

Introduction

Retail merchandising is a management system of strategic planning and tactical control, directed toward the financial enhancement of an inventory and the profitable distribution of that inventory to the retail consumer. Merchandising enables retailers to make the best use of space and layout. It creates part of the communication process with consumers and focuses on layout, design, traffic flow and display advantage points. It links in with the overall development of a company's corporate image and strategies, and fits with the organisation's objectives to enhance and promote image. The primary goal of retail merchandising is to influence the potential customers to purchase a particular merchandise product at a particular retail store. The techniques are used to focus customers' minds on what is available and enable the customers to move freely from one area to another and to make the purchasing decisions easier. Visual merchandising techniques are logical, practical and can be taught to all of a store's employees. But first the retailer must instill in employees a sense of ownership of the merchandise.

Body shop was founded by Anita Roddick in 1976, started from one small shop in Brighton. Today, the Body Shop boasts over 1,900 stores in 50 countries, crossing 12 time zones and selling over 1,000 hair and skincare products. The body shop plc is famous for creating a niche market sector hi quality nature inspired skin and hair care products. It is estimated that The Body Shop sells a product every 0.4

seconds with over 77 million customer transactions through stores worldwide, with customers sampling the current range of over 600 products and more than 400 accessories. There are not many major competitors within the market. Although other retailers like Boots and Superdrugs do sell skin and hair care products as well but none of them do produce their own brand product like Body shop does.

Tesco was founded in 1924 by Sir Jack Cohen. It originally started as a cheaper retailer but since then has brought in new product ranges which are of improved quality has helped Tesco enter new markets and now Tesco is the ninth largest supermarket in the world. Tesco currently has stores in ten countries and are looking to expand into other countries. Their competitors include Sainsbury, Safeway, Asda and all other supermarkets. Moreover, Tesco is the biggest online food retailer in the world and have joined forces with Safeway in the USA to expand their food distribution to the USA.

Store Image

A store's image results from its marketing strategy. The type of customer a store attracts the way it differentiates itself as well as the store's location, merchandise, atmosphere, price, advertising and service, all influence its image.

The store image of Body shop is likely to be good quality products with fair price. The price of their products is slightly higher than other brands but with better quality and more choices. The service in Body shop is very friendly which is very hard to find in other retail stores. Body shop has a very good image of turning world on to green energy. Body shop has joined forces with the leading environmental organisation Greenpeace to challenge world government to provide access to renewable energy for all, in particular the two billion people who live without any power. It brings a good reputation to Body shop. Tesco has an image of low price. A recent survey has shown that over half of consumers questioned shop at Tesco regularly and 18.5% of these customers said that they shop at Tesco because of low prices. Tesco has invested 100 million pounds to lower their prices and it makes Tesco as undisputedly the cheapest supermarket in Britain.

Store Layout

Store layout is the arrangement and location of fixtures, fittings, equipment, merchandise, aisles and non-selling areas such as checkouts, fitting rooms and stockrooms. It has an important influence on a store's internal environment. There are several different types of lay out are used in different stores, which are grid

pattern, free flow pattern, loop pattern, boutique and others. Each type of layout has different advantages and disadvantages. Therefore, different retail store will suit different type of layout.

The store layout of body shop is likely to be the free flow layout. Body shop arranges their merchandise into a series of geometrical patterns that allows free movement of customer traffic. They place different section of products in different area. Customers can still see other sections of products when they are in the different section.

Tesco is more likely using the grid layout. They arrange shelves and aisles parallel to on another. Typically, the checkout counters are concentrated on one end of the store near the exit and entrance.

Store Atmosphere/Use of Visual Merchandising

The visual presentation of merchandise is an important part of the store's overall ambience. It must present merchandise visually in a way that relates to customer life styles and expectations. Visual merchandising is an integral part of the total store design. It interacts with the store layout and particularly with the arrangement of individual items within the department. The proper designed combination encourages customers to spend more time at the store, exposing them to more merchandise items. As its main objective, visual merchandising seeks to convert those who pass by an item from mere browsers to actual buyers. The way products need to be presented and displayed within the store will largely determine the choice of fixture. There are several fixtures that a store can use, includes gondolas, rounders, four-ways, shelving, bins, basket, tables

and others.

