

Visual Merchandising in Retail: Definition & Techniques

Have you ever walked into a retail store and been immediately turned on or off by what you saw? Visual merchandising is very important to retail sales. In this lesson, we'll define visual merchandising and examine common techniques.

Showing Off

You walk into a retail store and give things a quick scan. What attracts your eye? Why? The art of **visual merchandising** involves using eye-catching displays and floor plans to boost sales. You want to draw attention to the features and benefits of your selections and guide shoppers in the direction you want them to go. The key sales metric in retail is sales per square foot - you've got to make great use of your space. Let's break down some of the ways that retailers can spark buyer interest.

Visual Merchandising Techniques

The two basic questions a retailer needs to ask to help establish their display strategy are:

- Who is the target customer?
- What does the target customer want?

Once you have the answers to those two questions, there are a variety of elements to consider in visual merchandising - ambiance, color, lighting, etc. There are also some tried-and-true techniques:

- **The Rule of Three** - Arranging products in sets of three, side-by-side. Example - short, medium, and tall mannequins.
- **The Pyramid Principle** - Build a pyramid with the largest item in the center, it draws your eye to the middle.
- **Idea-Oriented Presentation** - Build a display based on a theme (i.e. seasonal) or a store-branding image.

Merchandising Presentation

If visual merchandising is about catching people's eyes and getting them interested in buying, **merchandising presentation** is about putting products on the shelves in a neat, organized manner that makes it easy for customers to do their shopping. One tool that retailers use is a

planogram, a diagram that shows store clerks exactly where to place merchandise on the shelves. Planograms can be created on a computer or a photo example of an ideal display can be used.

There are several types of fixtures commonly seen in retail:

- Straight racks - for hanging clothing, bar supported by two legs, can be rolling or grounded.
- Rounders - for hanging clothing, good for hands-on customer interaction.



Example of a rounder rack

- Four-ways - for hanging clothing, x-shaped.



Example of four-way rack

- Gondolas - versatile freestanding fixture that can be fitted with shelves, hooks, etc.



A produce gondola in a supermarket

Gondolas can be fitted with **end caps**, which as the name implies, fit on the end of the gondola and are used to highlight particular merchandise. Many times, end caps are used for **cross merchandising**, or grouping complimentary items together like sunscreen and beach towels.

Techniques for Presentation

Retailers put a lot of thought into how to put items on the shelves (thus, their use of planograms). Items can be grouped by size, price, color, or style. Some other ways to group merchandise include:

- Vertical Merchandising - use walls or taller gondolas and put the most popular items at the customer's eye level.
- Tonnage Merchandising - take large quantities of merchandise and make them a focal point, like items on a pallet in an aisle in Home Depot or Lowe's.
- Frontal Presentation - display as much of the product as possible to catch the customer's eye, like the chips and beer display in the front of the grocery store the week before a big football game.
- Price-Lining - have a couple of price points for a class of items, such as a premium brand and a store brand item, and put them together.

Figuring Out What Customers Want

Retailers research customer preferences in several ways. They can create a virtual store and show it to customers to get feedback. Stores can use security cameras to track customers' movements as they go through the store or mount cameras on shopping carts. Some researchers even ask test shoppers to mount cameras on their heads so their eye movements can be tracked as they go through the store.

Lesson Summary

Visual merchandising is used to get people interested in buying and to capture their attention. Retailers use knowledge of their target customer to increase revenue per square foot. Techniques like The Rule of Three, The Pyramid Principle, and Idea-Oriented Presentations are commonly used to enhance merchandise displays.

Putting merchandise on the shelves in a neat, orderly fashion that makes it easy to shop is the purpose of **merchandising presentation**, which is often guided by the use of a **planogram**. There are several basic types of fixtures: straight racks, rounders, four-ways, and gondolas. Gondolas can be fitted with **end caps** which are used to highlight particular merchandise groups. **Cross merchandising** is grouping complimentary items together (such as batteries and flashlights).

Research methods for determining the best display can include using store cameras to track shopper movements and having shoppers evaluate model stores or simulations.