Program/course: BBA   Semester –   IV
Subject: Retail Store Design & Visual Merchandising   Max. Marks   : 100
Code: BBCR 169   Duration: 3 Hrs
No. of page/s:

Section A-Objective type questions (10x2=20 Marks)

i. Visual merchandising" means

a)A desire that can be satisfied after basic needs are met

b)An effective display of goods that appeals to the customer's senses, primarily sight

c)A term referring to all the business activities involved in buying, selling, and controlling so goods and services can be transferred to the ultimate consumer

d)A person who recommends another person to a potential employer

ii. Two examples of exterior displays are
a)   Storefront sign and gondola shelving
b)   Table displays and dump displays
c)   Display windows and sidewalk displays
d)   Showcase displays and display racks

iii. Gondola shelving is an example of
a)   Interior closed display
b)   Interior open display
c)   Exterior closed display
d)   Exterior open display

iv. The term "store design" refers to
a)   Store's physical appearance
b)   The type of placement of fixtures, furnishings and equipment
c)   The location of selling and non-selling areas

d)   All of the above

v. The stores floor plan is also called a
a)   Store design
b)   Store layout
c)   Store blueprint
d)   Both a) and c)
e)   Both b) and c)

vi. Stores mainly compete on:
a)   Goods
b)   Price

c) Customers
d) Location
e) Store design

TRUE & FALSE

vii. Signage and graphics help customers to locate specific products and departments, provide product information, and suggest items or special purchases.

viii. Loop buy out is also known are mouse trap by out.

ix. Location decision is strategic and irreversible.

x. Free-form designs are usually found in small specialty stores and within large stores' departments.

Section B-Short answer questions- (5 X4=20 Marks)

Q2. How do the company's site selection, assortment and pricing interact?

Q3. Discuss how retailers can reduce shrinkage from shoplifting and employee theft.

Q4. Explain the control mechanism for retail store.

Q5. What are Formal organization structures?

Section C-Descriptive type questions (Any two)- (15X2=30 marks)

Q6. One of the fastest-growing sectors of the population is the over-60 age group. Customers in this group may have limitations in their vision, hearing, and movement. How can retailers develop store designs with this population's needs in mind?

Q7. What are the different types of design that can be used in a store layout? How does the layout impact the types of fixtures used to display merchandise? De- scribe why some stores are more suited for a particular type of layout than others.

Q8. Complete the table below by briefly describing how the different retail formats could use each of areas listed to enhance the store's image and atmosphere.

Area	Drugstore	Clothing store	Restaurant
Entrance			
Wall			
Windows			
Merchandise displays			

Cash Wraps			

Section D: Case study [10 X 3 = 30 Marks]

Q.9 CASE: BUILDING THE APPLE STORE

Founded in 1976 by Steve Jobs and Steve Wozniak, Apple has become an innovative leader in the consumer electronics industry. In addition to offering traditional desk- top and laptop computers, all of which feature Apple's OS X operating system, Apple essentially founded the digital music player when it introduced the iPod and online mu- sic store markets with iTunes; launched easy to use iPhones and iPads with increasingly more features; and introduced online movie/TV services through Apple TV and publishing and multimedia software**.**

BEFORE APPLE RETAIL STORES
During the early 1990s, Apple struggled as computer sales began shifting from specialized computer stores to main- stream retail stores. Big-box retailers such as Best Buy and Circuit City could offer a wider selection of computers at lower prices, although they lacked adequate customer service and support. These big-box retailers and specialized stores faced even more competition in the form of mail- order outlets, including CompuAdd, Gateway, and Dell.

Beginning in 1990, Dell shifted from selling its computers in warehouse and specialized computer stores to operating as an online direct mail-order company. Dell facilitated its online operations with an efficient online store that could handle high-volume sales. The online Dell store (dell.com) represented a new strategy for manufacturing: Computers were built as they were ordered. In turn, Dell could reduce inventory, because it no longer produced computers in mass quantities and then pushed inventory through the channel to resellers. While establishing its online store, Apple needed to balance its direct orders with the sales initiated by its channel partners, mail-order resellers, independent dealers, and CompUSA, with which it initiated a "stores within stores" strategy to focus on Apple's products. Apple's partnership with CompUSA paid off. When the San Francisco Comp USA store was equipped with Macs, Apple's sales jumped from 15 to 35 percent of overall store sales.

