



Chapter 13

Designing the Store to Optimize Sales

In This Chapter

- ◆ Crafting your store's unique design
- ◆ Creating the right in-store experience
- ◆ Making your store sell as good as it looks
- ◆ Choosing materials, fixtures, colors, and shapes

Choosing the right look and feel for your store is as important as choosing the right product for your customers. Whether you do it yourself or you work with a design or architectural firm specialized in retail spaces—and I highly recommend that you hire a professional firm to help you—your goal is to choose a store design that entices customers to enter, purchase, and come back for more. Store design gives you the opportunity to create a retail environment that is unique, comfortable, and convenient, as well as one that makes you stand out from the competition.

In this chapter, you learn how to select the right look for your store based on the image that you want to project, your products, prices, service level, and customer profile. You explore how different colors, shapes, materials,



and every other design component may affect your customer's perception of your store brand and how to choose the right design elements for your store. You learn how to design a store to maximize your service and sales potential.

Choosing the Right Design

You create an image for your store with the design you choose. You can communicate this image to your customers using various design elements. Store design can be your best form of advertising, but to be effective and truly stand out, the look and feel of the store must convey this image in the customer's mind. It must be compelling, clear, consistent, and competitive. For example:

- ◆ A compelling design gives a reason to the customer to initially come in and then to buy from you. Think about what would make you want to walk into the store as you plan your design.
- ◆ A clear and consistent design ensures that you attract the right customers and deliver a uniform message. For example, don't surprise them with high prices if the store looks low end. Also don't try to impress customers with an upscale design and then have low-end goods in the store.
- ◆ A competitive design is a design that is not just another undistinguished image in an already overpopulated scene. Create a look for your store that is noticeable and truly different from your competitors.

What Your Customers Want

Consumers demand more and more every day. They either want fast service, quick delivery, and to pay as little as possible, or they are looking for a really special product or unique shopping experience.

Fast and cheap is what the big boys like Wal-Mart, Target, or Amazon.com offer. You can't compete with that, so you need to focus on a unique experience. That's what most specialty retailers are focusing on today, and what you should likely aim at, as well.

Store design (and visual merchandising) can help you deliver to your customer an extraordinary experience. But before we see how, let's find out more about customers' expectations.

Customers like to be happy. And if they are happy, we know that they are more likely to buy. Can a well-designed store make them happy? Yes it can! Think of ways to make the customer, or his/her shopping companion, want to stay in your store and shop. Nordstrom, for example, does it simply by providing a nice sitting area for people who prefer to relax while their companion shops their store.

Savvy Retailer

When my wife shops at Nordstrom, the department store chain, her favorite part of the store is the shoe department. I often go with her, and although I know that it's not going to be a fast shopping trip, I do it willingly. Why? Because they have couches for me to relax on while she shops. A few chairs, a few magazines, even some coffee or water, which don't cost that much. Yet, these simple amenities are well worth the small cost to make people comfortable and keep them in the store longer. If I am comfortable and enjoying a magazine (make sure to have a good mix in your store and that they are current issues), I am less likely to put pressure on my wife to leave. That translates directly into better sales.

Customers also have social needs that they want satisfied. Social needs refer to our need for love, friendship, image, status, self-esteem, recognition, and lifestyle. We try to satisfy these needs every day through our interactions with the rest of the world and yes, also when we shop in a store. A diamond ring in a Tiffany box is not just a ring. It is a way to satisfy a status and recognition need both of the giver and the receiver.

Customers want to be transported to a different world. Shopping is no longer just about picking up essential products. It's about temptation, attraction, and creating a memorable impression that encourages the customer to come back over and over again. That's why more and more stores today are built to deliver compelling and distinctive experiences for the customer.

And finally, customers sometimes want their shopping experience to be fast and easy. A well laid-out store with optimum space and paths through it makes it easier for a customer to purchase by having the merchandise readily accessible. It also guides customers efficiently through the store.



Better Not!

There's a difference between too much and not enough convenience. You don't want to make it too easy for the customer to rush through the store and miss out on some of your best displays. And you don't want to make it difficult and time-consuming for them to shop. Determine how you want your customer to walk through the store and design a path that will take them past your best merchandise and displays. But carefully balance convenience and your desired path. If you make it too difficult, customers may leave in frustration.

What You Want: Sales, of Course!

A store that looks and feels good is not only great for the customer, but it is great for you, too, provided that your customers buy what you're selling. When selecting your store design elements, make sure that the store not only looks good but also maximizes your service and sales opportunities.

