



# HOW TO LAYOUT A RETAIL STORE

## A PRACTICAL GUIDE TO MACRO SPACE PLANNING



## What they say!

Customers have commented on the openness of the shop since we changed it around, they find it easier to see things -  
**Store Manager, Londis**

We now have room to push promotional activity, that what customers want in this climate -  
**Store Manager, Londis**

Cash margin has improved by 1.5% as a result of our Macro Space Planning project! - **Gary Rice, Store Owner, Mace**

Customers said they did not know we had a deli in our store because the shop was so high, now they can walk in and see the deli down the back which is high margin for me 40 - 50%  
- **Gary Rice, Store Owner, Mace**

We have used the process with many different Retailers, and all have delivered tangible benefits often at a very low cost -  
**Jenny Maybury, Category Solutions**

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## Acknowledgements

This report was made possible by the contributions of the members of ECR Ireland Category Management Workgroup and particularly the Macro Space Planning Sub-group. Their leadership and direction, their willingness to share their ideas and experience have added significantly to the contents of this Guide. On behalf of the ECR Ireland Board, I would like to thank all of those listed below who willingly gave their time and expertise to this important initiative.

Jenny Maybury, Category Solutions

Barry Carty, BWG Foods

Stephen Shallow, Valeo Foods

Jane Ryan, Topaz Energy

Shane O'Driscoll, The Nielsen Company

Richard Maybury, Category Solutions

The content of the Guide has relied heavily on the extensive industry experiences of Category Solutions who co-led this initiative with ECR Ireland. The Category Solutions team, led by Jenny Maybury, provided important expertise on macro space planning in an Irish context and contributed significantly to the drafting of the Guide and the **ECR Ireland Macro Store Planning Process**.

This work is a true team effort and the product of a collective conviction that it is both timely and needed. When we first sat down as a working group over a year ago it was quickly apparent that all of us, whether retailer or manufacturer, felt passionately that designing a practical guide to help store owners and managers to assess their store layout from a macro perspective was urgently required. It would have been at any time, but never more so as economic conditions have worsened across Ireland and most of Europe.

Many if not most of the pieces in this work already exist and are used but separately...joining them together in the **ECR Ireland Macro Store Planning Process**, keeping it simple, focused, pragmatic and operational and ensuring the work is relevant to and actionable by big and small businesses, whether data rich or data poor are aims the team felt to be worthwhile and feel we have achieved. But a process untried is no more than words and theory. So despite the case studies included, we urge all Irish businesses to try, to learn, to benefit.

It has been a real privilege to facilitate this workgroup. My sincere thanks and appreciation goes to all the retailer and manufacturer executives and the consultants who contributed their time, talents and experience to this breakthrough initiative.

Declan Carolan  
General Manager  
ECR Ireland

## Executive Summary

During periods of such dramatic changes in global consumer behaviour as witnessed over recent years, retailers should consistently evaluate the space to sales ratios of in-store categories to ensure that they remain representative of changing consumer needs & wants.

For this reason, the ECR Ireland Macro Space Planning Workgroup was formed. Its objective was to establish a Best Practice Guide to show the strategic and practical steps necessary to assess the macro space layout of a store. This guide - *“How to layout a retail store - A practical guide to macro space planning”* should be usable by retailers whether data rich or data poor and irrespective of industry.

Central to the Guide is the “ECR Ireland Macro Store Planning Process”. There are 3 stages to the process; Business Planning, Information & Insight and Store Solution, and 3 steps per stage. By following this Process and adhering to the practical tips contained throughout, store owners should be able to complete their very own macro space plan.

Finally, case studies of projects that followed the “ECR Ireland Macro Store Process” are included. These case studies show that the capital & labour cost of following the Guide and implementing the recommended changes were low and affordable. Significantly, both case studies recorded positive results with one showing a **1.5% increase in cash margin** and the other recording a **3% increase in sales**.





## Introduction

Category Management and Micro Space Planning are recognized ways of working for Retailers and Suppliers internationally. However, **Macro Store Planning** has become an increasingly important consideration for Retailers in more recent years. Given the recent economic and global challenges; Shopper Needs, Shopping Missions, Store Space, Category Position, Brand Visibility and driving optimum allocation are all top of mind.

Macro Store Planning is a strategic approach embraced by suppliers & retailers, to optimise retail floor layouts taking into consideration sales, space, over/under performances, store flow, category linkages & adjacencies, hot spots, and consumer and shopper demographics. It also allows suppliers to understand category opportunities, and improve their space, position and flow through a wider category / store approach.

Having recognized this evolution in Ireland, ECR Ireland, together with a number of retailers, suppliers and service providers embarked on a journey to understand, report and define a best practice for Macro Store Planning. This Guide will outline a process, the principles, the challenges, tools for implementation and indeed learnings throughout the journey. It is a simple, actionable process designed to be easily understood and easy to implement by all retailers & suppliers.

1. *Relevant to Retailers of all types and sizes* - Groups and Independents spanning all shop types e.g. Pharmacy, Convenience, Supermarket, Clothes, Hardware and Mobile Phone.
2. *Suppliers, data rich or poor*, who have an objective to demonstrate a total store and retailer approach, and drive incremental sales opportunities. Suppliers are showing increasing interest in their shoppers purchasing behavior, missions and incremental opportunities through cross category purchasing and improved store presence. Macro Store Planning can play a key role enabling suppliers to understand shoppers and maximise engagement.

The ECR mission statement is “Working together to create sustainable value for consumers better, faster and at less cost”, and we believe this Guide delivers enablers to execute this.

## Methodology

A Macro Store Planning Work Group was formed combining the expertise of the following Retailers, Suppliers and Service Providers, working together, sharing knowledge, information and insight.

- Topaz Energy, BWG Foods
- Valeo Foods
- Category Solutions, The Nielsen Group
- ECR Ireland

The team met on a regular basis to progress and monitor Case Studies and define and develop processes.



## The Process – A Quick Stop Overview

The ECR Ireland Macro Store Planning Process has been developed to deliver a Step by Step process for Retailers and Suppliers of any size to drive best practice in their stores.

### The ECR Ireland Macro Store Planning Process



The process includes 3 key stages, each stage includes 3 steps to guide you through the process

1. Business Planning
2. Information & Insight
3. Store Solution



## Stage 1 – Business Planning

### Objective – What do I have to do? How do I do it?

*This stage should be seen as an **information building exercise**; creating a current picture of the store / stores, and an understanding of the Retailers store objectives, budgets and focus. It is a crucial step to understanding and agreeing:*

- Process Commitment
- Store Objectives
- Store Capabilities
- Budget and Available Resource
- Store Types
- Store Focus
- Demographics
- Competition
- Amenities
- Store Clustering where appropriate

### **Business Planning includes 3 Steps:**

1. Get Ready
2. Internal & External Environment
3. Retailer / Store Objectives



## Stage 2 – Information & Insight

### Objective – What opportunities is the information showing?

Whether data rich or poor, all available information sources are collated, reviewed and broken down to the lowest level, to understand the market and store performance and dynamics.

