

## 13.2: Store Exterior

### Learning Objectives

- Describe why a store's exterior influences its image

A retailer has a new brand of mustard that he wants to promote. In fact, the manufacturer of the mustard has given him a few promotional dollars to get the product out in front of shoppers. The retailer can either use the money to give shoppers a 10% off coupon to try the new mustard, or he can put together a nice merchandise display.

He decides that he wants his shoppers to really notice this new mustard, so he puts together a display. And it works well—the mustard flies off the shelf. Visual merchandising has done its job, even better than a coupon. In fact, one study suggested that, when trying to get customers to switch brands, good visual merchandising was approximately equal to a 15–30% price cut.<sup>[1]</sup>

If that's true, the retailer just made more money than he would have if he'd offered his shoppers that 10% off coupon.

The power of displays is pretty formidable. Let's take a look at some of the common merchandise displays you see in retail stores, and what their goals are.

### End Caps

Commonly found in grid layout stores, at the end of those very square aisle fixtures, you will find end caps. A lot of the time, they look like this:

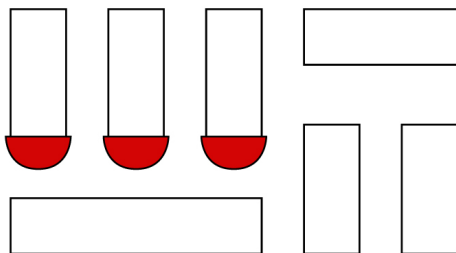


Figure 1

That end cap might be a short set of nesting tables (a series of two or three tables that fit under each other) or a cardboard shelving structure provided by a manufacturer, or just a series of shelves to show off products. Often, end caps are used to promote a single brand in a store. Particularly in grocery stores, manufacturers will pay for that space and retailers will highlight their products in an end cap feature. The end cap in Figure 1 featuring Pepsi is an excellent example of that.

In other cases, retailers can leverage that space to celebrate a season or event. In the grocery store industry, Thanksgiving is a pretty important season, and often end caps feature items that the shopper will need for her Thanksgiving celebration. These manufacturers may have paid a small fee for the space, or the retailer may have created it on his own.

### Window Displays

A window display is usually made up of items carried in a store, and they're displayed at the front of the store, in the window, so they can be viewed by passers-by on the street.

The goal of a window display is pretty simple. There are people outside the store, and the retailer wants them to be inside the store, shopping. So the retailer entices those street people by putting his most attractive items out to be noticed. People look in the windows and see items they want, and they enter to purchase. Or, as is the case in many movies and television shows, they see items they can't afford and stop by regularly to admire them.

Stores like Barneys in New York, Bergdorf Goodman, and Macy's have been known to put some creative effort and thought into their window displays, particularly during the holiday season.



Figure 2

Of course, window displays aren't just for the outside of buildings. Mall stores also use window displays to beckon prospective shoppers into their stores.

### Promotional Aisles and In-Aisle Promotions

Stores like Target and Meijer, who are primarily grid format stores, will often dedicate entire aisles to promotional items. The trick of these aisles is that the items in them usually do not feature items normally carried in the store at discounted prices. Usually these aisles carry products that were purchased for the sake of stocking the promotional aisle. They might feature a huge dump bin of flip flop sandals and a shelf of citronella candles at the start of summer, or stuffed snowmen and wrapping paper during the holidays.

Promotional aisles are basket builders—products that you hope shoppers will buy to add a little extra to your bottom line.

In-aisle promotions are another tool that stores with grid layouts commonly use. If an item is on sale, it's often marked accordingly with a tag showing its sale price right on the shelf, like the example shown in Figure 3:



Figure 3

This is a common practice in many stores, particularly those that feature a weekly or monthly ad sent direct mail to homes. It's a team member's full time job to take down and put up those tags.

When a retailer wants to call out an item on sale in an in-aisle promotion, he can use a shelf talker. A shelf talker sticks out from the display fixture, usually sitting perpendicular to it so that it faces the customer. It sends a little message to the shopper, saying, "New Product!" or "Sale!" In the case of this shelf talker below, the retailer is leveraging a "complementary grouping" approach by reminding people to get their flu shots where they sell their pain relievers.

### Shippers/Manufacturer Displays



Figure 4

While often referred to as point of sale displays, these "shippers," or manufacturer displays, are often displayed in wide aisles around a store. They're provided by the manufacturer to draw some extra attention to their product. The shipper in Figure 4 is for Biltong, and is destined to be hung with that extra case the manufacturer sent along with it. The goal of this display is to stop shoppers as they progress along their normal traffic flow pattern in the store, make them pause and say, "Oh! Biltong!" After that, they hopefully purchase a bag or two.

Sometimes, shippers are used to do a complementary bundling, or cross-merchandising. A retailer may have deli meats on display in the refrigerator section, and he may place a shipper of pickles nearby to facilitate add-on sales.

### Dump Bins

Dump bins are a favorite of the bargain hunting shopper, and indeed, you won't usually find them in a high-end store. They're meant to give the shopper the impression that an item has been deeply discounted. Shoppers don't expect anything fragile or high quality to find its way into a dump bin, because they're meant to be rummaged through.



If a single product is featured in a dump bin, usually it's in several different colors or styles. Going back to flip-flops on sale for the start of summer, you might find pink ones and blue ones and ones with beach ball prints . . . you get the idea. In Figure 5, Wal-mart is using a dump bin to sell a variety of books. The customer has to go in looking to see what's in there. In this case, the dump bin itself helps a little bit by displaying the covers of the books on the sides of the bin, but shoppers will still go through and see if there's anything else there. You never know!



Figure 5

### Point of Sale/Point of Purchase Displays

The Point of Sale (or "POS") is the last effort to sell a little something more to your shopper. Point of sale displays have been vilified by mothers everywhere, as candy bars, gums and mints are a common find at checkouts, even in bookstores and pet stores! But point of sale displays aren't just for kids – retailers will try to attract adults with various magazines and tabloids, and even batteries and other small items they may have forgotten while shopping.

Some retailers make point of sale displays that act as queue managers. Joann and Home Goods are among those that wind their lines of shoppers through shelving fixtures that sell everything from candles to key rings.



Figure 6

Retailers seem to be finding new ways every day to display their merchandise in the store, but these methods are well-known, well-researched and known to work. Now let's talk about the benefits and drawbacks of each.

## ? Practice Questions

<https://assessments.lumenlearning.co...sessments/9293>

1. Allenby, Greg M. and Peter J. Lenk, "Reassessing Brand Loyalty, Price Sensitivity, and Merchandising Effects on Consumer Brand Choice," *Journal of Business and Economic Statistics*, Vol. 13, No. 3, July 1995. ↵

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