



CONSUMER BEHAVIOR COLLECTION

Naresh Malhotra, Editor

Store Design and Visual Merchandising

*Creating Store Space
That Encourages
Buying*
Second Edition

Claus Ebster
Marion Garaus



BUSINESS EXPERT PRESS

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Abstract

The careful, creative, and science-driven design of the point of sale has become a crucial success factor for both retailers and service businesses. In the newly revised and expanded edition of this book, the interested reader will find a variety of hands-on suggestions for how to optimize the design of retail stores and service environments to increase customer satisfaction and sales. The focus is on the practical applicability of the concepts discussed, but this accessible book is nevertheless firmly grounded in consumer and psychological research. In this respect, *Store Design and Visual Merchandising* is uniquely positioned compared with books written by artists, architects, and interior designers, which often lack a solid research foundation, and scholarly articles, which are often inaccessible to the educated yet nonspecialized reader. In writing this book, the authors had drawn on both the recent research literature on shopper marketing and their own extensive experience in marketing consulting and consumer research.

Topics covered include the following: goals and relevance of store design; shopper marketing; design tips derived from environmental psychology; cognitive and affective approaches to store design and visual merchandising; use of ambient factors such as music, colors, and scents; and creation of emotional shopping experiences and theming.

Keywords

consumer behavior, marketing, retailing, shopper marketing, store design, visual merchandising

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Claus gratefully dedicates this book to his mother and to his wife, Riem; Marion dedicates this book to her husband, Christian.

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Introduction

What Store Design Can Do for You

Several years ago an article appeared in *The Wall Street Journal* under the following headline: “Interior Designer Sets Out to Make Casino That Relaxes Your Morality.”

A casino that “relaxes people’s morality”: How could that be? Perhaps the waitresses’ serving drinks to the gamblers helps relax their morality, or maybe the dealers do that. But as the article explained, it was the casino buildings themselves that influenced customer behavior. A marketing specialist hired by one of the casinos explained that the entire building was designed for that express purpose (see Figure I.1):

Lobby windows, for instance, will be replaced by sheets of creamy Italian marble so that “people won’t be able to relate to time. Once they step inside, they will be in an adult Disneyland.” He’ll use materials that “enhance” noise for the casino because “noise creates excitement.” Lighting for the blackjack tables will



Figure I.1 Influencing gamblers’ consumer behavior in a casino

extend far enough to envelope the player, but not far enough to include spectators, “who may interrupt his sense of security.” The eight restaurants will be done in “vestment colors”—gold, plum, deep reds—to suggest a kinship between gambling and royalty. Restaurants will have thick rugs and mohair wall coverings, meant to impart a “sensuality” and warmth so patrons will have “another brandy,” he says. But the high rollers who get complimentary suites will taste the flip side of environmental psychology. ... Their suites will be done in bold, contrasting colors with lighting so bright and noise enhanced to such high levels that the occupants will practically run to the roulette wheels.¹

In the years since that article, marketers have learned a great deal about consumer behavior and how the shopping environment influences that behavior in the casino, the restaurant, the supermarket, or the shopping mall. In this book, we share with you some of the secrets we have learned as marketing consultants and consumer researchers on how you can design your store to increase sales *and* create delighted shoppers at the same time.

We won't relax your morality—or that of your customers. (We happily leave such shenanigans to the casino people.) However, if you are a retailer or run a service business, you will happily pick up a few tricks of the trade and research that will be new to you. If you are a shopper, we promise you won't ever look at a store the same way again.

But first, let's look at why store design and visual merchandising are so relevant and what their goals are.

Research studies have shown again and again that shoppers make up to 80 percent of their purchase decisions right in the store. The reasons are many. Some consumers have only a vague idea of what they want to buy before entering a store. Others have decided on a particular product beforehand, but they aren't sure about the specific brand or style. Yet others, the impulse buyers, decide on the spur of the moment that they must have a specific product they have seen right here and right now.

Whatever the different motives are for buying a product, the fact that most purchase decisions are made or influenced on the sales floor makes the point of sale an ideal marketing tool—for both the retailers and the manufacturers. There are thus several reasons why store design and visual merchandising are so important:

- Through store design, you can influence shoppers right where they make most of their buying decisions. Unlike traditional forms of marketing communication, such as media or print advertising or direct mailings, the influence that the store environment has on the consumer is immediate and three-dimensional. A store appeals to all the senses.
- In an ideal retail world, sales staff would always greet the customers, guide them through the store, discuss their needs, point out products that they might like, and in general, keep them happy and in a buying mood. In reality, it is economically unfeasible for many retailers to keep the number of staff necessary to achieve all these goals. While the store environment can't entirely replace good salespeople, the right store design can lead customers through the store, provide them with information, entertain them, and even sell products to them. Best of all, your store design can do this day after day, without sick leave, training costs, or overtime pay.
- In an age of saturated markets, it is increasingly difficult for retailers to differentiate themselves from their competition. Store design can be a very effective positioning tool to do just that. By using the principles offered in this book, you can create memorable experiences for your customers that will set your store apart from the competition and create delighted, store-loyal buyers.

Store design is a fascinating, multifaceted field. Through our research and consulting work, we have gained new insights into what makes shoppers tick on a daily basis. From this research, we have distilled what we

think are the most important principles. Each of these ideas is discussed in the chapters that follow. By the time you are through reading this book, you will have learned the following:

1. How shoppers navigate the store, how they search for products, and how you can make them find the products you want them to see and buy (Chapter 1).
2. Why shopper confusion kills every sale and how you can help shoppers find their way—all the way to the cash register (Chapter 2).
3. How you can influence shopping behavior through such precise design factors as floors, ceilings, and store fixtures (Chapter 3).
4. What the most attention-grabbing and profitable ways to present your merchandise are (Chapter 4).
5. How to appeal to shopper emotions through use of colors, scents, light, and music (Chapter 5).
6. How to make shopping memorable and fun by creating unique experiences (Chapter 6).