Managing and comparing differing information sources means aligning data to ensure they are comparable thus allowing greater benchmarking.

#### Stage 2: Information & Insight / Steps 4-6

4. Data Gathering
5. Data Analysis
6. Prioritise Opportunities

## Stage 3 – Store Solution

### Objective – How do we layout the store? And how do we implement?

The Macro Store Plan / Plans are developed either through Store Planning Software or a Manual approach. Implementation is key to success therefore a plan is put in place, with time designated to review the store solution.

#### Stage 3: Store Solution / Steps 7-9

7. Store Map
8. Implementation
9. Review

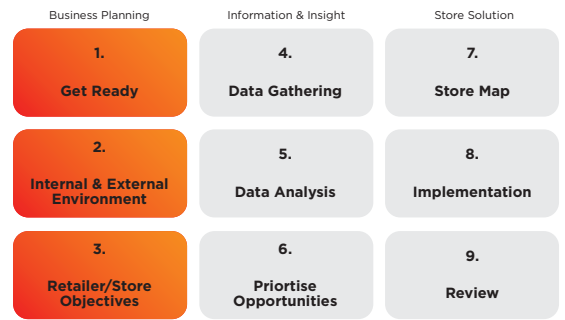
## The Process – A Step by Step Approach

### The ECR Ireland Macro Store Planning Process





The ECR Ireland Macro Store Planning Process



## Stage 1 – Business Planning

### Step 1. Get Ready

The Get Ready stage is a kick off meeting to discuss the Process Step by Step with key store personnel (owner or senior management), to ensure an understanding of the implications and to secure **Buy In**.

A crucial step to assess and understand the **State of Readiness** of the Store so the process can be planned accordingly.

**Budgeting** should be discussed and agreed because the **size and scope** of the project will be influenced by this. It is also important to consider available **resource** that can be dedicated to the process.

#### Tasks:

1. Appoint a sponsor / senior Director
2. Decide who will lead / project manage
3. Do we have the Budget
4. Define the input requirements and ownership
5. Define timings of the process
6. Seek Agreement and Buy In

**TOP TIP**  
**Get Ready**  
The Stage will be crucial to the success of the overall Process. Without Senior Buy In it will not work.

#### Considerations to be made when assessing readiness and planning projects:

- ✓ What do you need to engage?
- ✓ Do we have sales information and resource?
- ✓ Understanding of Macro Store Planning as a Concept and working process?
- ✓ How much time this will take and what is our input?
- ✓ Willingness to Engage and Implement Change?



- ✓ Are we comfortable if we need to change the shop significantly?
- ✓ Willingness to Maintain and Measure Change?
- ✓ Will we leave the implemented store for an agreed period of time without changing back?
- ✓ Willingness to Share Information with Openness on a regular / consistent basis?
- ✓ Will we run and share sales information to allow regular tracking?
- ✓ Reasons and Benefits of Change & Implementation?
- ✓ Do we understand what we are trying to achieve?
- ✓ Importance of regular input as part of a partnership / team?
- ✓ Are we willing to dedicate a resource as part of the process?
- ✓ Understand possible short term disruption for longer term gains?
- ✓ Can we plan to manage our customers during the time of change?
- ✓ Understand timeframes from initial meeting to implementation – Plan.....
- ✓ Can we plan out our time week by week to understand ownership?
- ✓ **Cyclical Review** process considering Seasonality, Day Parts, Shopping Missions
- ✓ We must understand that the plan can evolve and change over time

**Customer Feedback** can act as a benchmark and deliver greater understanding of the needs and expectations of shoppers. Consider the following to deliver the insight required;

1. A simple questionnaire
2. In store observations
3. Interviews



## Step 2. Internal and External Environments

Internal & External Environment analysis is the gathering of all **current store information** to build a picture of the Store Type and Customer Profile. These considerations can be important for further clustering / regional store groups.

### Tasks:

1. Map the current store - Layout
  - Understand the scope of the project
2. Develop a current picture of the store profile

### 1. Map the current store - Layout

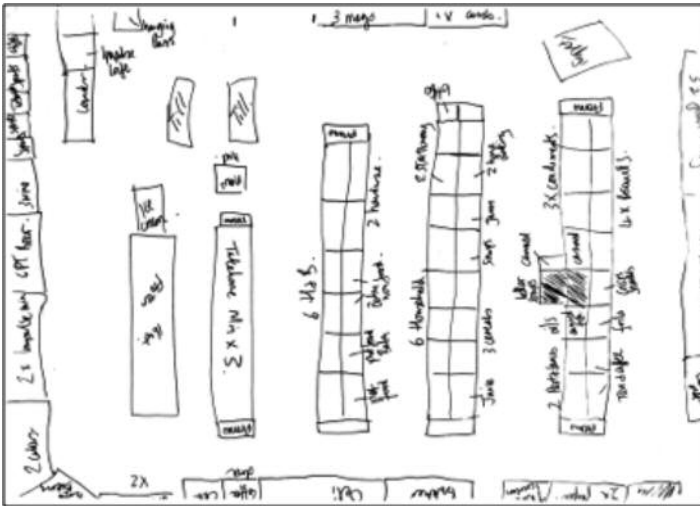
#### Internal Environment Considerations

Look at the existing store, the constraints and opportunities and map / draw it out... (see Figure 1 below)

#### Key Questions to Address:

- ✓ Is it a revamp with existing fixtures or is it a total store overhaul or a new store?
  - What extent of refit – full or partial?
- ✓ Have the Group / Store defined Objectives?
- ✓ Are there Store CAD Drawings (Architect Store Plans) available and current?
  - Store drawings can be used in .dwg (CAD), .pdf or .jpg formats.
- ✓ What is the level of change a Retailer can make? E.g. Move Coffee Machine / Weight Scales Machine / Fixed Fixture
- ✓ Are there fixtures and fittings that the Retailer needs to utilize?
- ✓ Do we have infrastructure constraints e.g. Freezer / Pillars?
- ✓ What is the current Flow, Space?
- ✓ What Categories currently have key roles / focus?
- ✓ Do categories have to be positioned in certain areas of the store for shrinkage purposes?