I believe that a good store layout can mean up to 40 percent more business. Good design tends to attract more and better customers, which means more profit. You can also reduce the amount of inventory you need to purchase.

def•i•ni•tion

Markdown refers to a reduction in the selling price of your product. Markdowns are usually applied to slow-moving or old inventory or to promote an item to increase sales.

Proper fixtures often require less stock on them to look full. Good design can also help decrease your *markdown* rates. In a well-organized and well-designed store, where all the merchandise is in "its own place," slower moving items become apparent much earlier and can be auctioned with a markdown faster.

Your Service and Price Level Factors

In deciding the layout and design for your store, there are two important factors that you also need to look at: service and price level. You need to choose from three service levels—full-service, high-price; assisted self-service, mid-price; and self-service, low-price.

If You Are Full-Service, High-Price

If you are a full-service store, you need sufficient staff to greet, welcome, and service your customers. Your customer-to-staff ratio should be three customers (or less) to one staff. This is often the level of service of higher end stores, such as Tiffany or Nordstrom.

The type of fixtures and store layout that you should select for this store must reflect the high level of service that you are providing to your customer. Desks, chairs, tables—all must be conveniently located for the customer and the staff to use. You should also choose deluxe materials and design for your store such as marble, brass, exotic woods, luxurious textiles, complex color palettes, and fine-detailed workmanship.

If You Are Assisted Self-Service, Mid-Price

If you offer assisted self-service, your customer-to-staff ratio should be about five customers (or more) to one staff. Staff are there generally to answer questions that some customers may have, but most customers are allowed to wander the store and look at and select merchandise by themselves.

Store layout and fixtures must be designed to make it easy for customers to find what they need and help themselves. Materials used will range from basic shelves and tables to more custom-designed display units. This is the level of service generally offered at mid-price stores such as The Gap or Barnes and Noble.

If You Are Self-Service, Low-Price

If you offer self-service, your customers will almost entirely be on their own from the moment they enter the store (except at checkout). This is generally the business model of mass merchants and lower price stores such as Wal-Mart, Target, or a supermarket.

In this kind of store, every store element is key in providing the service that the customer needs without relying on store staff. You also tend to select plastic, chrome, Formica (which resembles marble), simple color palettes, and minimal detail for your store as indicators of low-price.

Crafting Your Store's Unique Image

The old saying that we judge a book by its cover is also true of a store. Your design choices, from the wide variety of options available to you, have a major impact on how your customers view your store and the experience that they have in it.

Your Store Name and Trademark Logo

Your store name is a key component of your image and overall look. You can use your first or last name, or a foreign word, an exotic name, the name of your core product, or something entirely different. The best store names manage to capture the essence of the store's unique identity—what the store is about. Whatever name you choose for your store, make sure it is easy to pronounce and remember. Here are some successful naming examples:

- ◆ Whole Foods (the organic food grocery chain)
- ◆ Lightology (a lighting store)
- ◆ 7/11 (the 7 days a week, 11 hours a day convenience chain)
- ◆ Modernica (a modern furniture store)
- ◆ The Children's Place (the children's clothing chain)
- ◆ Just Grapes (a wine store)



Better Not!

Don't design your trademark logo yourself unless you have some experience. Hire a designer to make sure it looks professional and reflects your brand as well as your target customers' taste. Then, consult a trademark lawyer to have it registered so no one can duplicate it.

A trademark logo can be a color, a picture, a style, a shape, a symbol that is unique to you and that you want your customers to associate with you. So, even when the store name is not present, customers can still recognize it and know that it's your store. Think of the bull's-eye of Target, the apple of Apple computers, or the blue-and-yellow color of Best Buy.

Store name and trademark logos must appear on everything—packaging, letterhead, signs, ads, price tags, receipts, and so on.

Eye-Catching Storefront and Interior

Use your storefront to make a powerful and eye-catching statement that causes the customer to stop and look. You want customers to notice your store when they are close and also from a distance. And you want them to want to come in to see more of what they saw outside.

The store's interior is a vital element of the storefront and should be as exciting as the storefront. For many stores today with an open front, as most mall stores have, the interior of the store becomes a part of the exterior as it can be clearly seen from outside.

Matching Building Exterior and Store Sign

If the building you are in doesn't match your store image, you might want to consider making some changes, such as adding or removing some architectural features in keeping with your image. Sometimes, it doesn't take much. If the building is too plain, just put some planters outside. Or install stylish (or traditional, depending on your image) light fixtures to illuminate and add some drama, particularly at night.

The store sign is a key component of your image and one that you should pay a lot of attention to. Why? When people look for you, you need to make it easy for them to find you. Signs don't have to be big to be noticed.