At the end of each chapter, you find several takeaway points. They are the most important and usable insights for each of the areas we cover. The book concludes with our store design cookbook (Chapter 7)—full of ready-to-serve recipes for your own store design and visual merchandising process.

Takeaway Points

Here are the most important takeaway points from the introduction:

- The physical environment, specifically the store or service environment, has a significant influence on human behavior.
- Stores and service environments can be designed to trigger or encourage specific behaviors. Unlike other marketing tools such as advertising, this influence is immediate and three-dimensional.
- Up to 80 percent of all shopping decisions are unplanned. This makes store design and visual merchandising ideal marketing tools.

- Store design can be used to support the sales staff. In addition to the staff, the store sells as well.
- Store design and visual merchandising can be used as positioning tools to differentiate the store from the competition
- Creative and experiential store design appeals to customers who want to have fun while shopping and also allows you to inspire and delight them.

CHAPTER 1

Store Layout

Understanding and Influencing How Shoppers Navigate Your Store

Consumers and marketers alike were shocked in the 1950s when journalist Vance Packard published *The Hidden Persuaders*, a book highly critical of the methods used to influence consumer behavior. In a chapter titled “Babes in Consumerland,” Packard describes how consumer researchers observed women shopping in supermarkets and used this information to devise ingenious ways to “manipulate” them. Some of the in-store observations Packard described seem extremely exaggerated, stereotypical, and—from today’s more focused perspective—almost comical:

Many of these women were in such a trance that they passed by neighbors and old friends without noticing or greeting them. Some had a sort of glassy stare. They were so entranced as they wandered about the store plucking things off shelves at random that they would bump into boxes without seeing them and did not even notice the camera although in some cases their face would pass within a foot and a half of the spot where the hidden camera was clicking away.¹

Although today’s consumer researchers hardly consider shoppers to be “in a trance” or “hypnotized” when in a store, in-store observations have remained an invaluable tool for planning and optimizing stores. They are particularly useful for planning the layout of a store. In our case, we are primarily interested in the routes that shoppers (not only women but also men) take when they walk through a store (Figure 1.1).



Figure 1.1 In-store observation helps trace the routes shoppers take

In Figure 1.2, you'll see the (partial) results of an observational study we conducted in a bookstore.² The lines represent the paths customers took through the store. The letters designate various product groups, such as cookbooks, travel books, stationery, and so on. While the path a single customer takes would not give you much insight, in the aggregate, typical patterns of movement do emerge. Obviously, traffic patterns in stores are not all alike. They vary depending on the layout of the store,

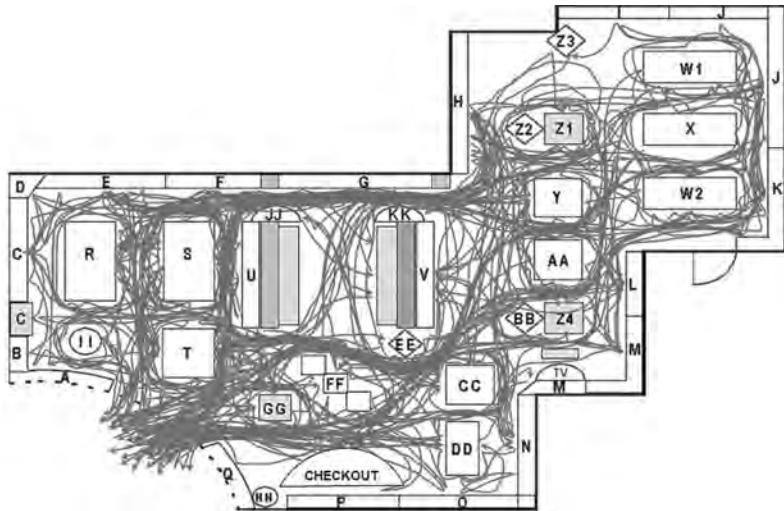


Figure 1.2 Walking patterns in a bookstore

its size, and the type of customers. For that reason, it makes good sense to conduct your own observations in a specific store to discover the problems and also the opportunities unique to that store. For example, in this bookstore there were comfortable benches that customers could use to sit on while browsing through the books that might have caught their interest.

As you can see, the results of this observation show that many shoppers use the reading zone (the area defined by the large benches in the middle of the store) as a shortcut to reach bookshelves located in the back of the store. In the process, they can disturb customers who are relaxing and reading books. Based on these results, we advised the management of this bookstore to slightly elevate the reading zone by adding a step to a reading platform. In this way readers could still easily access the benches, but at the same time, shoppers would be discouraged from using the reading area as a shortcut.

General Rules of Customer Traffic

While walking behavior will obviously vary from store to store, there are certain patterns that remain quite consistent. We have found them repeatedly in our studies, and they have also been reported by other marketers and consumer researchers. Let's have a look at them. We'll start right at the entrance of the store.

Transition Zone

"Caution! You are about to enter the no-spin zone," conservative talk-show host Bill O'Reilly warns viewers at the beginning of his television show. In the same way, we want to caution retailers about the transition zone in a store. This term, coined by renowned retail anthropologist Paco Underhill, refers to that area of the store immediately beyond the entrance.³ Upon entry, customers need a short while to orient themselves in the new environment. They need to adjust to the many stimuli inside the store: the variation in lighting and temperature, the signs, the colors, and other shoppers, to mention just a few. This factor has important implications for designing the store.

