

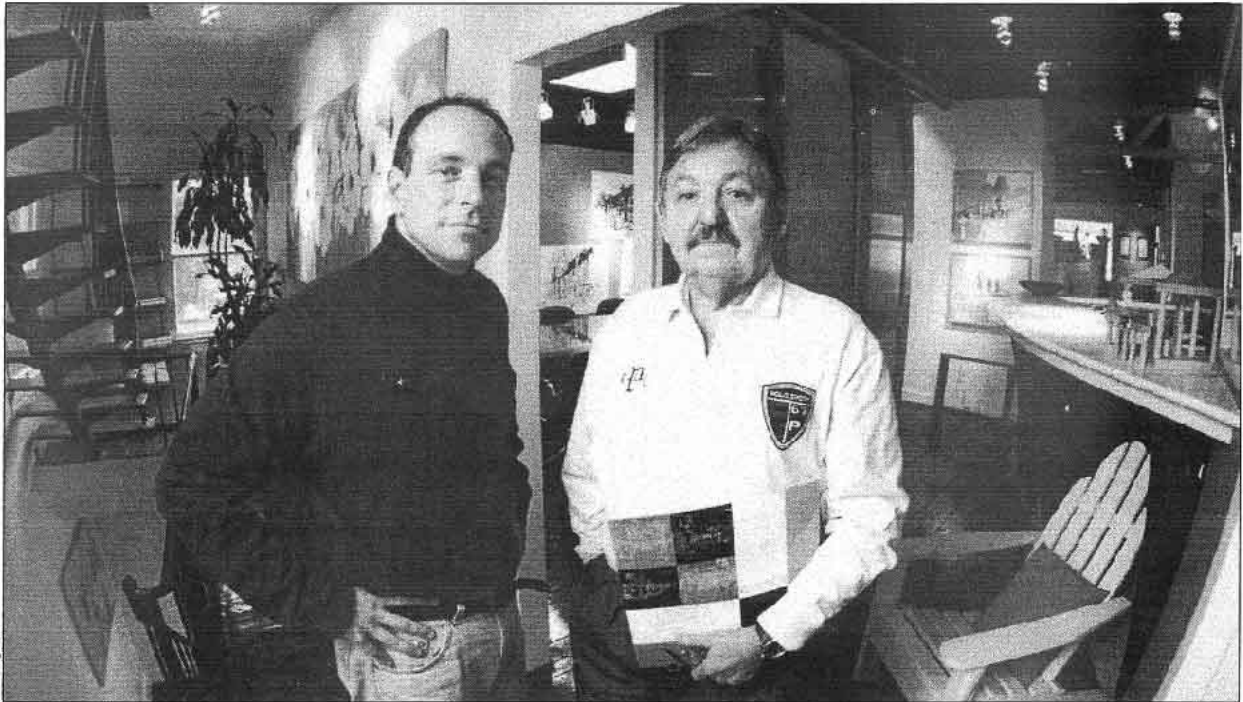
As seen in

Long Island Business News

September 22, 2000

Growth Strategies

AN INFORMATION ARSENAL FOR BUILDING BUSINESS



Bob Olgitere

CONSUMER CATCHER: Douglas Horst and Fidel Miro of Horst Design International, help local and national retailers boost their sales per square foot through design feats.

Charting a better retail space

By ADINA GENN

Retailers trying to stay afloat in a quickly changing market where competition is fierce and consumers would often rather be elsewhere are turning to design consultants.

Horst Design International, such a consultant in Cold Spring Harbor, is helping its clients boost sales by visually highlighting the merchandise with coloration, lighting and store design.

"Retail stores change their image every 10 years, but trends change constantly," said Fidel Miro, HDI's design and planning director.

Along with the latest fashion trends, retailers must keep up with today's shopping trends. In addition to losing business to e-commerce, traditional retailers are also trying to hold on to an aging baby boomer population that sometimes avoids large stores and difficult parking situations. Other shoppers are looking for a quick run-through on their way to the tennis court, and don't have the time or inclination to spend an afternoon shopping.

