottom shelves of the gondola. There is no rule that specifically states how much merchandise should appear in a display area. One consideration is the price of the merchandise. The more expensive the item, the fewer displayed. Caution must be exercised at suitable situation.

In this unit, we will study styling, display calendar, sales tracking, handling the mannequin, props and lighting. We will also study organising an in-store event, and VM tool kit.

12.1 Styling

When a variety of styles are shown, each style (small to large sizes) should be grouped separately by colour. Some merchants may use variations of this concept to provide greater contrast in the display.

Elegantly presented in a well-defined area and with the right fixtures, an opened display provides an environment where the customer can be around an array of merchandise. It silently extends an invitation to him/her to see and touch the goods. A theme display, which is based on a season or an event, is used to promote an appropriate product range. Lifestyle displays are more subtle, not necessarily aimed at selling a particular product, but an image, which has a corresponding activity. Coordinated displays, which contain items that are normally used together, are a way of increasing multiple purchases; besides subtly educating or informing the customer of what can be coordinated with what. Classification dominant displays, which contain all varieties of one product, are used to convey the impression of a wide selection. In fashion retailing, merchandise presentation is very creative and is displayed sometimes in non-standard fixtures that express the mood and its relevant psychographics to the customer.

12.1.1 Style Item Presentation

The style should be kept in mind, while presenting or displaying the item. The trends and fashions play an important role in style item presentation.

The basic principles of merchandising start with product segmentation. Product segmentation brings order and simplicity both to the way stock is bought and the way you present it. In our example we are using a fashion store but the method works for all product types. Start by breaking your stockholding into the big categories.

Notes

Once you have divided your products into category, then sub-divide into types of products. This could be by brand, by garment type, by customer profile [age for kids], etc.

Caselet

Jane Livingston

Jane Livingston is a recent graduate of a prestigious art school. Her aspirations of becoming a fine artist have diminished with each art gallery's rejection of her paintings. She would someday like to break into the world of fine art with her creations, but, with funds at an all-time low, she is considering a career alternative.

Prodded by her friends, Jane is considering a field related to art—visual merchandising. Everyone feels she can easily make the transition from painting landscapes to creating attractive visual presentations because of her excellent background in design principles and colour. Although she possesses the art background, she has never taken a professional course in display or visual merchandising and doesn't know where or how to begin.

One of her former professors suggested that a department store would be a perfect beginning for Jane. As an apprentice she would learn to apply her theoretical knowledge to on-the-job situations. Another acquaintance feels the chain store would be a wiser choice. Working for a major specialty chain with several hundred stores would offer a broad base of experience, he says. Finally, a relative is trying to convince her to take the freelance route.

"Being your own boss would give you freedom that the other two approaches wouldn't offer," she says. Jane has assembled a portfolio of her artwork to help break into the field of visual merchandising. She still hasn't decided, though, which route to take.

Source: http://wps.pearsoncustom.com/wps/media/objects/7617/7800692/MCH140_Ch01.pdf

Example: **Stock Holding:**

- **Men:** Shirts, Knitwear, Trousers, Jackets, Accessories, etc.
- **Women:** Brand 1, Brand 2, Outerwear, Accessories, etc.
- **Kids:** Baby, Toddler, Accessories, etc.

12.1.2 Colour Presentation

The presentation should be colour specific. Colour should appear to be pleasant to the people so that they could attract towards the item displayed.

Colour contributes significantly to people's impression of a display as well as stores overall appearance. Colour in a display can catch eye and make people pause and look. The colour combination of ceiling, walls, floor covering and the overall decor can affect the atmosphere of a store. Changing the colour scheme can change people's attitudes and perceptions of a store and can increase or decrease the business. Colour can change the shape and interest to dull room, and can direct attention toward a specific object or away from problem areas. Warm colours (red, yellow, orange, etc.) are stimulating and cheery. They make room feel warm and intimate. They make room look smaller and object inside larger.

Notes

Self Assessment

Fill in the blanks:

1. The basic principles of merchandising start with .....
2. Product segmentation brings ..... and simplicity both to the way stock is bought and the way you present it.
3. Colour contributes significantly to people's impression of a display as well as stores overall .....

12.2 Display Calendar

Displays aren't installed haphazardly, well professional ones aren't! Just about everyone follows a display calendar so you know when displays need to be changed according to the season, trend, or sales event. This is especially true for the window team!

The calendar is an essential tool for the visual merchandiser, it helps you anticipate the upcoming promotions, plan out your process, and make sure things go according to plan. It's also a way to communicate the fashion merchandising team, as they will want to make sure merchandise that is to be promoted is in the store at the designated time.

Just as the world of business has a "fiscal year" – and they don't always start with January – so can a display calendar. Choose when you want your "year" to start. Most big retailers with in-house crews use Christmas as the start of their year. Your calendar doesn't even have to run the traditional 12-months. Some retailers even use 18-months to really plan ahead! I would even advocate for a six to eight month calendar. Why?

Fashion is a quickly evolving industry. Sometimes planning too far ahead and feeling as if you are stuck with that plan doesn't give you much room to adapt to the trends.

When planning your calendar be as creative as you want with it – hey that is what we do – but make sure your team and everyone else who uses it can read and understand it!

1. Always put your big promotions on their first: major sales, Christmas, Back to School, things you know are traditional and don't change.
2. Next schedule your smaller promotions: Father's Day, Thanksgiving Day, Valentine's Day, etc.
3. Once you have these on your calendar this allows you to see the weeks you need to fill in with trends, promotions, or new collections set to arrive.
4. Don't forget to have a discussion with your fashion merchandising department as they may have special events they want displayed in the windows and store.

Now that you know what promotions and holidays are coming up you can look at your budget, allocate accordingly, and order materials/props well in advance. Don't forget to schedule time to remove your old displays as well, this usually doesn't take all day, but it's still important to give yourself time in the schedule for it.

In order to get the most out of your visual merchandising, a display calendar should be roughed out a year in advance based on the previous year's experience. If there is no history you can start drafting a calendar per the example below. Remember: planning ahead, coordinating the retail team's efforts and implementing strong communication can go a long way. With these elements, your goal of creating effective visual merchandising is much more likely to be a success.

Notes

Figure 12.1: Store/Display Planner

EXAMPLE RETAIL DISPLAY CALENDAR
DATE: January 15, 2012, ver 1

MONTH	SALES	PROMOTIONS	TIE-IN EVENT
JANUARY	Post -Holiday Pre-Inventory White Sales: on snow hardgoods and outerwear	Local Ski Mnt Promo Pre-Valendatin's Day	Football-Bowl Games Birthdays: Martin Luther King (15) B. Franklin (17) F. D. Roosevelt (30)
FEBRUARY	Final Winter Clearance President B Day Sales Pre-Season for Spring Bags and Duffles	Valentine's Day Nw Spring Trends and Colors Spring grab your bag and go Promo	Birthday's Lincoln (12) Washington (22) Valentine's Day (14) Bachelor's Day (27)

A merchandise planner makes the merchandise strategy for a store, determining what to buy, when, and how to display it. This job position requires good communication and business skills and has room for advancement, especially at companies with chains of stores. It is usually necessary to have a bachelor's degree in merchandising or a related field, although some employers accept associate's degrees. Typically three to five years of retail experience is also a job requirement, to make sure the applicant is familiar with the retail environment.

The merchandise planner must keep up with emerging trends, and needs to know the market well. In addition to following fashion and making sure she knows what kinds of products will be in demand, the planner also needs to think about the demographics of a store or chain of stores. Needs can vary by region, as well; clothes shipped to a New York City branch of a store, for example, may be different than those shipped to a Midwestern city like Minneapolis, because the fashions will be different.

Merchandise planners decide how much to order and when to schedule deliveries, to make sure items arrive on time. They can also organise store displays and plan out the arrangement of aisles and items in the store. The goal is to appeal to customers with the store's organisation, by doing things like positioning related items near each other to encourage people to buy them.

The merchandise planner must keep up with sales performance at individual stores to identify strong and weak points and make adjustments to the merchandise at that store accordingly. Different branches may sell different mixes of items, and it is important to be able to move merchandise to meet the need. One store may constantly sell out of sunglasses, for example, while another has relatively low demand. Sending the exact same merchandise to each store would not be practical.

Merchandise planners work with merchandise buyers to find out what is available and make decisions about orders. They work with trend spotters and designers to identify newly emerging trends and move on them quickly. This makes customers, feel like the store is in tune with the trends, leading to increased loyalty, and will also help the store get a jump on the market. The merchandise planner might, for example, get an advance contract on scarves, aware that everyone will want them in six months, driving up the price and potentially outstripping production abilities. Their store may be able to offer scarves when others can't get them, and can provide them at a lower price because of their original agreement with the manufacturer.

Notes

Self Assessment

State whether the following statements are true or false:

4. A merchandise planner makes the merchandise strategy for a store, determining what to buy, when, and how to display it.
5. Merchandise planners work with merchandise buyers to find out what is available but do not take any decisions about orders.

12.3 Sales Tracking

A successful company is one that is well aware of its sales. Without knowing how or what a company sells. Keeping track of your sales and customer information is an important opportunity to expand your merchandise. Putting together great Sales tracking information is an important part of any sales design.

Sales tracking tools are beneficial to merchandising of all types and the tools can be used for all sorts of purposes, making them not only multi-benefiting but multifunctional. A necessary part of keeping merchandise organised is having one location where all information needed to contact clients is kept. When this information is compiled properly, it makes it easier to contact clients as well as to send out referrals to new clients. Also with tools, a company is able to monitor their sales which will provide the needed information in order to create predictions of what future sales may look like. The reports and sale tracking can even be useful for those involved in the promotional side of the merchandise as the reports can sway a new idea for advertising.

Any company can and will benefit by using Sales tracking tools. These tools can even save money in the long run as they allow for in-house use as opposed to relying on outside contractors to do work that Sales tracking tools can do within a merchandise' location. The Sales tracking tools can be configured in a variety of ways though most companies that use them today prefer to track sales and reports through an online interface.

Select a quality Sales tracking tool as a way to advance your merchandise' success and efficiency to ensure that you remain a contender in the ever-competing merchandise world.

Did u know? Sales tracking does more than just let you analyse your past sales efforts. With sales and customer tracking tools, you can strengthen customer relationships, improve responses to customer queries and build loyalty — and that usually adds up to increased sales.

Sales tracking software and systems help you manage and analyse sales data to spot trends that can lead to better results. Plus, sales tracking systems automate many tasks for salespeople, giving them more time to concentrate on selling rather than shuffling paperwork.

Sales tracking strategies and tools include:

- Sales tracking software for sales force automation.
- Sales and customer tracking tools that improve lead generation.
- Sales tracking systems that let you analyse customer characteristics and buying habits.
- Turning to consultants to set up Sales tracking systems.

Notes

Self Assessment

Fill in the blanks:

6. A successful company is one that is well aware of its .....
7. Sales tracking tools can do ..... a merchandise location.
8. Select a quality ..... tool as a way to advance your merchandise' success and efficiency to ensure that you remain a contender in the ever-competing merchandise world.

12.4 Handling the Mannequin

A mannequin (also called a dummy, lay figure or Dress form) is an often articulated doll used by artists, tailors, dressmakers, and others especially to display or fit clothing. During the 1950s, mannequins were also used in nuclear tests to help illustrate the effects of nuclear weapons on human beings. The term is also used for life-sized dolls with simulated airways used in the teaching of first aid, CPR, and advanced airway management skills such as tracheal intubation and for human figures used in computer simulation to model the behaviour of the human body. Mannequin is also used in English in the sense of fashion model.

Figure 12.2: Mannequins

Source: http://www.fabsugar.com/Clash-Mannequins-949650

Japan Mannequin Company is the largest and oldest supplier of Mannequins, Sizing Dummies, Dustbins, Jewellery Display Mannequins, Automated Mannequins, and custom-made Mannequins. Many a times, our clients require special effects dummies manufactured by us. We strive to deliver the best to every client that we have. These amazing Female Mannequins deliver the most lifelike images in the industry. These mannequins accentuate the stores' display. Our Mannequins are highly crafted works of art. These dummy models give you the benefits of the real models at just a fraction of the cost. They extend a runway show to the customer's point of purchase.

Notes

Our talented team of master craftsmen, sculptors, finishing artists, and quality controllers has ensured that our commitment to unparalleled realism in our finished product is consistently maintained.

Every element of the finished product is carefully selected and executed with the goal of superior realism. JMC outperforms current industry standards with advances in skin texturing and pigmentation, utilising multiple layers of paint to achieve the appearance of human-like skin and the use of prosthetic eyes, which further enhances the lifelike quality of our mannequins.

12.4.1 Alternatives to the Mannequins

In the world of fashion marketing, the mannequin is the obvious choice in terms of traditional fashion presentation. Mannequins have been around for hundreds of years, dating back to the late 1700s. It is only with the emergence of the department store window in the 1880s that the mannequin cornered the market in fashion presentation. However, with a little bit of imagination, planning and environmental awareness, creative alternatives to the traditional mannequin have a definite future in fashion.

