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## AFFORDABLE RETAIL SECURITY

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# DESIGNED TO SELL MORE

Retailers, big and small for over 100 years, have been trying to impress and flatter their customers by creating invigorating experiences for them with a single objective – to sell their products and sell more. How retail design can help in that?

SAURABH UBOWEJA

**C**reating an experience to remember and creating an urge to repeat that experience without boring or tiring the customer is what successful modern retail design is all about. This becomes even more difficult given that there is usually very little left to differentiate between the quality of products being offered by competing retailers. In fact, very often, they stock the same products from the same brand. The intention is to trigger the customers' multi-sensory experience during the activity of sales, service, shopping, entertaining, marketing and branding. We will focus this discussion on marketing and branding.

Both sales turnover and margins are an integral part of the Profit & Loss Statement for any business. Fortunately, it is not too difficult to link the two financial metrics to marketing and branding. The objective of marketing is to increase sales leading to higher turnover, whereas branding is aimed at upgrading or upholding the perception of the brand which in turn increases the ability to

charge a higher price, leading to higher margins.

## LUXURY VS MASS BRANDS DESIGN

However, the methods and means of marketing and branding vary significantly between luxury brands, premium brands or mass brands. As an illustration, mass brands will not shy from placing huge posters announcing their discounts and would rather do it blatantly. On the other hand, luxury or premium brands tend to feel embarrassed if they have to discount their products and announce these discounts to spur sales.

Interestingly, when it comes to retail design, there has never been a more important space for luxury brands, than that of their stores. From the lighting to the materials, from the music to the signature scent and the bespoke furniture, luxury brands present themselves as boutiques which offer an unrivalled environment in which brands can express their values and visions, and encapsulate the prestige of their brands. Besides the clearly defined objective of selling, luxury retail stores become the hub of activity for art and hospitality, and become venues for exclusive events, cocktail receptions, invitation-only product launches, private exhibitions, and of course,



memorable shopping experiences.

It is, therefore, not surprising, that luxury brands often collaborate with designers who have worked with five star hotels and luxury residences, those who understand the desires, references and lifestyle of a discerning clientele and those who have mastered the codes and culture of exclusivity.

In an interesting but imperfect inverse correlation, one way to distinguish between a mass brand and a luxury brand is to see their increased focus on marketing and branding respectively.





Retail environments impact the perceived quality and value of products sold in the store. The store image is composed of many different factors, such as store design, location, merchandise, and the knowledge and congeniality of the sales staff. All of these factors affect consumer behaviour and the brand image of the company.

#### **FACTORS DETERMINING CUSTOMER ENGAGEMENT**

In general, for all types of stores, whether luxury or mass market, one of the most important factors affecting retail design and the overall experience is the amount of time a customer is likely to spend in the retail environment. This in turn depends on three main factors.

The first is whether the product or service has to be consumed within the retail environment as compared to it being consumed or used later. Consuming an ice cream or frozen yogurt at the outlet or a one-hour spa therapy in a pristine relaxing environment is a very different experience from going to buy a smart phone from an

electronics store. Interestingly for F&B brands, people make choices – if they like the product but do not find the retail environment impressive enough to sit there and consume it, they will order from home or takeaway and consume it at their convenience.

The second determinant of the amount of time spent is the time it can take to arrive at a purchase decision. This is usually prevalent in garment stores where repeat trials are common before the purchase is made. Such a scenario is even more evident in an automobile showroom where

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it can sometimes take a full day to conclude the deal and make a payment.

Finally, there can be a substantial amount of waiting period for a service or during billing which is usually an irritating time for the customer. If the customer has to stand in a queue in a retail store, eg, the billing area of a garment showroom or a grocery store for a reasonably long period, it is a great opportunity for the retailer to do both marketing and branding. The time spent waiting can be used to encourage impulse buying by placing trigger products on the shelves next to the billing counter with special offers on them. Similarly, the retailer can have a branding wall next to the billing counter to educate and enthrall the customers about the history or legacy of the brand enhancing their perception of the brand.

To summarise, the more a customer has to spend time in a retail environment, the more important it becomes for the retailer to focus on the retail design and an experience worth recalling and repeating besides creating many more marketing opportunities to cross sell.

