

Nuts and Bolts of Retail

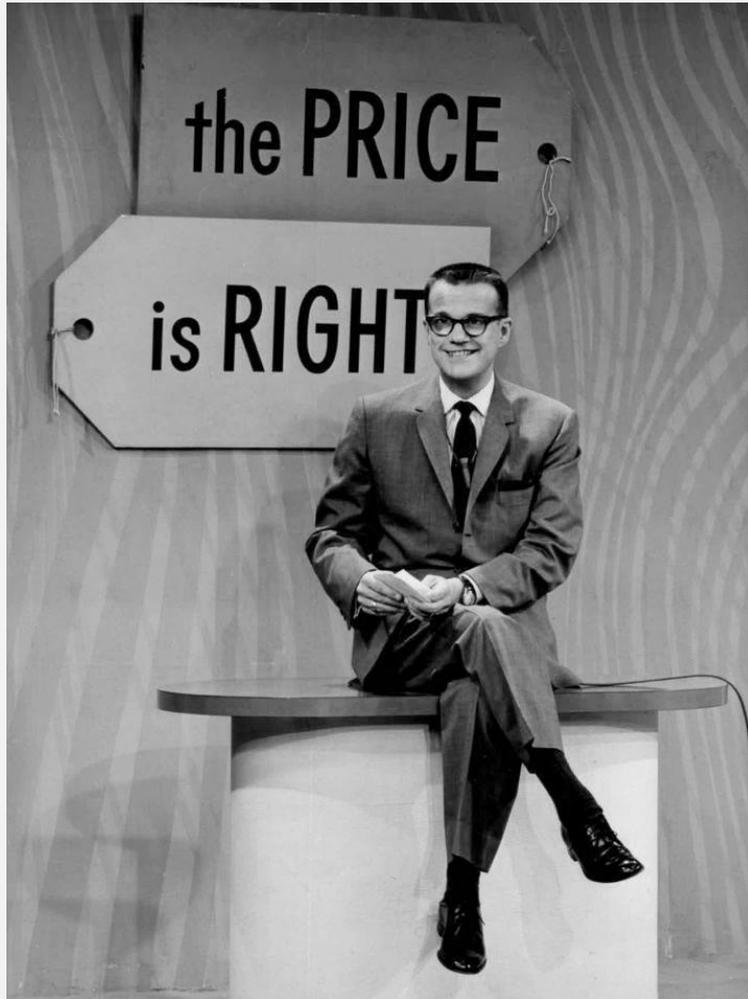
*Presented to:
Oregon Main Street Conference*



ACKNOWLEDGEMENTS



GRATITUDE



READY... SET...
MERCHANDISE!!

TOPICS

- ❑ *Mixed Use Economics*
- ❑ *Leveraging Adjacencies*
- ❑ *Retail Trends*
- ❑ *The Science of Retail*

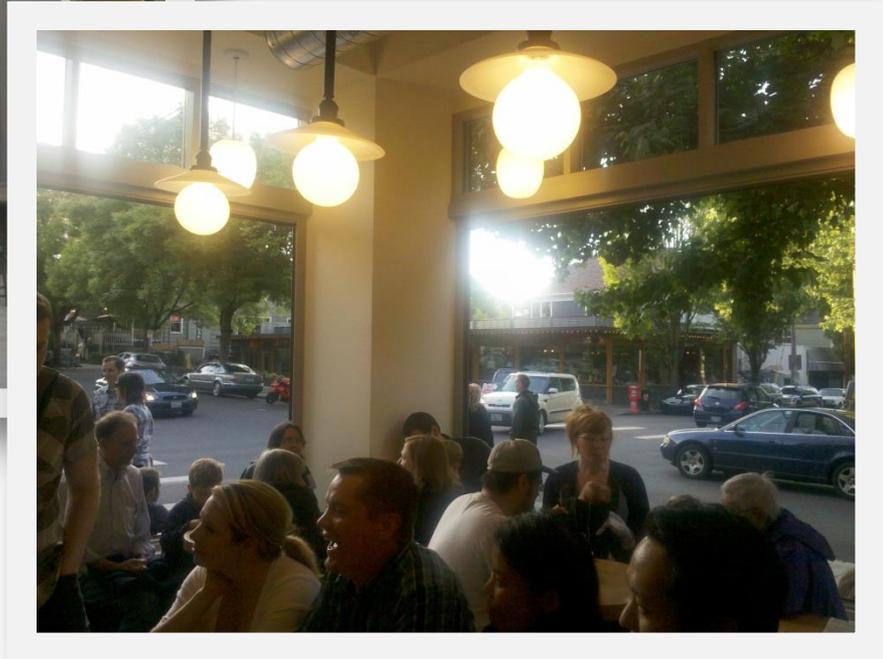
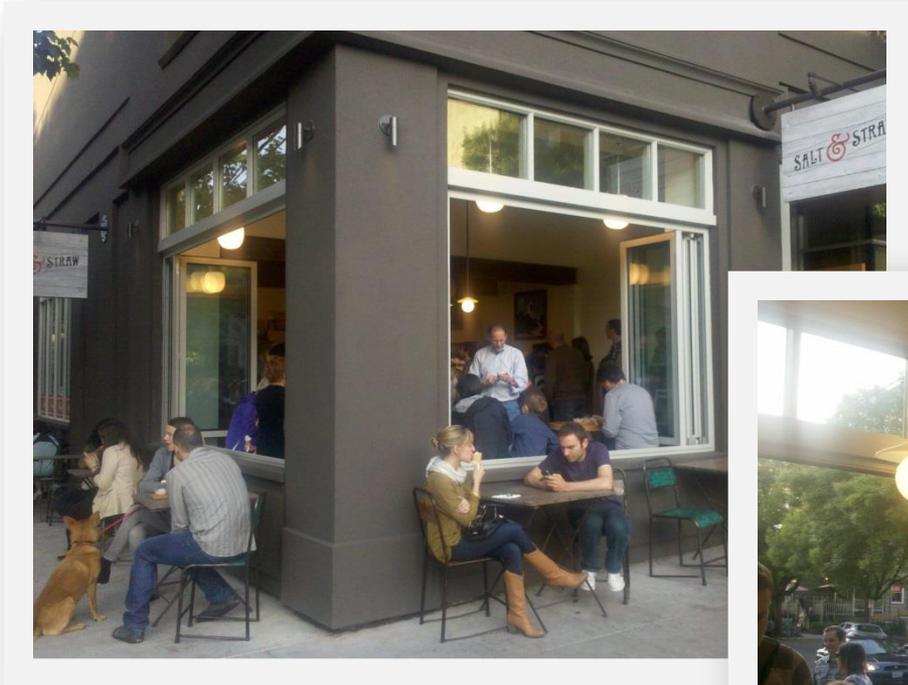
TOPICS

- ❑ *Mixed Use Economics*
- ❑ *Leveraging Adjacencies*
- ❑ *Retail Trends*
- ❑ *The Science of Retail*

PEOPLE!



PEOPLE!



PEOPLE!



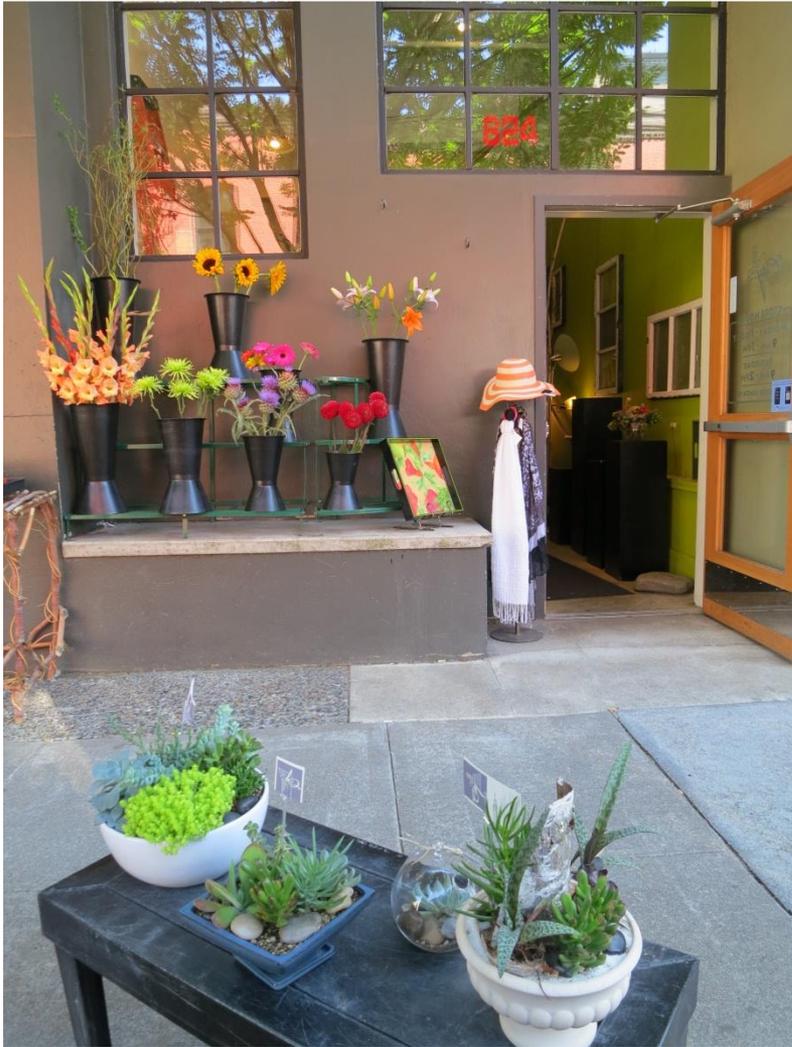
CONVERSATION GOES BOTH WAYS!



PEDESTRIANS = SALES



WHERE DOES RETAIL EXPERIENCE START?



WHERE DOES RETAIL EXPERIENCE START?