Live Models: An entertaining alternative to the traditional mannequin is the live model. Many a great department store window has donned the live model, posing her in jaw-dropping fashions for all to see, all but demanding the absolute attention of store shoppers. The live model adds life to the clothing, telling a story and lending a definite edge to the store's fashion presentation—giving it a literal heartbeat.

Old-fashioned Clothesline: If you're looking to create a story in your store window, design a scene that takes place a few stories. Imagine, if you will, a clothesline that reaches from one apartment window to another. Take some old-fashioned clothespins and hang your fashions from the line just as they did in the days before washers and dryers were cool. Whether you are displaying undergarments, tank tops, dresses, socks or slacks, this is an innovative way to market fashionable laundry.

Go Green: If you're environmentally responsible, the T-Easel is a green alternative to the traditional mannequin. The T-Easel, made of reusable and recyclable corrugated paper.

Task Collect more information on T-Easel.

Multimedia: Get with the 21st century and dazzle your audience with some multimedia tricks of the trade as opposed to the traditional mannequin. Consider using video props to entice shoppers with your current trends. Fill your store window with television screens, each displaying its own fashion. Whether you're displaying summer dresses or fall sweaters, decorate the window to match the fashions on display. Whatever multimedia tool you to use, whether it be video or still photography, play it up big and make a statement.

Self Assessment

State whether the following statements are true or false:

9. A mannequin (also called a dummy, lay figure or Dress form) is an often articulated doll used by artists, tailors, dressmakers, and others especially to display or fit clothing.

10. During the 1950s, mannequins were also used in nuclear tests to help illustrate the effects of nuclear weapons on human beings.

Notes

11. Every element of the finished product is carefully selected and executed with the goal of inferior realism.

12.5 Props

A prop is something used with a product in a display that clarifies the function of the merchandise being sold or the story being told. Props are an integral part of a display. They are used in visual merchandising to tell a story about the product, the merchandise concept or the store itself.

A display prop may be something that is not for sale, such as floor coverings, wall treatments, backgrounds, mannequins, shelves and steps. Props may also be merchandise that is for sale, but is not the theme merchandise, such as golf clubs used in conjunction with golf wear. Merchandise from other departments used to highlight salable items can lead to multiple sales. Visibility is provided for the original theme merchandise, in addition to the prop merchandise.

When using salable merchandise as a prop, be sure it is appropriate for the theme of the display and in sufficient quantity to meet an increase in demand arising from the display. Prominently display theme and prop merchandise in their respective departments for easy access by the customer.

If a store does not have merchandise available that can be used in a display, use display props from non-merchandise categories. Non-merchandise props used for their original purpose can assist in telling a story. Examples include tissue paper, pens, pencils, shopping bags, hangers, chairs, desks and tables. Props may also be natural or ordinary objects such as items carried in from the woods or prairie, or rustic antiques found in someone's attic. Examples include a branch from a lilac bush for a spring or summer theme; shocks of wheat, dried leaves and wood crates of assorted sizes used to enhance a fall theme; large boulders used to give the idea of strength and power to a tractor; and grey rocks to provide contrast to jewellery. These object props are generally not beautiful by themselves, but highlight the merchandise for sale.

Caution The merchandise in a display should always be the dominant element.

The prop is there to complement or highlight the salable merchandise and add visual excitement to the surrounding area. A prop is not there to distract the customer from their original purpose of shopping for and purchasing goods.

Example:

Furniture as Props: Antique furniture just goes right along with antique teddy bears. All of the furniture and props will be of antique or vintage age. The teddy bears are for display only, giving you fun ideas for your own bear display. The props are grouped under the primary material with which they were created. A brief description of the primary material precedes each section:

Balsa Wood: Balsa is a very light weight though strong wood used primarily for model planes that fly. It is relatively inexpensive and is easily cut with an x-acto knife.

Plaster of Paris: Plaster of Paris is a white powder, usually ground gypsum, that when mixed with water hardens into the shape of its container. When dry and hard it is somewhat less dense than chalk.

Notes

Self Assessment

Fill in the blanks:

12. A ..... is something used with a product in a display that clarifies the function of the merchandise being sold or the story being told.

13. Props are used in ..... to tell a story about the product, the merchandise concept or the store itself.

12.6 Lighting

Lighting is one of the most important elements of a display. If properly used it will aid in selling merchandise and thereby add to the profit of the store.

Working with light to make displays and merchandise more dramatic is the goal of every display designer. The main design elements of light and shadow are very important. Too much shadow can hide important details of the merchandise and also change the appearance of merchandise colours.

Proper display lighting is vital to selling. It calls attention to merchandise. It pulls customers' eyes to the merchandise and encourages them to buy. Moreover, it can be used to direct shoppers through the store, urging them to pause and examine displays of feature. You may have trouble seeing them in the sunlight. Lighting should also have the quality and colour that bring out the best features of the merchandise.

Expert display people use light in the same way a musician uses sound. A musician varies the volume to attract attention and manipulates tones to create a mood. Similarly, a display expert varies the amount of light to pull shoppers over to a display, using coloured lamps, soft light, and so on, to create a buying mood.

The lighting must be considered in planning a store beginning with the sign out front that identifies the store and going right up the stairways, down the aisles, to the elevators, and back to the front door. The retail environment has changed dramatically in the past 20 years. Since 90% of purchasing decisions are made at the point of sale, many retail stores have begun providing themed environments and a theatrical experience to excite customers and entice them purchase their products. In regard to lighting, we've seen many changes as well. Day-lighting has been shown to provide a highly satisfying visual environment that can support retail sales; store owners are more aware of lighting cost per sale and therefore are seeking energy savings through new technology; and new solutions such as T5 and ceramic metal halide lamps are available and growing in use.

Figure 12.3: Lighting is Retail Environment

Notes

Lighting should be considered a sales tool in retail environments. It can be used to entice customers into the store, lead them through merchandise areas, call attention to specific merchandise, and draw customers through the transaction process—all the while conveying specific moods or enhancing merchandising themes. Effective use of light can dramatically enhance the performance of most retail environments.

Merchandising areas can be dynamic lighting environments in which key items may be moved frequently. In these areas, it is critical to think of light in three dimensions since the task may range from horizontal merchandise tables to vertical display walls, and even to making customers appear flattering in fitting rooms. Light quality requirements that must be considered involve colour quality, distribution and glare control.

Most retail environments are lighted using either a static or kinetic approach. In a static lighting system, the fixtures are fixed in position to provide either uniform general pattern illumination or lighting that follows the merchandising layout. In a kinetic lighting system, general lighting is supplemented by fixtures that can be moved and aimed to flexibly support changing merchandising goals. The merchandise strategy generally determines which lighting system is more appropriate. In both cases, additional supplementary lighting may be required for specific task spaces such as point-of-sale areas. In addition, specialty lighting may be employed in themed environments.

12.6.1 Understanding the Lighting System

Light can define space, substance and style. Lighting is an important part of every home and you should take utmost care for the lights you arrange in room. Rooms must get adequate light so as to brighten the area. Today the lighting system has got modern and cost effective with the coming of power saving lights.

Lighting is as necessary as anything which adds to home decor. But we should be careful while selecting lights in homes as bright bulbs and other unpleasant lights should not be installed in areas of work. Other rooms like living room, dinning room and bedroom should have few dimmer lights and several other common lights and tri-light switches which will allow you to adjust the lighting level to match needs.

The choice of fitting according to the room, gets very difficult, one gets puzzled off as there are so many varieties in lights like the table lamps, spot lights, clamp lights, recessed/surface mounted lights, up lighters, halogens, incandescent bulb, pendants, fluorescent fixtures and lots of others. Once the basic idea of the space, mood, interior design, highlighting, function of work have been specified, one can then consider the basic types of lighting. Initially only the planned positions of lights need to be decided. Later, the selection of bulbs and the exact effect can be created. One should always keep in mind some of the basic rules while designing the light.

1. Every activity that takes place in the interior must have lights of the right kind, intensity and the right direction.
2. The eye prefers even lighting with the minimum of contrast between the brightness of the room surfaces and the lighting fixtures.
3. The eye works best when the work surface is more brightly lit then the surroundings.
4. The eye is stimulated by the contrast of tone and sparkle.
5. When room lighting change, color changes or disappear, thus objects become more or less important in the room.
6. There are three basic types of lighting which are categorised according to the intensity of the light used.

Notes

Here are few essential points which can carefully note down when it comes to lighting of your living or office place. The following are the various things which you should always know pertaining to lighting.

Cost Saving Lighting

1. The lights you choose must focus on important areas but reduce over lighting. Try to remove extra and irrelevant lights from your home which will also save energy in a great way.
2. Task lighting is better than any other light and you can save power by concentrating on major lighting areas and reducing background lights.

Power Effective

1. Just switch off ceiling lights and instead use table lamps, track lighting and under counter lights in work and kitchen areas.
2. CFL lights are common today which consume indeed very less power than any other light. They can be used anywhere in house where bright light is not needed.

Affordability of Lights

1. Try to switch over the standard switches with dimmers or hi-lo switches which can be set to different adjustments as in making them bright, dim or off. To save power consumption use resistors.
2. Give a look at your place where lights are needed before purchasing new fixtures. Pot lights are less flexible than track lights as they can be moved and their direction is easily adjustable.

Health and Environment

1. Remember the affordability, cost savings, health and environment in consideration with lighting. Buy lighting fixtures which are affordable do not go for trendy lights but buy the ones which are affordable.
2. Buy those lighting fixtures which save power like track lights rather than those which consume more energy and look unpleasant.
3. Good lighting system boost up your mood and resulting affects your health.
4. By using localised and directed lights in combination with day lighting techniques will reduce the energy consumption and over lighting.

12.6.2 Phases of Lighting

There are three phases of lighting to consider in a discussion of store illumination: primary lighting and secondary lighting.

Primary/General Lighting: Primary lighting supplies the bare essentials of store illumination. Outside, it includes the marquee lights illuminating the sidewalk for the window shopper, and the lobby ceiling lights. Inside, primary lighting provides general illumination for the store, including lights along the aisles, an indicator of an elevator, the light in a stairway, and a directional sign at the fire exist, the office, or the down escalator. This general illumination is the

Notes

minimum adequate store illumination. This type of lighting illuminates both the merchandise and the traffic path in a store.

Secondary/Accent Lighting: Primary lighting is inadequate for the specialised showing of merchandise. For this purpose, secondary lighting should be added: Spot- and floodlights augment basic window lighting, brightening the shelves, the cases, the counters, and the merchandise. In this phase of store illumination, lighting begins to function as a selling force.

Besides selling the store, lighting is now selling the contents of the store. Secondary store illumination includes down lighting from the ceiling, showcase lighting, and valance lighting. You may also be use Secondary lighting for atmosphere lighting, the final element in store lighting. This is the phase that plays light against shadow to create the distinctive effect in specific displays. It is atmosphere lighting that concerns the display person most directly. In the windows, colour filters, pinpoint spotlights, and you may use black lighting to create dramatic effects. Inside the store, atmosphere lighting is used in featured displays.

12.6.3 Types of Lighting

Following are the various types of lighting available for stores:

Task Lighting: This type of lighting is used in work areas, such as under the counter of the cash wrap or in a stock room. This lighting is usually fluorescent and should not create shadows.

Light Source: This is used as Selling Tools. Colour means little unless it is considered in relation to the type of light in which the colour is seen. It is light that makes things visible. All colours depend on light. There's natural daylight and there's artificial light, which can be incandescent, fluorescent, or high-intensity discharge (HID) lighting.

The judicious use of lamps is also encouraged. Present day lamps are economical and offer variety for effective display.

Fluorescent Lighting: Fluorescent lighting is electrical energy causing phosphors to glow in a tube. It is very economical and provides shadow less light that is valuable for general background or ceiling illumination. It is cool and produces little heat, making it good for small, enclosed areas. However, it tends to make some objects look unpleasant and cannot be focused or projected. Maximum efficiency is obtained when the tube is placed next to a flat white surface that reflects the light beams.

Fluorescent lamps come in various wattages and sizes and are used for general room lighting, large-area display lighting and specialised lighting on shelves and showcases. A wide range of shades is available for enhancing the colours of merchandise and the atmosphere of the store.

1. Warm white and deluxe warm white fluorescent lamps – create a warm atmosphere and blend well with incandescent lamps.
2. Deluxe cool white fluorescent lamps – produce a cool or neutral environment that blends with daylight. They give colours a bright, clear natural appearance and flatter customers, employees, and store decor.
3. Coloured fluorescent lamps blue, green cool green, gold, pink and red produce dramatic effects and coloured backgrounds.
4. Ultraviolet fluorescent lamps – can be used in areas of reduced general light level to create unusual black-light displays.

Fluorescent fixtures and lighting can be shielded, filtered, or softened with grids, baffles, or diffusing panels. A baffle is any device used to dissect, divert, or disseminate light. It can be a louver over a light, an egg crate grid, or even an angled panel that dissects the stream of light.