Figure 1 - Map out the Store (Internal Environment)



**TOP TIP**  
**Get Ready**  
 The process can be followed without a store drawing however; the overall accuracy may not be as precise.



## 2. Develop a current picture of the store profile

### External Environment Considerations

In considering the external environment, we can build a customer profile and shop relevance.

Information to be collected should include the following;

- ✓ Store Location
- ✓ Local Amenities
- ✓ Local Competitive Set
- ✓ Shopper Demographics
- ✓ Any future area changes or development.

Figure 2 is a suggested template;

Figure 2 – Map out the Store (External Environment)

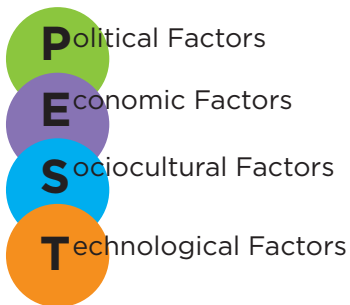
<b>Store Feedback</b>	
<b>Store Location</b>	Store in a housing Estate
<b>Local Amenities</b>	Near a School
<b>Local Competitions</b>	Competitor A and Competitor B within a 5mile radius
<b>Competitor Strength</b>	Direct Mail and Promotional Activity
<b>Competitor Weakness</b>	Lack of Community Poor Access on the road
<b>Shopper Demographics</b>	Affluent Older Shoppers
<b>Future Area Changes/Development</b>	Couple of Local Shops closing down



Further exploration tools that can be used to build store understanding include a PEST Analysis and a SWOT Analysis.

**PEST Analysis:**

*PEST Analysis stands for "Political, Economic, Social, and Technological analysis" and can be a very useful tool for considering macro environmental factors.*



<b>Political Factors</b>	Increased Tax Rate
<b>Economic Factors</b>	Increase in Inflation
<b>Sociocultural Factors</b>	Environmental policy introduction Aging Demographic
<b>Technological Factors</b>	Loyalty Card On Line Shopping

**SWOT Analysis:**

Group / Store SWOT analysis to highlight Strengths, Weaknesses, Opportunities and Threats is a tool to collate all your findings both Internal & External into one action plan.

<p><b>Strengths</b> Loyal Shopper Base School Close By Current Fixturation</p>	<p><b>Weaknesses</b> Stock Holding Poor Linkages Non Food Space Too Many Stands</p>
<p><b>Opportunities</b> Improve Linkages Front of Shop De Clutter Promotional Ends Focus</p>	<p><b>Threats</b> Competitor A Activity Competitor B Activity Shops Closing will force Shoppers to travel</p>



### Step 3. Retailer / Store Objectives

**What is the future focus for the store / stores?** This step allows discussion and debate for focus going forward; an opportunity to define objectives before the Information & Insight stage. **See Figure 3 below.**

#### Tasks:

1. Define Retailers Objectives to develop an initial understanding of the store focus
2. Record Targets / Objectives (in provided template)

### 1. Define Retailers Objectives for an initial understanding of the store focus

#### Key Questions to Address – When understanding the Retailers objectives:

- ✓ Categories for focus
- ✓ What do we do well?
- ✓ What do we do badly?
- ✓ Who are our Target Shoppers?
- ✓ What is the growth Target?
- ✓ What is the average Number of products purchased?
- ✓ How do we drive Average Weight of purchase?
- ✓ What Missions do we want to maximise?
- ✓ What day parts do we want to maximise?
- ✓ What do you want to be known for?



## 2. Record Targets / Objectives (in provided template)

**Figure 3 - Retailer / Store Objectives Template**

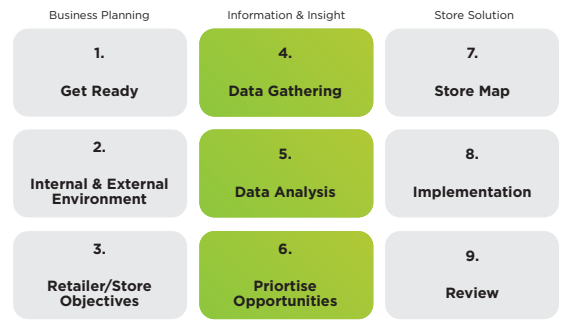
Step 3 Retailer/Store Objectives	Action
Categories for focus	Deli and Newspaper & Magazines
What do we do well?	Confectionery Unit
What do we do badly?	Grocery Section
Who are our Target Shopper?	Empty Nesters
What is the Average Basket Spend?	€5.49
What is the growth Target?	2%
What is the average Number of products purchased?	4 Products
How do we drive Average Weight of purchase?	Link Deals
What Missions do we want to maximise?	What's for Dinner - Evening Meal
What day parts do we want to maximise?	Evening
What do we want to be known for?	Local/Community delivering for the local shopper

**Stage 1 Key Outputs:**

1. Process Understanding and Sign Up
2. Store Situation - External & Internal
3. Retailer Store Objectives



The ECR Ireland Macro Store Planning Process



## Stage 2 – Information & Insight

### Step 4. Data Gathering

**Decide what level of data is available and how it is reported. This should not stop any party from driving this process, whether data rich or data poor.**

There are many differing levels of available information and indeed sophistication of information. The reason for this step is to review what information will be included in the process and how it should be reported and aligned.

Differing sources of information in Ireland can include:

- Retailer Sales (EPOS)
- Market, Key Account Data
- Market Panel
- Loyalty Card
- Consumer Information – Qualitative / Quantitative

**TOP TIP**  
**Data Gathering**  
Without a common Segmentation and Reporting Structure, comparisons or benchmarking are not possible and your information is not aligned to how your Shopper Shops...



**Tasks:**

1. Collate all information sources to understand what's available and how it is reported
2. Recode all sources of information to ensure differing information aligns

**1. Collate all information sources to understand what's available and how it is reported**

***Considerations when reviewing information & availability***

**STORE**

- ✓ What level of Store data is available?
- ✓ How accessible is the Store data?
- ✓ How is the Store Data exported and shared?
- ✓ What level of internal coding / segmentation has been completed?
- ✓ How does this align to benchmark data sources e.g. Market, Panel and Loyalty Card Data
- ✓ Is the segmentation aligned to the Shopper Behaviour?
- ✓ Is it possible to get regular feeds of sales information?

**MARKET**

- ✓ Is there a benchmark source of information currently available?
- ✓ If not, can a benchmark be created?
- ✓ Is historical information available?
- ✓ What other sources of information are available to close any information Gaps?
- ✓ Are these accessible and affordable?
- ✓ Will this be available on a regular / consistent basis?