**Retail Experience
Happens Long Before
You Walk in the Door**

DESIGN FOR THE PEDESTRIAN



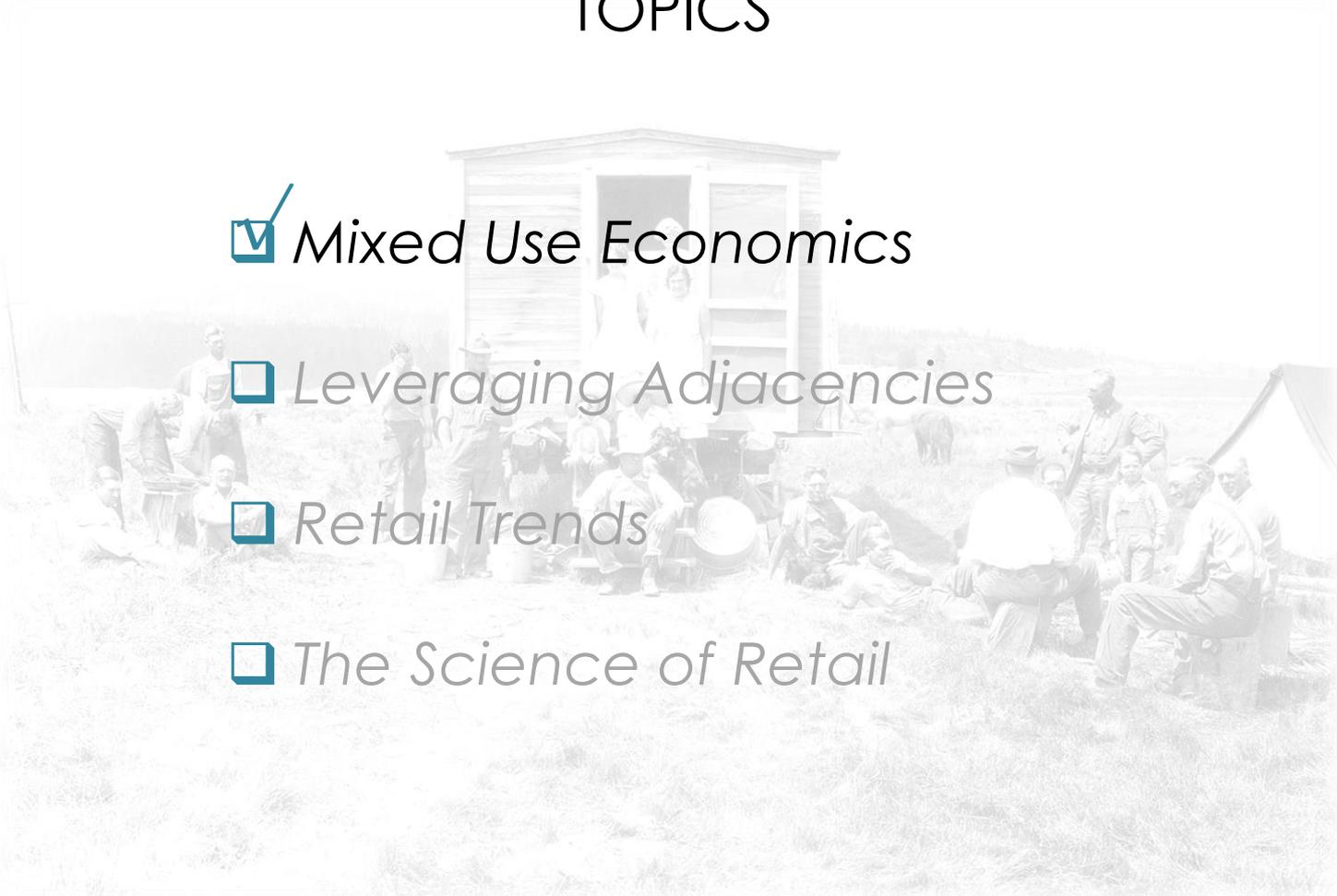
WHAT'S HAPPENING ON YOUR SIDEWALKS?



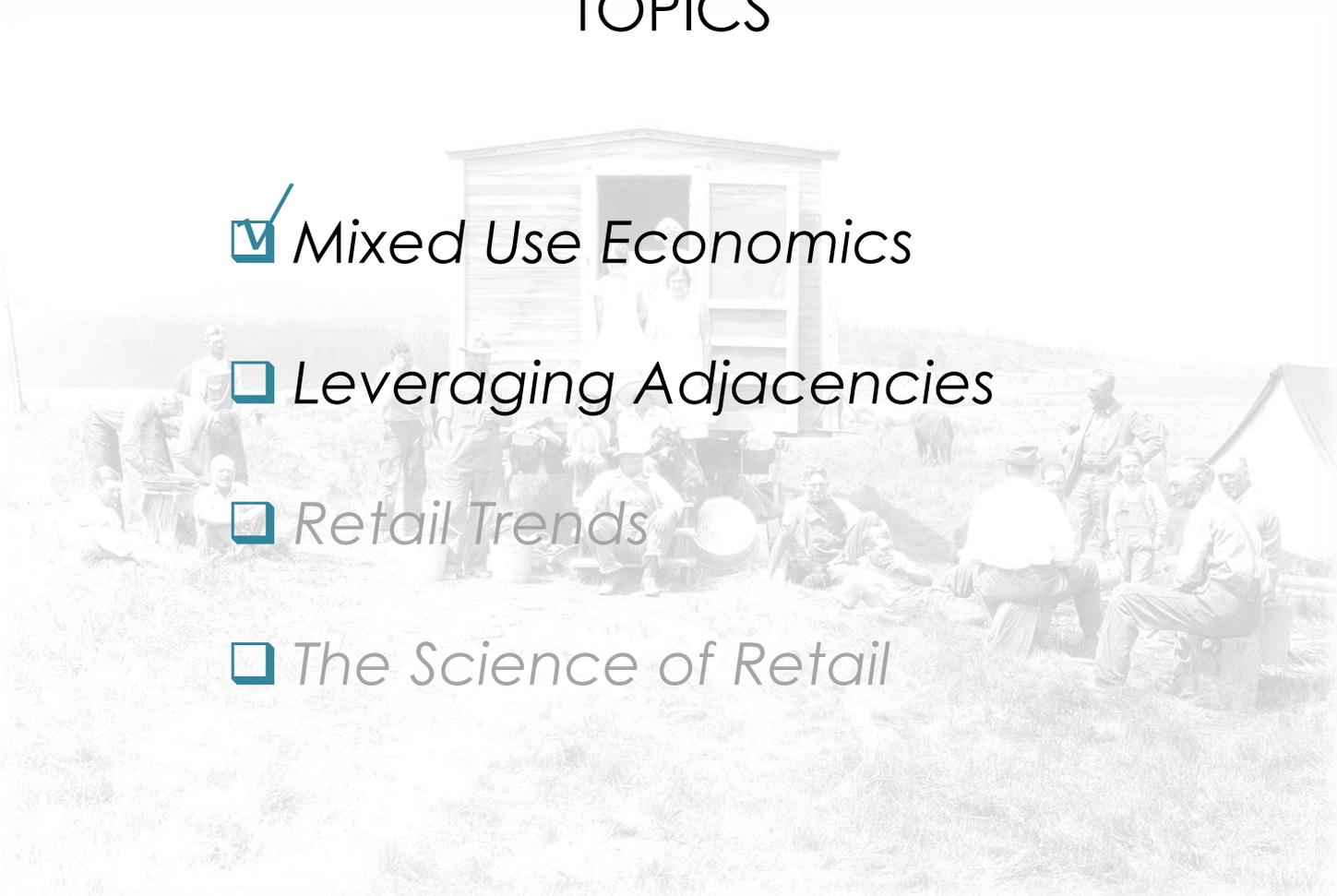
WHAT EXPERIENCE DOES YOUR MAIN STREET OR DOWNTOWN OFFER?



TOPICS

- 
- Mixed Use Economics*
 - Leveraging Adjacencies*
 - Retail Trends*
 - The Science of Retail*

TOPICS

- 
- Mixed Use Economics*
 - Leveraging Adjacencies*
 - Retail Trends*
 - The Science of Retail*

