

## **Establishing the Retail Environment/Store Image: Visual Merchandising and Display**

### **SECTION 2: Establishing the Retail Store Image: Six Step Method**

#### **Part 1: Profile Target Consumer or Conduct a Market Segment Analysis**

##### **Introduction: Establishing the Retail Store Image: Six Step Method**

Every retailer must decide upon which retail/store image elements or cues, such as exterior and interior décor, customer services, and product selection, are the most critical for developing a successful retail organization. The elements implemented in order to establish the unique personality of the store must attract and motivate the target consumer to visit that particular store. These image elements are usually identified or alluded to in the retailer's mission statement and then addressed in more detail in the retail organization's strategic plan. Therefore, the store designer, architect, and/or the visual merchandiser must be aware of these elements and must use them in order to communicate with the store's target consumers.

Previously business experts thought that the main element or component to consider when establishing a retail store was location, location, location or the geographical placement of the store, as well as the channel of distribution in which the store was positioned. However, with retail stores becoming "cookie cutter" versions of each other, with stores in all channels of distribution now carrying the same brands and product classifications, and with the evolution of the importance of the target consumer driving the marketplace, many retailers and branded companies are researching how to best communicate the store brand and product in order to attract the consumer who wants and has means to purchase the product.

There are two niche strategies for establishing a retail store. One strategy consists of the retailer identifying the target consumer to whom the products and/or services are sold, conducting market research on that market segment in order to determine the needs, wants and desires of the consumer, and then providing those goods and services to meet the consumer demands. A second strategy consists of the retailer pinpointing a product that is profitable to market, identifying the target consumer who will purchase the product, and then establishing the retail store environment that will attract the target consumer.

In either scenario, the retailer utilizes the following steps in order to establish a store image that communicates with the target consumer:

- Profile the target consumer or conduct a market segment analysis
- Investigate the trading area in which the consumer resides
- Develop a store environment inviting to the target consumer and appropriate for the trading area
- Develop a fashion image to attract the target consumer
- Establish a merchandising policy that meets the needs, desires, and value expectations of the target consumer
- Plan the merchandise presentation that communicates with the target consumer in order to increase sales (i.e., multiple, add-on, impulse sales), facilitate the ease of consumer selection, relate the store image to the current lifestyle of the consumer, and maintain a constant and consistent store and fashion image.