

Shopwise

Tips & resources
for growing your
business

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Seven Things Your Store's Appearance Tells Your Customers

Editor's Note: Britt Beemer is a nationally recognized marketing strategist who has gained wide acclaim for his work on how, when, and why consumers select products and services. He is the author of the books *Predatory Marketing* (as in hunting down and outdoing your competitors) and *It Takes a Prophet to Make a Profit*, about emerging trends of the millennium. His work has been cited in many business publications, including *The Wall Street Journal*, *The New York Times*, *CNN Business Day*, and others.

In 1979, Beemer founded America's Research Group, a consumer behavior research and marketing firm that serves companies throughout the country. ARG also conducts thousands of

shopper interviews and hosts annual conferences to update its clients on emerging consumer trends. We interviewed Beemer about the results of these consumer surveys, which ask questions such as, "What have you purchased in the previous month?, What stores did you shop at and why? and How much did you spend?"

One of Beemer's more surprising findings is that store appearance is becoming increasingly more important. The look of your store – both the exterior and interior – matters more than many retailers realize and send some very specific messages to your customers. For more information on ARG's consumer research and services, visit www.americasresearchgroup.com.

IS IT WORTH GOING IN?

I am consistently finding that consumers are paying less attention to advertising and more attention to store appearance. Our numbers say that the exterior of a store generates 45% of an entire marketing image. This includes the building's appearance, the signage, the landscaping, and the parking area. Consumers form impressions about the quality and selection of merchandise inside the store based on what they see the outside of the store.

Some retailers are aware of this, and the outside appearance of their store is carefully thought out. Circuit City [the electronics retailer], for example, put a two-story façade on a one story building, making a 26,000 sq. ft. building look like 60,000 sq. ft. They found it very effective, and other retailers have followed suit.

Selection is also critical. Consumers have been shopping less since 9/11. They prefer to go to fewer stores and to go to stores where they know they're going to get a great selection. They don't want to have to look further.

One quarter of a consumer's decision to enter a store comes from the four-color circulars in the newspaper. [Advertisements like these] can help or harm your selection image. You need to show a big assortment of merchandise in your advertisements and displays. Showing the same old stock can turn off customers. They'll think, "Well, that's all they've got."

IS THERE SOMETHING HAPPENING IN THIS STORE THAT'S UNLIKE ANYWHERE ELSE?

Seventy-three percent of the consumers we've surveyed believe that all stores within a particular category look alike. This is caused by the demise of good merchandising. By using computers to track stock and sales, retailers are merchandising their stores into sameness. Consumers want a unique shopping experience, and retailers need to understand the importance of differentiation.

One way to do this is to have "showstoppers" that bring customers into the store. These are items that may not sell well but bring in business. An

example is a furniture store that sells leather sofas. These are typically a pretty boring product. The storeowner could advertise or display a yellow, lavender, or red sofa and sell twice as many leather sofas. The dramatic colors catch attention, and shoppers will stop in and check them out. Chances are they'll still leave the store with a beige, green, or brown sofa, but it was the "showstoppers" that got them in. That's where the return on investment comes in.

In my 25 years of market research, I have learned that you don't market to sell merchandise, you market to sell the store. I advise my clients to go after the "Wow Factor" to differentiate their store from everyone else's. Chico's apparel specialty store has done the best job of this in the last two years. Their stores stand out from the competition – in and out of the malls. Their unique product lines, color choices, and displays have made Chico's the hottest retailer for sales growth.

STORE PRIDE

When customers look around your store, do they get the impression that someone takes pride in the store? Is it clean? Is the merchandise well organized and displayed thoughtfully? Are the clothes on the racks in the correct size category? Not only does this show that staff and owners care, but it makes it easier for customers to find what they need. Shopping should not be work. An orderly store helps customers make buying decisions quickly and easily.

FINANCIAL STABILITY

One of the first things customers look at is gaps in merchandise displayed. Retailers don't always appreciate consumer's awareness of this. Regular customers will notice gaps the most, and, ironically, this can cause struggling stores to lose their best customers just when they need them most. If you've gotten some negative press about financial troubles, make sure your shelves are stocked to the hilt. Try to take the customer's perspective. Being privy to someone's financial struggles is a bummer.

COMMITMENT TO A CATEGORY

This is the single biggest weakness of retailers. When retailers think about adding a category of merchandise, they usually look at what the other stores are doing, and they devote the same amount of store space to a product category. To be successful, a retailer should make an effort to be known for something. Nordstroms is a good example. They are committed to their shoe department – and they are known for that. Nordstroms' shoe department is two or three times bigger than the other stores' – that shows their depth of commitment. Customers know they can find a shoe they like there. I advise my clients to continually strive to be a leader in a particular category, especially one that no-one else is doing a good job with. Before you add an additional product category, you better make sure you have a big enough selection to make a commitment to it. The display has to convince consumers that this isn't just a fringe category for you.

IS THIS A STORE OF THE FUTURE?

Consumers also make judgements about a store based on signage, display racks, and even light fixtures. These tell your customers whether you're a store of today, yesterday, or tomorrow. Has your building looked the same for 30 years, or does your building's décor tell your customers that you're moving ahead? Are you using the old-style fluorescent light fixtures rather than the newer ones that highlight the merchandise? Do your displays and signage fit your customers' sense of style?

IT IS WORTH RETURNING?

A consumer is always trying to decide whether you want them to come back or not, and they'll make that decision based on their entire shopping experience. Was it easy to get in and out of the store? Were they able to find items quickly and easily? Were the sale items that were advertised or displayed actually available? This can go a lot further than just being the cheapest guy in town. ○