Outdoor signs should be bright. They also need to be placed where they can be visible from every possible angle the customer may be approaching from. If you use a sign that is lit, make sure the light is always on.



Better Not!

Don't go out and buy a new sign before consulting with your local municipality. Oftentimes, city ordinances impose limits on the type, size, and position of the sign, and it is a good idea to check.

Parking Lot

Your customers' perception of your store and their experience start even before they enter it. If the experience they have in the parking lot (or on the street where your store is located) does not reflect the image that you are trying to project, they will often not return.

If you are all about personalized service, make sure the parking lot is safe, clean, and easy for them to access and use (and there are sufficient spots). Even when you have no control over the parking area which you may share with other businesses, you can still exercise some power with the landlord or the parking attendants and expect them to do a proper job.

Traffic-Stopper Store Windows and Entrance

Store windows are as important as your storefront. They are among the first things that passersby see, and if they like what they see—their first impressions are good—chances are that they will come inside.

Store windows must project your unique image and identity. So, if you are about luxury and exclusivity, make sure the windows are a reflection of everything in life that is exclusive and luxurious. For example, if you are selling high-end bedroom and bath accessories, create a luxurious bedroom or bathroom in your storefront window.

Never turn your window's lights off, even after you are closed. You can also highlight a key section inside your store that is visible from the street by leaving your lights on in that section. This will encourage window shopping even when you are closed.

Your store entrance should be inviting and easy to enter. If the customers have to work to get in, they are much less likely to even try. Once you get them in, you are halfway to a sale!

Be sure your entrance is wide. Make it easy for a mother with a stroller or a person in a wheelchair to come in.

An inviting entrance is an entrance that has no obstacles, displays, or other barriers and offers a completely open view of the entire store.

Seating Area, Bags, and More

Remember earlier when I talked about Nordstrom's couches, and how I liked shopping there with my wife because I can just sit and relax while she shops? Nordstrom is not the only store that understands the importance of making the environment comfortable for a customer. Most bookstores today offer the same comfortable chairs and couches that naturally attract people and cause them to stay.

True, you don't want customers to sit there all day, but as we said earlier, the longer they stay in a store the more they spend. By placing chairs strategically, you can also guide customers through key areas of the store and have them face product areas that are important to your business.

Bags and all packaging materials in your store are also part of the store design and must reflect your brand's identity and deliver the same brand message to the customer. Bags aren't expensive and can be an effective form of advertising for your store because people often reuse them and carry them around to other places.

Business cards, fliers, event cards, postcards, and anything else in your store also add value to your image. So be sure to use a consistent image on anything you do related to your store.

Identifying Your Store Layout Hot Spots

Layout is about creating a path for your customers to shop your store effectively, efficiently, and to make sure that they are exposed to your best merchandise. Fixtures and other store elements will be located strategically according to your layout.

To help you decide on the best layout for your store, here is a list of the most valuable areas in a store where studies have demonstrated that most customers are naturally drawn to:

- ◆ **Entrance area.** This begins just after the transition zone, about 5 to 7 feet beyond the *lease line* and extends in a semicircle about 26 feet into the store.
- ◆ **Right side of the store.** More than 90 percent of customers will turn right upon entering a store. Place your fixtures for your best items here in sight of the customer as they turn in this direction.
- ◆ **Thirteen- to twenty-six-foot semi-circle area just inside the entrance.** This is your “prime real estate area,” or, in other words, the most valuable section of the store. It is called prime real estate because almost 100 percent of your customers are exposed to it. Again, you should place your display units for your best offerings and impulse items here.
- ◆ **Cash wrap or checkout area.** This is where you hope that every customer will stop! It is your last chance to make sure your customer has the total solution. You need to place fixtures near or behind the cash wrap, where you showcase accessories, maintenance products, and impulse items.

def•i•ni•tion

Lease line is where the public space ends and your store begins. It is generally where the store entrance door opens.

Effective layout also means creating an environment where customers can get around easily and not get frustrated with clogged aisles, narrow paths, and poorly lit areas.

Turning Your (Best) Lights On!

Lighting is a critical design element. You can have the best display and product in the world, but if you don't light your store and merchandise properly, your customer will not be able to appreciate the quality of your products.

Lights are not only used to make a product look good (and show the true color). Be sure that they also make the customer look good, too. This is particularly important in changing rooms, if you have them, and where mirrors are located.

Like color, music, and scent, light also contributes to setting the mood. If the mood is right, customers will be more inclined to stay and buy more.