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Incandescent Lamps: In the incandescent, electric energy flows through a very thin wire (filament) that resists the low of energy. This causes the filament to heat up and, consequently, to glow. The heat that is produced can, in confined, unventilated areas, be a fire hazard. Incandescent light is flexible and therefore very useful in special effects. It is always used with a fitting or reflector, unless it is used in lines or with batteries. Incandescent lamps give a warm effect but are less diffused and much less economical than are fluorescent.

Incandescent lamps have sharply defined beams that are easily directed to emphasise merchandise. They come in a great variety of types, shapes, beams, wattages, and colours.

Reflector Lamps: Most widely used for spotlighting interior displays. The reflectors are sealed in and never need cleaning. They are available in 75, 100, 150, and 200 watts and in spot and flood beams. For higher intensities, 300-watt lamps produce spot, medium flood, and wide flood patterns.

Colour spot lamps of 150 watts produce concentrated beams of amber, green, blue, yellow, and red light that can be used at increased distances from the merchandise. They can be used as primary lighting, but they are generally used as secondary lighting.

Cool Reflector Lamps: These reduce deterioration of perishable displays and fading or discoloration of merchandise, as well as boost customer and clerk comfort. A dichroic coating on the built-in reflector removes mot of the heat from the light beam yet retains high light output and good beam control. Smart, decorative lamps in 10- to 100-watt sizes and in a variety of finishes, shapes, and colors can add sparkle to your displays. For example, early-American chimney lamps lend colonial charm to a display of wigs.

More and more stores are combining incandescent lighting with fluorescent lights to create their primary lighting. The incandescent is used for warmth, for emphasis, and for highlighting as well as on the merchandise beneath them.

Because of their lower lamp efficiency, shorter lift, and high heat load, incandescent lamps are not recommended for general lighting where cost is an important factor.

High-Intensity Discharge Lighting: HIDs are relatively small in size (compared to fluorescents) and, like the incandescent, provide shadows and highlighting. Mercury-type HIDs may be too green, the metal halide type may appear too blue, and the sodium type is quite yellow, but research is producing warmer and more flattering types of light. General Electric's Multi-Vapour II is an improved metal halide type lamp that produces a light similar to a standard cool white fluorescent that is satisfactory in some areas. It is however, still cooler and bluer than an incandescent lamp.

Since HID lamps do provide so much light, they are best in areas where the ceiling is at least 15 feet high.

Lab Exercise Go to website http://www.hid.com/# and information on HID ultraviolet

Other basic types of lighting that work together in your home:

1. ***Ambient Lighting:*** Ambient lighting provides an area with overall illumination. Also known as general lighting, it radiates a comfortable level of brightness without glare and allows you to see and walk about safely. In some spaces such as laundry rooms, the ambient lighting also serves as the primary source of task lighting.

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Figure 12.4: Ambient Lighting

It can be accomplished with chandeliers, ceiling or wall-mounted fixtures, recessed or track lights and with lanterns mounted on the outside of the home. Having a central source of ambient light in all rooms is fundamental to a good lighting plan.

2. ***Task Lighting:*** Task lighting helps you perform specific tasks, such as reading, grooming, preparing and cooking food, doing homework, working on hobbies, playing games and balancing your check book. It can be provided by recessed and track lighting, pendant lighting and under cabinet lighting, as well as by portable floor and desk lamps.

Figure 12.5: Task Lighting

Task lighting should be free of distracting glare and shadows and should be bright enough to prevent eye strain.

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3. ***Accent Lighting:*** Accent lighting adds drama to a room by creating visual interest. As part of an interior design scheme, it is used to draw the eye to houseplants, paintings, sculptures and other prized possessions. It can also be used to highlight the texture of a brick or stone wall, window treatments or outdoor landscaping.

Figure 12.6: Accent Lighting

To be effective, accent lighting requires as least three times as much light on the focal point as the general lighting surrounding it.

Accent lighting is usually provided by recessed and track lighting or wall-mounted picture lights.

4. ***High Activity Lighting:*** High activity lighting is a cross between the more general ambient lighting and the very specific accent lighting. High activity lighting is effective in a store with many products, aisles, shelves and registers. This type of lighting brings attention to all the nooks and crannies that may otherwise be overlooked due to shadowy areas or dark corners. High activity lighting refers to small bulbs that may be installed directly into walls, ceilings or shelving units in a subtle yet effective position.

5. ***Screw-based Track Lighting:*** Screw-based lighting was originally designed for residential use. Individual bulbs placed in lamps that are turned on and off as needed don't use a tremendous amount of electricity, but retailers traditionally have steered away from this type of lighting because of the extreme amount of bulbs and lamps necessary to light an entire store this way. In more recent years, lighting experts have developed a screw-based track lighting system featuring energy-efficient bulbs that use a fraction of the amount of electricity the older standard bulbs would have. This type of lighting is attractive for modern store design cosmetic effects and is cost-effective upfront as well as over the long run in terms of electricity usage. Screw-based track lighting works well for small but modern stores or salons seeking a high-end gallery-type appeal.

A good lighting plan combines two or more types to light an area according to function and style.

Notes

Lighting Tips for Specific Merchandise

The various lighting tips for specific merchandise are:

1. Use large-area lighting fixtures plus incandescent down lighting to avoid heavy shadows when displaying major appliances and furniture.
2. Use general diffuse or overall lighting, accented with point-type spotlights to emphasise the beauty of china, glass, home accessories, and giftware.
3. Bring out the sparkle and lustre of hardware, toys, auto accessories, highly polished silver, and other metal ware by using a blend of general light and concentrated light sources spotlights.
4. Use concentrated beams of high-brightness incandescent sources to add brilliant highlights to jewellery, gold and silver, or cut glass.
5. Highlight the colours, patterns and textures of rugs, carpets, upholstery, heavy drapes, and bedspreads by using oblique directional lighting plus general low-intensity overhead lighting.

12.6.4 Lighting Issues

As a retail store manager should keep the following issues in mind when selecting lighting for your retail store:

1. ***High "Colour-rendering" Lamps should be used:*** Whether selecting lighting for a grocery store or a department store, it is important for your contractor to choose lamps (light bulbs) that make colours appear as "natural" as possible. The measure to look for when selecting lamps that will render colours accurately is CRI (colour rendering index). This is found on a lamp's packaging or in the manufacturer's catalogue. CRI of lamps range from a low of 1 to high of 100. In retail lighting, your contractor should select lamps with a CRI of 80 or above. There are standard and halogen incandescent, fluorescent, and metal halide lamps that meet this CRI value.
2. ***Lighting Fixtures should Limit Glare:*** For customers to comfortably examine merchandise and sales people to work without eye strain, your contractor should choose lighting fixtures carefully and install them properly. For a store's "general lighting," fixtures should be chosen that limit the shoppers' view of the lamp itself, such as louvers, baffles, and lenses. This cuts down on the glare (uncomfortable brightness) of these fixtures. For "accent lighting," lighting aimed directly at merchandise, lamps with "narrow" beams (often called "spot" lights) should be selected as well as fixtures in which the lamp is recessed or set-back from the fixture's opening. Also, your contractor should make sure this lighting is not aimed directly toward aisles or doorways where they could shine directly into shoppers' eyes.
3. ***Light should be Distributed where it is needed:*** Many types of merchandise in a store are displayed vertically (hanging or on shelves). It is important for your contractor to select fixtures that will properly provide lighting on vertical surfaces. This can be done by using adjustable fixtures that can be aimed toward shelves or vertical displays, selecting ceiling-mounted fixtures that are designed to direct some light to the sides rather then directly down, or by incorporating lighting into display cases or shelving units. It is also important to make sure that the general areas in the store where people need to walk and move through displays are evenly lighted and appear bright to customers. Your contractor should make sure that the general lighting fixtures are installed in accordance with the manufacturer's "spacing criteria."

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4. ***Lighting should Draw Customers to Merchandise:*** One mistake that is often made in stores is to use "spot" or "accent" lighting, such as halogen reflector lamps, everywhere. These create a feeling of visual clutter and can be confusing to customers. Light can be a very effective way of drawing a customer's attention to areas of the store you want them move toward. For example, it is very effective to light important displays and sales counters to a higher level (sometimes as much as 5 times more light) than the general areas of the store. If your contractor limits accent lighting to these two store areas it will be much more effective in catching a customer's attention.

Self Assessment

State whether the following statements are true or false:

14. Improper display lighting is vital to selling.

15. Expert display people use sound in the same way as a musician uses light.

12.7 Organising an In-store Event

Many small business owners seem to shy away from event marketing, thinking it is too costly or takes too much time. However, when executed properly, event marketing for small businesses can be a very effective way to generate new customers, leads, and even strategic partners.

There are basically three types of event marketing: organising your own event, sponsoring an event, or attending an existing event. Today we are going to talk about organising your own event, specifically an in-store event.

An in-store event can be used by retailers, or anyone with a storefront location, to drive traffic, sell old inventory, and build your customer database. An event doesn't have to be an overwhelmingly elaborate affair. Many local business owners have found success planning simple, yet enticing events that don't cost a lot of money. Here are our secrets to planning a successful in-store event:

Be creative: Everyone, it seems, has a full calendar these days. So, capturing the attention of people and getting them to make time to come to your store or business, is probably the most important key to a successful in-store event. A "sale" these days, is normally not enough to generate a large amount of traffic. Try to think outside the box, and be creative. For example, a pet grooming business or a self-service dog wash could hold a "dirtiest pet contest". The person who brings the dirtiest pet gets their dog washed and groomed for free while everyone else gets a special discount and goodie bags just for showing up.

Create a buzz: Your goal is to plan an event that people will not want to miss. The best attended events typically communicate a sense of prestige and/or excitement. If you can get a local celebrity or media person to attend your event, this can be a very effective way to create a buzz around your event. An A-list celebrity will cost an arm and a leg, but a boutique, for example, could bring in a local stylist who dresses famous people. It is free publicity for them and will bring people into your store.

Spread the word: An event is probably not much fun for anyone if nobody shows up. One of the keys to getting people to your event is getting the word out early and frequently. Tell everyone you know, and use social media. Start creating teasers on Facebook and Twitter, and consider creating fun videos to post on YouTube. Using social media is the best way to spread the news of your event, along with a special invitation to your mailing list. Speaking of invitations, we recommend that you don't skimp on your invitation, as it is a critical piece of creating a buzz around your event! On-line event invitations are cheap, fun, and an easy way to track registration

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and who is attending. Lastly, don't forget to publicise the event to the local media such as community newspapers, websites and bloggers.

Follow-up: Post-event follow-up is an often overlooked area by small business owners, yet is an area that can generate even further business if executed correctly! We happen to think that Thank you notes are a nice touch, and can be a very personal way of following up. Another idea is to set up a postcard program to invite attendees to the next event. Which reminds us; don't forget to have people sign in at the event! You'll want to capture their names, email addresses, along with mailing address and phone number if they're willing to give it. This is a goldmine of information for your customer database! And, once you've gathered the customer's contact information at the event, follow up within the next two weeks with a special offer or discount coupon, which is exclusive for the attendees of the event.

Selling space: It is the most important part of a store and therefore efforts to utilise each square foot will help to maximise sales. One proven way to do this is through interior displays that effectively show merchandise to the customer. When planning interior displays, remember that the theme and image presented on the exterior must be carried throughout the interior of the store to provide consistency for the customer. The purpose of the interior display is to develop desire for the merchandise, show what is available, and encourage both impulse and planned buying. Three goals of store are:

- Motivate the customer to spend money
- Protect the image of the store
- Keep expenses to minimum

As an illustration, researchers found that 64.8% of all the purchase decisions were made inside a supermarket. Most people indicated they purchased the item because they saw it displayed. 67% of liquor purchased from the liquor shop is impulse items. Combining advertising and display into an integrated promotional campaign will usually be more effective.

Notes **Exterior Presentations**

The quality of a store front is a major determinant for a customer, particularly a new customer, and should not be underestimated. The exterior appearance of one store, a block businesses or a cluster, silently announce what customers can expect inside. Good exterior visual merchandising attracts attention, creates interest and invites the customer into business. Exterior presentation can offer lavish, conservative, progressive or discount image.

Exterior Signs

A sign is a silent salesperson, and part of a shopper first impression of a store. In less than 10 sec the sign must attract attention, tell what the business is and what it intends to sell. Simple, brief, well designed, well lettered and easy to read signs will convey a feeling of welcome. Design graphics appropriate for the nature of the business, and create a message that is clear and simple. Focus on one or two key words to describe the business. A clean, clear message will have more impact. A store sign is its "signature". It is personal, original and continuously recognisable to the public. It should create an image that is consistently carried throughout the existence of store.

Notes

Self Assessment

Fill in the blanks:

16. Capturing the ..... and getting them to make time to come to your store or business, is probably the most important key to a successful in-store event.

17. A sign is a ..... salesperson, and part of a shopper first impression of a store.

12.8 VM Tool Kit

Before designing a product display, put together a visual merchandising tool kit to keep on hand. By having all of these items in one location it will save time in actually preparing the display.

