

Expert Perspective: Retail Is...

Store Design

My grandpa used to love eating at little hole-in-the-wall restaurants. “It may look like a dump, but those places usually serve the best food.” My dad, who was a truck driver for nearly 30 years, subscribed to the same theory, and he used to love to drag my mom, brother and me to a truck-stop restaurant on Friday nights. To be honest, I also look for shady looking places to eat, although my wife tells me to eat alone.

While this idea of eating at a dive may work for some businesses, it generally isn't appealing to retail shoppers. The first impression of your operation matters. In fact, it matters a whole lot.

Potential customers make assumptions and decisions about your store simply based on what they see when they drive by. First-time shoppers do the same when they walk in your door. While long-time customers are quicker to forgive and may overlook subpar exterior and interior designs, they are not immune to being turned off by them.

My criteria for a well-designed, thought-out store is solely based on one question. It's a question I share every time I talk to a retailer thinking about doing a major store renovation: Based on the store's design, appearance and ease to shop, is this a store where my wife would like to shop?

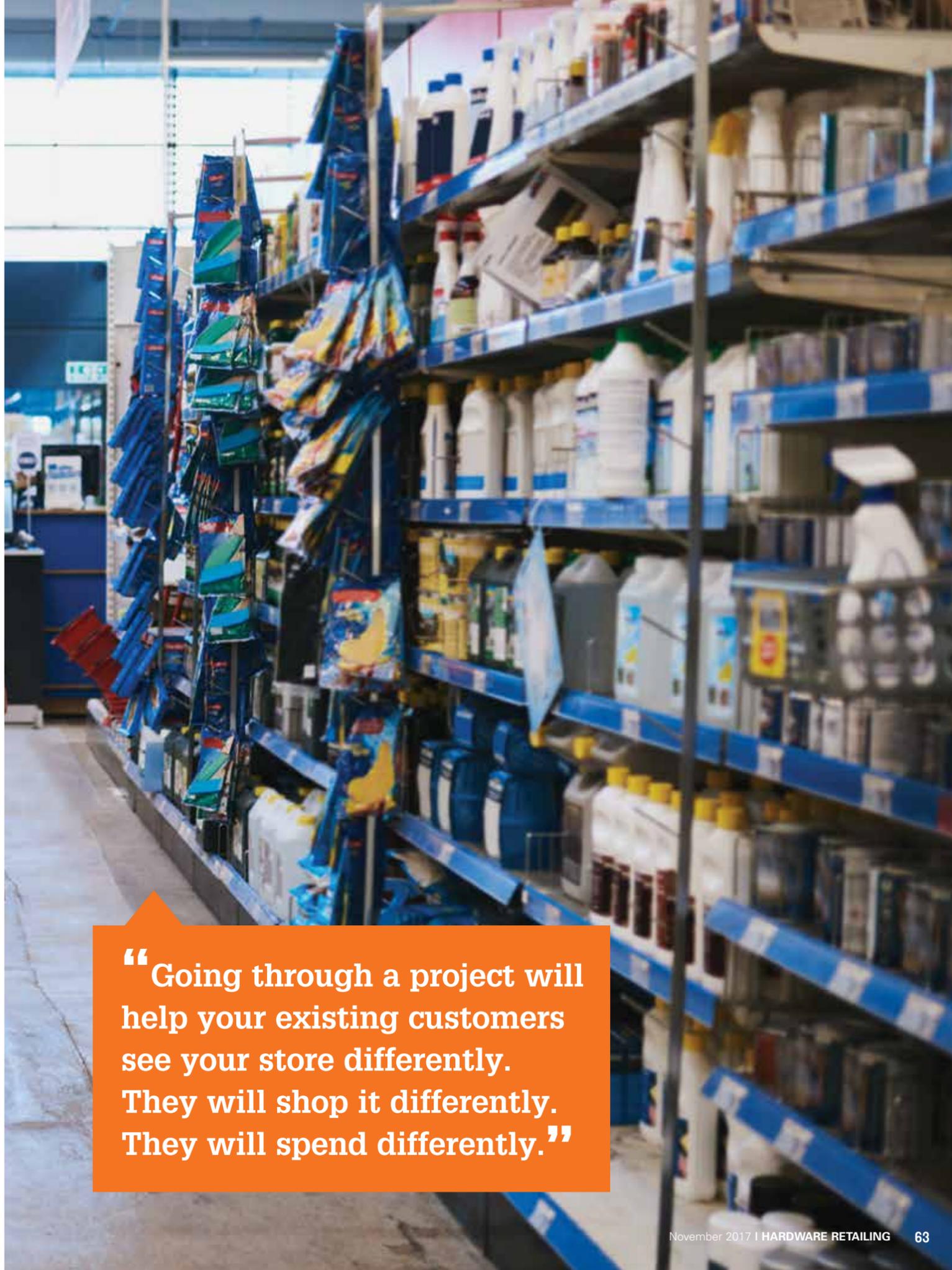
I've taken her to enough stores over the years that I know what she likes and doesn't like