**SUPPLIER**

- ✓ Can we source information through Suppliers?
- ✓ Will this be available on a regular / consistent basis?

## TOP TIP

Differing coding and alignment is one of the most common challenges we are faced with when dealing with different sources..

## 2. Recode all sources of information to ensure differing information aligns

1. Retailers may have access to Store sales and Market information however, Segmentation, Alignment and Coding can differ.

When comparing information e.g. Market and Sales, it can happen that segmentation definition differs as illustrated below;

Category	Market Segmentation	Retailer Segmentation
Biscuits	Part of Confectionery	Part of Grocery

**A recoding exercise is vital to ensure accurate comparisons can be made.**

2. EPOS information may be the only source of information for Smaller Retailers therefore, the **Benchmark** information can be a challenge.

If a Retailer **has 1 store** the only performance benchmark to that can be delivered is through market comparison.

If a Retailer has **more than 1 store** they can either benchmark against the total group or the market.

Retailer	Problem	Solution
1 Store	No Benchmark	Look at External Information Benchmark Periods from previous years
5 Stores	No Benchmark	Look at External Information Benchmark 1 Store vs. Others

## Step 5. Data Analysis

### What is performing and what is not performing?

Data Analysis is the information step, encompassing **analysis, interrogation and insight**. This is the step in which all sources of information are broken down to the lowest level to identify store opportunities and build the recommendations - The Store Map.

Before embarking on the analysis phase it is important to exclude any category that does not have a requirement for space. E.g. Lotto, Travel Tickets.

### Tasks:

1. Analyse **Sales** Information
2. Analyse **Market** Information
3. Analyse **Space** Information through current Store Map analysis either in Store Planning Software or Manual Counting
4. Consider **Retailer Objectives**

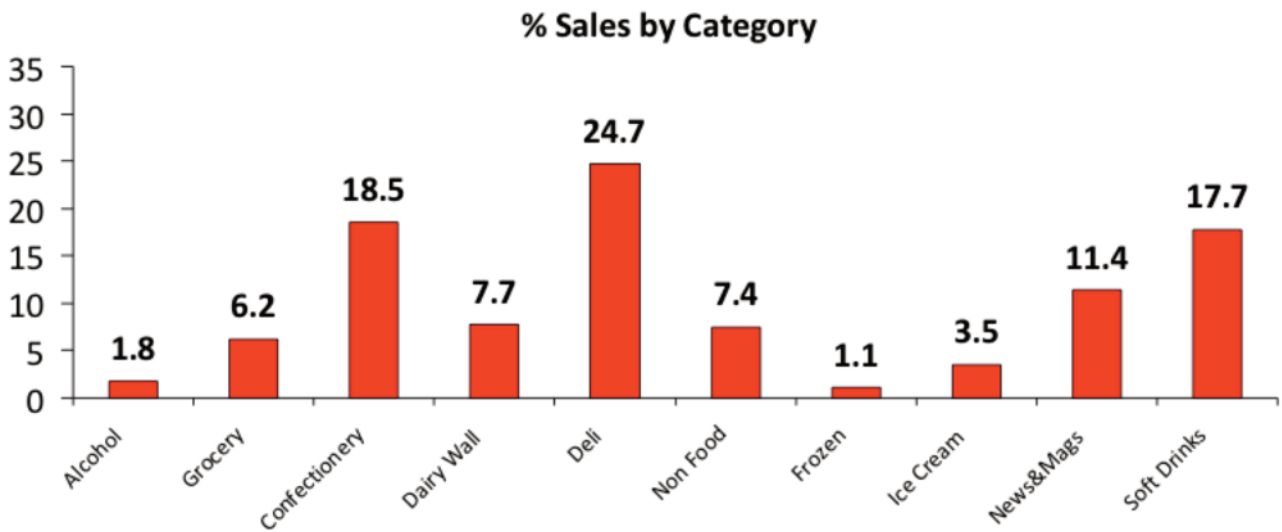
### TOP TIP

#### Data Analysis

What you put in is  
what you get out

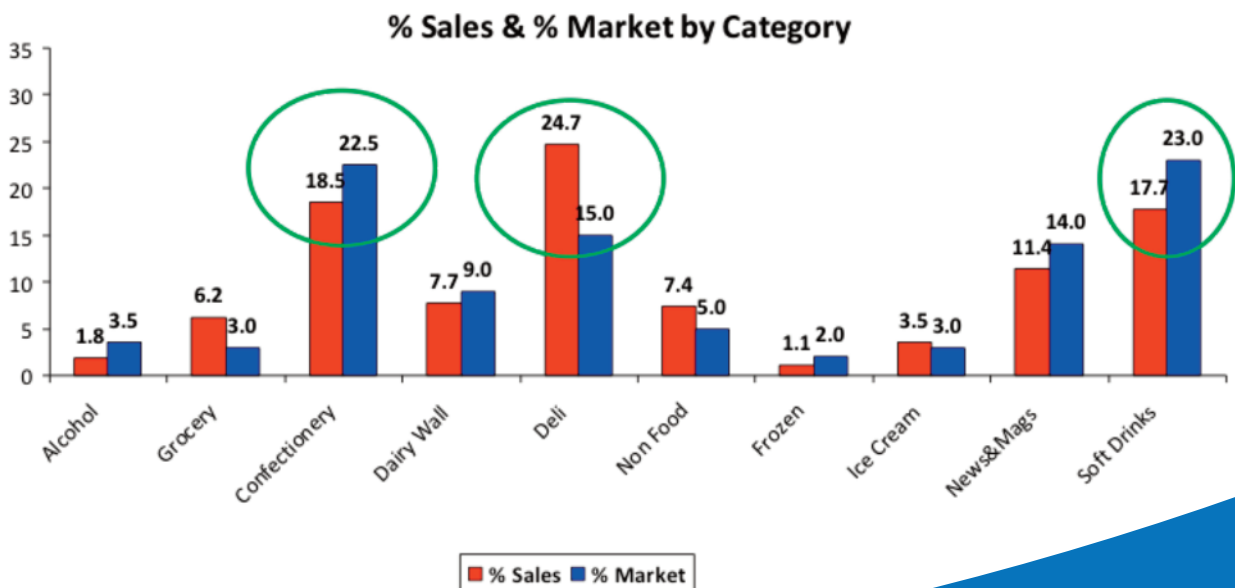
## 1. Sales Information

Sales information taken from the store information has been coded by category so an understanding can be built around contribution in terms of Volume, Value and Profit.



## 2. Market Information

Benchmark information can be prepared to understand the benchmark and identify gaps and opportunities through Under and Over Performances (see chart below).