The entrance is the only part of a store that every customer passes through (provided that there is only one entrance of course), and therefore many retailers and manufacturers consider it prime real estate. Nevertheless, quite the contrary is true: In the transition zone, shoppers' information-processing capabilities are so occupied with adjusting to the environment and reaching their targeted destination in the store that they only pay minimal attention to the details that surround them in this transition environment. Let's have a look at a lady entering an electronics store in Figure 1.3.

Do you see how this shopper looks straight ahead and doesn't even notice the product display to her right? She also does not notice the shopping baskets on the floor to her left. She clearly needs a few more moments to adjust to the change in her environment. Sometimes we wonder what effect a sign proclaiming, "Everything free today!" has on consumers if that sign is placed right after the entrance into the transition zone. Unfortunately, we are still searching for a client willing to let us carry out that experiment in their store.

The transition zone isn't a great place to display high-margin products or important information. This doesn't mean, however, that retailers should neglect the area right after the entrance, as it is the place to make a great first impression on shoppers and—primarily in the case of mall stores where the entrance zone is clearly visible from outside—to attract



Figure 1.3 *In the transition zone, the shopper looks straight ahead and doesn't notice the display to her right*

passers-by into the store. The lush fruit and vegetable departments that some supermarkets put right at their entrance are an example of this technique.

Customers Walk Counterclockwise

Have you ever noticed the direction you usually take after you have entered a store and successfully adjusted yourself to the new environment in the transition zone? While clearly not all customers are alike, many shoppers will walk counterclockwise through the store. This is a pattern that has been noticed by many consumer researchers.⁴ You can also see this pattern in one of our studies. Figure 1.4 shows the interior of a supermarket. The arrow indicates the typical walking pattern we observed in the store. Notice that the diagram is indicative of the pattern where very often customers walk counterclockwise after entering a store.

It has been argued that customers tend to walk counterclockwise or to the right because in many countries they drive on the right-hand side of the road.⁵ This explanation might be intuitively appealing, but it is

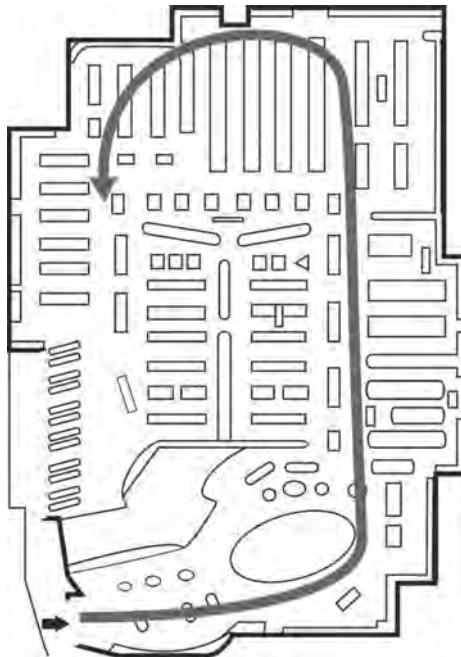


Figure 1.4 Counterclockwise movement of customers in a supermarket

probably wrong (e.g., consider England). We also did not observe this walking pattern in right-handed shoppers only. As research has shown, shoppers probably don't have an innate or learned predisposition to walk to the right. On the contrary, it's the store that makes them walk to the right because in most stores the entrance is on the right-hand side of the storefront. Unless customers walk to the checkout area right after entering the store (which is unlikely), they are more or less forced to walk first to the back of the store on the right and then eventually turn left. In fact, recent research suggests that customers might process information better if the entrance was to the left of the store rather than the right.⁶

Customers Avoid Narrow Aisles

Stay with us in the same supermarket, and take a look at Figure 1.5. Relatively few shoppers walk in the areas that are shown in dark colors on the map, whereas the aisles that receive a lot of traffic are shown in white or light gray.

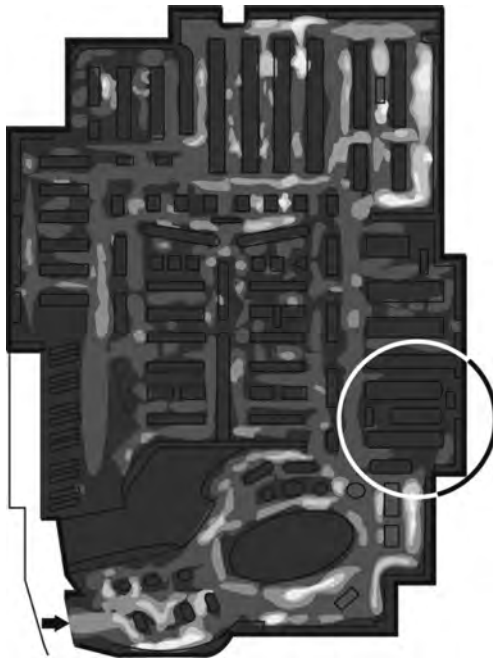


Figure 1.5 Customers will avoid narrow aisles

As you can see, relatively few customers enter the area that is circled because the aisles in this area are quite narrow compared with the aisles in the remainder of the store. In narrow aisles, customers feel that their personal space is invaded by other shoppers. For example, they may worry that another shopper will bump into them—for this reason, this phenomenon is called “butt-brush effect”⁷—or pass at an uncomfortably close distance. It should be noted, however, that this is not a universal occurrence. In cultures such as the United States or the United Kingdom, people maintain a relatively large social distance, whereas in other cultures (e.g., Arab or many Latin American countries), people will stand considerably closer to each other.⁸ Consequently, aisle width is less of an issue in these countries. In the United States, on the other hand, it is essential for retailers to plan aisles that are wide enough so they signal to customers before they enter them that other shoppers will be able to pass by them comfortably and at a reasonable distance.