LEVERAGE ADJACENCIES



LEVERAGE ADJACENCIES

- Physical Adjacencies
- Emotional Adjacencies

LEVERAGE ADJACENCIES

- Physical Adjacencies
- Emotional Adjacencies

PHYSICAL ADJACENCIES

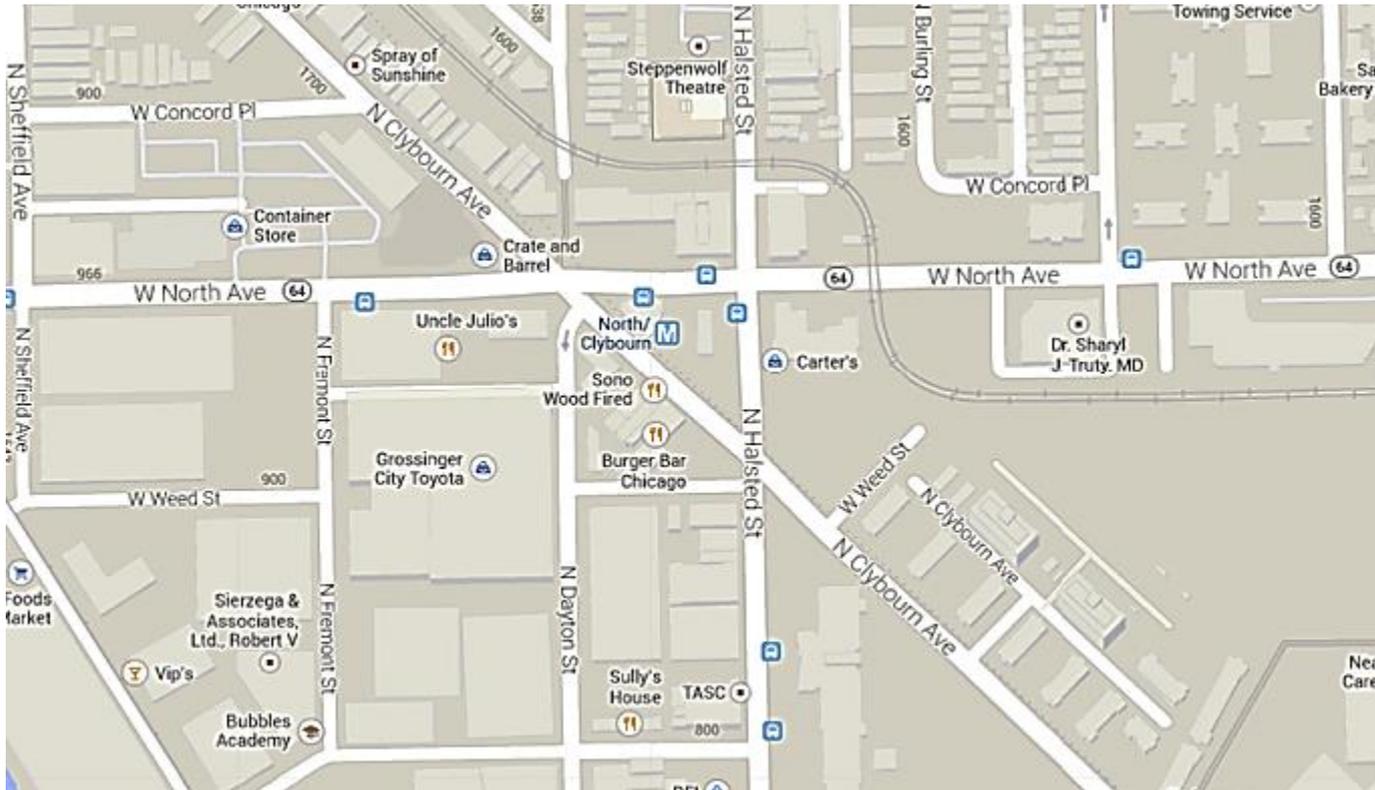


Image courtesy of Google Maps

PHYSICAL ADJACENCIES

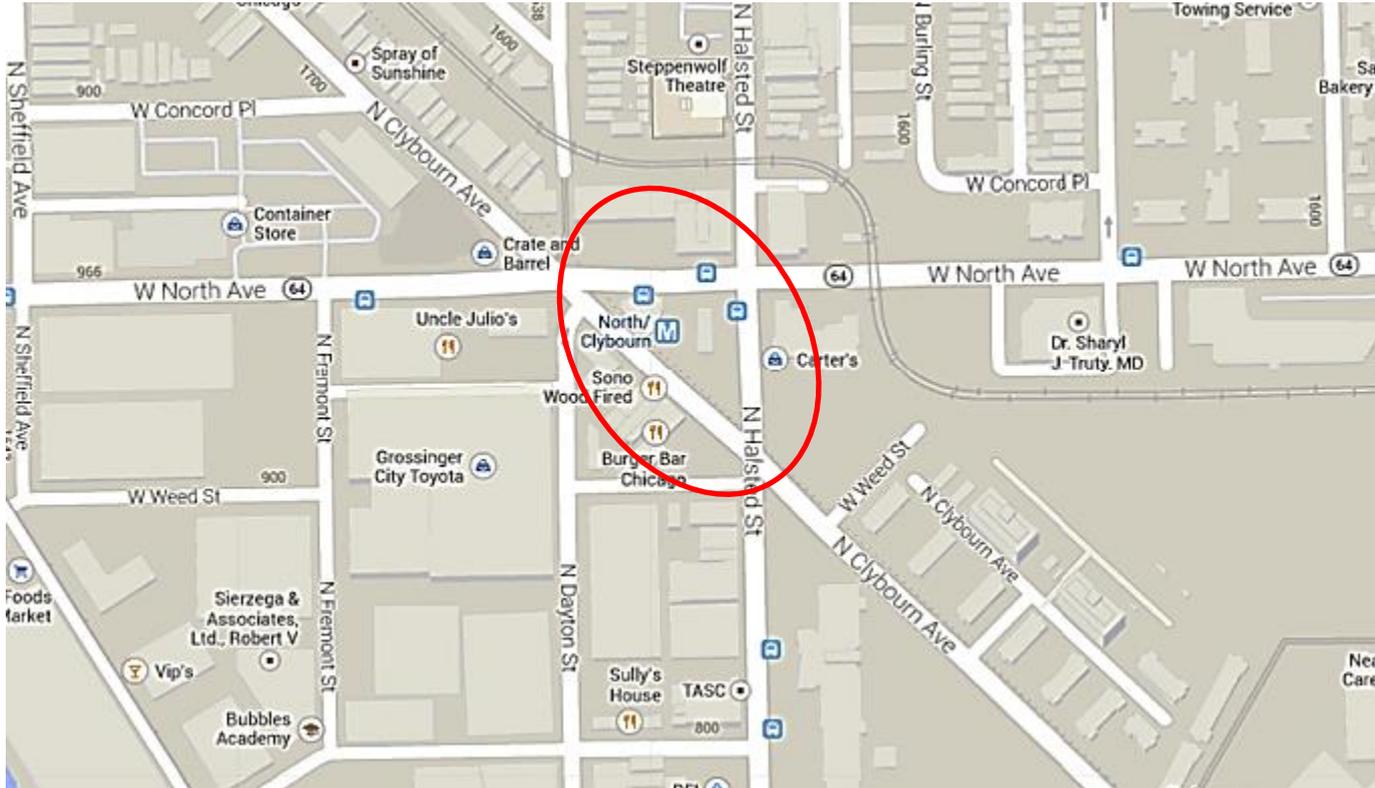


Image courtesy of Google Maps

PHYSICAL ADJACENCIES



Image courtesy IFOAPPLESTORE.COM

PHYSICAL ADJACENCIES

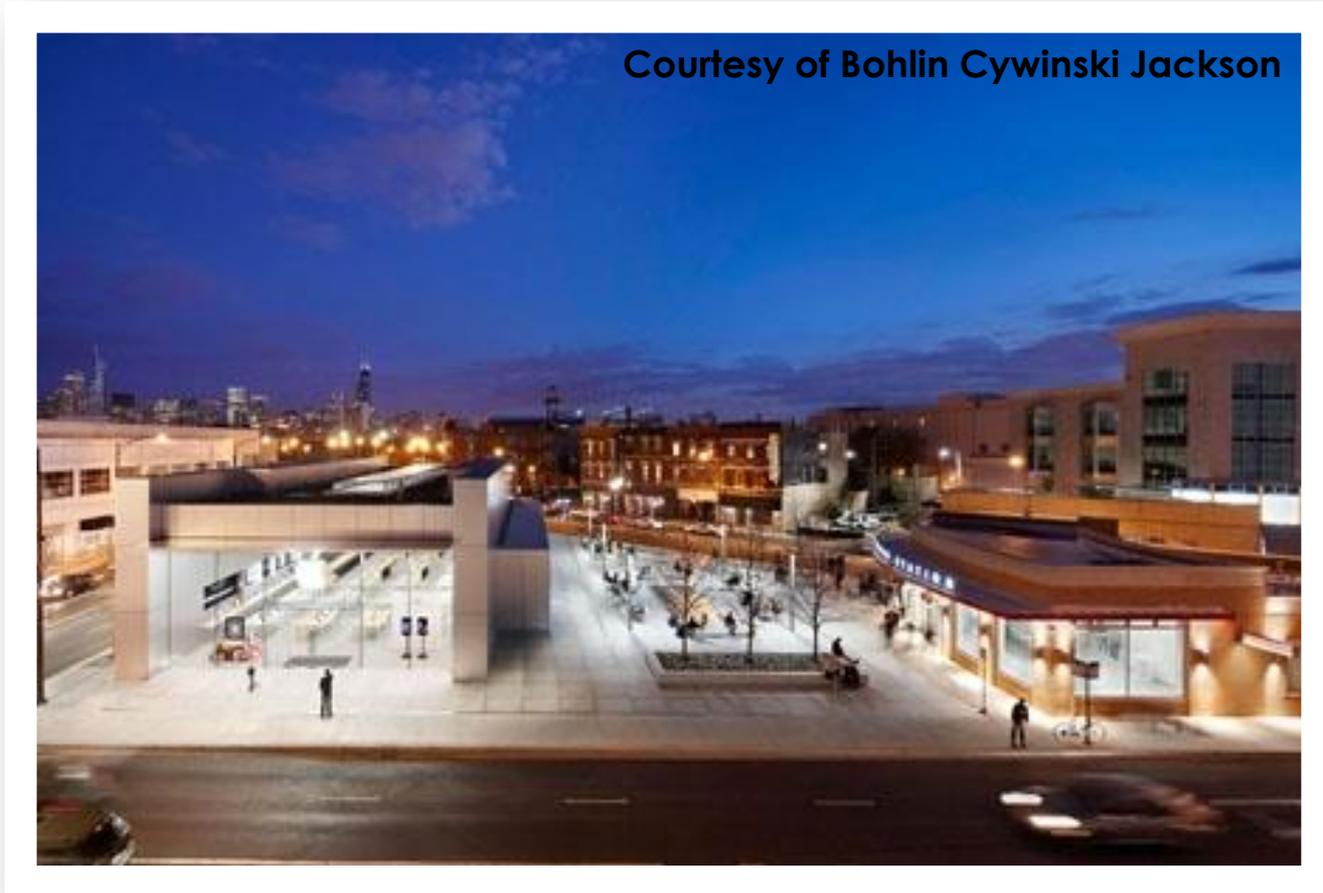


Image courtesy of bjc.com

PHYSICAL ADJACENCIES

Courtesy of Bohlin Cywinski Jackson

ENGAGE YOUR EDGES!