1. Scissors, Stapler, Two-Sided Tape, Pins
2. Hot glue sticks and glue gun
3. Monofilament Fishing Line
4. Tape Measure
5. Razor Blade/Utility Knife
6. Hammer, Nails, Screwdriver, Screws
7. Notepad, Pencil, Marker
8. Signage, Sign Holders
9. Glass Cleaner/Paper Towels
10. Props (Non-merchandise Items)

Take time to plan the display. Consider what you want to accomplish, develop a budget and determine a central theme. You may even want to sketch your display on paper. Gather your visual display tool kit, the merchandise and any props. Make sure all materials and location (tables, windows, racks) are clean. Choose a slow time of the day or build the display after hours.

12.8.1 Elements of Effective Visual Merchandising

The elements are:

1. ***Balance:*** Asymmetrical rather than symmetrical balance with the display.
2. ***Size of Objects:*** Place the largest object into display first.
3. ***Colour:*** Helps set mood and feelings.
4. ***Focal Point:*** Where product and props/signage and background come together.
5. ***Lighting:*** Should accent focal point, if possible.
6. ***Simplicity:*** Less is more so know when to stop and don't add too many items.

Once the display is finished, add appropriate signage. Take photos of the display and keep record of the product sales during the display's existence. Save your information in a file folder for easy reference. By documenting its success, you can re-create the display next year or if it flops, you can make sure you don't repeat the same mistakes.

Notes

Like any other aspect of retailing, creating an attractive display takes a little skill and lots of trial and error. As your store changes, so will your opportunities for visual displays. Keep working at designing eye-catching and innovative ways to make your retail store profitable through visual merchandising.

Figure 12.7: Innovative Ways to Make Your Retail Store Profitable

Retails store displays are created with the aim of captivating the interested customer who has stepped into your store. Your retail display stands must hold easy to read publicity material that gives the prospect the detailed and specific information required by your customers. A stylish brochure holder helps. You could also have a large pop up display system dominating the room with its graphics and useful text, and on the other hand, you could display key features of your company on the workstation. A large format store could have gallery sign system, sized to suit the location. These flexible retails display systems/stands can be hung mounted or left free-standing, by themselves or as a stage backdrop to your display counter. Your point of purchase must bombard the prospect, so line up your products on smart, portable display counters, a must for retail display stands. Key information and contact information can go on suspended or wall–mounted light Kits.

Figure 12.8: Points of Display

Any Retail Display at trade show can also employ portable stage backdrops, lightweight folding walls or fabric formations to display their graphics. In addition, posters could be displayed on snap frames or pedestal style sign holders and placed at key locations. Retail store display stands must also include business card holders, placed strategically.

Self Assessment

Fill in the blanks:

18. ..... designing a product display, put together a visual merchandising tool kit to keep on hand.

Notes

19. Any Retail Display at trade show can also employ portable stage backdrops, lightweight folding walls or fabric formations to display their .....

20. A large format store could have ..... sign system, sized to suit the location.

Case Study

Consumable Product Placement Project

"Lawrence Merchandising Support Spurs Sagging Snack Sales"

Low retail sales of new snack product requires extra attention to boost 4th quarter sales.

A nationally known producer of a new snack consumable product worked diligently to secure a prime end cap location with Target during the 4th quarter and was frustrated by slow sales during the holiday season. Based on our long standing partnership with Target, Lawrence Merchandising was recommended by the Target buyer as a great resource for reaching the product at each store and working with store personnel to ensure sales could be maximised. Target has recognised Lawrence Merchandising as a preferred vendor who has handled several of their own brands with regular frequency and successful execution. Lawrence's familiarity of Target stores, policies, procedures and regular service in this retailer proved to be beneficial in quickly addressing the situation and finding a solution to help boost performance of the new product.

Our Role: To work with the store and identify potential reasons why the new snack consumable product was not performing to plan and to assist the store in addressing out-of-stock issues while ensuring product sell through.

The Challenge: A new snack item was offered for the first time in this retailer. In an effort to brand the new item in the marketplace, the vendor negotiated a quarterly end cap in some Target stores during the holiday retail season. Three weeks after the end cap set date, only one third of the stores were reporting sales. The challenge was to determine the factors contributing to low product performance and to quickly identify solutions to increase sales.

The Solution: Target recommended Lawrence Merchandising as a resource for service with a presence in all locations. Lawrence was contacted and was able to develop a plan to quickly address the clients concerns. Within one week, Lawrence Merchandising reps were deployed to all stores nationwide. During the scheduled one week service, Lawrence was able to ensure that the product was out on the floor and set to planogram in every Target store.

The Result: The snack company realised an immediate 35% lift across the entire retail chain as documented by sales data provided by the client. Lawrence Merchandising ensured the product was on the shelf and sellable, resulting in these higher sales figures. It does not stop here. The relationship between the retailer and the snack company was further strengthened through the added support during a time when the retailer was already taxed with keeping up with the demands presented by day-to-day business during the hectic holiday season. Based on the success of the sales and service of the product, this retailer placed the product permanently in the snack check lanes in every store nationwide. Lawrence Merchandising executed the snack lane flawlessly, resulting in even higher ongoing retail success for this client.

Contd...

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Questions

1. Analyse the case and interpret it.
2. What do you conclude from the given case?
3. Write down the case facts.

Source: http://www.lmsvc.com/case-studies/1.html

12.9 Summary

- The basic principles of merchandising start with product segmentation.
- Product segmentation brings order and simplicity both to the way stock is bought and the way you present it.
- A successful company is one that is well aware of its sales.
- Sales tracking tools can do within a merchandise location.
- A mannequin (also called a dummy, lay figure or dress form) is an often articulated doll used by artists, tailors, dressmakers, and others especially to display or fit clothing.
- Props are an integral part of a display. They are used in visual merchandising to tell a story about the product, the merchandise concept or the store itself.
- Proper display lighting is vital to selling.
- Lighting should also have the quality and colour that bring out the best features of the merchandise.
- Expert display people use light in the same way a musician uses sound.
- A sign is a silent salesperson, and part of a shopper first impression of a store.

12.10 Keywords

Balsa: Balsa is a very light weight though strong wood used primarily for model planes that fly.

Fluorescent Lighting: Fluorescent lighting is electrical energy causing phosphors to glow in a tube.

Incandescent Lamps: In the incandescent, electric energy flows through a very thin wire (filament) that resists the low of energy.

Kinetic Lighting System: In a kinetic lighting system, general lighting is supplemented by fixtures that can be moved and aimed to flexibly support changing merchandising goals.

Mannequin: Mannequin is an often articulated doll used by artists, tailors, dressmakers, and others especially to display or fit clothing.

Plaster of Paris: Plaster of Paris is a white powder, usually ground gypsum, that when mixed with water hardens into the shape of its container.

Prop: A prop is something used with a product in a display that clarifies the function of the merchandise being sold or the story being told.

Sign: A sign is a silent salesperson, and part of a shopper first impression of a store.

Static Lighting System: In a static lighting system, the fixtures are fixed in position to provide either uniform general pattern illumination or lighting that follows the merchandising layout.

Notes

Task Lighting: This type of lighting is used in work areas, such as under the counter of the cash wrap or in a stock room.

12.11 Review Questions

1. What is the basic principle of merchandising?
2. What is product segmentation?
3. Why product segmentation is necessary?
4. What is product arrangement on the basis of colour?
5. Who are merchandise planners?
6. How does merchandise planners works?
7. Explain the concept of sales tracking.
8. What is a prop? What is display prop?
9. How will you explain the concept of lightning in visual merchandising?
10. "A successful company is one that is well aware of its sales". Elucidate.
11. Who are expert display people?
12. "A sign is a silent salesperson, and part of a shopper first impression of a store". Discuss.
13. What are in-store events?
14. What could be the most important key to a successful in-store event?
15. What is VM tool kit? Explain its significance.

Answers: Self Assessment

1.	Product segmentation	2.	Order
3.	Appearance	4.	True
5.	False	6.	Sales
7.	Within	8.	Sales tracking
9.	True	10.	True
11.	False	12.	Prop
13.	Visual merchandising	14.	False
15.	False	16.	Attention of people
17.	Silent	18.	Before
19.	Graphics	20.	Gallery

12.12 Further Readings

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Pradhan Swapana (2009). *Retailing Management*. Tata Mc Graw Hill.

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Unit 13: Quality and Process in Visual Merchandising

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Objectives

After studying this unit, you will be able to:

- Discuss the Essence of Quality
- Describe the Service Quality Process in Visual Merchandising
- Identify the Seven Major Gaps in the Service Quality Concept
- Describe the Servqual Methodology
- Explain the Concept of Standard Operating Procedures (SOPs)

Introduction

Standard Operating Procedures are an essential part of a quality system. The term standard operating procedure, or SOP, is used in a variety of different contexts, including healthcare, aviation, education, industry and military.

Visual merchandising is the idiom of smart retailers. Like humans use languages to communicate, retailers use Visual Merchandising techniques to communicate with customers. The comparison to languages doesn't stop there. Like languages have their own grammar & logic of object, verb and subject, visual merchandising has its own rules and guiding principles. Within these set of rules you can still use creativity to write poetry using the same language a visual merchandiser too can use his creativity to create visual effects in the store to communicate in an innovative manner with the customer.

Your retail outlet is an investment made to generate maximum sales and henceforth profits to your organisation. A retail outlet is usually the focus point which attracts customers. Any sales and promotion activity you do is an add-on to the core process of attracting customers to your store. In this scenario it is very important that your outlet is handled professionally, like an investment. Visual Merchandiser is that professional.

Notes

In this unit, we will study, Quality and Process in Visual Merchandising. We will also focus on Standard Operating Procedures (SOPs).

13.1 Quality and Process

Visual merchandising or display is "showing" merchandise and concepts at their very best, with the end purpose of making a sale. Efficient quality and process are the main requisites of this VM.

13.1.1 Service Quality Delivery and Maintenance

Consumer spending is under pressure. With many retailers chasing ever fewer rupees with the very same merchandise, tremendous price competition has ensued. However, only the largest retailers with huge economies of scale are winning this game. There are opportunities to succeed other than offering the best deal, but retailers are having trouble exploiting them because they are unable to differentiate their businesses, respond to changing demographics, or contain contact centre costs without negatively impacting customer service and sales.

Caution Retailers that are able to define and implement solutions to these challenges are those that will successfully compete and thrive into the future.

Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001). There are a number of different "definitions" as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994a; Asubonteng et al., 1996; Wisniewski and Donnelly, 1996). Service quality can thus be defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et al., 1985; Lewis and Mitchell, 1990).

Always there exists an important question: why should service quality be measured?

Did u know? Measurement allows for comparison before and after changes, for the location of quality related problems and for the establishment of clear standards for service delivery.

Edvardsen et al. (1994) state that in their experience, the starting point in developing quality in services is analysis and measurement.

There are seven major gaps in the service quality concept. The model is an extension of Parasuraman et al. (1985). According to the following explanation (ASI Quality Systems, 1992; Curry, 1999; Luk and Layton, 2002), the three important gaps, which are more associated with the external customers, are Gap1, Gap5 and Gap6; since they have a direct relationship with customers.

Gap 1: Customers' expectations versus management perceptions: as a result of the lack of a marketing research orientation, inadequate upward communication and too many layers of management.

Gap 2: Management perceptions versus service specifications: as a result of inadequate commitment to service quality, a perception of unfeasibility, inadequate task standardisation and an absence of goal setting.

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Gap 3: Service specifications versus service delivery: as a result of role ambiguity and conflict, poor employee-job fit and poor technology-job fit, inappropriate supervisory control systems, lack of perceived control and lack of teamwork.