Shoppers Avoid Upper and Lower Floors

Research also tells us that shoppers prefer to stay on the floor where they entered the store. Generally speaking, shoppers don’t like to walk up or down to another floor. Keep in mind that for some consumers, such as the disabled, obese, or elderly, moving to another floor can be downright difficult. Of course elevators and escalators (preferred over elevators by many customers) ameliorate that situation, but they do not totally eliminate this negative effect on shopper traffic. Therefore, when possible, stores should be planned to occupy a single floor (a concept you see at big-box retailers such as Walmart, The Home Depot, or Target). It should, however, also be noted that some shoppers tend to associate stores with more than one story as more elite, whereas one-story outlets might be seen as discount stores with less high-end merchandise.

When property comes at a premium (e.g., in downtown locations), it is not always possible for a store to occupy a single floor. In that case, the merchandise that attracts the most customers should be located on the first floor. For example, multilevel fashion stores that cater to both women and men tend to locate the ladies’ department on the street level and the men’s department on the second floor because in many cases women are their main customer group.

Planning the Store Layout

Now that we know how customers navigate the store, it is time to plan the optimal store layout. While there are many possibilities, some layouts are more frequently used. Let's have a look at them and analyze their advantages and their disadvantages.

Counter Store

In the days of “ye olde country store,” virtually all retail outlets were counter stores. Today, however, there are relatively few stores left that employ a counter layout because this layout is incompatible with the idea of self-service. Nevertheless, there are several areas of retailing where counter service still makes sense:

- Pharmacies sell prescription drugs from behind a counter to maintain control of who receives certain medications.
- In very small stores, such as newsstands, counters are often the only practical layout.
- When shoplifting is a serious problem (e.g., where small-sized and expensive goods are sold, such as in a jewelry store), a counter layout is the best way to prevent theft.
- In very exclusive stores where the clients expect a high degree of personal help and advice from the sales staff (e.g., in the *Officina Profumo-Farmaceutica di Santa Maria Novella*, a famous perfumery in Florence, Italy; see Figure 1.6), a counter layout is advantageous.

While counter layouts are useful in these instances, they are generally not very popular in modern retailing because they are labor intensive and drastically reduce impulse purchases. Products are hidden behind counters or locked up in display cases. To a certain extent, however, this drawback can be compensated when the sales staff is trained to use suggestive selling.⁹ For a field experience in suggestive selling, just visit your local McDonald's. In this counter store, an order for a hamburger is inevitably followed by a prompt to order fries and a drink.

making us look at a woman entering a shower, then a shadow behind the curtain, then the woman's face, then the bulging shower curtain ... you get the picture. In the store, we can use our knowledge of what the shopper will see next to influence customer behavior. Furthermore, because the shopper passes through every aisle in the store, product contact can be maximized. This contact with many products, in turn, increases the chances for unplanned purchases.

Unfortunately, in reality, a forced-path layout is much less ideal. While it potentially maximizes product contact, it is also likely to maximize shopper irritation. How would you like to be forced to take one route and only one through a store? On the other hand, one large furniture retailer can teach us how a forced-path layout can be successfully used to guide shoppers without irritating them. That store is IKEA. At IKEA, most parts of the huge store are designed as a forced-path layout. This layout allows the company to position its products in the store in exactly the order they want shoppers to discover them and expose shoppers to a large part of the product range. What happens, however, if a customer is clearly not in a mood to stroll leisurely through IKEA's labyrinthine showrooms and instead wants to reach the checkout quickly after having selected a specific product? To deal with such quick shoppers who might easily be irritated by a forced-path layout, IKEA relies on the psychological principle of selective perception. People tend to perceive things more easily when these stimuli are relevant to them than when they are irrelevant. To do this, IKEA places shortcuts at various spots in the store, which allow customers to skip parts of the store, thereby reaching the checkout



Figure 1.8 Forced-path layout with shortcuts



Figure 1.9 The grid layout

much faster (see Figure 1.8). Compared with the main paths, these shortcuts are considerably narrower, and while there are signs indicating the shortcuts, they are also kept relatively inconspicuous. While the average shopper prepared to spend some time in the store would not necessarily notice the shortcuts, they will be quickly perceived by a hurried shopper looking for the exit.

Grid Layout

With a grid layout, aisles are arranged in a repetitive rectangular pattern (see Figure 1.9). It is a traffic-flow pattern traditionally favored by supermarkets, drugstores, and hardware stores. A grid layout offers several advantages:

- It allows customers to shop quickly.
- It simplifies inventory control.¹⁰
- Floor space is used efficiently.
- Standard fixtures can be used to display the merchandise.¹¹

On the other hand, a grid layout is not particularly attractive, aesthetically pleasing, or exciting. It can look sterile and uninspiring. Furthermore, because of the uniformity of the gondolas (freestanding store fixtures), it is not particularly easy for customers to orient themselves in the store. This problem can be ameliorated, however, if an appropriate

signage system is implemented and measures are taken to help customers form cognitive maps of the store in their heads (see Chapter 2).

Free-Form Layout

In a free-form layout, aisles, displays, and shelves are placed in a free-flowing pattern instead of a grid. This layout has several advantages:¹²

- It enhances the atmosphere of the store and the shopping experience of the customer; the store looks less sterile and more interesting.
- Shoppers are encouraged and more likely to browse the merchandise.
- Customers feel less rushed and thus are more likely to make unplanned purchases.