In response, HDI recently created a new prototype for Elder-Beerman, a century old mid-priced department store chain based in Dayton, Ohio. The new prototype features a 58,000-square-foot store, deviating from its other 90,000-square-foot to 100,000-square-foot stores. Yet the merchandise capacity remained consistent. "We increased the amount of rods, elongated the arms on the racks, and increased the shelf quantities." And Elder-Beerman has the staff to "assist shoppers in reaching the merchandise at higher levels." Miro said. "It's a good formula. Two stores already have this prototype. They'll open two more in October."

For Elder-Beerman, it appears to be working.

"We've gotten a lot of positive feedback on the two new stores," said Frederick Marshad, Elder-Beerman's chairman and CEO. "They are both trending at about \$180 per-square-foot, which is 20 percent higher than our other stores."

The new prototype features an open-air space with departments marked off by a change in carpet coloring or ceiling height, subtly moving the traffic flow to the remote areas of the store while allowing the consumer to easily locate the goods they want to purchase. The cash/wrap centers are centrally located near heavily trafficked areas, such as fitting rooms. "This allows visual control, another form of security," Miro remarked. "And we want to motivate the customer to buy, make it easy for them."

Ease of shopping is a primary concern to retailers and design consultants alike, and in the case of handicapped shoppers takes on a whole new meaning.

"It's extremely important to position merchandise low enough for those in wheelchairs to access," said Karen Stimmel, president of Karen Stimmel Interiors in Smithtown.

Stimmel noted that there is increasing pressure to comply with standards set in the Americans with Disabilities Act. "Also, retailers are realizing that they don't have to jam everything in, making it impossible for a stroller to fit through the aisles. The customer shouldn't feel confined or aggravated. It should be easy to get from rack to rack."

Martin M. Pegler, a professor at the Fashion Institute of Technology in New York City, and a noted expert and author on retail design concurred. "Traffic flow should give the customer exposure to everything in the store. If the focal points are interesting, and not irksome, the consumer may buy more than he or she originally intended."

Pegler advocates keeping the impulse items such as ties or belts out front, on the path of the destination shopper who, for instance, is headed for the intimate apparel section. "If a woman spots a magnificent tie for her husband along the way, she'll buy it."

He also offered this theory on ease of shopping. "Retailers with an upscale image have beautiful open spaces so as not to overwhelm the shopper. But the popular-price shopper and the bargain hunter expect to go through the racks."

Lighting and coloration also play key roles, Doug Horst,

president of HDI. HDI recently designed new outlet stores for the Pennsylvania-based Woolrich, which has outdoor-sportswear outlets throughout the country. HDI balanced the reds and blues in Woolrich's product line, and the yellow and blue from Woolrich's original logo, against raw cedars and tweed creating a subliminal backdrop to create a mood that will entice the consumer.

"The new design definitely attracts the customer," said Mike McCarter, Woolrich's retail merchandising manager. "The design will just bring people in and let the clothing sell itself."

McCarter said that the redesigned outlet store met and exceeded the sales projections for that month, although he did not have the exact figures. Woolrich is planning to remodel its A-stores as their leases come due, including one in the Tanger Outlet Center in Riverhead.

Woolrich's initial success is no surprise to Pegler. "A shopper shops color," he said. "Color is a focus. Lighting is what makes the color, and color is what people buy."

In attracting the teen market, HDI incorporates a "hip" and "fresh" look and brighter stores. But he uses balance to appeal to young consumers without alienating older shoppers. "We also meet with the client's advertising department so that the store's campaign complements the store's design and image," Horst said.

Ultimately, the design must inspire customers to purchase merchandise. "Take away what's not making money," Stimmel advised. "Retailers should enhance what they have."

HDI strives to visually display the retailer's merchandise to the consumer. "We pick our clients brain to get what they want," Horst said. "For instance, an electronics store warrants a theatrical look that entertains its target."

"It's all in the psychological details," Miro added. "But you don't want to get too way out. This is something you learn after years of experience."