In the Body shop stores, they use combination of different fixtures to present their products. Body shop uses the shelving fixtures, rounder fixtures and tables to present their products. Each different product is presented in different shelves, and there is at least one test sample for each product on the shelves for customers to try. In some of the Body shop stores, they use rounder fixtures and small tables to present their small products and some promotional products. It allows those products to be seen easily by the customers. Body shop decorates their stores in a very natural way. They decorate the stores with dry grass, coffee beans and other natural things. In addition, there is one colour you will find in every Body shop stores which is green. The colour and their decorations will bring a natural healthy feeling to customers. In most of the body shop stores, you can find that they present their special promotional products just beside the entrance and they always put window displays to show their promotional products. This will bring the attention of the customers on the street to come in to the store.

Tesco uses gondola fixtures to present their products. The term gondola refers to a system of shelving which offers stacked merchandise to the customer in a longitudinal presentation. The gondola is used in the grid format where consumers move along aisles between gondolas, which offer merchandise on both sides. Tesco divides all products into different sections, includes flowers, vegetables, fruits, can foods, sauces, bakery, fresh meats, frozen foods, daily use products, alcohol, drinks and ready to eat foods

section. Every product in each section is placed on shelves in grid format and there are signs showing where each section is. Most of the Tesco stores provide a canteen for customers to rest and ready cooked meals, sandwiches and drinks are available for customers to buy while they are resting.

Analysis and Comparison

Different store layout is suitable for different retail stores. Not only the customer is the important factor, the location, cost and the size of the store are important factors as well. However, different pattern of store layout has different advantages and disadvantages. The store layout of Body shop has a few advantages and a few disadvantages. The advantages of the free-flow layout includes allows free movement of customer traffic by arranges merchandise into a series of geometrical patterns and it encourage customer browsing and allow more creativity in visual display and It also encourage impulse purchases. Another advantage of the free-flow pattern is flexibility. Stores can expand or reduce the sizes of individual departments as the need arises without disrupting the overall pattern. The disadvantages include relatively costly, inefficient use of space, expensive fixtures and it makes stock control/replenishment more difficult. The grid layout of Tesco has different advantages and disadvantages. The grid layouts reduce facility costs and simplify security. They also maximize selling space because the regular arrangement displays the greatest amount of merchandise for any given amount of space. A grid pattern helps regular customers

develop routine patterns of movement through the store so they can stop quickly. However, the regularity of the grid pattern rushes the shopper and discourages impulse buying.

Retailers should present their merchandise relate to customer's expectation. Tesco and Body shop are two different kinds of retailers so customers would expect different things from them. Therefore, their way of doing visual merchandising is different from each other. Different fixtures will suit different stores, Tesco may use rounder fixtures to present their promotional products but they would not use basket because basket would be too small. But, Body shop may use basket to present their promotional products like essential oil or lip stick. The reason is that retailers have to consider the size and the costs of the fixtures.

Conclusion/Recommendations

There are factors which retailers have to consider before adopting a merchandising strategy. The factors includes the type of products they are selling, product ranges, costs, shelving, other merchandising equipments, blocking techniques, linear merchandising, stock facings, sitting, access, space measurement and space management. To make the merchandise and displays more effective, retailers has to use a bit of psychology in order to understand their customers. It can then make the displays more effective to enhance customers' feelings of wanting and needing its products or service. Shoppers make their purchases based in response to specific stimuli. Retailers who want to increase their sales need to understand those responses and merchandise their stores accordingly. However, the merchandise and displays have to meet the safety requirements for its employees and customers. Merchandise display does not need to be expensive, elaborate productions to provide the desired results. It could be made by exposed materials in the environment like old road signs and plywood. However, merchandising should stimulate customers to purchase and should be attractive and appropriate, use space cost-effectively and meet changing market needs. Retailers don't have to use only one method of store layout or merchandising and display. It is better if they combine different methods together to make the merchandise more effective. In recent years, retailers have begun to combine different methods together to improve the flow of

customer traffic and to increase visual compact. Tesco can try to use the combination of grid and free-flow patterns. This will then bring the advantage of one method to change the disadvantage of another method. In addition, Tesco should try to use more colour in the store instead of the original red and white. Colour will bring the attention of customers and make shopping less boring. Another key to understand merchandising is to realise that a store is not two-dimensional. It should be treated as is a piece of three-dimensional sculpture. Vertical merchandising is more effective than horizontal merchandising because the focus of horizontal images fades out to the sides. By contrast, the eyes can take in an entire vertical image with one glance. Another powerful visual merchandising technique is the law of interrupted patterns. In any situation where there is a disruption of a prevailing pattern, the eyes move immediately to the break in that pattern. Another behavior pattern that retailers can capitalise on through proper merchandising is the tendency that most people have to automatically turn to the right. Putting fixtures at a 45 degrees angle to the main traffic pattern ensures total visibility.