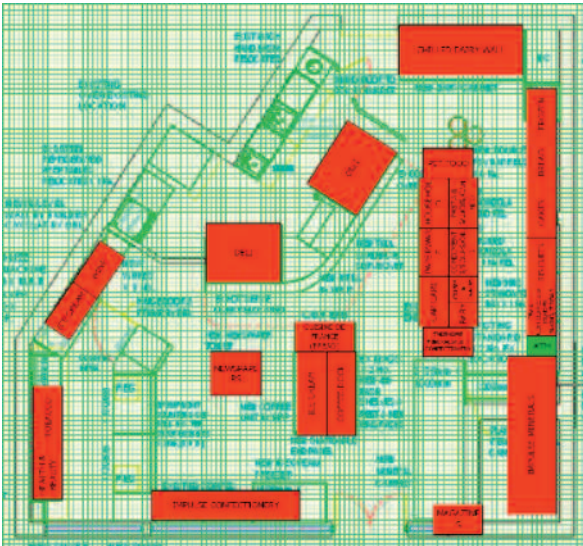


### 3. Space Information

Space Analysis can be reviewed in a couple of different ways:

1. The **Store Planning Software** enables live store selling space to be analysed. CAD Drawings or image files can be uploaded into the software ensuring store scale and space is accurate. Store information (Sales, Volume, Margin) can be imported allowing comparisons to be considered. What space am I allocating to Non Food and how much does it contribute in Sales terms.

#### Space Analysis In the Current Store



	LINEAL SPACE	% STORE SPACE
TOTAL STORE	35m60cm	100.0%
ALCOHOL	1m00cm	2.8%
BABY	0m50cm	1.4%
BEHIND THE COUNTER	1m30cm	3.7%
BEVERAGES	6m40cm	18.0%
CHILLED DAIRY WALL	2m50cm	7.0%
CONFECTIONERY	5m50cm	15.4%
DELI	4m20cm	11.8%
FROZEN	2m70cm	7.6%
GROCERY	4m50cm	12.6%
HEALTH & BEAUTY	1m00cm	2.8%
NEWSPAPERS & MAGAZINES	2m00cm	5.6%
NON FOOD	4m00cm	11.2%

#### MANUAL APPROACH

##### The Manual Approach

For those who do not want to engage in the Store Planning Tool there is a manual approach:

1. Simply count the number of Bays you have available across the Total Store.
2. Review your sales / market information to understand what contribution each category is delivering.



## 4. Retailer Objectives

Recap what was identified from a Store perspective.

Objective Setting	Action
Categories for focus	Deli and Newspaper & Magazines
What do we do well?	Confectionery Unit
What do we do badly?	Grocery Section
Who are our Target Shopper?	Empty Nesters
What is the Average Basket Spend?	€5.49
What is the growth Target?	2%
What is the average Number of products purchased?	4 Products
How do we drive Average Weight of purchase?	Link Deals
What Missions do we want to maximise?	What's for Dinner - Evening Meal
What day parts do we want to maximise?	Evening
What do we want to be known for?	Local/Community delivering for the local shopper

## Step 6. Prioritise Opportunities

This step collates all the information and prioritises the recommendations ensuring defined objectives are **actionable and measurable** and will drive the business forward.

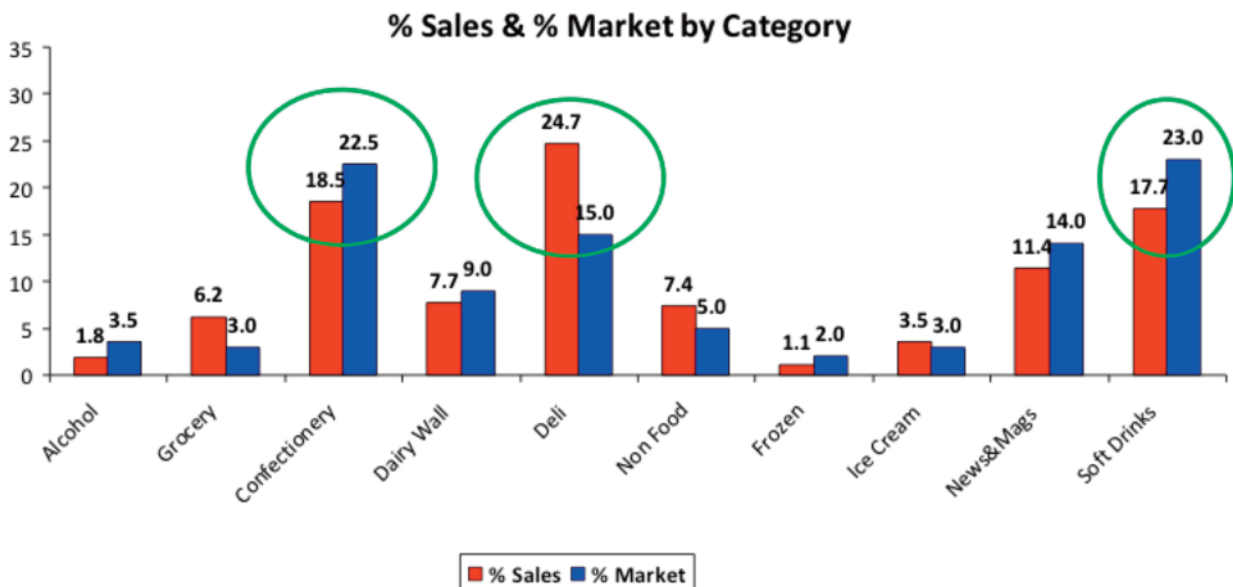
See template below designed to encourage focus and generate an action plan.

### Tasks:

1. Review **Market or Sales or Store** information
2. Capture recommendations based on information insight

### 1. Review Market or Retailer or Store information

- Understand the Under / Over Spacing
- Sales, Volume, Cash Margin Growth can be considered
- Consideration should be balanced between Value and Volume as categories can deliver higher Value vs. Volume and vice versa.



The above chart demonstrates underperformances in **Confectionery** and **Soft Drinks**.

## 2. Capture recommendations based on information insight

Capture identified Information and Insight outputs and recommendations, enhancing and driving key focus areas for the store change.

<b>Step 6 Prioritise Opportunities</b>	
Recommendation 1	De Clutter Front of Shop
Recommendation 2	Bring Newspapers & Magazines to more prominent position in store
Recommendation 3	Improve meal Deal Offerings for Kids
Recommendation 4	Create Greater Linkages and improve Relevance for Older Shoppers
Recommendation 5	Focus on Confectionery to drive contribution



Recommendations can then be combined with Retailer Objectives set out in Stage 1. This aligns Qualitative and Quantitative feedback and insight.