Image courtesy of bjc.com

ENGAGE YOUR EDGES



ENGAGE YOUR EDGES



ENGAGE YOUR EDGES



ENGAGE YOUR EDGES



LEVERAGE ADJACENCIES

- Physical Adjacencies
- Emotional Adjacencies

EMOTIONAL ADJACENCIES



EMOTIONAL ADJACENCIES





EMOTIONAL ADJACENCIES

EMOTIONAL ADJACENCIES



EMOTIONAL ADJACENCIES

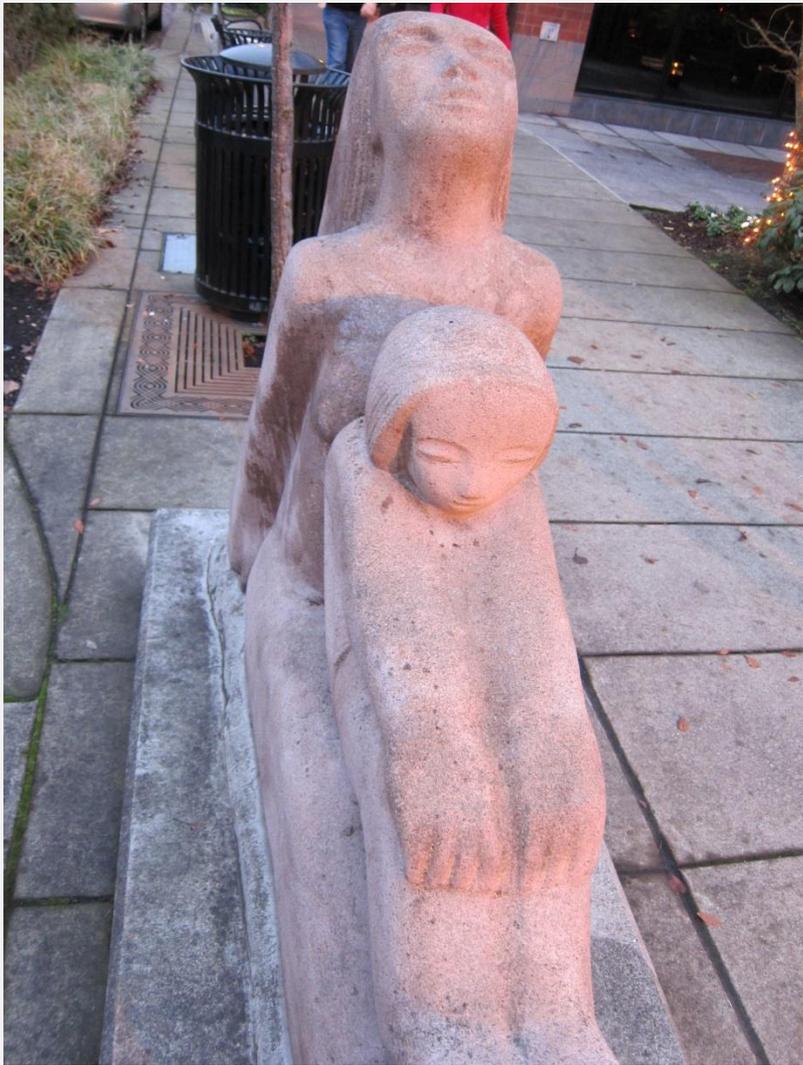


EMOTIONAL ADJACENCIES





EMOTIONAL ADJACENCIES



EMOTIONAL ADJACENCIES

EMOTIONAL ADJACENCIES



EMOTIONAL ADJACENCIES



EMOTIONAL ADJACENCIES



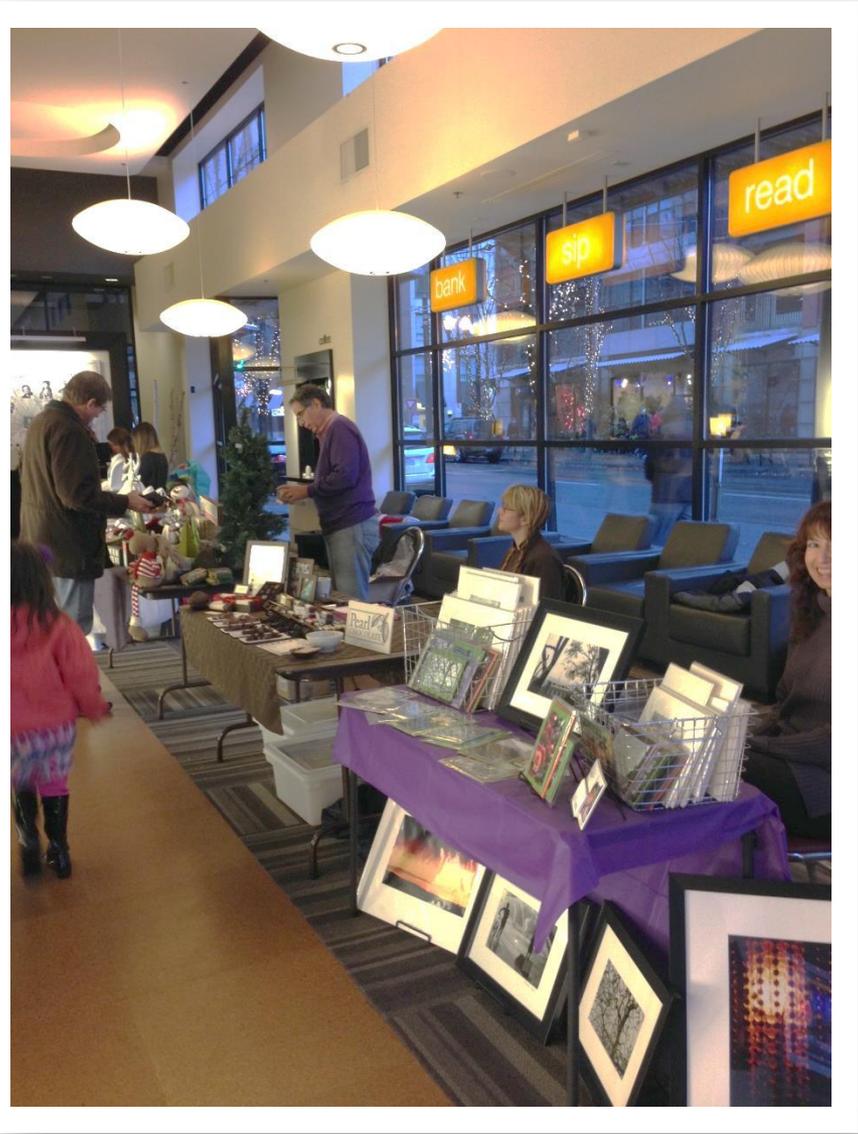
LEVERAGE ADJACENCIES



LEVERAGE ADJACENCIES



LEVERAGE ADJACENCIES



LEVERAGE ADJACENCIES



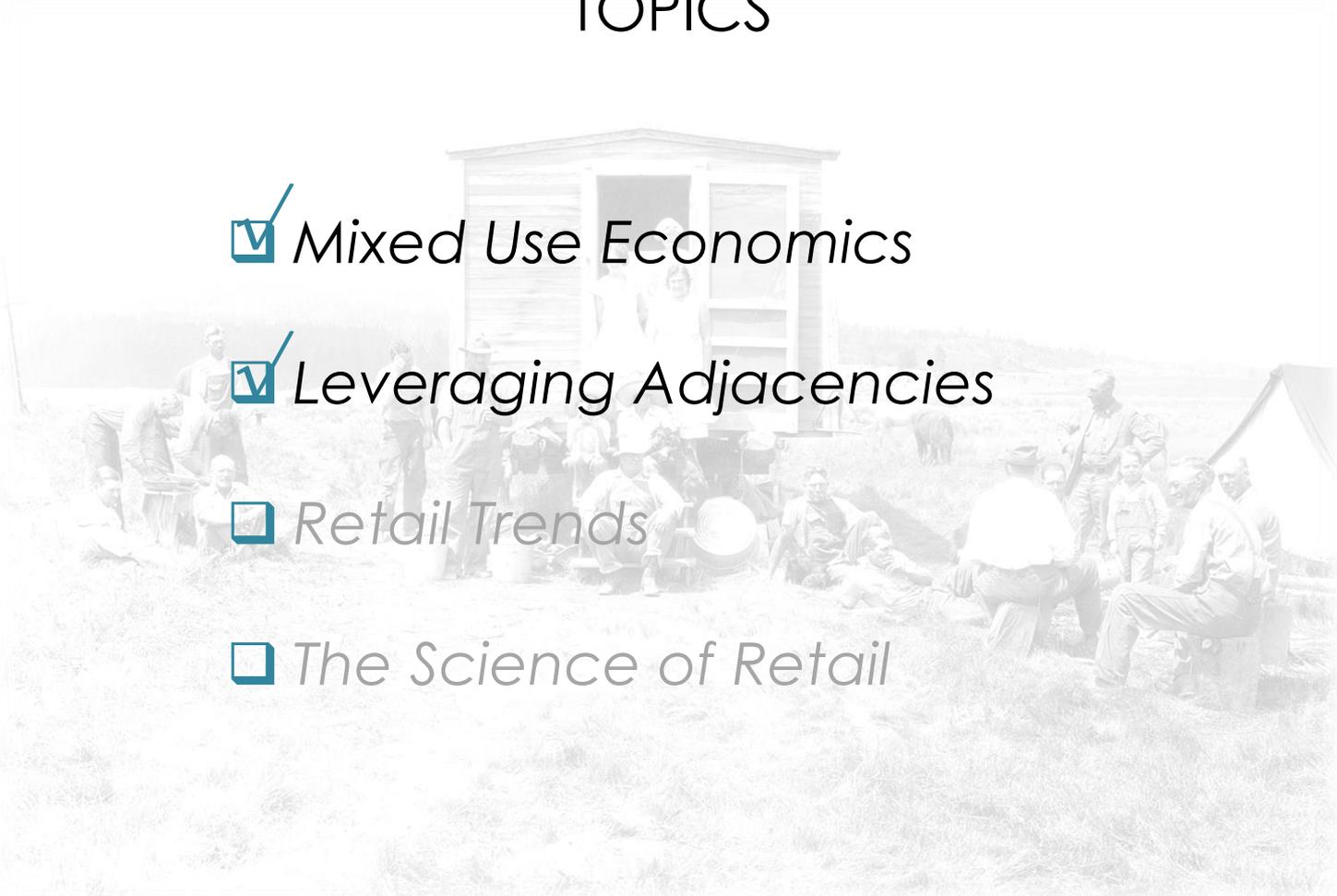
LEVERAGE ADJACENCIES



LEVERAGE ADJACENCIES



TOPICS

- 
- Mixed Use Economics*
 - Leveraging Adjacencies*
 - Retail Trends*
 - The Science of Retail*

TOPICS

- Mixed Use Economics*
- Leveraging Adjacencies*
- Retail Trends*
- The Science of Retail*

RETAIL IS VITAL



RETAIL IS VITAL





RETAIL IS VITAL

RETAIL IS VITAL



IS BRICK & MORTAR DEAD?

MEN'S FORM FITTING UNION SUITS.

SIZES: Give breast measure over vest close up under arms, and your height and weight.

A rational garment for men. Try our Union Suits for ease and comfort and you will wonder why you did not wear them before. Our Men's Union or Combination Suits fit. They are carefully and scientifically proportioned. We offer for your

consideration only those suits that will fit, and we warrant them to be satisfactory in every particular.



80 Cents for \$1.00 Men's Winter Weight Cotton Union Suits.

No. 16R6000 Men's Silver Gray Heavy Cotton Union Suits. Slightly fleeced on the inside, making them very soft and pleasant to the skin. Button down front. A special value at this low price. Finished neck and pearl buttons. Sizes, 34, 36, 38, 40, 42, 44. State breast, height and weight in your order.

Price, per dozen, \$9.60; per suit.....80c

No. 16R6001 Men's Fine Union Suits, knitted from fine cotton yarn, same quality as the above, but in ecru color. Sizes, breast 34, 36, 38, 40, 42, 44. State height, weight and breast measure in order.