We also found out that shoppers in a store employing a free-form layout parked their shopping carts more frequently than shoppers in a store that uses a grid layout. They leave their cart unattended in order to inspect products more closely. These shoppers, in turn, also tended to buy more.¹³

There are many different possibilities for implementing a free-form layout in a store. Some of the more frequently used are the following types of store layouts:¹⁴

Boutique Layout

The boutique layout (also called alcove or shop-in-the-shop layout) is probably the most widely used free-form layout. It is used to separate various types of merchandise sold in the store. In a boutique layout, each merchandise group is displayed in an individual, semiseparate area (see Figure 1.10).

In each of these specialty shop areas, appropriate store fixtures are used to accentuate the theme of the area.¹⁵ For example, in a gourmet store, there can be a cheese paradise, a wine cellar, a stone oven bakery, and so on. The interesting variety created by this layout stimulates shoppers' curiosity and is well suited for creating a unique shopping experience. The responsibility of designing and furnishing the boutiques can sit with the retailer or with the manufacturers whose merchandise is sold in



Figure 1.10 Boutique layout

the boutiques. Such a boutique, branded by a manufacturer, can be seen in Figure 1.11.

Retailers must be careful, however, when outsourcing the design of boutiques to manufacturers. As occasionally seen in some department stores, the shopper will often move from one branded boutique to another. The shopper may start at the Calvin Klein boutique and then move on to the Ralph Lauren shop, followed by the Jones New York



Figure 1.11 Manufacturer-branded boutique in a department store

and Tommy Hilfiger boutiques. The design of these individual boutiques may be outstanding and conducive to buying. Nevertheless, the corporate identity of the department store may become lost. After all, what is left to distinguish department store A from department store B (in terms of shopping experience) if manufacturer-branded boutiques in the two stores are nearly identical?

Star Layout

In this layout, aisles are arranged in a star-like pattern. Examples of this layout can be seen in perfumeries, fashion stores, and jewelry stores (see Figure 1.12). Star layouts look spectacular and are therefore suitable for experiential store design. As a downside, we found that some shoppers have a problem finding their way around in stores that use a star layout.

Arena Layout

Stores using the arena layout slightly resemble amphitheaters. Often the shelves placed further back in the store are taller than the ones in the front, and these may even be placed on a pedestal. If the shelves in the back are elevated, care should be taken to make this part of the store



Figure 1.12 Star layout used in a jewelry store

accessible to all shoppers, for example, by having ramps in addition to steps. The area layout allows customers to see a large part of the product range right after entering the store. The arena layout is occasionally used in book and record stores and also in fashion stores.

Different layouts can also be combined. An international supermarket chain, for example, has combined the classical grid layout traditionally found in supermarkets with a free-form layout (see Figure 1.13). Perhaps you have heard about the right brain–left brain theory, which can relate to this type of store layout. Our brain consists of two hemispheres. Although this statement is somewhat of a generalization, the left side of our brain seems to be more involved in linear reasoning, whereas the right hemisphere appears to play an important role in creativity. This type of supermarket layout is also divided into two hemispheres.

The left side of the store (about one half of the total floor space) is where “boring” items such as frozen food, garbage bags, and detergents are sold in a grid layout. The right side of the store, on the other hand, employs a free-form layout. This part of the store looks like a luscious marketplace and this is where produce, wine, cheese, and a wide variety of deli items are sold. Unlike the functional left side of the store, the right

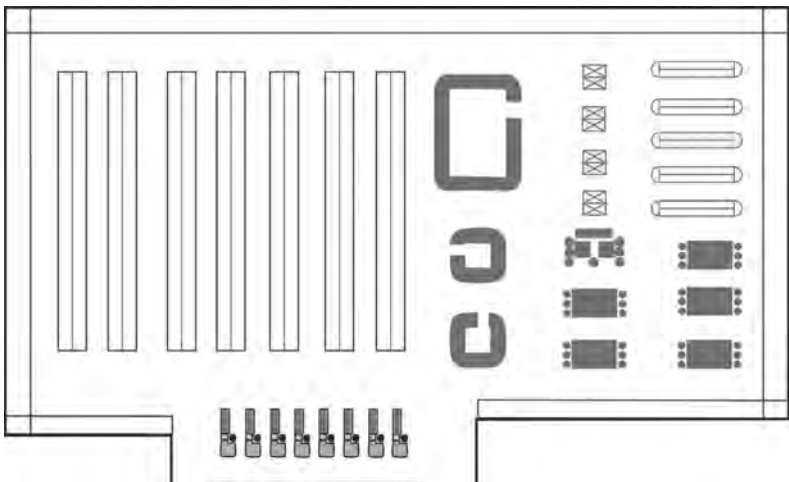


Figure 1.13 Combined layout: Functional shopping on the left, hedonic shopping on the right

side of the store appeals to hedonic shoppers who enjoy sampling the smorgasbord of delicacies that are sold on the premises.

The Loop: Guiding the Shopper Through the Store

Wouldn't it be nice if you could take your customers by the hand and guide each one through your store while pointing out all the great products you would like them to consider buying? Most people, however, would not particularly enjoy having a stranger grab their hand and drag them through a store. But there is another way to achieve a similar result: Let the store do it for you. Have a central path that leads shoppers through the store and lets them look at many different departments or product areas. Just as Dorothy in *The Wizard of Oz* followed the yellow brick road all the way to the Emerald City, this path leads your customers from the entrance through the store on the road you want them to take all the way to the checkout.