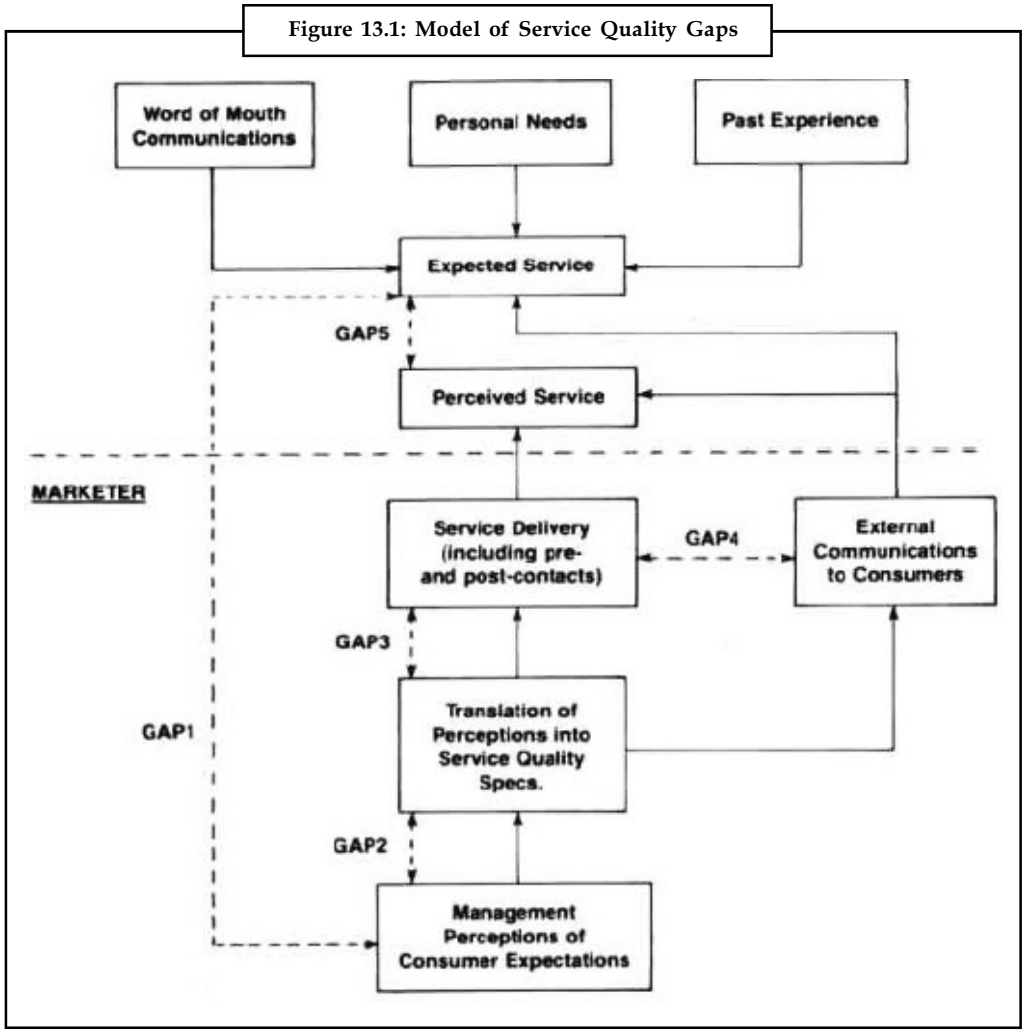
Gap 4: Service delivery versus external communication: as a result of inadequate horizontal communications and propensity to overpromise.

Gap 5: The discrepancy between customer expectations and their perceptions of the service delivered: as a result of the influences exerted from the customer side and the shortfalls (gaps) on the part of the service provider. In this case, customer expectations are influenced by the extent of personal needs, word of mouth recommendation and past service experiences.

Gap 6: The discrepancy between customer expectations and employees' perceptions: as a result of the differences in the understanding of customer expectations by frontline service providers.

Gap 7: The discrepancy between employee's perceptions and management perceptions: as a result of the differences in the understanding of customer expectations between managers and service providers.

Figure 13.1: Model of Service Quality Gaps



Source: Parasuraman et al., 1985; Curry, 1999; Luk and Layton, 2002.

According to Brown and Bond (1995), "the gap model is one of the best received and most heuristically valuable contributions to the services literature". The model identifies seven key

Notes

discrepancies or gaps relating to managerial perceptions of service quality, and tasks associated with service delivery to customers. The first six gaps (Gap 1, Gap 2, Gap 3, Gap 4, Gap 6 and Gap 7) are identified as functions of the way in which service is delivered, whereas Gap 5 pertains to the customer and as such is considered to be the true measure of service quality. The Gap on which the SERVQUAL methodology has influence is Gap 5. In the following, the SERVQUAL approach is demonstrated.

13.2 SERVQUAL Methodology

Clearly, from a Best Value perspective the measurement of service quality in the service sector should take into account customer expectations of service as well as perceptions of service. However, as Robinson (1999) concludes: "It is apparent that there is little consensus of opinion and much disagreement about how to measure service quality". One service quality measurement model that has been extensively applied is the SERVQUAL model developed by Parasuraman et al. (1985, 1986, 1988, 1991, 1993, 1994) and Zeithaml et al., (1990). SERVQUAL as the most often used approach for measuring service quality has been to compare customers' expectations before a service encounter and their perceptions of the actual service delivered (Gronroos, 1982; Lewis and Booms, 1983; Parasuraman et al., 1985). The SERVQUAL instrument has been the predominant method used to measure consumers' perceptions of service quality. It has five generic dimensions or factors and are stated as follows (Van Iwaarden et al., 2003):

1. ***Tangibles:*** Physical facilities, equipment and appearance of personnel.
2. ***Reliability:*** Ability to perform the promised service dependably and accurately.
3. ***Responsiveness:*** Willingness to help customers and provide prompt service.
4. ***Assurance:*** It includes competence, courtesy, credibility and security. It is the knowledge and courtesy of employees and their ability to inspire trust and confidence.
5. ***Empathy:*** It includes access, communication, understanding the customer. Caring and individualised attention that the firm provides to its customers.

It is important to note that without adequate information on both the quality of services expected and perceptions of services received then feedback from customer surveys can be highly misleading from both a policy and an operational perspective. In the following, the application of SERVQUAL approach is more specified with an example in a catering company.

Caselet

Servqual

In an investigation conducted by Bryslan and Curry (2001) in a catering company, a total of 140 questionnaires were distributed to all of the previous year's customers and 52 usable questionnaires were returned, resulting in a 37 per cent response rate. As can be seen from the Table, all questionnaire responses were negative and an overall departmental weighted SERVQUAL score of – 1.6 was recorded, indicating a significant shortfall in meeting customer expectations across all service areas and dimensions. The summary scores for each dimension are shown in the Table, with the weighted average scores per dimension having been added to achieve the overall SERVQUAL score. This is real cause for concern and provides a definite staring point for service improvements. As can be seen from the results, the customer expects most from the Reliability dimension of the catering service. The relatively low importance of Tangibles could be attributable

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to the fact that customers are aware of the financial constraints which are typical in the local authority funding context, and simply do not expect much when it comes to aesthetics; instead, they attach more importance to the delivery aspects of the service. Customers allocated to Assurance the lowest weighting, indicating it to be of least importance to them, yet they expect most from this service dimension. This apparent anomaly is probably due to the fact that customers expect staff to be knowledgeable about the service and therefore they can see no reason for this dimension not to be achieved. It is assumed that for this reason, customers have weighted this dimension lowest.

Table: Servqual Scores for Catering Services

Dimension	Expectations	Perceptions	Gap scores	Weightings	Weighted average
Tangibles	5.66	4.26	-1.40	19.8	-0.28
Reliability	6.06	4.36	-1.70	29.6	-0.5
Responsiveness	5.74	4.05	-1.69	19.9	-0.34
Assurance	6.13	4.58	-1.55	15.2	-0.24
Empathy	5.97	4.45	-1.52	15.7	-0.24

Note: Overall average weighted Servqual score = –1.6.

Source: (Bryslan and Curry, 2001)

At any given point of time the retailer is to keep in mind that, a range of quality exists for each product. Therefore retailers must decide what levels of quality they want when purchasing inventory and planning the merchandise assortments. Whenever we enter electronic consumer goods store, we come across a range of televisions with different price ranges. However while taking a decision a customer decides about the specific brand based on his judgment, past experience, as well as various terms and conditions. Consumers in general have been purchasing goods for a long time. Therefore they are used to making judgments about the product as well as the brand in a way which is most beneficial to them. Here it becomes very critical for the retailer to decide what sort of quality range to stock. This in turn sets the brand image for the store. While deciding the quality range of merchandise to be stocked a retailer must have a fair idea about this clientele. For instance a retailer located in a posh area uses premium modes of communication, makes efforts to provide elegant store atmosphere as well as offer best of the customer services possible. In such a case it becomes essential that he also carries the best quality merchandise. On the other hand if we have a daily needs shop located in one of the downtown areas, scenario will be very different. Here the store need not stress on providing best of the store atmosphere more importantly his customers will not be in a position to pay for the best quality products. The point to be noted here is the merchandise mix for any retail store should reflect the clientele of that store.

Example: Pricing is another important issue.

India is a very price sensitive market. At any given point of time what should be the price range of the merchandise? Is a very important question asked to himself by the retailer. For the same product prices vary depending upon the type of quality as well as brand name. There can be situations where despite being a price sensitive market high-priced products are in high demand. There are many up market stores which stock brands which are status symbols for the higher echelons of the society. Depending upon the location of the shop as well as nature of commodities dealt with a retailer should decide what sort of price points to deal within.

Notes

Self Assessment

Fill in the blanks:

1. Consumer spending is under .....
2. With many retailers chasing ever ..... rupees with the very same merchandise, tremendous price competition has ensued.
3. There are opportunities to succeed other than .....
4. Retailers are having trouble exploiting them because they are ..... to differentiate their businesses, respond to changing demographics, or contain contact centre costs without negatively impacting customer service and sales.
5. ..... is an important issue in service quality in visual merchandisisng.
6. India is a very price ..... market.
7. Customers allocated to assurance the lowest weighting, indicating it to be of ..... importance to them, yet they expect most from this service dimension.
8. For the same product, prices vary depending upon the type of quality as well as .....
9. There can be situations where despite being a price sensitive market ..... products are in high demand.
10. There are many up market stores which stock brands which are ..... symbols for the higher echelons of the society.

13.3 Standard Operating Procedures (SOPs)

Standard operating procedures (SOPs) means establishing procedure to be followed in carrying out a given operation or in a given situation.

An important aspect of a quality system is to work according to unambiguous Standard Operating Procedures. In fact the whole process from sampling to the filing of the analytical result should be described by a continuous series of SOPs. A SOP for a laboratory can be defined as follows:

"A Standard Operating Procedure is a document which describes the regularly recurring operations relevant to the quality of the investigation. The purpose of a SOP is to carry out the operations correctly and always in the same manner. A SOP should be available at the place where the work is done".

A SOP is a compulsory instruction. If deviations from this instruction are allowed, the conditions for these should be documented including who can give permission for this and what exactly the complete procedure will be. The original should rest at a secure place while working copies should be authenticated with stamps and/or signatures of authorised persons.

Several categories and types of SOPs can be distinguished. The name "SOP" may not always be appropriate, e.g., the description of situations or other matters may better designated protocols, instructions or simply registration forms. Also worksheets belonging to an analytical procedure have to be standardised (to avoid jotting down readings and calculations on odd pieces of paper).

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Task Gather more information on SOPs different sectors listed in the text.

Standard operating procedures are a detailed explanation of how a policy is to be implemented. The SOP may appear on the same form as a policy or it may appear in a separate document. The main difference between a SOP and a policy are details. An effective SOP communicates who will perform the task, what materials are necessary, where the task will take place, when the task shall be performed, and how the person will execute the task.

13.3.1 Purpose of SOP

Following are the common purposes of SOPs:

- Serve as framework for organisational policy – provide direction and structure
- Written documentation of best practice
- Tells what, how, when, why and who
- Provide foundation for:
  - job descriptions,
  - employee training,
  - corrective action and discipline, and
  - Performance review.

Lab Exercise Go to website http://www.extension.iastate.edu/HRIM/HACCP/restaurants.htm and collect information on Food Safety for Retail Foodservice Employees.

***Are SOP necessary?*:** The details in an SOP standardise the process and provide step-by-step how-to instructions that enable anyone within your operation to perform the task in a consistent manner. The SOP document serves as an instructional resource that allows employees to act without asking for directions, reassurance, or guidance. The step-by-step written procedure can also help hold employees accountable because employee expectations are documented and their actions can be measured against the SOP. Communicating procedures that anyone in the operation can follow with consistent results will ensure your operation continually provides high quality products and services.

Notes **Types of SOPs**

A number of important SOP types are:

- Fundamental SOPs. These give instructions how to make SOPs of the other categories.
- Methodic SOPs. These describe a complete testing system or method of investigation.
- SOPs for safety precautions.

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- Standard procedures for operating instruments, apparatus and other equipment.
- SOPs for analytical methods.
- SOPs for the preparation of reagents.
- SOPs for receiving and registration of samples.
- SOPs for Quality Assurance.
- SOPs for archiving and how to deal with complaints.

Self Assessment

State whether the following statements are true or false:

11. Standard operating procedures (SOPs) means establishing procedure to be followed in carrying out a given operation or in a given situation.
12. An important aspect of a quality system is to work according to unambiguous Standard Operating Procedures (SOPs).
13. A SOP is a non compulsory instruction.
14. If deviations from this instruction are allowed, the conditions for these should be documented including who can give permission for this and what exactly the complete procedure will be.
15. The original should rest at a secure place while working copies should be authenticated with stamps and/or signatures of authorised persons.
16. The name "SOP" is always appropriate.
17. Worksheets belonging to an analytical procedure have to be standardised (to avoid jotting down readings and calculations on odd pieces of paper).
18. Standard operating procedures (SOP) are a detailed explanation of how a policy is to be implemented.
19. The SOP may appear on the same form as a policy or it may appear in a separate document.
20. An effective SOP communicates who will perform the task, what materials are necessary, where the task will take place, when the task shall be performed, and how the person will execute the task.

Case Study

Product Merchandising in a Meat & Seafood Department

Overview

A regional, high value grocery supermarket chain wished to boost sales in the Meat & Seafood departments. They also wanted a new, innovative way to extend their established brand experience with minimal impact on internal resources and infrastructure.