Price, each.....\$0.80
Per dozen..... 9.60

If by mail, postage extra, each, 24 cents.



TURN OF THE CENTURY



MID CENTURY



MID CENTURY



MODERN RETAIL



*Photos courtesy of Luigi Novi
via Creative Commons License*

RETAIL IN THE US TODAY

RETAIL IS ABOUT REINVENTION

RETAIL IN THE US TODAY

Too Much!!

RETAIL IN THE US TODAY*

~2 x UK/Canada
~20 x Mexico/India

*per capita

RETAIL IN THE US TODAY

Very competitive!

RETAIL IN THE US TODAY

Retail Zoning Is Not a Magic Wand!

CURRENT RETAIL TRENDS

✦ Changing Consumer

TODAY'S CONSUMER: TIME CRUNCHED



TODAY'S CONSUMER: FICKLE

“One recent study recently suggested that Gen Y moms (those born after 1984) define “loyalty” as sticking with a brand or retailer for six to twelve months.”

***— Doug Stephens, author of the Retail Revival,
Why the best brands give consumers what they hate***

TODAY'S CONSUMER: CONNECTED

“75% of consumers research products both online and in store before purchasing. They expect access to a wealth of information related to products, the brand and environmental credentials to inform their decisions.”

—Deloitte, The Changing Face of Retail, 2011

CURRENT RETAIL TRENDS

- ❖ Changing Consumer
- ❖ Store Tells the Story of Brand

EXPERIENCE



*Photos courtesy of Luigi Novi
via Creative Commons License*

EXPERIENCE



EXPERIENCE



EXPERIENCE





EXPERIENCE

EXPERIENCE





EXPERIENCE

EXPERIENCE



EXPERIENCE



EXPERIENCE



EXPERIENCE



EXPERIENCE





EXPERIENCE

CURRENT RETAIL TRENDS

- ❖ Changing Consumer
- ❖ Store Tells the Story of Brand
- ❖ Income Gap

KNOW YOUR MARKET



RETAIL IN THE US TODAY

Very competitive!

RETAIL IN THE US TODAY

Uber Uber
~~Very~~ [^]competitive!

PORTLAND MARKET



vs



CURRENT RETAIL TRENDS

- ❖ Changing Consumer
- ❖ Store Tells the Story of Brand
- ❖ Income Gap
- ❖ Walkability

WALKABILITY



SMALLER STORES



BIG BOX GETS IT



BIG BOX GETS IT...WELL, SORT OF



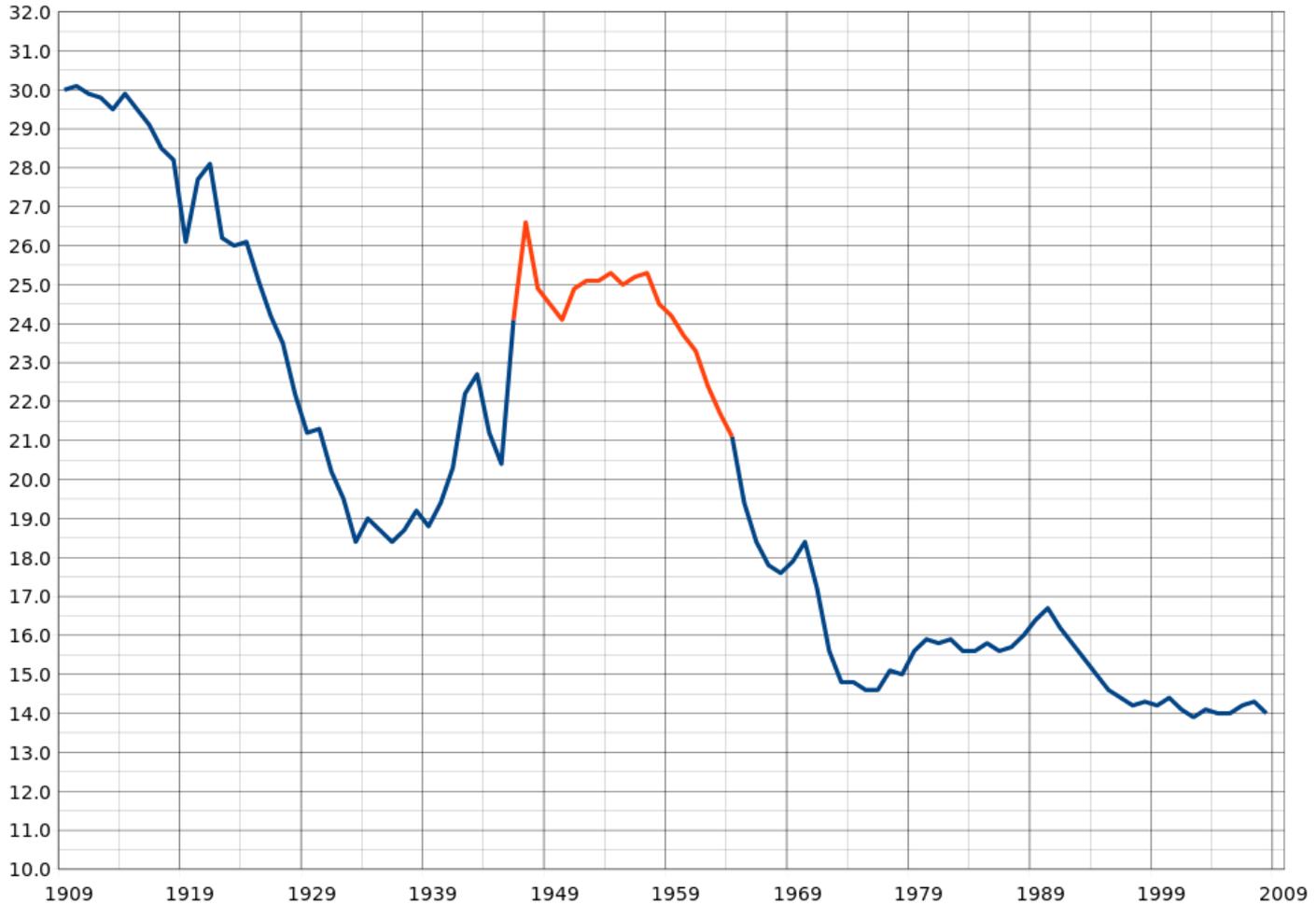
BIG BOX GETS IT...WELL, SORT OF





BIG BOX GETS IT...
WELL, SORT OF

BOOMERS & WALKABILITY



MORE DELIVERY





LOCAL SMALL RETAIL ADVANTAGES

- ✓ Specialty Merchandise
- ✓ Personal Service
- ✓ Knowledge/Expertise
- ✓ Community Fabric

TOPICS

- Mixed Use Economics*
- Leveraging Adjacencies*
- Retail Trends*
- The Science of Retail*

TOPICS

- 
- Mixed Use Economics*
 - Leveraging Adjacencies*
 - Retail Trends*
 - The Science of Retail*

SCIENCE OF RETAIL



SCIENCE OF RETAIL

Sell More to Existing Customers



SCIENCE OF RETAIL



Sell More to Existing Customers

Bring New Customers in the Door

ESSENTIAL METRICS

- ✿ Traffic
- ✿ Conversion Rate
- ✿ Demographics
- ✿ Hot Spots and Pain Points

ESSENTIAL METRICS

- ✿ Traffic

- ✿ Conversion Rate

- ✿ Demographics

- ✿ Hot Spots and Pain Points

TRAFFIC: PROSPECTS



TRAFFIC: SEASONS



TRAFFIC: PROMOTIONS

Ed Mathews

MILWAUKEE BRAVES STAR 3RD BASEMAN WEARS

Munsingwear.

ACTION FREE T-SHIRTS

**WITH THE PATENTED NON-SAG NECKBAND...
GUARANTEED NEVER TO LOSE ITS SHAPE!**

Ed Mathews holds down the "hot corner" for the world's championship Braves. He is a fielder and batter of undoubted skill, and his good judgment on the ball field holds true with his selection of wearing apparel. That's why... he picks Munsingwear all the way... particularly when it comes to T-Shirts! Ed figures, to play right—you've got to feel right—and the patented nylon reinforced non-sag neckband stays flat and trim. Knit of whiter than white premium combed cotton in extra long length to prevent riding up and bunching. Guaranteed not to shrink out of fit. Whether you are a man of action in sports, business or industry... there is a Munsingwear T-Shirt made just for your perfect wearing comfort.

**ONLY MUNSWINGWEAR
MAKES THE T-SHIRT
WITH THE PATENTED*
NYLON REINFORCED
NON-SAG NECKLINE**



*U.S. Pat. 2511685

Munsingwear
"Men-of-Action"

**SPORTS
ADVISORY
BOARD**

wear the *Comfort line*

and Munsingwear for boys-of-action, too!



JACKIE BURKE, JR.
1976 Major League and
PGA Champion.
"I live on the free-beating
windward coast."



#2800
Ox-fit Shirt
\$5.00



TOM HARBOM
Former All-American and
win. CBS SportsCenter.
"I like the comfort and
breadth of action."



#1215
Briefs
\$1.25



GEORGE AIKAN
"Mr. Baseball."
Former All-American and
win. CBS SportsCenter.
"I like the comfort and
breadth of action."



#2000
Sunbreakers
\$5.00



DOW FINSTERWALD
1952 PGA Champion.
"The look, good and wear
with me... and that gives
for all Munsingwear."



Shoes
\$5.00
\$1.50



ED MATHEWS
Milwaukee Braves Star
Third Baseman.
"Give me the comfort I
want playing or relaxing."



Boxer Shorts
\$1.00 to
\$2.50

MUNSWINGWEAR, INC., MINNEAPOLIS 5, MINNESOTA

IN CANADA: STANFIELD'S, LTD.

IN AUSTRALIA: BOND'S, LTD.

TRAFFIC: DISTRICT EXPERIENCE



TRAFFIC: HOW TO COUNT IT

- * Clicker
- * Infrared Beams
- * Cameras/Video
- * Thermal Imaging

TRAFFIC: HOW TO USE IT



Are you getting enough traffic to make projections?

TRAFFIC: HOW TO USE IT



Are You Staffing Appropriately?

TRAFFIC: HOW TO USE IT

“In a study published at the Wharton School...[they] looked at detailed sales data from a retailer with more than five hundred stores, and found that every dollar in additional payroll led to somewhere between four and twenty-eight dollars in new sales.”