Here are some lighting options for you to consider:



Better Not!

We do not recommend using fluorescent lights unless they are the new energy efficient bulbs that mimic incandescent lights. Even though fluorescent lights are inexpensive to operate, they look cheap, provide very harsh light, and they are mainly used in low-end stores.



Selling Points

Use quality lighting for better results. Consider the use of halogen lamps whenever possible. They will last longer than standard incandescent lamps. They are more expensive, but they tend to provide a whiter and truer light.

- ◆ **Spot track lighting (also called accent lighting).** Use this type of lighting to draw attention to merchandise, displays, windows, signs, or particular areas of the store by providing a focused path of bright light.
- ◆ **New high-efficiency fluorescent recessed lamps (also called floodlights).** Use them for ambient or background lighting.
- ◆ **Recessed incandescent lamps to mark traffic flow.** These lights are effective in guiding the customer through the store.
- ◆ **High bay lighting.** They are a type of lighting used in high-ceiling areas to light surfaces more than 15 feet away. This type of lighting is often used in warehouses as well as warehouse-type retail stores.
- ◆ **Wallwasher lighting.** This type of lighting is ideal for providing even lighting to wall displays, particularly where there's heavy vertical merchandising. For maximum accent and to create a visual backdrop, you may want to include halogen focal point lighting along the same track.

Choosing Floor, Ceiling, Fixtures, and Wall Treatments

When choosing your store floor treatment, ceiling and wall finishes, and fixtures you need to consider these three things:

- ◆ The look you want to create—materials and shapes must reinforce your brand message and enhance your product, not compete with it.

- ◆ The cost to buy and replace them.
- ◆ The requirements of local building codes.

Here are some options that are available to you and some recommendations about when to use them.

Floors

The most common choices are ceramic tiles, limestone or marble (real and faux), carpeting, hardwood floors, and polished concrete.

Ceramic tiles, marble, and limestone are usually found in high-end stores. While a very good choice from an aesthetic point of view, they may be expensive and may scratch or crack. One good alternative to stone or marble are stone and marble imitation flooring. Although they might cost the same as the real options, they can cost half the price to install and they last longer.

Hardwood flooring is also common in mid-price to high-end stores. It adds elegance and warmth, but it can be pricey and tends to scratch easily. Newer forms of engineered hardwood are a lot more reasonable and may stand up to heavier traffic better.

Carpeting is widely used. While it can stain, you can remedy that by using carpet tiles that are easily replaceable when they get dirty. The good thing about carpet is that customers and staff find it a comfortable surface to walk on. It's also reasonably priced and rarely represents a large investment.

Finally, there is the latest look in store floors. It is simple polished concrete. Stores from Costco to Urban Outfitters, Old Navy, and even some high-end designer stores have found that it is a simple, easy-to-maintain look that works very well. If you do concrete, make sure you provide mats in areas where your staff spends a lot of time standing.

Walls

Your options for store walls are multiple, including paint, wallpaper, paneling (wood, glass, metal, or plastic), and wall systems.

Most stores use paint. It's more versatile and you can change and redo it easily with limited cost. Many stores also use slat wall because it is considered one of the most flexible and versatile of all wall systems. With slat wall you can have a painted finish, a wood finish, mirror, or almost any material you want. The benefit of slat wall is that

you can easily add shelves, bins, hanging arms—any type of merchandise presentation system you require—and change it daily if you wish.

Ceilings

Ceilings are truly an active component of your overall interior design direction. So, for example, for an industrial look and feel, choose exposed ceiling to complement the look. Also, if you have a high ceiling, paint it a dark color to lower it, whereas if you have lower ceilings, paint them a light color to give a feeling of height.

Fixtures

The only purpose of a fixture is to sell merchandise. They are there to hold and present merchandise and should not be the central focus of your store. That's why good fixtures are almost invisible, because what you should see is the product and not the fixture.



Selling Points

Flexibility when it comes to fixtures is key. As customer interests change, so will the product lines you carry. Be sure your store fixtures accommodate these changes as well.

At the same time, fixtures also communicate image, and they need to reflect your store's unique identity. If you're trying to create a particular time or place, the more authentic the materials and details, the better the effect will be. Or, for example, if you sell handicrafts, select wooden displays and furniture, whereas if you sell computers you may want to consider glass and chrome. What you sell dictates your choices when it comes to fixtures. Your goal is to make the product stand out and sell.

Peripherals Matter, Too

Peripherals, also called atmospherics, are generally colors, music and video, scent, and cleanliness. They are used to promote the desired image and provide the right experience to your customer.