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The Category manager and IT director cosponsored a pilot project to test the effectiveness of in-store marketing right at the point of a customer's decision by putting a digital promotions solution on the meat/seafood service counters in three of their stores.

The retailer selected METTLER TOLEDO as a technology partner to provide the Fresh Look Content Management Solution and PC-based, UC Professional service counter scales with large promotional displays.

Marketing Objectives

Category management intended to test effectiveness of in-store digital promotions to enhance the traditional use of an in-store, printed, weekly shopper. The category merchandising team duplicated promotions from the weekly shopper to the promotional screens on the service counter scales. Each week, Fresh Look CMS broadcast 3 to 5 promotions per week based on items chosen from the retailer's printed weekly shopper.

Promotions for meat & seafood category items and cross-selling items were included in the test. Pilot target measures for sales lift of 10% or greater would be considered an excellent result.

Marketing Process

Category Merchandising selected 3 to 5 promotions per week from the weekly shopper ad schedule. Artwork for promotion spots were provided by the retailer's marketing department in order to meet branding guidelines. Sign-off and approval of promotion spots were received prior to automated distribution out to individual stores and scale devices.

Using common graphic design elements, the additional in-store promotions added approximately 1–2 hours per week in additional work for the marketing department

Test Methodology

The performance measure for the pilot program was to compare items promoted only in the weekly shopper to items also promoted on the service counter scales. Sales growth of promoted items in the 3 test stores was compared to sales growth of the same items in the 22 control stores.

The pilot involved a total of 9 service counter scales, 3 in each Meat/Seafood department. The pilot program began in late 2009, with the weeks leading up to and including both Thanksgiving and Christmas excluded from the test results. Also excluded were results from the top two performing control stores and bottom two performing control stores for each promoted item.

Results

Same item weekly sales were compared between the test stores and control stores. Based on 13 weeks of data, the In-store promotion was shown to have delivered +11.5% sales growths above controls stores with only weekly shopper promotions. After the pilot test and over an additional 33 week period, sales growth performance continued to average +13.2%.

Subjective results were positive, as well. Department managers confirmed that the service counter solution was creating sales lift. One noted, "[Customers] are asking our associates about promoted items all the time."

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Category management experimented over a 2 week period with service counter promotion of items not offered in the weekly shopper. The In-store promotion delivered an average of +48% sales lift.

Recommendations

The following points are a checklist of recommendations and considerations to improve the likelihood of a successful in-store, fresh department promotions program.

A. Marketing Objectives

- Determine primary objective – Experience/Branding or Product Merchandising promotions.
- Agreement to measurable success criteria. Recommended target for product merchandising = +10% sales lift over control stores.
- Select objectives for Experience/Branding In-store solution – more information, more product comparisons, easier access to information.

B. Marketing Process

- Integrate in-store promotions program with current weekly shopper or branding programs.
- Leverage existing images, messages, videos content etc. to ensure seamless marketing integration.
- Improve buy-in with merchandising/marketing. Process design to minimise increased labour on internal staffs.
- Actively measure performance of campaigns: e.g. POS comparisons, CPM, reach.

C. IT Infrastructure

- Selection of CMS application – legacy systems or new application suited for in-store digital signage networks.
- Determine software implementation - Self-hosted applications or Software-as-a-Service.
- Position in-store displays for maximum reach with shoppers: In the fresh department counter, eye level, on the fresh counter.

D. Technology Partners

- Identify technology supplier with system design capabilities and expertise in enterprise integration.
- Identify supplier experienced in large store network rollouts of in-store infrastructure with local support.
- Select a digital signage supplier that brings stability to a new, emerging technology.

E. Keys to Success

- **Physical placement** – eye level, where the shoppers are focused
- **Visual quality** – uncluttered, appealing, adding to the experience
- **Messaging** – relevance to the shopper, integrated with other media

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- **Part of the marketing process** – content integrated into current merchandising/ marketing processes
- **Educate & inform the store associate** – supporting the message

Questions

1. Analyse the case and interpret it.
2. What do you infer from the given case?
3. Write down the case facts.

Source: http://si.mt.com/dam/Retail/WhitePaper_Visual_Merchandising_EN.pdf

13.4 Summary

- Only the largest retailers with huge economies of scale are winning this game.
- There are opportunities to succeed other than offering the best deal.
- Retailers are having trouble exploiting them because they are unable to differentiate their businesses, respond to changing demographics, or contain contact centre costs without negatively impacting customer service and sales.
- Pricing is another important issue.
- India is a very price sensitive market.
- A SOP is a compulsory instruction.
- The name "SOP" may not always be appropriate.
- Standard operating procedures (SOP) are a detailed explanation of how a policy is to be implemented.
- The SOP may appear on the same form as a policy or it may appear in a separate document.
- An effective SOP communicates who will perform the task, what materials are necessary, where the task will take place, when the task shall be performed, and how the person will execute the task.

13.5 Keywords

Assurance: Knowledge and courtesy of employees and their ability to inspire trust and confidence.

Empathy: Caring and individualised attention that the firm provides to its customers.

Quality: Meeting to some specified standards.

Reliability: Ability to perform the promised service dependably and accurately.

Responsiveness: Willingness to help customers and provide prompt service.

Servqual: It is the most often used approach for measuring service quality has been to compare customers' expectations before a service encounter and their perceptions of the actual service delivered.

Standard Operating Procedures (SOPs): Standard operating procedures (SOPs) means establishing procedure to be followed in carrying out a given operation or in a given situation.

Tangibles: Physical facilities, equipment and appearance of personnel.

Notes

Visual Merchandising: Visual merchandising or display is "showing" merchandise and concepts at their vary best, with the end purpose of making a sale.

13.6 Review Questions

1. Define the term quality.
2. What is the need for having quality?
3. What is meant by service quality?
4. Discuss the interrelationship between quality and service in visual merchandising.
5. What is meant by SOP?
6. "SOP is a compulsory instruction". Comment.
7. "The name "SOP" is always appropriate". Elucidate.
8. How will you account for India to be a very price sensitive country?
9. Discuss various types of SOPs with suitable example of each.
10. What are the essential features of an effective SOP in a visual merchandising?

Answers: Self Assessment

1.	Pressure	2.	Fewer
3.	Offering the best deal	4.	Unable
5.	Pricing	6.	Sensitive
7.	Least	8.	Brand name
9.	High-priced	10.	Status
11.	True	12.	True
13.	False	14.	True
15.	True	16.	False
17.	True	18.	True
19.	True	20.	True

13.7 Further Readings

Books

Barry Berman & Joel R Evans (2006). *Retail Management: A Strategic Approach*, Pearson.

Levy, Michale & Barton A. Weitz (2009). *Retailing Management*. Tata Mc Graw Hill.

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Unit 14: Experiential Retail

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14.1 Brand Experience – Brand-centric to Customer-centric

14.1.1 Brand-centric to Customer-centric

14.2 Experience Design – Beyond Visual Merchandising

14.3 Generation C — The Changing Consumer

14.4 The Magic of Augmented and Mixed Realities

14.5 Experiential Retail – The New Retail Scenario

14.6 Summary

14.7 Keywords

14.8 Review Questions

14.9 Further Readings

Objectives

After studying this unit, you will be able to:

- Describe the Brand Experience—Brand-centric to Customer-centric
- Discuss the Experience Design—Beyond Visual Merchandising
- Discuss about the Generation C—the Changing Consumer
- Explain the Magic of Augmented and Mixed Realities
- Describe the Experiential Retail—the New Retail Scenario

Introduction

People will forget what you said, people will forget what you did, but people will not forget how you made them feel.

A brand is a collection of perceptions in the mind of the consumer. Brand is the "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers." The best experiences are inspired by great stories. The Brand Experience can help your brand be there in a real space. It also supports in making real connections with real people.

Example: Coca Cola which belongs to the Coca-Cola Company.

A brand is the most valuable fixed asset of a Corporation.

In this unit, we will study about brand experience—brand-centric to customer-centric, experience design—beyond visual merchandising, generation C—the changing consumer. We will also study the magic of augmented and mixed realities, experiential retail—the new retail scenario.

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14.1 Brand Experience – Brand-centric to Customer-centric

Brand experience is the cumulative perception of a brand that is based on impression gained by visual, verbal and experiential encountered with brand. It encompasses a range of intellectual sensory and emotional connected links. The sum total of all points of contacts with the brand which are called touch points.

Controllable touch points are:

1. Retail
2. Product
3. Website
4. Service
5. Advertisement, etc.

Uncontrollable or less controllable touch points are:

1. Word of mouth
2. Press/blog commands

Essence of successful brand:

1. Consistency
2. Coherency
3. Holistic
4. Well implemented brand experience

Brand centred experience are directly formulated around the brand and its products, values, services and messages, etc.

Did u know? Retailers face a fast-expanding, multi-pattern competitive set.

A company may see its losing market share, but may not see where it's going. Consumer spending is scattered thanks to new ways of making purchases. Manufacturers are becoming retailers. New rivals, often in the form of companies too small to hit the radar, continue to enter and fragment the market. In such a climate, every customer interaction becomes crucial.

Creating a powerful retail experience begins with a commitment to consistency. It begins with an understanding of what the brand is intended to mean. It begins with an appreciation for how the brand meaning should shape the retail experience. It begins with the realisation that for retail brands, the retail experience is very much the brand experience. In fact, the retail experience is the brand experience.

Inventory assortment is part of the brand experience and should be managed to reinforce the brand's key focus. The selections that customers encounter in the shop create an impression of what that retail brand represents. Keep your inventory consistent with your brand.

14.1.1 Brand-centric to Customer-centric

Interestingly, in the area of Wireless or cell/broadband communications there are not many positive stories or Brands; and in the area of Insurance and Financial Services it still seems that

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there is a lack of customer-centric thinking and behaviour. Based on some observations, here are the top TEN key elements of what makes a great service brand.

Ten Key Elements

1. The Brand is honest, transparent and values customer feedback and interaction.
2. The employees or service ambassadors are well looked after and managed which make them 'happy' and 'eager' to offer help and serve all customers.
3. The use of technology, people and channels for service and sales are integrated so that it is 'easy' to use for customers; and allows choice for users/customers.
4. The 'customer service charter' is not just wallpaper or marketing – but, central to the Brand offer and differentiation. Benchmarking and performance are monitored and celebrated as well as used to 'fix' problems or identify opportunity to improve.
5. The customer journey makes it easy and enjoyable to move from 'shopper' to 'buyer/customer' – it is fun as much as entertaining or practical.
6. Service failure and recovery is the primary test and evidence of whether the Brand values customer business, and loyalty.
7. The details matter: everything from signs, to scripts to receipts, is a part of the experience and management 'sweat the details' every day.
8. Competitive benchmarking is not just measured by sales, but by customer satisfaction. Service leaders use leaders in other categories to inspire and innovate.
9. Consistent performance within the experience, and over time reveals service to be 'hard wired' into the culture of the organisation, and not just down to one or two highly personable managers, employees or one-off experiences.
10. Service and profit are linked so that employees are incentivised to deliver what their customers expect and demand, while also empowering employees to 'surpass expectations when possible'.

Seven Requirements for Becoming Customer-centric

There is a lot of talk these days about putting the customer at the centre of business thinking and operations. Whether motivated by the economy, competition or a shift in strategic focus, the dialogue in some hallways and boardrooms is starting to explore the following questions:

- What would be different if we put the customer at the centre?
- What would have to change?
- How would we get started?
- How would it make us more successful?

Although many retailers are trying to embed a customer orientation into their organisation's decision-making and culture, most are struggling to make real progress. Dunnhumby's global experience in helping to transform large, complex organisations has helped define the seven requirements for customer-centric transformation. The following seven areas are necessary for a successful and sustainable transformation:

1. ***CEO commitment to change strategy and culture:*** The CEO sets the strategic agenda for the organisation. The decision to create a customer-centric enterprise will touch every

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aspect of the organisation. Therefore, strategic accountability must belong to the CEO rather than to a specific function or group. In owning the transformation toward customer-centricity, the CEO can reset highly-visible, enterprise-wide KPIs, as well as rewards, accountabilities and questions. The most effective CEOs empower their entire organisations by emphasising and demonstrating the need for learning and humility. Their message shifts from "do more of what I say" to "do more of what our best customers want." Successful CEO leadership shifts the emphasis of the enterprise and reorients everyone to create winning outcomes for high-value customers.

Table 14.1: CEO Commitment to Change Strategy and Culture

From traditional emphasis ...	... to customer emphasis
Beating the competition	Winning with the customers who matter most
Meeting short-term investor expectations	Growing long-term customer value
Maintaining legacy strategies, structures and processes for "stability"	Reinventing the enterprise to improve customer experience
Data, reporting and inquiries which focus on what is selling	Data, reporting and inquiries which focus on who is buying

2. ***Dedication to earning and growing customers' lifetime loyalty:*** Many retailers and brand owners long ago declared as dead the idea of earning customers' loyalty to their store or brand. As a result, most organisations have failed to identify, disproportionately engage and adequately reward those customers who matter most. Since (1) much of their investment lands on the wrong customers, and (2) their best customers find most of their efforts irrelevant and even annoying, their choices fulfil their hypothesis: Customer loyalty declines.