Apple also put its own employees to work in various retail outlets to help inform and educate customers, as well as ensure its products were being displayed in working order. The company estimated it spent between $25,000 and $75,000 per month on this initiative. Apple executives soon realized they could not compete with PC brands by selling just laptops and desktops in big-box re- tail stores, because retailers could earn greater profits by selling lower-quality PC models. They had little to no incentive to sell Macs. Without its own retail store, Apple would always be at the mercy of the independent dealers and partners that operated with different strategic goals.

DESIGNING THE APPLE STORE
To compete with the PCs sold by big-box retailers, Apple needed to shift from selling its electronics through intermediaries to offering products directly through Apple stores. This shift would not come easily. Steve Jobs, Apple's dynamic founder, first looked to bring in new executives. Mickey Drexler, former CEO of The Gap and now CEO of J.Crew, was hired in 1999 as part of Apple's board of di- rectors. Next, Jobs brought in Ron Johnson, who had been

a merchandising executive with Target, to run Apple's retail division as vice president of retail operations. Instead of launching stores from the start, Drexler suggested that Jobs rent a warehouse and build a prototype store, coined Apple Store Version 0.0. Apple executives then continuously redesigned the store until they achieved a layout that would entice shoppers to not only enter but make purchases. The first store prototype was configured by product category, with hardware laid out according to the internal organization of the company rather than by how customers logically shop. Executives quickly decided to redesign the store to match customer interests better. Although the redesign cost Apple more than six months, the executives believed this time investment was necessary to achieve a successful store that could compete with well- established electronics retailers and remain consistent with the Apple brand. Its first store opened in Tyson's Corner, Virginia, in May 2001.

THE APPLE STORE LAYOUT
When considering a site for a retail store, Apple uses its customer base to forecast visitor volume and revenues. Most Apple stores locate within existing shopping malls or lifestyle centers, where retail traffic is already present. There are two types of full-size stores, a street-facing building or an in-mall store. The stores range from 3,600 to 20,000 square feet, although most fall in the 3,000- to 6,000-square-feet range. Storefronts are typically all glass with a backlit Apple logo, and the front display windows change occasionally to focus on the newest marketing campaign. Apple's internal team designs the window dis- plays, often using slot and cable systems to suspend design elements within the window. In some cases, the swinging entrance doors are in the middle, but in other stores, a logo wall appears in the middle with two doors located on either side. Store interiors feature only three materials: glass, stainless steel, and wood. In addition to the retail floor, Apple stores have back- room areas that sometimes include a public restroom, offices, and the inventory area. At some sites that lack sufficient space, inventory storage is located at a separate facility, always within walking distance. The store layout changes multiple times throughout the year. Apple executives organize planograms to coincide with the introduction of new products or heavily marketed merchandise. The layouts depend on the size of the store. A typical in-mall store locates merchandise in the front half of the store and customer service and sup- port areas in the rear. Apple stores carry fewer than 20 products, and every display piece is available for hands-on se so that customers can get an accurate feel for the avail- able hardware and software. On tables along the right wall, iPhones and iPods take up the front half of the store. Along the left wall, tables hold various models of general and high-end desktop and laptop computers. These displays give way to The Studio, a newer section hosted by experts who will answer application- oriented, creative questions. Two to three island tables in the front center display software on Apple computers; additional island tables exhibit peripherals such as iPod docking stations and printers. A small children's area houses Apple computers running children's software. The Genius Bar takes up the back wall, with stools before a counter staffed with Apple experts for repairs and consultations. Larger stores also have a theater area in the back, featuring a rear-projection screen with an audience area of either U-shaped wooden benches or full theater seats in rows. This store layout is typical for a store located in a super-regional mall.
Apple stores thus follow a free-form layout, which al- lows customers to browse the store according to their own interests. Signage hanging from the ceiling, for greater visibility, directs customers to specific areas within the store. Bright lighting draws attention to merchandise and creates a sense of excitement. Highlighted merchandise also helps draw customers strategically

through the store. As customers browse the products, employees wearing Apple T-shirts and lanyards make themselves available to answer any questions. Through its intensive development efforts, Apple has created a unique, customer service–oriented shopping experience. Customers can schedule face-to-face appointments at an Apple store to test-drive products. One-to-one personal training sessions help customers become familiar with the array of Apple products. The company also offers free one-hour instructional or informational workshops every day for iPod, iPhone, and Mac owners. It also offers support for business customers by providing insight and advice about how to create a presentation from start to finish using Apple products.

 QUESTIONS

1. Have you ever visited an Apple store? If yes, did you make a purchase? Why or why not?

2. Why are Apple's store layout and atmosphere important?

3. Visit your local Apple store. Does the layout of the store help to provide you with an excellent customer experience? Explain