when shopping at a hardware store. Every family vacation and couple's getaway usually involves us driving around and me saying, “Oh, look! A hardware store. Let's stop and look around!” Maybe your spouse can relate. My wife is my filter for what the environment of a retailer should be.

Regardless of industry, customers hold your operation to the same expectation as they do the other retailers in your area. If you have a Target, Best Buy, Food Center and dozens of other retailers, your store needs to look just as nice! Just because you are locally owned does not mean you get a free pass to have a subpar appearance. Going through a major renovation is an opportunity to evaluate your operation, your customers, your competition and other stores to make sure you are keeping up appearances.

Perception Is Reality

As I've already said, potential customers are already making assumptions about your store based on what they see from the road. It doesn't matter how great your product selection is, how competitive your pricing is or that you have the friendliest, most knowledgeable staff. If the way your store looks prevents them from coming in, you will never have a chance to show them any of that other stuff. For them, how they perceive your store is the reality of your store.



“Going through a project will help your existing customers see your store differently. They will shop it differently. They will spend differently.”

This is why when you do a major renovation, it needs to include all areas of your operation. You do not want to spend \$15,000 on an exterior update, only to have them come in and be underwhelmed by your store's layout, product selection and interior design. You get one shot to make a good first impression. If you are going to do it, do it right.

You should plan for and execute a major store renovation about every 10 years. If you were to sign a franchise agreement for a restaurant, they build in major remodels as part of the agreement. Remodeling the store, upgrading the design and redoing the interior is expected as a standard cost

of doing business. I would argue if it has been more than 10 years since your operation has executed a major store design project, your current design has lost your operation sales and customers. Let me give you two reasons why you should regularly evaluate your operation's appearance.

The Silent Salesperson

If a customer says to you, "I've always wanted to stop in here," it is actually customer-speak for, "I've always thought about shopping here, but your store just never looked that appealing." These are the customers you are hoping to reach. They've seen your store. They knew what products and services you've offered, but they never wanted to stop because something about the way your store looks told them to stay away. If you want a simple way to think about how many potential customers you may be missing, find the average daily traffic count for your road and then compare it to average transactions. While this is not a totally scientific business metric, it will give you a good indication of what you could be missing!

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Successful exterior design is much more than a fresh coat of paint. You need to partner with a professional designer who can help you reimagine the outside of your store as if it were a silent salesperson. It may be silent, but it is a powerful (and probably expensive) salesperson, so you should get all you can out of it.

Making New Discoveries

Completing a renovation is important for your existing customers, too. They will be thankful you invested in a project and may buy more because of it. I promise that once the store remodel and remerchandising are done, you will be at the checkout and a customer will come up carrying a product. They will look at you say, "I am so glad you started carrying this! I've been buying this for years and it's great I can get it from you now!" You'll look at them and say, "I've been carrying this for years! Are you kidding me? Where have you been buying it?"

Of course, you'll just say that in your head. Look at them, smile and say, "That's great! My team and I certainly appreciate your business."

Going through a project will help your existing customers see your store differently. They will shop it differently. They will spend differently. They will spend more. It is the natural consequence of putting a customer into a new retail environment.

At the beginning, the thought of going through a store design or remodel process is overwhelming to business owners. The thought of tearing up the store is scary and disruptive. But I promise, when it is all said and done, you're going to wish you had done it sooner—and so will your current and potential customers. ➔



Dustin Kaehr is a retail consultant with over 17 years of experience working with independent retailers, national retail chains and small businesses. He frequently presents seminars and training sessions throughout North America on a range of topics including marketing, sales growth, employee retention and the customer experience. Learn more about him at dustinkaehr.com.