   Happily, some retailers and brand owners are starting to turn the question around. Instead of asking "why are customers disloyal to us?" they are asking "how loyal are we to our best customers?" These leading thinkers are rebalancing investments and refining strategies and tactics in order to earn and grow customers' lifetime loyalty.

3. ***Intimate, customer-level insight and understanding:*** Most companies — even those who believe they are customer-centric — often rely on obsolete, institutional knowledge, assumptions, intuition and averages when discussing customers and their needs. Organisations must develop the commitment to set aside "what we think we know," replacing it with a current, accurate and data-driven understanding of their customers. Simply put, you can't be customer-centric if you can't answer the following questions:

   - Which customers matter most?
   - What do they buy?
   - How do they buy?
   - Why do they buy?

4. ***Customer insight embedded in core processes:*** To put the customer at the centre of decision-making, applying customer insight can't be optional or left at the discretion of individual managers. Each major decision process must incorporate structured customer insight requirements which are inescapable and heavily weighted.

   Taking this action will change and improve decision outcomes, as shown in the Assortment example below in which traditional product-centric factors are replaced with customer-centric metrics.

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Table 14.2: Assortment Process – Which Items should Stay or Go?

From traditional metrics	... to customer-centric metrics	Customer impact
Item velocity	Overall customer value	The store is loyal to their best customers
Item margin	Trip value	The store considers the total customer visit
Item image contribution	Item exclusivity	The store knows which items are not substitutable

5. ***Insight-led collaboration between trading partners:*** Leading pairs of trading partners are achieving breakthrough results by combining a new level of customer understanding with the recognition that they can create greater customer value by working collaborating vs. working separately or at cross purposes.

   How are they making progress while their competition is still "stuck"? They are replacing traditional store- and brand-centric thinking with a customer-centric approach. This is improving the dialogue and the results for companies which can set aside yesterday's model:

Table 14.3: Traditional Store- and Brand-centric Dialogue vs Emerging Customer-centric Dialogue

Area	Traditional store- and brand-centric dialogue	Emerging customer-centric dialogue
Desired customer behaviours	How can we drive more customers into the store?	How can we understand our best mutual customers and grow their trip frequency?
Category growth drivers	Can we grow 7 percent this year?	Can we grow 12 percent by improving share of wallet by 20 percent among our best mutual customers?
Merchandising	We will trade off endcaps between your brand and our brand.	We can maximise sales by sharing the endcap because your brand and our brand attract different customers.

   Various examples reflect the operational or category level, it's also critical to establish a practice of collaboration at the top-most levels of the trading partners. The most successful collaborative efforts occur when the executive leadership of the retailer and the manufacturer each lay out a clear vision of what they are trying to achieve, play back their understanding of what the other party is aiming for, and propose concrete ideas for working together to advance their overlapping strategic aims, all grounded upon a focus on customers and how to win with them.

6. ***Relevant, targeted, and brilliant activation:*** For years, marketing and media departments have told brand managers and merchants that optimised marketing plans were those with the lowest CPM (cost per thousand) for reaching a broadly defined audience with the desired number of contacts (frequency).

   But times have changed. The broader availability of granular shopper data, the proliferation of vehicles for behavior-based targeted marketing, and the growing demand for marketing accountability means that no one should have to guess (or give up) regarding marketing ROI.

7. ***Continual measurement and improvement:*** Becoming customer-centric creates sustainable growth because it isn't a one-time event. To drive steady growth, you must have an active

learning plan. Once the right measurements are in place, effective organisations measure and review constantly to drive improvements over time.

Caution The old adage "what gets measured gets done" is not just an encouragement; it's also a warning: If you don't measure what you say is important, you're unlikely to achieve your goals. If this happens over a meaningful time horizon, you will also undermine your organisation's commitment to achieving the goals.

Notes **Brand Awareness**

Brand awareness refers to customers' ability to recall and recognise the brand under different conditions and link to the brand name, logo, jingles, and so on to certain associations in memory. It consists of both brand recognition and brand recall. It helps the customers to understand to which product or service category the particular brand belongs and what products and services are sold under the brand name. It also ensures that customers know which of their needs are satisfied by the brand through its products (Keller). Brand awareness is of critical importance since customers will not consider your brand if they are not aware of it.

There are various levels of brand awareness that require different levels and combinations of brand recognition and recall. Top-of-Mind is the goal of most companies. Top-of-mind awareness occurs when your brand is what pops into a consumers mind when asked to name brands in a product category. For example, when someone is asked to name a type of facial tissue, the common answer is "Kleenex," which is a top-of-mind brand. Aided Awareness occurs when a consumer is shown or reads a list of brands, and expresses familiarity with your brand only after they hear or see it as a type of memory aide. Strategic Awareness occurs when your brand is not only top-of-mind to consumers, but also has distinctive qualities that stick out to consumers as making it better than the other brands in your market.

Self Assessment

Fill in the blanks:

1. People will forget what you said, people will forget what you did, but people will not forget .....
2. A brand is a collection of ..... in the mind of the consumer".
3. ..... is the "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers.
4. The best experiences are inspired by .....
5. Retailers face a fast-expanding, ... competitive set.

14.2 Experience Design – Beyond Visual Merchandising

Experience Design (XD) is the practice of designing products, processes, services, events, and environments with a focus placed on the quality of the user experience and culturally relevant solutions. An emerging discipline, experience design draws from many other disciplines

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including cognitive psychology and perceptual psychology, linguistics, cognitive science, architecture and environmental design, haptics, hazard analysis, product design, theatre, information design, information architecture, ethnography, brand strategy, interaction design, service design, storytelling, heuristics, technical communication, and design thinking.

It primarily comprises:

- ***Dynamic experience:*** Utilise moving and charging audio visual elements.
- ***Static experience:*** They are formed that do not alter in any form.

Task Gather more information on dynamic experience vs static experience.

Commercial context: In its commercial context, experience design is driven by consideration of the moments of engagement, or touch points, between people and brands, and the ideas, emotions, and memories that these moments create. Commercial experience design is also known as customer experience design, and brand experience. In the domain of marketing, it may be associated with experiential marketing. Experience designers are often employed to identify existing touch points and create new ones, and then to score the arrangement of these touch points so that they produce the desired outcome.

Broader context: In the broader environmental context, there is far less formal attention given to the design of the experienced environment, physical and virtual — but though it's unnoticed, experience design is taking place. Ronald Jones describes the practice as working across disciplines, often furthest from their own creating a relevant integration between concepts, methods and theories. Experience designers design experiences over time with real and measurable consequences; time is their medium. According to Jones, the mission of Experience Design is "to persuade, stimulate, inform, envision, entertain, and forecast events, influencing meaning and modifying human behaviour."

Within companies: Experience design can refer not just to the experience of customers, but to that of employees as well. Anyone who is exposed to the space either physically, digitally, or second hand (web, media, family member, and friend) may be considered in the application of XD. This includes staff, vendors, patients, visiting professionals, families, media professionals and contractors.

Multiple dimensions: Experience design is not driven by a single design discipline. Instead, it requires a cross-discipline perspective that considers multiple aspects of the brand/business/environment/experience from product, packaging and retail environment to the clothing and attitude of employees. Experience design seeks to develop the experience of a product, service, or event along any or all of the following dimensions:

- Duration (Initiation, Immersion, Conclusion, and Continuation)
- Intensity (Reflex, Habit, Engagement)
- Breadth (Products, Services, Brands, Nomenclatures, Channels/Environment/Promotion, and Price)
- Interaction (Passive < > Active < > Interactive)
- Triggers (All Human Senses, Concepts, and Symbols)
- Significance (Meaning, Status, Emotion, Price, and Function)

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While it's unnecessary (or even inappropriate) for all experiences to be developed highly across all of these dimensions, the more in-depth and consistently a product or service is developed across them — the more responsive an offering is to a group's or individual's needs and desires (e.g., a customer) it's likely to be. Enhancing the affordance of a product or service, its interface with people, is key to commercial experience design.

Self Assessment

State whether the following statements are true or false:

6. Experience design (XD) is the practice of designing products, processes, services, events, and environments with a focus placed on the quality of the user experience and culturally relevant solutions.
7. Dynamic experience utilise stationary and constant audio visual elements.
8. Static experience always altered in another form.
9. In commercial context, experience design is driven by consideration of the moments of engagement, or touch points, between people and brands, and the ideas, emotions, and memories that these moments create.
10. Commercial experience design is also known as customer experience design, and brand experience.

14.3 Generation C — The Changing Consumer

Gen C is the 'Connected Collective' consumer. Gen C is not a target audience but a community of digital natives that will partner with brands. To successfully market to Gen C consumers, brands must create fresh, cultural capital for Gen C to talk about – a process which also gives them "status" within their cohorts or "tribes" and social networks.

What makes Gen C – the changing customer more effective?

- ***Tribal behaviour:*** Like many youths, Gen C form their identities by belonging and expressing themselves within "tribes" reflecting the desire to "connect" around interesting ideas, cultural objects, causes and movements. Brands need to get into conversations that are happening within and across tribes. This will give their messages more credibility and attention compared to external sources.
- ***Social status derived by what you share:*** Gen C gains credibility in their friends' worlds by expressing opinions, sharing ideas, observations and thoughts. Their influence depends on what they share and how often they share it.
- ***Bee-like swarm behaviour:*** Powered by social media platforms, Gen C members mobilise as one with their tribes like bees around topics that interest them. When it comes to buying decisions, 85 percent of youths rely on peer approvals. Everything is reviewed and rated, making decision-making a team sport. Marketers must talk to "we", not "me". Marketing successfully becomes all about "talking to the community, not the individual", and creating a conversation for the swarm to run with.
- ***Social oxygen:*** Gen C thrives on constant connectivity via social media platforms. Mobile devices have become "social oxygen", enabling them to connect, create and share opinions and thoughts with their tribes. The mobile phone acts as a lifeline to the world, connecting not only with people they want to talk with, but also shielding them from those they do not.

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- ***Continuous partial attention:*** Teens today consume 13 hours of content daily and have constant exposure to new 'news'. As experts at managing content and information, they engage in never-ending conversations, constantly "live streaming" their experiences to the world.
- ***Chameleons:*** Gen C consumers are "chameleons", constantly changing and morphing their identities to simultaneously belong to as many different tribes as possible. One-dimensionality is not an option for Gen C.
- ***Co-creators:*** The social web has brought out Gen C's creativity, leading to what Mr X calls the "democratisation of creativity". They no longer consume ideas, but actively participate, play and collaborate. They demand to be part of the brand story.

Five Tips for Creating Generation C:

1. Keep it relevant, useful and entertaining.
2. Enhance social status within tribes.
3. Ask for a reaction and have a fun social interface.
4. Connect Gen C members with each other, not just with a brand.
5. Enable Gen C to participate in, play with or produce themselves and pass on.

Self Assessment

Fill in the blanks:

11. To successfully market to Gen C consumers, brands must create fresh, ... capital.
12. Mobile devices have become "....."., enabling them to connect, create and share opinions and thoughts with their tribes.
13. Like many youths, Gen C form their identities by belonging and expressing themselves within "tribes" reflecting the desire to "....." around interesting ideas, cultural objects, causes and movements.

14.4 The Magic of Augmented and Mixed Realities

Augmented Reality (AR) is a live, direct or indirect, view of a physical, real-world environment whose elements are augmented by computer-generated sensory input such as sound, video, graphics or GPS data. It is related to a more general concept called mediated reality, in which a view of reality is modified (possibly even diminished rather than augmented), by a computer. As a result, the technology functions by enhancing one's current perception of reality. By contrast, virtual reality replaces the real world with a simulated one. Augmentation is conventionally in real-time and in semantic context with environmental elements, such as sports scores on TV during a match. With the help of advanced AR technology (e.g. adding computer vision and object recognition) the information about the surrounding real world of the user becomes interactive and digitally manipulable. Artificial information about the environment and its objects can be overlaid on the real world.

Mixed Reality (MR) visual displays, a particular subset of Virtual Reality (VR) related technologies that involve the merging of real and virtual worlds somewhere along the "virtuality continuum" which connects completely real environments to completely virtual ones.

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Caselet

The RoboCup Mixed Reality League

In typical mixed reality systems there is only a one-way interaction from real to virtual. A human user or the physics of a real object may influence the behaviour of virtual objects, but real objects usually cannot be influenced by the virtual world. By introducing real robots into the mixed reality system, we allow a true two-way interaction between virtual and real worlds.

Our system has been used since 2007 to implement the RoboCup mixed reality soccer games and other applications for research and edutainment. Our framework system is freely programmable to generate any virtual environment, which may then be further supplemented with virtual and real objects. The system allows for control of any real object based on differential drive robots.

The robots may be adapted for different applications, e.g., with markers for identification or with covers to change shape and appearance. They may also be "equipped" with virtual tools. In this chapter we present the hardware and software architecture of our system and some applications. The authors believe this can be seen as a first implementation of Ivan Sutherland's 1965 idea of the ultimate display: "The ultimate display would, of course, be a room within which the computer can control the existence of matter."