Choosing the Right Colors

It is estimated that in visual communication, 80 percent of the impact of the message results from the use of color.

When deciding on the color for your store, I recommend that you consult with a professional designer to make sure you choose what's right for the type of experience that you want to give to your target customer.

Here is a list of some rules for using colors in a store:

- ◆ Colors must be subordinate to the product. Background colors should be a soft neutral tint particularly with colorful products and if your merchandise is going to change color every season. This will allow the product to stand out. At other times the background could echo a common color of the merchandise.
- ◆ Choose one or a very few dominant colors for principal displays.
- ◆ One strong color used with subordinate colors is better than too many strong colors. If you use too many strong colors in combination, you may create confusion. Conversely, if you choose one strong color in combination with subordinate colors, you create order.
- ◆ Choose lighter tints to deepen the space. Color affects depth perception. For example, in window spaces, darker colors seem to shorten the space, bringing the background closer, whereas lighter tints deepen it.
- ◆ Choose colors that have the desired impact on your customers. While bright colors may attract a customer into a store, prolonged exposure to a large amount of bright color can make a customer uneasy and can also divert attention from the merchandise. If you want to use bright colors, do it in graphics and other areas away from the product.
- ◆ Choose colors and hues based on price and size. Choose vivid hues for lower-priced merchandise and go for more refined and/or currently fashionable hues for exclusive merchandise. Also use bright colors for small areas, combined with a very soft second color. The more intense a color, the smaller the area it should cover and the softer the second color used in combination with it should be.

Playing Your Customer's Preferred Music and Videos

Strictly speaking, music and videos are not visual elements. But they are usually part of your store design because they are an integral part of the store's image and the shopping experience, so they should reflect your primary customer's taste and preferences.

I recommend using soft music in most cases. Soft music slows a customer's pace, resulting in sales increases, whereas very loud, fast music can deter customers from entering or remaining in a store.



Selling Points

If permitted, music could be used outside to create excitement, creating a mood and drawing customers into the store.

This is obviously very different if you are a music store or a fashion store for teenagers or young adults. In that case, blaring music is a must as customers identify with that lifestyle and are often happy that the music is a “barrier” to their parents!

When using videos, make sure that they are consistent with the image of your store. They should feature the brands and products you carry, narrate

your history, or talk about your services, events, or promotions. They should feature the lifestyle of your target customer. They should entertain, amuse, and educate, and above all, they should always be working—so no blank video screens in your store!

Draw Customers with Scent, Cleanliness, and Professional-Looking Staff

Scent, if appropriate, can be used to draw customers into the store. If inappropriate, though, it can discourage them from entering it. That's why the scent should be that of the products carried in the store and not the one coming from the street or from the store next door. So, for instance, if you are an aromatic candle store, the scent in

your store should be that of the candles you sell, not the donut store next door.



Selling Points

Restrooms (highly recommended if you encourage long visits) and any area of your store that the customer may have access to are an extension of your store and must project the same image. Be sure that they are always clean, with enough supplies, and working properly.

Lack of cleanliness can deter a customer from shopping in your store. If your store is untidy, dirty, and disorganized, customers will find it distasteful and will not want to shop there. Dust every day and clean shelves, floors, doors, mirrors, glass tops, props, and your products regularly.

Your store staff should be dressed appropriately for your store image. Their behavior toward others, both customers and colleagues, should be a true reflection of your brand image and message.

Designing a Store That Deters Shoplifters

Shoplifting is one of the biggest headaches for retailers. Training your staff regarding how to spot shoplifters is one way you will combat shoplifting. Designing your store to help deter shoplifters from stealing is another way.

Locate your registers so that customers must pass them before exiting the store. Also avoid high fixtures or displays that obstruct your view of the entire store. Place ceiling mirrors in corners where shoplifters might hide merchandise. And, above all, maintain adequate lighting everywhere in the store.

The use of security equipment such as closed-circuit television is also recommended if you sell very expensive items. If you own a very large store, hire a uniformed security guard.

And finally, don't forget to check restrooms and dressing rooms regularly for empty hangers or discarded packaging.

The Least You Need to Know

- ◆ Create a store design that is compelling, clear, consistent, and competitive.
- ◆ Know what your customers want, and design an exciting environment that meets their expectations.
- ◆ Map out your store so customers see your best stuff, but don't create a path that is inefficient and slows down your customers.
- ◆ Light your store well, and keep the lights on your key merchandise, even when the store is closed, to encourage after-hours window shopping.
- ◆ Use colors, floors, walls, and fixtures to help create the image you want for your store.