In a store, this yellow brick road is called a loop. While some authors maintain that a store containing a loop is a specific form of layout (and call it a *racetrack layout*), we think that a loop can be implemented in most layouts, and it can be a more or less prominent feature of the store. A loop may be very pronounced in a fashion store and less so in a grocery retail store. Nevertheless, when planning the store layout, we should always be clear what main path we desire shoppers to take when navigating our store. Loops are particularly useful in larger stores of over 5,000 square feet, where encouraging shoppers to explore different parts of the store is more difficult than it would be in smaller retail outlets.¹⁶

The loop must be clearly visible and also communicate to customers that it is the best and easiest approach to traversing the store. Making the loop visible can be achieved in several ways:

- Marking the loop on the floor in a different color
- Guiding customers along the loop via additional lighting on the ceiling
- Using a different flooring material to mark the loop

In some stores, loops are indicated by lines on the floor. These clearly mark the loops and also prevent store clerks from placing merchandise

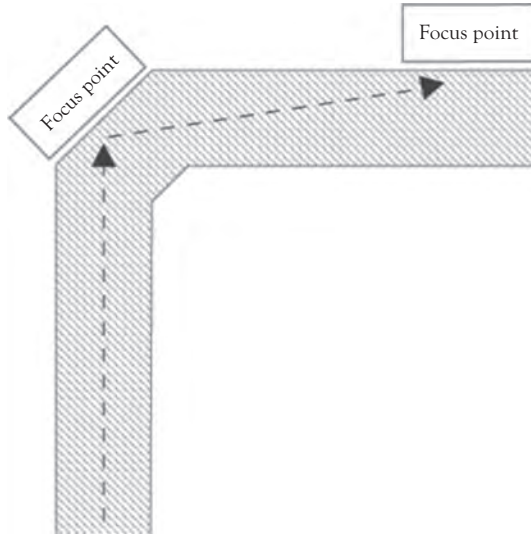


Figure 1.14 *Focus points will lead the shopper along the loop*

in the floor space reserved for the walking loop. Nevertheless, we advise against this approach because the lines could be perceived as a psychological barrier by some customers. After all, the loop is only supposed to guide customers through the store, and customers must always feel comfortable about stepping away from the loop to explore products in other areas of the store.

It is not enough to make the loop visible. If you want to ensure that your customers follow the loop all the way through the store, it is necessary to place focus points along the loop (Figure 1.14). These are, in effect, landmarks that will attract customer attention. Whenever shoppers reach a focus point, another focus point should already be in their field of vision. In a sense, you should always reward shoppers for following the loop by providing them with interesting sights along the way. If done right, these focus points will serve as bread crumbs for customers to follow, as in the story of Hansel and Gretel, all the way to the cash register.

Where to Place Merchandise and How Shoppers Search for Products

Imagine you are leisurely shopping at a department store. All of a sudden, you encounter an otherwise normal-looking fellow shopper wearing a



Figure 1.15 A shopper wearing an eye tracker

strange device attached to a baseball cap (see Figure 1.15). A cable runs from the device to a backpack the stranger carries on his shoulder. What at first glance may appear like an alien from another planet is in fact a research participant who is helping us study where shoppers look while in the store. The device he is wearing is an eye tracker. It precisely records the eye movement of the shopper. These eye movements are superimposed on a video of the store from a notebook computer hidden in the person's backpack.

An eye tracker records both a person's eye movements (called saccades) and where the eye stops (fixations). Our eyes move rapidly, constantly scanning our environment for new visual information. While the eye moves, the person is virtually blind—that is, no information is registered. We don't notice this, however, because of the speed at which our eyes *do* move—saccades last for only 20 to 40 milliseconds! It is the eye fixations that consumer researchers are really interested in. When the eyes remain still for at least $\frac{1}{4}$ to $\frac{1}{2}$ second, the brain will process information received by the eye.¹⁷ Measuring these fixations allows us to determine which visual stimuli in the store attract and hold the shopper's attention. In Figure 1.16, you can see one shopper's gaze path while searching for a detergent on a



Figure 1.16 A shopper's gaze while searching for a product

shelf. The circles indicate the shopper's fixations. Larger circles indicate longer fixations on a visual stimulus (e.g., a particular product) than the smaller circles. The bold circle shows the shopper's current fixation.

Obviously, shoppers don't all look at the same spots in a store when shopping. Consumer researchers have known for a long time that shoppers' individual differences and, in particular, their various interests influence which stimuli they pay attention to and which they don't. Nevertheless, eye-tracking research as well as traditional observation of shoppers has provided us with useful insights into what attracts customers' attention.

Shelf Zones: Eye Level Is Buy Level

Have you ever heard the old retail adage "eye level is buy level"? Although it is almost a cliché, it still holds true. Products placed at the shoppers' eye level tend to sell significantly better than products at other heights on the shelf because products at eye level receive more attention than products placed either above or below. This principle is so powerful you can even use it in arranging your own fridge! Nutritional experts suggest placing healthy foods at eye level in the refrigerator.¹⁸ So the next time you open the door to your fridge, your strategically placed broccoli will catch your attention immediately (before your eyes start wandering to the cupcakes

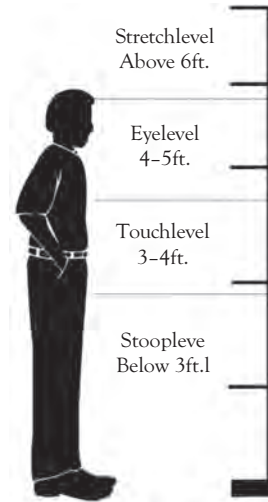


Figure 1.17 *The four vertical shelf zones*

at the bottom). Let's go back to the store, though, and see how retail experts divide shelf space into four distinct, vertical zones (Figure 1.17):

- *Stretch level* (>6 ft). This is one of the less-valuable shelf zones. Shelves on the stretch level receive relatively little attention by shoppers. Furthermore, only lightweight products should be placed in this zone to prevent possible injuries. Some modern store fixtures have done away with shelves on the stretch level altogether. This decision has the advantage that the store seems airier and less crowded. Because the shelves are shorter, the shoppers' sight is also not blocked. This view can induce more shoppers to visit the back of the store. In spite of these developments, many stores do still have tall shelves because the space *above* the stretch level is used for inventory.
- *Eye level* (4 to 5 ft). Shoppers can only buy what they see, and what is in their field of vision receives the most attention. Perceptive retailers have known for a long time that products displayed at eye level sell best. This assumption has received support from research studies using eye-tracking technology. One study found that products placed at eye level received 35 percent greater attention than those on a lower

shelf.¹⁹ This finding also corresponds with our own in-store observations. It should be pointed out, however, that placing eye level between four and five feet is only an approximation. A person's peripheral vision extends 30° from their central focus point in all directions.²⁰ Consequently, the further away shoppers stand from a shelf, the wider the eye-level zone will extend. When selling products aimed at children, the eye-level zone obviously is located further down on the shelf.