Source: http://link.springer.com/chapter/10.1007%2F978-1-84882-733-2_20?LI=true

Probably the best known of these is Augmented Reality (AR), which refers to all cases in which the display of an otherwise real environment is augmented by means of virtual (computer graphic) objects. The converse case on the virtuality continuum is therefore Augmented Virtuality (AV). Six classes of hybrid MR display environments are identified. However, an attempt to distinguish these classes on the basis of whether they are primarily video or computer graphics based, whether the real world is viewed directly or via some electronic display medium, whether the viewer is intended to feel part of the world or on the outside looking in, and whether or not the scale of the display is intended to map orthoscopically onto the real world leads to quite different groupings among the six identified classes, thereby demonstrating the need for an efficient taxonomy, or classification framework, according to which essential differences can be identified. The 'obvious' distinction between the terms "real" and "virtual" is shown to have a number of different aspects, depending on whether one is dealing with real or virtual objects, real or virtual images, and direct or non-direct viewing of these. An (approximately) three-dimensional taxonomy is proposed, comprising the following dimensions:

1. Extent of World Knowledge ("how much do we know about the world being displayed?"),
2. Reproduction Fidelity ("how 'realistically' are we able to display it?"), and
3. Extent of Presence Metaphor ("what is the extent of the illusion that the observer is present within that World?").

Mixed reality (MR) (encompassing both augmented reality and augmented virtuality) refers to the merging of real and virtual worlds to produce new environments and visualisations where physical and digital objects co-exist and interact in real time. It is a mix of reality, augmented reality, augmented vitality and virtual reality.

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Lab Exercise Go to website http://turbulence.org/mixed_realities/ and collect more information on mixed realities.

Self Assessment

State whether the following statements are true or false:

14. Augmented Reality (AR) is a live, direct or indirect, view of a physical, real-world environment whose elements are augmented by computer-generated sensory input such as sound, video, graphics or GPS data.
15. Mixed Reality (MR) (encompassing both augmented reality and augmented virtuality) refers to the merging of real and virtual worlds to produce new environments and visualisations where physical and digital objects coexist and interact in real time.
16. Technology functions by minimising one's current perception of reality.
17. By contrast, virtual reality replaces the real world with a simulated one.
18. Augmentation is conventionally in real-time and in semantic context with environmental elements, such as sports scores on TV during a match.

14.5 Experiential Retail – The New Retail Scenario

Service Branding is the often overlooked aspect of what makes a good Retail Brand an experience. If you separate the design of the logo, shop, merchandising, advertising and point of sale what is left for a business to do or use to differentiate or compete? The answer: service. Yes, whether it is via staff (Customer care/service) or Self-service (automation, or DIY) – it is the process of helping to turn shoppers into paying customers. The secret of 'service' is for it to be synchronised with what the Brand offers, or promises. If the brand promises to be helpful, so too must the service – whether through people or automation. The constituent parts of a 'service' offer are identified by the 'customer journey' (or rather, the process and mindset by which a shopper or prospect engages with a brand, or in a store experience). The parts include signage, online or in-store navigation, the role of staff (are they there to help, to inform, to sell or to transact?) plus the various sensory elements of branding including lighting, music, aroma, visuals, interactivity and convenience.

Service is most often associated with Store Staff – how helpful were they? How friendly were they? How knowledgeable about the products on sale, or services offered were they? How easy, fast, simple or clear was the 'experience' of transitioning from 'shopper' to 'buyer'. Branding starts with awareness and a promise and then through experience translates into preference and decision-making. A 'sale' begins long before the actual transaction itself. People convince themselves and look for Brands to help them make their decisions, or support their decisions. All purchases are led by emotions, because as humans we process information and stimulus through our senses which are 'hard wired' to our brains.

And, retailing is all about entertainment. As we move beyond the search for basics (food, air, water, fire, security) we look for ways and means to self-actualise. We 'shop' to inform, entertain and to create our identity. Shopping is as much as about socialisation as it is about function. Brands that offer this and are able to help their target customers connect with the identity they aspire to are successful. They offer products and services which attract, support and deliver on what they promise. Service is critical to this, because it is the most often justified reason for why we do or do not 'like' stores, restaurants, hotels, airlines or companies. When you shop you are

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spending hard earned money. You are demonstrating choice from a field of competitors, and in return you expect the Brand or Company you choose to not only deliver on what they promise, but to recognise and thank you for your decision and choice. The old adage, 'the customer is always right', or the 'customer is King/Queen' is now the unwritten maxim for retailing. However, so few Brands large or small get this or put this at the centre of their offer or experience. Certain categories of Branding are better than others at recognising this, and service at its most innovative is both responsive to customer expectations, but more importantly exceeds expectations. In fact, the true 'gold standard' Brands and retail or service experience leaders are not only consistent in the level of service they offer but truly shine when there is either a 'service or product failure' OR when the shopper/customer believes the promise has not been delivered.

Self Assessment

Fill in the blanks:

19. Service Branding is the often overlooked aspect of what makes a good ..... brand an experience.
20. Brands and retail or service experience leaders are not only consistent in the level of service they offer but truly shine when there is either a service or product .....

Case Study

Retail Brand Experience

The Application

Retailers are constantly looking for new and innovative ways to improve their customers' retail shopping experience. Positive shopping experiences can have a tremendous impact on a retailer's business by increasing customer visit time, repeat visits to the store, and improving the chance customers will recommend the store to friends and social contacts. In addition, providing a positive shopping experience can help retailers build and maintain a positive brand association in the marketplace and keep their stores as a top of mind retail destination for shoppers.

A leading fashion specialty chain decided to create a unique interactive experience in their children's clothing department that both entertained and held the attention of children while their parents shopped nearby without distraction. Using both physical and digital elements, this concept called for creating a highly-engaging exhibit that encouraged kids to create, explore, interact and have fun. Understanding that today's youth are extremely tech savvy, the retailer envisioned incorporating several large-format, multi-touch enabled displays into this interactive exhibit, outfitted with exciting and intuitive multi-user applications. In doing so, this fashion specialty chain created a playful and memorable collaborative atmosphere for kids in their stores.

The Problem

When selecting an interactive display, it was imperative that this fashion specialty chain find an intuitive, easy to use, multi-touch display that could maintain a tablet-like user experience even with several users interacting on the screen at the same time. The retailer wanted a large format multi-touch display that would draw the attention and entice passersby to the exhibit while also comfortably accommodating multiple users. Maintaining the integrity of the design and aesthetics of the children's interactive exhibit was also a

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key requirement for the retailer. The exhibit designers envisioned these multi-touch displays being a natural ingredient of the retail environment through sleek fixture integration. And, being in a high traffic retail environment, the retailer needed highly-reliable, commercial-grade, multi-touch displays that would withstand the continuous use and operate effectively in the strong lighting conditions typically found in retail environments.

When initially evaluating large-format multi-touch touch displays, the fashion specialty chain was unable to find one that met all of the retailer's key requirements. The optical- and infrared (IR)-based multi-touch displays they initially evaluated did not meet their interactive touch performance expectations of providing the same user experience as a smart phone and tablet device. Also, since the optical- and IR-based displays had a limited number of available touch points they were not conducive for multi-user interactions where multiple children would simultaneously interact with these displays. And, the optical- and IR-based displays required a pronounced bezel to accommodate their touch sensing components, which impaired these displays' ability to blend into the sleek industrial design of the interactive exhibit. Finally, the retailer was concerned that the optical and IR displays' touch performance could be compromised by ambient light commonly found in retail environments.

Not finding a multi-touch display that met these key requirements, led this retailer to expand their search for a high-performance multi-touch solution.

The Solution

The 3M™ Multi-Touch Display C3266PW (32-inch chassis) was the ideal solution for their retail application. This purpose-built chassis display featured 3M Projected Capacitive Technology (3M PCT) which provided high-performance multi-touch functionality of recognising simultaneous touch points at a 10ms response time. 3M's multi-touch functionality was a natural fit for the retailer's interactive children's exhibit by providing a superior user experience and accommodating multiple users simultaneously interacting in a fun and collaborative atmosphere.

The C3266PW display also features a premium LCD with 1080p Full HD resolution for sharper images, LED backlights for enhanced colour brilliance, reduced power consumption, ultra-wide 178 degree viewing angles for consistent views throughout the exhibit, and a 120Hz refresh rate that ensures digital content maintains sharp even when in motion. The premium LCD helped enhance the user's interactive experience by delivering brilliant interactive content and enticing passersby to visit the exhibit.

The C3266PW display's versatile form factor features a removable bezel on an open-frame chassis and a slim 2.6" total chassis depth which allowed for seamless integration into the interactive environment fixtures specified by the exhibit designers. Without the need for a bezel, the C3266PW chassis provided a sleek and elegant integration solution which maintained the overall aesthetics of the exhibit. The C3266PW chassis is also built with industrial-grade components, chemically-strengthened glass, and an advanced cooling system that provided the retailer with a durable and reliable performance in the demanding high-traffic retail environment.

The combination of its high performance multi-touch functionality, premium Full HD LCD, versatile integration options and commercial grade components made the C3266PW display the ideal solution for this retailer's interactive children's department exhibit.

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The Result

This leading fashion specialty chain recently implemented this visionary interactive retail exhibit during a planned renovation of the children's department of its flagship store. Several C3266PW displays were integrated into the exhibit and provided a highly-engaging, interactive collaborative platform for kids to play and have fun. The feedback from parents and the retailer's sales personnel was overwhelmingly positive. The children's interactive exhibit created great excitement and buzz that helped the retailer differentiate its shopping experience from other area stores and drive additional traffic to the store. Based on these results, the retailer is planning to roll out this interactive exhibit to other key store locations and is evaluating a complete roll out to all of its U.S. stores.

Question:

Analyse the case and interpret it in your own words.

Source: http://multimedia.3m.com/mws/mediawebserver?mwsId=SSSSSufSevTsZxtUoY_Bo8mUevUqevTSevTSevTSeSSSSSS—&fn=Brand%20Experience.pdf

14.6 Summary

- People will forget what you said, people will forget what you did, but people will not forget how you made them feel.
- A brand is a collection of perceptions in the mind of the consumer.
- Retailers face a fast-expanding, multi-pattern competitive set.
- Experience design (XD) is the practice of designing products, processes, services, events, and environments with a focus placed on the quality of the user experience and culturally relevant solutions.
- Commercial experience design is also known as customer experience design, and brand experience.
- Gen C is the 'Connected Collective' consumer.
- Mobile devices have become "social oxygen", enabling them to connect, create and share opinions and thoughts with their tribes.
- Mixed Reality (MR) refers to the merging of real and virtual worlds to produce new environments and visualisations where physical and digital objects coexist and interact in real time.
- Technology functions by enhancing one's current perception of reality.
- Augmentation is conventionally in real-time and in semantic context with environmental elements, such as sports scores on TV during a match.

14.7 Keywords

Augmented Reality (AR): Augmented reality (AR) is a live, direct or indirect, view of a physical, real-world environment whose elements are augmented by computer-generated sensory input such as sound, video, graphics or GPS data.

Brand Experience: Brand experience is the cumulative perception of a brand that is based on impression gained by visual, verbal and experiential encountered with brand.

Brand: A brand is a collection of perceptions in the mind of the consumer.

Notes

Dynamic Experience: Dynamic experience utilise moving and charging audio visual elements.

Experience Design (XD): Experience design is the practice of designing products, processes, services, events, and environments with a focus placed on the quality of the user experience and culturally relevant solutions.

Gen C: Gen C is the 'Connected Collective' consumer.

Mixed Reality (MR): Mixed reality refers to the merging of real and virtual worlds to produce new environments and visualisations where physical and digital objects coexist and interact in real time.

Static Experience: They are formed that do not alter in any form.

Touch Points: The sum total of all points of contacts with the brand which are called touch points.

14.8 Review Questions

1. Define the term brand.
2. What is brand experience?
3. "The best brand experiences are inspired by great stories". Discuss.
4. How do retailers face a fast-expanding, multi-pattern competitive set?
5. Define the term experience design.
6. Differentiate between dynamic and static experience.
7. What is Commercial experience design?
8. Explain the concept of generation C-the changing consumer.
9. What are realities in visual merchandising?
10. Describe the magic of augmented and mixed realities.
11. Discuss experience design-beyond visual merchandising.
12. "People will forget what you said, people will forget what you did, but people will not forget how you made them feel". Elucidate.
13. Explain the concept of the experiential retail-the new retail scenario.
14. What changes have you observed in new retail scenario?
15. Write notes on:
    (a) Co-creators
    (b) Chameleons

Answers: Self Assessment

1.	How you made them feel	2.	Perceptions
3.	Brand	4.	Great stories.
5.	Multi-pattern	6.	True
7.	False	8.	False

Notes

9.	True	10.	True
11.	Cultural	12.	Social oxygen
13.	Connect	14.	True
15.	True	16.	False
17.	True	18.	True
19.	Retail	20.	Failure.

14.9 Further Readings

Books

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