#### **COMPONENTS OF RETAIL EXPERIENCE**

Having established the reason and case for an inviting retail design and experience, it is important to understand the three main dimensions of a retail experience: ambient, social and design factors.

Ambient factors are background conditions in the environment, which are typically not noticed by the customer. These include background music, noise, scent, lighting and room temperature. Generally, customers don't even notice these factors unless they exceed an acceptable range, such as when the music becomes too loud or the air conditioning becomes too strong to bear.

Normally these factors are used congruently, which elicits the best results. The most important consideration when selecting music to a retail store is its connect with the rest of the store environment. Fast tempo and loudly played pop-music can be the best choice for a clothing store targeted at teenagers but a better combination certainly exists for a store that sells expensive antique furniture.

Similarly, in a brightly lit ambience, consumers touch and pick up more items than under soft lighting. However, it should be noted, that once again lighting is a part of the total atmosphere and the brand experience, which the consumer feels as a whole. For example, classical music combined with soft lighting is an indicator of high prices.

Scent is an ambient factor similar to music and lighting, but one that has received very little comparative attention. Until the 1990s, scent was a widely unknown tool for marketers, except in stores where it naturally existed, such as bakeries or coffee shops. From the early 1990s, retailers have slowly begun to utilize scents also as a tool for marketing and branding by working on creating their signature scents which incidentally have a much higher brand recall compared to visual cues.

The social factors include the people that are present in the retail environment. That is, staff and other customers. Related to this is a very interesting term called 'Social Consumption' which is suggested to lead to decreased price sensitivity, meaning that people are willing to pay more when shopping with someone else. For retailers, this is a clear indication that their marketing strategies must encourage group buying rather than solo customers.

Finally, design factors include physical and visible elements of the store environment, such

as architecture, layout and materials used in the decoration. Design factors are elements of the store environment that are more visual in nature than ambient factors. Typically, design factors are further divided to functional and aesthetic elements. Functional elements include layout, comfort and privacy, whereas aesthetic elements include architecture, colours, materials and style.

## DISPLAY-LAYOUT FUNDA

The display and layout of the store are the main factors of functional elements. Display includes everything from display windows and point-of-sale

### FACTORS THAT DEFINE A DISCOUNT-IMAGE AND A HIGH-IMAGE STORE ENVIRONMENT FROM A DESIGN PERSPECTIVE

	Discount-Image	High-Image
Floors	Linoleum or Vinyl	Hardwood or Carpeted
Walls	Painted	Textured
Displays	Exposed	Decorated
Colours	Dated	Up-to-date
Cleanliness	Dirty	Clean
Aisles	Narrow	Wide
Layout	Grid	Free-form
Signs	Apparent	Discreet
Dressing Rooms	Small and semi-private	Large and private

displays to signage and other fixtures of the store, but also the display of products. Research has been made to determine whether products should be displayed vertically or horizontally. Horizontal display triggers more impulsive purchases but may leave products in the lower levels without notice. Since the shelves, which are at the level of eyes and hands draw most attention, everyday products, have been

suggested to be placed in the lower levels, since people are likely to find them in any case

## LEVELS OF IMPORTANCE IN HORIZONTAL DISPLAY

Layout of the store influences both the customer experience and the speed of shopping. There are three main types of layouts: grid, racetrack and free-form. Retailers, whose clientele is mainly functional in their needs, such as grocery stores, should favour simple layouts, such as the grid. The racetrack layout is typically used in department stores with several product categories. The racetrack, which is wider than other aisles, guides customers to walk through the whole store, and therefore it works best in stores, whose customers seek more experiential benefits. Finally, the free-form layout is typically used in boutique stores or for very hedonic product categories, such as clothes. The free-form is the most costly layout, but if done right, it can trigger customers to explore more merchandise and spend long periods of time in the store.

Placing experiential products near the entrance or to heavily trafficked areas of the store can increase impulsive purchases. Also organising products to Point-Of-Purchase displays in a neat and easy to browse way can increase purchase likelihood. Aesthetic factors, in turn, affect brand image.

To conclude, the optimal capitalisation of retail design as a marketing or branding tool cannot be under emphasised and one that involves both art and science to get it right. A clear understanding of the brand, its target audience, consumer behaviour and tastes, functional knowledge, aesthetic sense and most importantly a clear understanding of your retail objectives will play a key role in the getting the retail design right. 

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