— The New Yorker, THE MORE THE MERRIER by James Surowiecki, 3/26/12

Are You Staffing Appropriately?



TRAFFIC: HOW TO USE IT

Use Traffic to Plan
Promotions and Events



TRAFFIC: HOW TO USE IT

Evaluate Marketing

ESSENTIAL METRICS

✿ Traffic

✿ Conversion Rate

✿ Demographics

✿ Hot Spots and Pain Points

CONVERSION RATE: FORMULA

CONVERSION RATE = TRANSACTIONS/TRAFFIC

CONVERSION RATE: FORMULA

**CONVERSION RATE = PERCENTAGE OF PEOPLE
WHO COME IN YOUR STORE WHO BUY SOMETHING**

CONVERSION RATE: FORMULA

TRAFFIC = 100 PEOPLE/DAY

SALE TICKETS = 20/ DAY

CONVERSION RATE = $20/100 = 20\%$

CONVERSION RATE

GENERAL RETAIL CONVERSION RATE: 17% - 25%

CONVERSION RATE

SALES = STEADY

**TRAFFIC ↑
CONVERSION RATE ↓**

CONVERSION RATE

SALES = STEADY

**TRAFFIC ↑
CONVERSION RATE ↓**

IMPROVE STORE EXPERIENCE

CONVERSION RATE: FORMULA

SALES = STEADY

TRAFFIC ↓

CONVERSION RATE ↑

CONVERSION RATE: FORMULA

SALES = STEADY

**TRAFFIC ↓
CONVERSION RATE ↑**

BRING MORE PEOPLE IN THE DOOR

CONVERSION RATE: HOW TO USE IT

Transactions Per Day	20
Average Daily Ticket	\$15.00

Evaluate Business Model Conceptually

CONVERSION RATE: HOW TO USE IT

Transactions Per Day	20
Average Daily Ticket	\$15.00
Conversion Rate	20%

Evaluate Business Model Conceptually

CONVERSION RATE: HOW TO USE IT

Transactions Per Day	20
Average Daily Ticket	\$15.00
Conversion Rate	20%

Conversion Rate = Transactions/Traffic

Traffic = Transactions/Conversion rate

Traffic = 20/20%

Traffic = 100/day

Evaluate Business Model Conceptually

CONVERSION RATE: HOW TO USE IT

- * Right Products?
- * Consistent Experience?
- * Great Experience?
- * Am I/Staff Engaging Customers?
- * Is There Conversion Rate Variability?

Reflects the In-Store Experience

ESSENTIAL METRICS

- ✿ Traffic
- ✿ Conversion Rate
- ✿ Demographics
- ✿ Hot Spots and Pain Points

DEMOGRAPHICS



DEMOGRAPHICS: HOW TO TRACK IT

DEMOGRAPHIC TRACKING

Date:

Time:

Show:



female



group together



male

H=Hispanic

A=Asian

W=White

AA=African American

Under 17



Age: 18-30

Age: 30-50

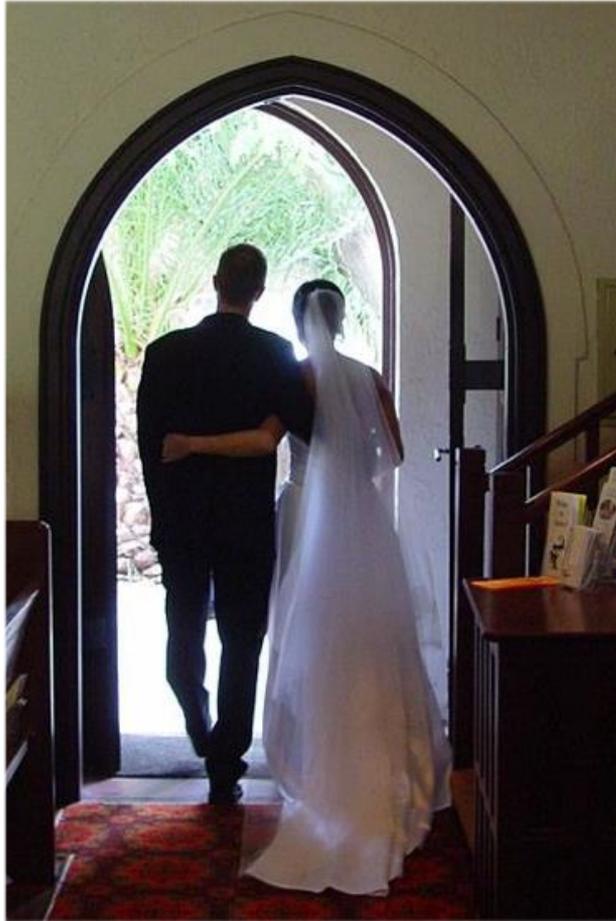
Age: 50-70

Over 70



DEMOGRAPHICS: HOW TO USE THEM

Sell More to Existing Customers



DEMOGRAPHICS: HOW TO USE THEM

- * Something to Do
- * Somewhere to Sit
- * Something to Buy

Sell More to Existing Customers

DEMOGRAPHICS: HOW TO USE THEM



Sell More to Existing Customers

DEMOGRAPHICS: HOW TO USE THEM



- * Products Down Low
- * Something to Do
- * Stroller Friendly

Sell More to Existing Customers

DEMOGRAPHICS: HOW TO USE THEM



Sell More to Existing Customers

DEMOGRAPHICS: HOW TO USE THEM



* Change Window Displays Daily
For Demographic Variability



Sell More to Existing Customers

DEMOGRAPHICS: HOW TO USE THEM



Bring More People in the Door

DEMOGRAPHICS: HOW TO USE THEM



Bring More People in the Door

DEMOGRAPHICS: HOW TO USE THEM

Who Isn't Coming In?

Bring More People in the Door

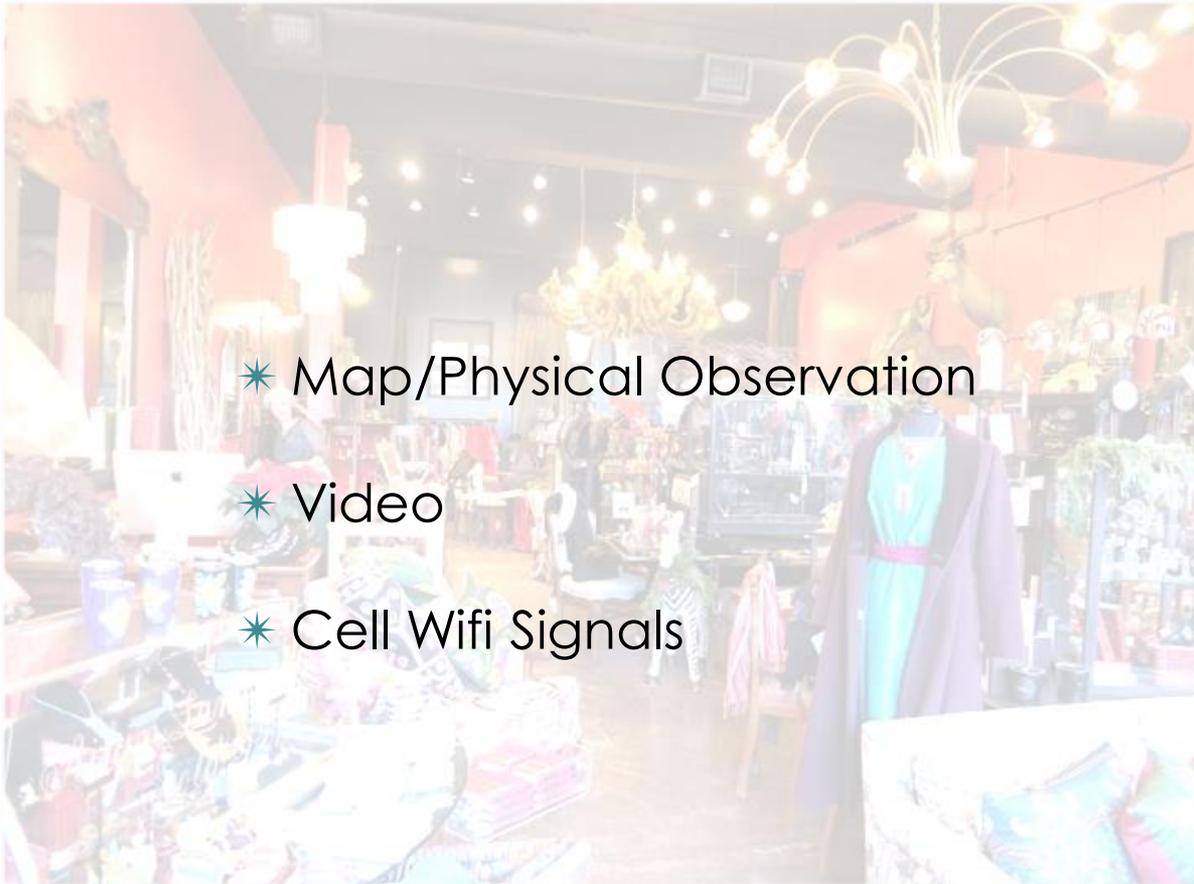
ESSENTIAL METRICS

- ✿ Traffic
- ✿ Conversion Rate
- ✿ Demographics
- ✿ Hot Spots and Pain Points

Hot Spots and Pain Points: HOW TO TRACK IT



Hot Spots and Pain Points: HOW TO TRACK IT



- * Map/Physical Observation
- * Video
- * Cell Wifi Signals

Hot Spots and Pain Points: HOW TO USE IT

- * Place Highest Margin Products Where People Spend the Most Time

Optimize Store Layout

Hot Spots and Pain Points: HOW TO USE IT

- * Place Highest Margin Products Where People Spend the Most Time
- * Encourage Exploration

Optimize Store Layout

Hot Spots and Pain Points: HOW TO USE IT

- * Place Highest Margin Products Where People Spend the Most Time
- * Encourage Exploration
- * Re-merchandize Ignored Areas

Optimize Store Layout

Hot Spots and Pain Points: HOW TO USE IT

- * Place Highest Margin Products Where People Spend the Most Time
- * Encourage Exploration
- * Re-merchandize Ignored Areas
- * Create a Trail of Crumbs and Test It

Optimize Store Layout

ESSENTIAL METRICS

- ✿ Traffic
- ✿ Conversion Rate
- ✿ Demographics
- ✿ Hot Spots and Pain Points

TOPICS

- 
- ✓ *Mixed Use Economics*
 - ✓ *Leveraging Adjacencies*
 - ✓ *Retail Trends*
 - ✓ *The Science of Retail*

FINAL REMINDER

***Retail Is about
Reinvention***

FINAL THOUGHT



Image from Wikicommons User JBar via Creative Commons License.