Nevertheless, these basic findings hold true for children as well. As our research has shown, children are considerably more likely to request product purchases from their parents for products placed at their own lower eye level.²¹ Eye level is the ideal zone for placing products with a high profit margin.

- *Touch level* (3 to 4 ft). The touch level is located approximately at the shopper's waist height. Products placed in this zone not only receive more attention than products in the stretch level and stoop level but also receive somewhat less attention than products at eye level. It is still a desirable zone, however, for placing high-profit items.
- *Stoop level* (<3 ft). Shoppers don't like to bend down or—in the case of elderly or disabled people—may be unable to bend down. Furthermore, the stoop level is not usually in most shoppers' fields of vision while walking through a store. Consequently, the stoop level is retailing's equivalent of the boondocks, where low-margin merchandise finds its place. Heavy products are also placed in this shelf zone for safety reasons and easier selection by customers.

It should be noted that the placement of products on different vertical shelf zones does not only affect perception. There is evidence that consumers also evaluate products differently depending on which shelf they are placed on. As we already know, products placed both at eye level and at touch level receive more attention than products located either

above or below these two levels. These two zones differ, however, with respect to how favorably customers judge the brands they find there. In an experiment, it was shown that brands placed on a higher shelf (eye level) were evaluated better than brands placed on a lower shelf (touch level), irrespective of the actual brands.²² Apparently, shoppers have (implicitly) learned over time that retailers tend to give the top positions on the shelf to the top brands.

At this point you may be wondering if there is also an optimal horizontal shelf position. After all, it would be useful to know if products receive more attention if they are placed near the center or at peripheral positions of the shelf. Horizontal shelf zones have also been identified. Merchandise at the center of a shelf appears to receive the greatest visual attention by shoppers.²³ This placement assumes, of course, that the shopper stands directly in front of the center of the shelf, which in most cases is not very likely. Although shoppers may pay more attention to the middle of a shelf in some situations, a lot seems to depend on where in the store the shelf is located and from which direction customers approach the shelf. For example, many shoppers don't walk through an entire aisle (particularly if the aisles are very long). Instead, they may just enter the aisle, search for a particular product, and then leave the aisle where they entered. If many consumers enter the aisle from the same direction, products placed on shelves close to the entrance of the aisle are in a great selling spot because more shoppers pass this section of the shelf than any other (and may consequently notice these products more often).

How Customers Search for Products on the Shelves

As we have seen, the best spot on a shelf is not that easy to determine. We do know, however, how customers search for products on shelves. Primarily, shoppers search horizontally. After all, the majority of our eye muscles are made for horizontal movement.²⁴ Imagine for a moment a shopper searching for AAA batteries on a shelf (see Figure 1.18). Typically, this shopper will first scan the shelf horizontally as he walks down the aisle: light bulbs ... extension cords ... chargers ... Aha! Batteries. Only after she has found batteries will she start scanning the shelf vertically for the specific type or brand of battery she is looking for.



Figure 1.18 Shoppers scan shelves mostly horizontally

This sequence—first horizontal scanning for merchandise groups, then vertical scanning for specific brands or products—has important implications for how merchandise should be arranged on shelves. To take advantage of shoppers’ search patterns, similar products should be arranged in vertical blocks and not horizontal blocks. If product blocks are arranged horizontally, shoppers often have problems finding what they are looking for because of their vertical search pattern. Therefore, don’t put cameras on the top shelf, camcorders on the shelf below, and so on. Instead, build a vertical block for cameras, followed by a vertical block for camcorders, and so on (see Figure 1.19).

Have a look at Figure 1.20. On this shelf displaying accessories for electric shavers, shoppers would have to search vertically to find the type of product they want because the different types of accessories are arranged horizontally rather than vertically. Because shoppers primarily

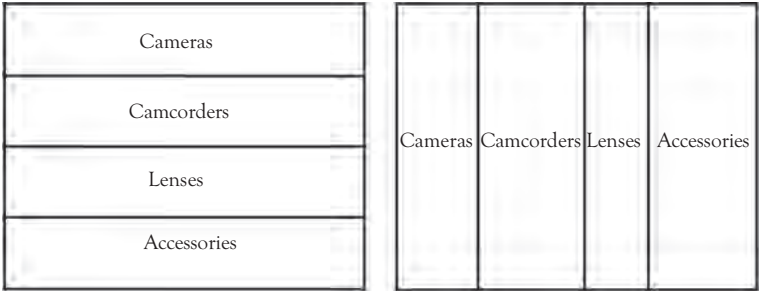


Figure 1.19 Horizontal (left) versus vertical blocks (right)