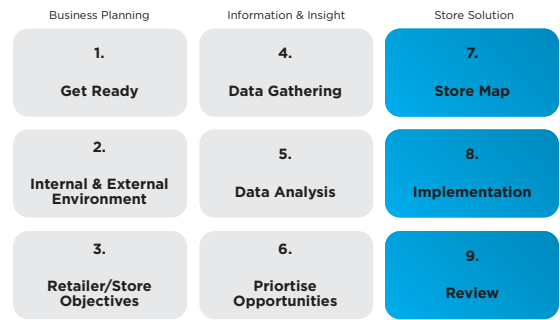
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**Stage 2 Key Outputs:**

1. Data Source Availability
2. Reporting and Segmentation is aligned for benchmarking and to the Shopper
3. Analysis and Investigation leading to Insight - Sales, Market, Store Space, Retailer
4. Key actionable and measurable Recommendations



The ECR Ireland Macro Store Planning Process



## Stage 3 – Store Solution

### Step 7. Store Map

The delivery of a Proposed Store Map either through Store Planning Software or the Manual Approach.

#### INPUTS

1. CAD Drawing, PDF or Jpeg Images **or alternatively** a Manual Hand Drawn Store Map
2. Store Information
3. Market Information
4. Retailer / Store Objectives

#### OUTPUTS

Either

1. Store Map generated through a Store Planning Software Tool
2. The Manual Approach
3. Back Up Reports, demonstrating analysis and comparisons.

#### Tasks:

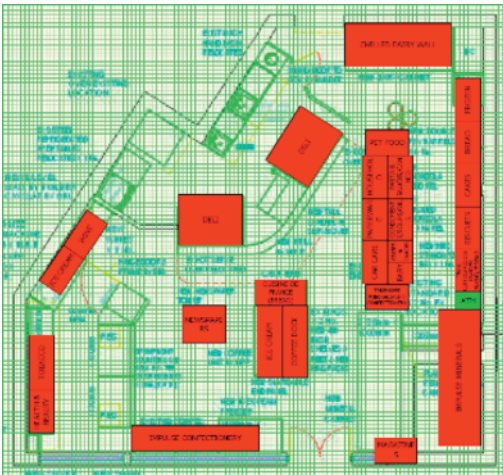
1. **Build Proposed Store Map** in the Store Planning Software
2. Run Benchmark reports to ensure greater space alignment
3. Ensure objectives are met

A number of meetings will occur for discussion, debate, store amends, updates and finally agreement. It is important there is full involvement and input from all Stakeholders.

## 1. Build Proposed Store Map in the Store Planning Software.

The Store Planning Software allows CAD or images files to be uploaded into the system. Live selling space is activated with accurate store scaling and size. Sales is then input to allow Sales vs. Space comparisons.

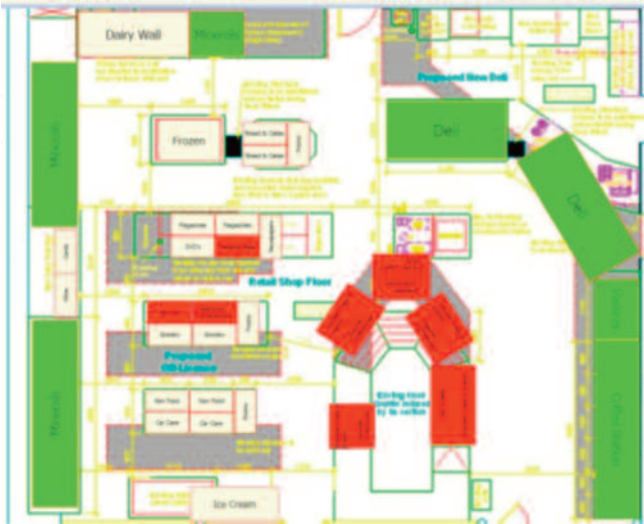
## 2. Run Benchmark reports to ensure greater space alignment.



	LINEAL SPACE	% SPACE	% MARKET BENCHMARK
TOTAL STORE	34m60cm	100.0%	
ALCOHOL	1m00cm	2.9%	4.5%
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BEHIND THE COUNTER	1m30cm	3.8%	38.8%
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CHILLED DAIRY WALL	2m50cm	7.2%	5.0%
CONFECTIONERY	5m50cm	15.9%	21.6%
DELI	4m20cm	12.1%	
FROZEN	2m70cm	7.8%	3.6%
GROCERY	4m00cm	11.6%	12.0%
HEALTH & BEAUTY	1m00cm	2.9%	1.7%
NEWSPAPERS & MAGAZINES	2m00cm	5.8%	
NON FOOD	3m50cm	10.1%	2.6%



**Store Hot Spots In the Proposed Store to understand Profit areas**



**The Manual Approach**

Repeat the previous exercise:

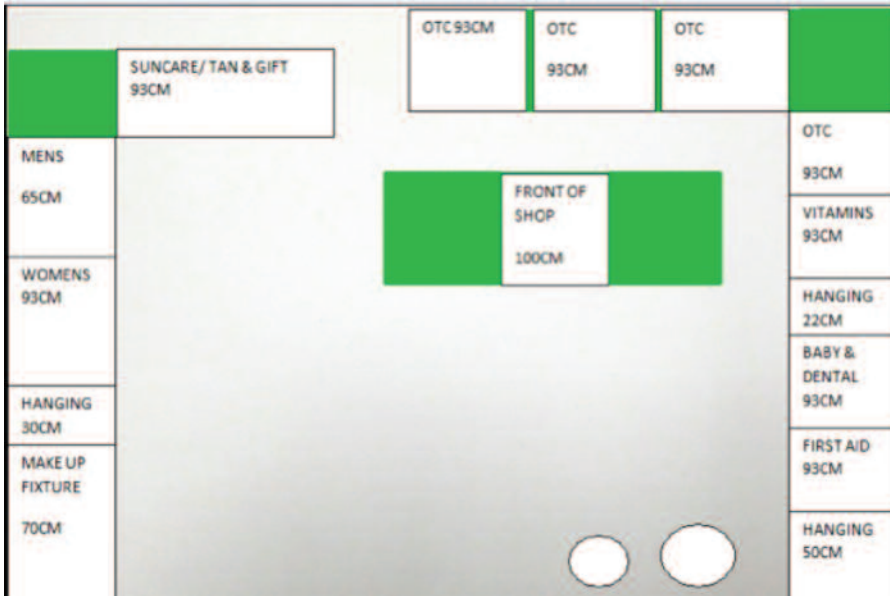
Simply count the number of Bays you have available across the Total Store.