Ullika Pankratz

Ullika@updesignlounge.com

503.869.6541

Retail design done right



UP Design Lounge LLC | Copyright © 2014

***When someone asks
you what your most
memorable visual
shopping experience
is, what would you
answer and why????***

The weekly check list for success

- ✓ Curb appeal
- ✓ Entrance
- ✓ Shop-window
- ✓ Inside
- ✓ First impression
- ✓ Ease of movement/shopping
- ✓ Eye catching displays
- ✓ Communication and Pricing
- ✓ Lighting

Who is your customer ?

The people in the neighborhood

Walk by

Drive by

The visitors from out of town

The collector

The bookworm

The home owner

Kid's and their parents? Etc....

The Check List

- ✓ Curb appeal
- ✓ Entrance
- ✓ Shop-window
- ✓ Inside
- ✓ First impression
- ✓ Ease of movement/shopping
- ✓ Eye catching displays
- ✓ Communication and Pricing
- ✓ Lighting

Curb appeal



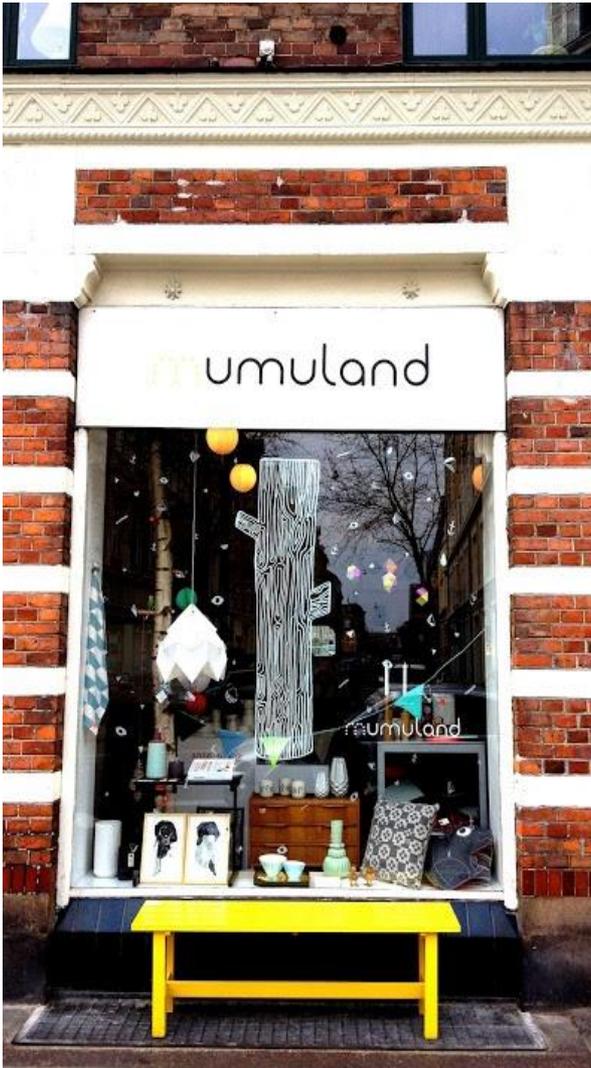
- Primary signage that represents your brand.
- Be bold, colorful, exciting.
- Sandwich boards/A frames
 - * convey a message and
 - * can change daily or weekly.



Curb appeal

- Entice customers:
 - Add a bench
 - Put out a bike
 - Have a small rack with clothing
 - Place a movable cart with a few products that people can interact with

This gets them to stop and check you out!!!!



SHOP WINDOW



- Convey your brand (what you are selling).
- Put your best foot forward.
- Keep it simple.
- Create an obvious visual focal point.
- Maybe use a message.
- Keep the big picture in mind.

Window displays are your **brand message** to the world, your ability to have an **elevator speech** right there. You have **20 seconds** to sell customers to shop in your store.

THE CHECK LIST

- ✓ Curb appeal
- ✓ Entrance
- ✓ Shop-window
- ✓ **Inside**
- ✓ **First impression**
- ✓ Ease of movement/shopping
- ✓ Eye catching displays
- ✓ Communication and Pricing
- ✓ Lighting

What do YOU really want to achieve?

Be Surprising and delightful

Provoke curiosity

A specialist

Be Eye catching

Be Educational

Be unique

Be Innovative

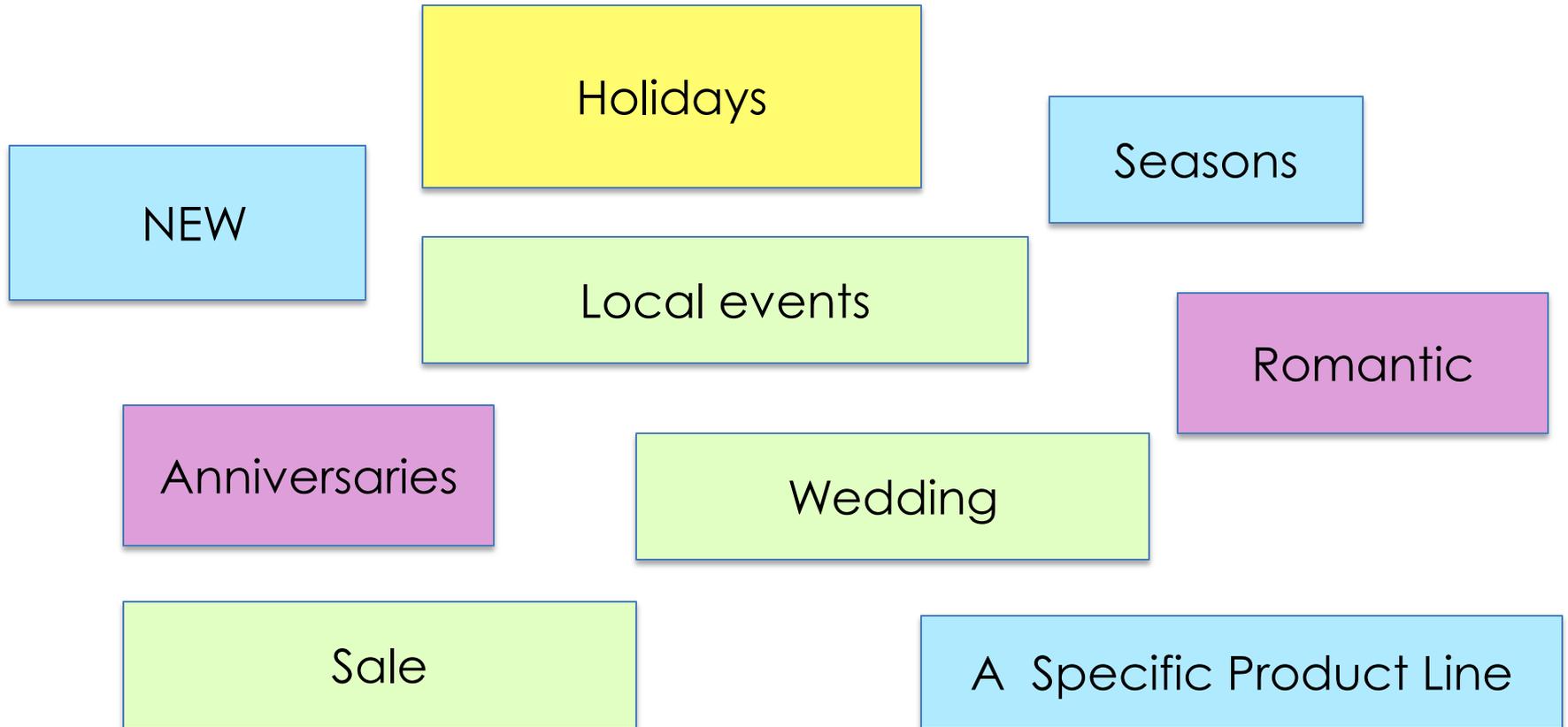
BE Current w/trends

Show your Local flare

Grab their emotions

Create an experience!!!

Create a theme?



Then tell a story !!!!!

SHOW THE LOVE



Some fun facts !!!!!!!

About 80 percent of shoppers turn **right** when they enter a store

The prime selling spots throughout a store are usually at **eye level**.

Customers by nature are always looking for something **NEW**.

First Impression

Appeal to all 5 senses

Sight: What do they see first

Is your store comfortable for anyone to walk around. Is it appealing. Is it clean and inviting.



Taste: Not always possible, but if you can offer free **tasters**-they are a sure way of selling more product.



Smell:

Inviting **fragrances** invoke a sense of calm, such as Vanilla or Lavender. Citrus can uplift. Seasonal fragrances invoke a sense of magic, consider cinnamon around Christmas time.



Hearing:

Music in stores has a huge effect on our stress level.



Touch:

Allow clients to handle or **test** the products. Encourage conversation and rapport with your clients.



The Check List

- ✓ Curb appeal
- ✓ Entrance
- ✓ Shop-window
- ✓ Inside
- ✓ First impression
- ✓ Ease of movement/shopping
- ✓ Eye catching displays
- ✓ Communication and Pricing
- ✓ Lighting

Sales steering

#1 **Overview** : What do customers see when they first enter your store.



Sales steering

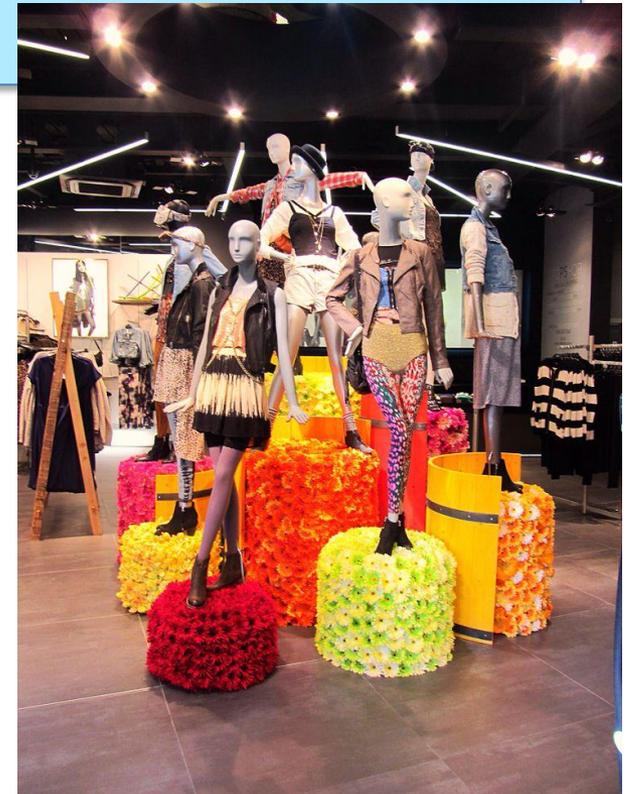
#2 **HOT SPOTS:** What is up front & at the end of each aisle.