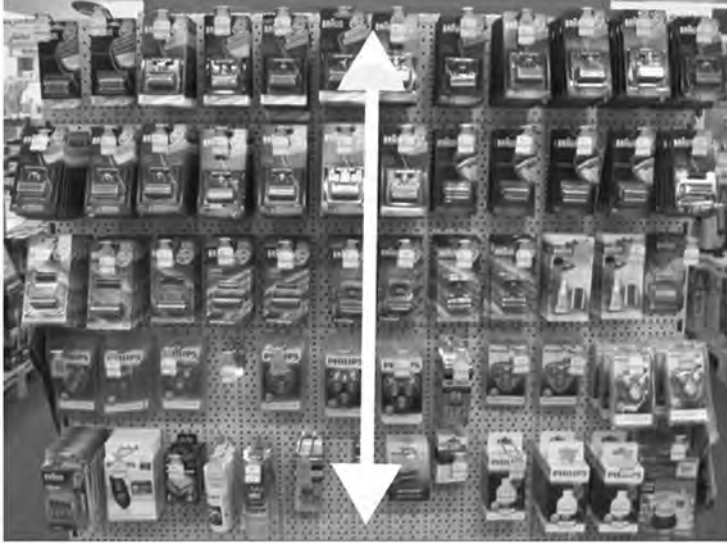


Figure 1.20 *Grouping product categories horizontally forces shoppers to scan vertically to find an item, which they hate to do*

scan horizontally (until they find the desired product category), many will have a hard time finding what they need and may simply move on.

There are two ways to design vertical blocks:

1. *Product blocks.* Merchandise is grouped by product category. For example, one vertical block contains soaps, whereas another one contains shampoos.
2. *Brand blocks.* Merchandise is grouped by brands. For example, one vertical block contains all Ivory products, another block all Dove products, and a third block all Palmolive products.

A store doesn't only consist of shelves, though. There are other store fixtures and in-store media that shoppers look at as well. One study investigated what percentage of customers notice various fixtures and in-store media.²⁵ The results were as follows:

- End aisle displays: 100 percent
- Free-standing product display racks: 100 percent

- Display bins: 97 percent
- Shelf ads: 62 percent
- Coupon dispensers: 50 percent

As you can see, end aisle displays, often called “end caps,” are noticed by every shopper (see Figure 1.21). In addition, this study found that end caps are noticed more often per shopping trip (on average 16 times, as opposed to only nine times for product displays or four times for display bins). This makes them true attention hot spots, particularly if they are located in the front sections of a store where most customers will pass by.²⁶ Consequently, retailers use them for secondary placements.



Figure 1.21 An end aisle display in a supermarket

In a secondary placement, particularly profitable merchandise is displayed not only in its regular place on the shelf but also a second or even a third time in places where it will be noticed by many shoppers. Particularly, products that have a potential to lead to impulse purchases are placed in end caps. Secondary placements in an end cap receive most attention if they are not visually cluttered, that is, when they contain only a small number of product lines or brands.²⁷ So on a shopping trip to the supermarket, we may try to fastidiously avoid the snack food aisle to resist the temptation to buy fattening potato chips but to no avail because these chips also lurk at an end cap on our way to the produce department.

If you insist, however, on making us buy the potato chips in your store, let us (a bit unwillingly) share with you the secret of several other high-selling zones in the store. What all of these hot spots have in common is that they grab shopper attention:

- The area in front of the checkout where customers have to wait
- Display bins blocking the shoppers' path
- Areas next to elevators and escalators where shoppers pause

Just make sure not to place the potato chips (or other items you want us to buy) in areas that shoppers avoid: narrow aisles, dead ends—even if the empty space may be tempting for you to use, these chips would never tempt us to go into those areas—and never ever after checkout. Only shoplifters pay attention to products displayed after the checkout.

Takeaway Points

Here are the most important takeaway points from this chapter:

- To plan the optimal store layout, you need to know how shoppers move through your store.
- While no two stores are exactly alike, certain general patterns of how shoppers navigate a shopping environment can be identified. Taking these patterns into consideration when planning a store layout will improve shopper satisfaction and store profitability.

- Different layouts can be identified. When choosing one of these layouts, consider various factors, such as efficiency, ease of orientation, and the potential for a layout to make shopping fun for the consumer.
- While a forced-path layout encourages shopper contact with the merchandise, be careful not to alienate customers by forcing their route. More subtle approaches to influence shoppers may often be more effective.
- No matter what layout you choose, specify the loop or the main path you would like customers to take through the store. Then think of ways to entice your customers to follow the loop all the way through the store.
- Consider tracking eye movements to find out exactly where shoppers look when they are in your store. Remember that shoppers can only buy what they see.
- Shoppers scan shelves mostly horizontally. Consequently, similar products should be arranged in vertical blocks.
- Eye level is buy level. Optimize both vertical and horizontal shelf placement to good advantage.
- Put your high-margin products in the top-selling zones in the store. While you need a full assortment so that customers will visit your store, once customers are in the store, the high-margin items should be glaringly conspicuous.

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Store Design and Visual Merchandising

*Creating Store Space That
Encourages Buying, Second Edition*

Claus Ebster • Marion Garaus

The creative and science-driven design of the point of sale has become a crucial success factor for both retailers and service businesses. In the newly revised and expanded edition of this book, you will learn some of the shopper marketing secrets from the authors about how you can design your store to increase sales and delight shoppers at the same time. By the time you are through reading, you will have learned how shoppers navigate the store, how they search for products, and how you can make them find the products you want them to see.

You will also be able to appeal to shopper emotions through the use of colors, scents, and music, as well as make shopping memorable and fun by creating unique experiences for your shoppers. The focus is on the practical applicability of the concepts discussed, and this accessible book is firmly grounded in consumer and psychological research. At the end of each chapter, you will find several takeaway points. The book concludes with the "Store Design Cookbook," full of ready-to-serve recipes for your own store design and visual merchandising process.

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