1. Review your sales / market information to understand what contribution each category is delivering.

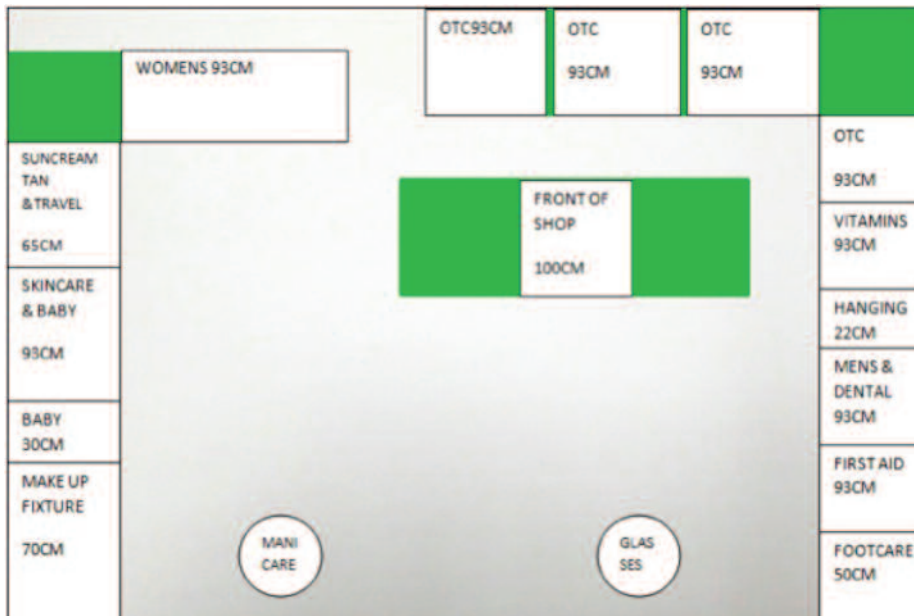
**In a Store of 20 Bays:**

Category	% Sales	Number of Bays Allocated
Non Food	5% Sales	1 Bay
Grocery	15% Sales	3 Bays
Confectionery	15% Sales	3 Bays

**A Current Manual Store Map Example**



**A Proposed Manual Store Map Example**



Comparing:

Macro Store Planning Tool	Manual Approach
<ul style="list-style-type: none"> <li>• Scientific</li> <li>• Data Driven</li> <li>• Accurate</li> <li>• Draw comparisons</li> <li>• Deeper Understanding</li> <li>• Professional</li> </ul>	<ul style="list-style-type: none"> <li>• Cost Efficient</li> <li>• Quick Approach</li> <li>• Top Line</li> <li>• Suitable for stores with limited budget and resource</li> <li>• Not as accurate as technological approach</li> </ul>

### 3. Ensure objectives are met

Review Recommendations and Objectives to ensure focus is top of mind.

Step 3 Retailer/Store Objectives	Action
Categories for focus	Deli and Newspaper & Magazines
What do we do well?	Confectionery Unit
What do we do badly?	Grocery Section
Who are our Target Shopper?	Empty Nesters
What is the Average Basket Spend?	€5.49
What is the growth Target?	2%
What is the average Number of products purchased?	4 Products
How do we drive Average Weight of purchase?	Link Deals
What Missions do we want to maximise?	What's for Dinner - Evening Meal
What day parts do we want to maximise?	Evening
What do we want to be known for?	Local/Community delivering for the local shopper

Step 6 Prioritise Opportunities	
Recommendation 1	De Clutter Front of Shop
Recommendation 2	Bring Newspapers & Magazines to more prominent position in store
Recommendation 3	Improve meal Deal Offerings for Kids
Recommendation 4	Create Greater Linkages and improve Relevance for Older Shoppers
Recommendation 5	Focus on Confectionery to drive contribution

## TOP TIP

**Implementation**  
Do not start this until you are well planned out and ready

## Step 8. Implementation

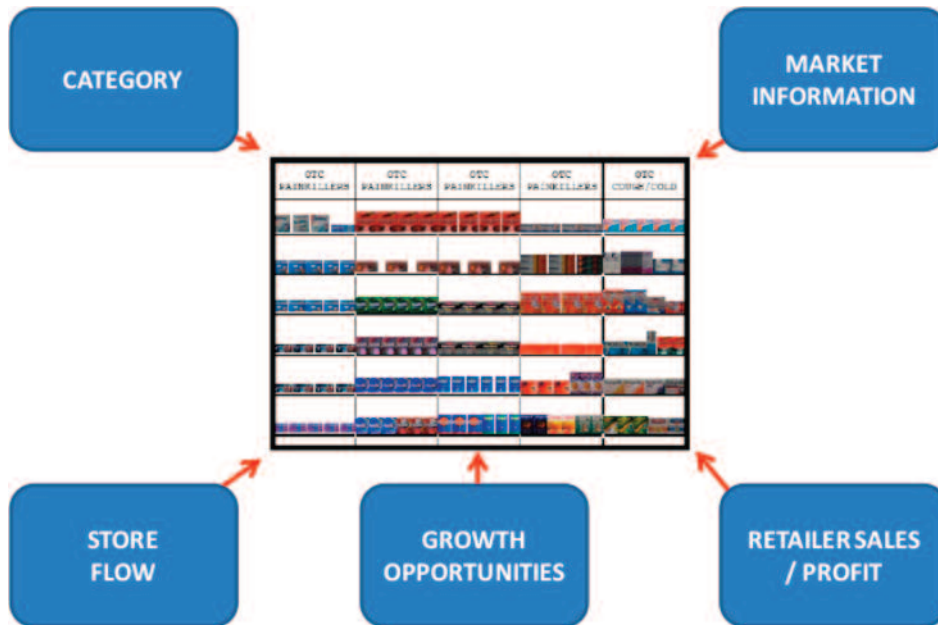
**Implementation is the most important step and should be planned out.**

*Considerations to address:*

- ✓ Do not rush this process - PLAN!
- ✓ **The Store Will Change**
  - **Fixtures may be removed** - Where will we put the stock?
  - **Category may be moved from one side to the other** - Should I run down stock? Should I watch short term ordering?
  - **New Categories may be introduced** - What should I list?
  - **Categories may gain space** - What shall I fill it with?
- ✓ **Be aware of your Customers** - there might be short term confusion
  - Ensure staff are located across the store to assist customers
  - Provide new store maps for customers
- ✓ Review the Store Map and plan the big category moves
- ✓ Reduce stock holding to facilitate move