Sales steering

#3 Highlights:

- A podium
- An eye catching free standing display
- A table
- A shelf higher up



Top sellers

Unique product

New product

Sale item (really carefully placed)

Eye catching displays



3 musts for display success

- *Keep it simple*
- *Coordinate*
- *Create layers and dimension*

Simplicity



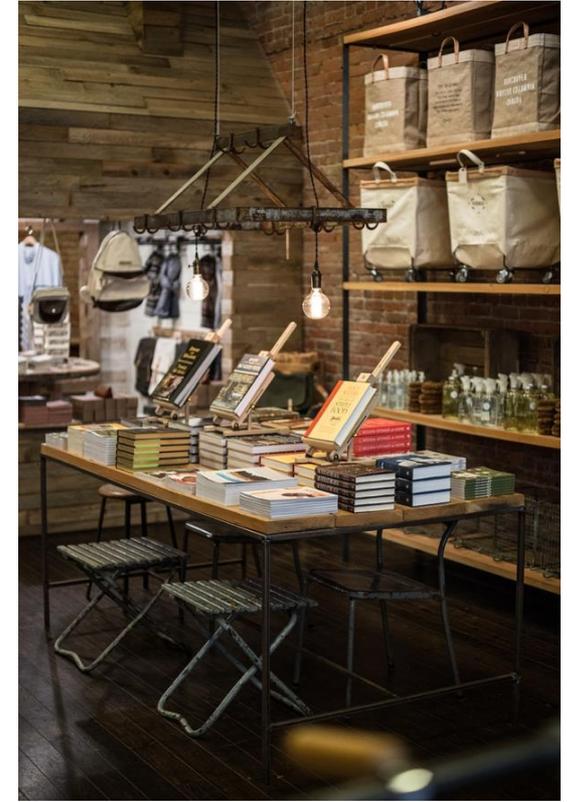
Coordination



Color
(try to stick to 3
main colors)

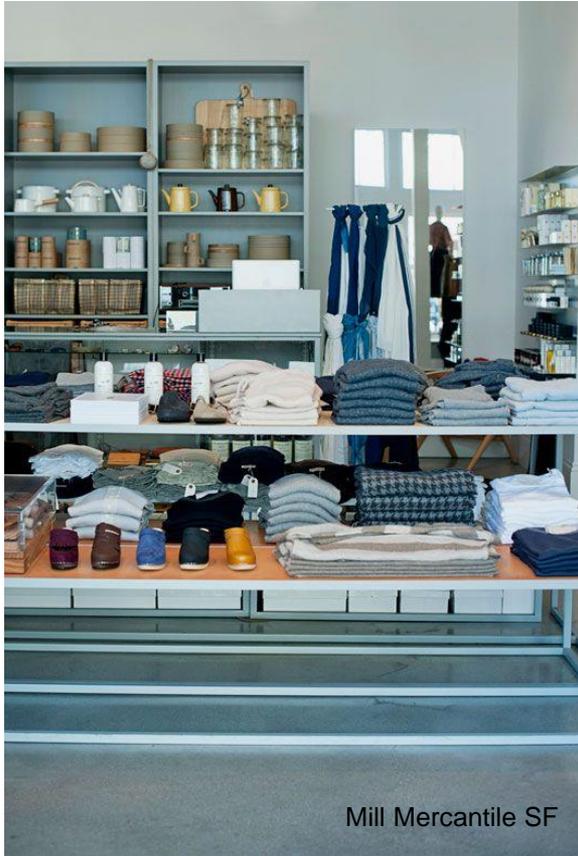


Style
(modern, traditional,
young, DIY,)



Function
(soaps, candles, tea towels,
pillows, sweaters, jeans etc...)

Coordination



Product Family

(kitchen, bathroom, lighting, closet, clothing, footwear, etc...)



Themes

(holidays, birthdays, weddings, seasons, NEW, Sale)

Layers and Dimension

Stacking (PYRAMID)

Shows a variety of products creating a triangular shape.

Grouping

Shows the product in a grouping (cluster).

Fronting

Shows the product's BEST SIDE forward, or its hidden benefit.

Repetition

Shows the same product or grouping of products repeated in a horizontal or vertical format.

Stair stepping

Shows the product from small to large horizontal or vertical.

Here is a little TIP: USE repeats of odd numbers — products and props in 3s and 5s — as these are often aesthetically pleasing to the eye.

Stacking it !!!

Merchandise can be stacked up so it adds height and creates a more imposing feel to your displays.



Grouping it !!!

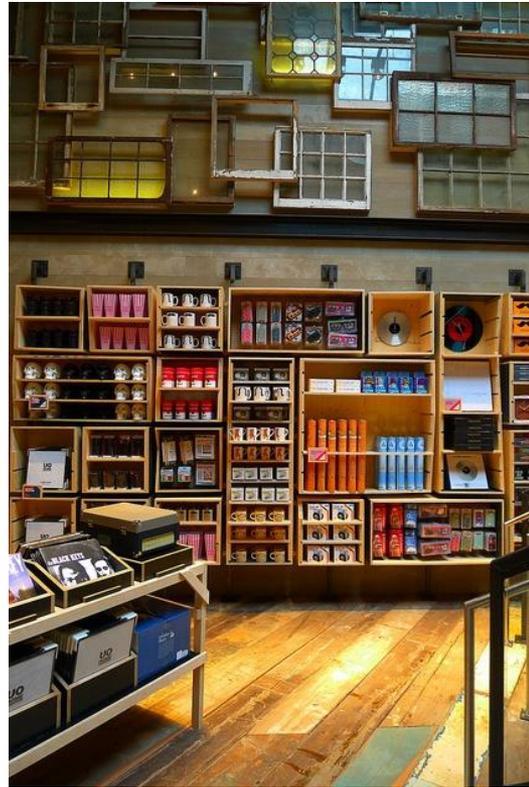
Creating groups of products by themes, brands etc...

Also called clusters it's a great technique to coordinating colors, patterns, textures or functions.



Repeating it !!!

Repetition helps a product stand out. Choose one feature item and repeat it in clean lines and grouped. This clean design approach will look striking and draw attention.



The Check List

- ✓ Curb appeal
- ✓ Entrance
- ✓ Shop-window
- ✓ Inside
- ✓ First impression
- ✓ Ease of movement/shopping
- ✓ Eye catching displays
- ✓ Communication and Pricing
- ✓ Lighting talk about the IMPORTANCE

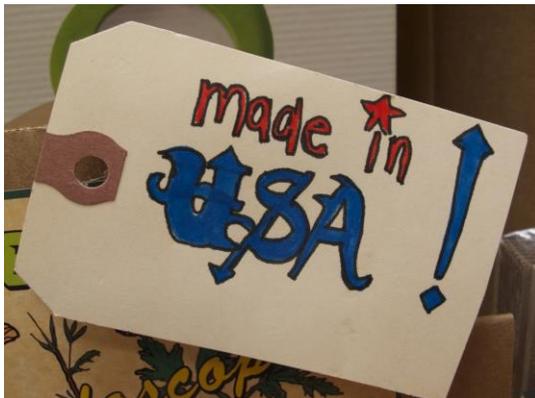
Pricing

- **ALWAYS** price your product.



Communication

- Use directional signage when necessary.
- Communicate benefits, ingredients etc. on labels



Lighting



Spot lighting



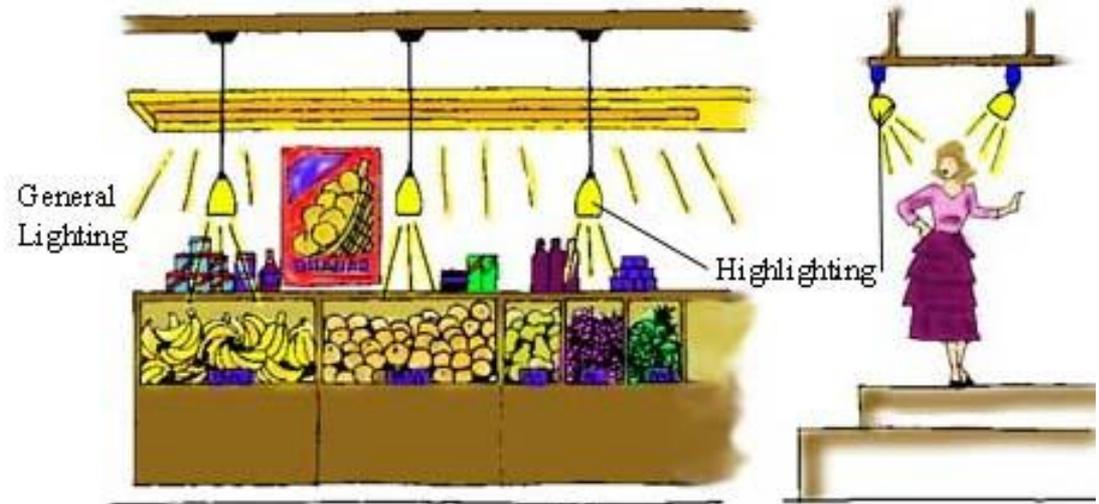
Night lighting

Layer Your Lighting

- General lighting
(also called ambient lighting)
- Accent or task lighting (also called highlighting)

AND

- Night Lighting



THE BOTTOM LINE FOR SUCCESS

- Work through this check list once a week.
- Put yourself into the shoes of the customers.
- ROTATE displays often to keep it fresh and exciting.

(And NO, four times a year is not enough. Once a week to twice a month is recommended!)

Nuts and Bolts of Retail

*Presented to:
Oregon Main Street Conference*



CIVILIS CONSULTANTS

1310 NW Naito Pkwy #303
Portland, OR 97209
503.867.8465
www.civilisconsultants.com



Ullika Pankratz

Ullika@updesignlounge.com

503.869.6541