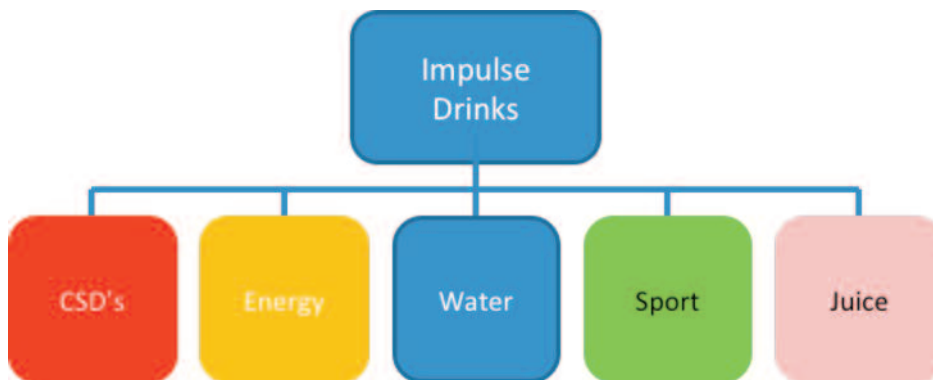
**Micro Planning** provides a focus through range and planograms. Each section can be reviewed shelf by shelf, pack by pack to ensure the fixtures are delivering optimum sales.

A planogram is a fixture solution that aligns to how the **shopper shops** the category making considerations for:



Ranges are reviewed as part of the micro planning process. Key to rationalization is a review of slow sellers however, assurance of a **choice** of each segment / product type.

**Customer Decision Tree** represents how the shopper shops the category and ensures optimum choice is delivered.





The benefits include:

- Improved Shopping Experience
- Reduced Range - Less is more
- Reduced stock Holding
- Merchandising efficiencies

### **Step 9. Review**

Reviewing should include:

- Store Performance
- Customer Feedback
- Recommendations / Objectives on a regular basis will allow understanding of the success and improvements needed.

Regular review meetings every 6 - 8 weeks to monitor all key indicators after a settling down period for the store must be scheduled. Different sources of benchmarks both internally and externally should be used such as:

1. Sales
2. Profit Margin
3. Stock Holding
4. Merchandising Hours
5. Customer Satisfaction Questionnaires
6. In Store Observations

<p><b>Londis</b></p> <p>10,000 Sq Feet</p> <p><b>Store Sales</b></p> <p>+9% Uplift</p> <p><b>Baby Category</b></p> <p>+8% Uplift</p>	<p><b>Before</b></p> <p><b>ADJACENCIES?</b></p> 	<p><b>After</b></p> <p><b>ASSIGNED SPACE</b></p> 
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**Stage 2 Key Outputs:**

1. Optimum Store Macro Layout
2. Agreed Implementation Plan with Timings and Ownership
3. Agreed Review Process



## Conclusions

Changing Shopping Trends, evolving Retailing Environment and innovative approaches have challenged Retailers and Suppliers in their Marketing and Sales approach.

Easy steps to success:

1. Data rich or poor this process can be embraced and integrated.
2. Plan before you start ensuring ownership and Buy In.
3. Principles remain common, therefore relevant to any channel.
4. Internal and External environments drive store strategies and objectives.
5. The Consumer and Shopper is fundamental to focus categories and areas in store.
6. Retailer objectives must be considered outside the analysis to drive areas of focus.
7. Information analysis - The more you put in the more you get out.
8. Store Planning software delivers accurate data driven solutions however a manual approach can deliver insight.
9. Plan implementation and be aware of possible confused Shoppers.
10. Review each category to identify wins and required change.
11. Total store reviews should be completed every 18 months to 2 years.

The Process has been designed so it can be used by Retailers of different sizes and formats while also being relevant to suppliers' category management strategies.

Successful Macro Store Planning can improve Sales and Margin while also improving the Consumer & Shopper experience. Its implementation can be achieved at a relatively low cost to a business and it is recommended that all retailers consider the process bi-annually.





## Case Studies - *Mace Prosperous*

<b>Store Format</b>	Convenience Store
<b>Store Size</b>	2,000 Square Feet
<b>Store Type</b>	Local Community Store
<b>Customers</b>	Family, Professionals, Students
<b>Local Amenities</b>	Schools
<b>Nearby Competitors</b>	Similar sized convenience store

### **Retailer Objectives**

1. Decrease Clutter
2. Improve Linkages and Adjacencies
3. Review and realign Space to Sales
4. Improve Visibility
5. Improve Overall Experience

### **Major Store Improvements**

1. Shelf heights reduced improving visibility throughout the store
2. Greater linkages and adjacencies created in highly impulsive zones
3. Clutter reduced by removing stands and other bulky units on the floor
4. Slower moving categories like Ambient Grocery and Non Food ranges reduced
5. Visibility of DELI from the front of shop

## *Mace Prosperous Results*

**Before (Clutter)**



**After (Improved Visibility)**



**Before (Maximised Linkages)**



**After (Improved Linkages)**



### **The Results**

- +1.5% Cash Margin
- Positive Customer Feedback
- Sales in key growth areas increased i.e. Adult Snacks, Hanging Bags
- Adult Snacks +42.8%, Cards +8.9%, Gifts +9.3% - Pre vs. Post Implementation



## Case Studies - *Londis Loughrea*

<b>Store Format</b>	Small Supermarket
<b>Store Size</b>	8,000 Square Feet
<b>Store Type</b>	Local Community Store
<b>Customers</b>	Family, Empty Nesters
<b>Local Amenities</b>	Schools
<b>Nearby Competitors</b>	Supermarket and Discounter

### **Retailer Objectives**

1. Create a better shopping experience for consumers
2. Create a better flow within the store
3. Create a strong value message at the front of store
4. Improve Linkages and Adjacencies
5. Improve navigation around the store

### **Major Store Improvements**

1. Greater linkages and adjacencies created to encourage multi-purchasing
2. Large promotional area at the front of store to create a strong value message
3. Improved category signage in store to enable easier navigation for consumers
4. Front of store opened to create better visibility throughout the whole store
5. Reduction in range of slower moving categories

## ***Londis Loughrea Results***

**Before (Space Segmentation)**



**After (Focus on key growth areas)**



**Before (Range & Communication)**



**After (Improved Communication)**



### **The Results**

- Total Sales up 3% (9 weeks pre vs post implementation)
- Positive Customer Feedback
- Dairy Wall Up 3% (9 weeks pre vs post implementation)  
- Non Food up 21% (9 weeks pre vs post implementation)  
with reduced range



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