

Hello Students...As we embark on a new journey of distance learning we will try our best to use technology to our advantage. If you have access to a cell phone, tablet or computer with internet, you may complete these assignments online. If not, there are printed copies for you to complete at home. I am only an email away if you have any questions. May we all stay safe and virus free! -Ms. Corkin
kcorkin@cps18.org

Please go to www.knowledgematters.com. Sign in to Virtual Business

Your course code will be **GA2SU4**. Register with your school or personal email. Please write down your login/password for future reference.

Each lesson has a Reading portion along with a Reading Quiz and Math Quiz to complete.

Window Display and

Merchandising

Stores use a variety of methods to attract customers and prompt them to buy specific pieces of merchandise. For fashion retailers, window displays and placement of products play big roles in both of those tasks. In this chapter, we'll examine what makes these effective sales tools.

Visual Merchandising

Retail fashion stores, more than any other type of store, communicate their fashion messages to customers through **visual merchandising**. Visual merchandising is the art of physically displaying products to make them appealing, accessible, and enticing to shoppers passing by a retail store. This placement and arrangement of goods is designed to convey the brand image, increase store traffic, and generate sales. Visual merchandisers use eye-catching sales displays and creative floor plans to engage customers and increase sales. Products are displayed in a way that draws attention to the product's best features and benefits.

Purpose of Visual Merchandising and Display

The purpose of visual merchandising is to attract each customer's attention, engage them with the products, and motivate them to make a purchase. A **display** is a presentation of **merchandise** that shows off the visual and artistic aspects of a product to target a specific group of customers.

Design Elements of Displays

Visual merchandisers cover a lot of territory—they do everything from designing the floor plan of the store to dressing the mannequins. By creating an inviting atmosphere, visual merchandisers attract consumers to the store and encourage them to stay longer. Many elements can be used by visual merchandisers in creating displays. These include color, lighting, signage, sensory inputs (sounds and smells), and technologies (digital video displays and interactive installations). These elements convey the image of the brand and reflect the personality of a store's target audience. The use of these elements in a retail store can have an immediate effect on a consumer's buying decisions.

Color **Color** is a powerful and effective tool and is often considered the strongest generator of sales. It is believed that

people buy because of color before they buy for size, fit, or price. Color captures consumers' attention, draws them into stores and influences their buying behavior.

Lighting engages consumers' senses and guides them to experience different moods and emotions. Lighting is used for more than illuminating dark corners. Special lighting techniques can attract attention, create mood, and allow for close inspection of merchandise. It can also highlight certain products and direct and control where a customer looks and for how long.

Signage

Signage refers to the signs that provide basic information, communicate messages, and add personality to a store's image. They are important both inside and outside of a store. In the highly competitive fashion industry, retailers must communicate with customers quickly and effectively by introducing their brand and products. Signage is an efficient and cost-effective tool for doing so. Digital technology has vastly increased the signage options available to visual merchandisers, and electronic displays are an increasingly important tool in store design.

Sound

d

Though not often thought of as such, sound is a valuable display tool. The music played in a store communicates profound yet subtle brand messages, and can be customized to consumer demographics or shape shopping behavior. Mellow music can slow people down and encourage browsing, while Top 40 music can attract teenagers.

Smell

The sense of smell is thought to be the most emotional. It is a fast track to the brain's memory and emotion systems which are important factors influencing consumers' brand preferences. Abercrombie & Fitch uses fragrances to suggest a certain lifestyle associated with the brand; popular fragrances are sprayed in-store to grab and keep a customer's attention and to help associate the scents with the store and products.

Technologies (Digital Displays and Interactive Installations) Retailers turn more and more to technology to differentiate themselves from competitors. A significant recent change in retailing is an emphasis on the in-store experience, including the use of various technologies to enhance consumer engagement. **Digital displays** are replacing static, printed images of products, brands, and logos. Digital video and touch-screen devices are used within merchandise displays to engage shoppers while in the store. This also helps to encourage them to research products online and make additional, unplanned purchases. **Interactive installations** enable consumers to become a part of the display. Lacoste, for example, created an interactive installation to celebrate the brand's 80th anniversary and highlight its roots in sports. The interactive installation used an infrared sensor to detect the movements of viewers. A series of tennis balls suspended over a net imitated the actions of whoever was standing in front of the window. The

audible whack of racquets, bouncing of balls, and cheers from the crowd added to the experience.

Store Layout

The **store layout** is the interior arrangement of a retail facility or the way that a store uses its floor space to serve customers and to facilitate and promote sales. Customers should be able to walk through the store and easily view the merchandise. A store's layout can have a dramatic impact on how customers navigate the store and make their purchases. A layout plan shows the size and location of each department, any permanent structures, fixture locations, and hoped-for customer traffic patterns. A well-planned layout enables a retailer to maximize sales for each square foot of the allocated selling space within a store. There are several standard layouts.

Types of Floor Plans

Retail store **floor plans** are drawings showing the arrangement of physical space in a retail store. This includes the positioning of merchandise groups, customer services, and the placement of all fixtures and displays. A floor plan helps visual merchandisers find the best place in the store to display garments and enables them to create unified displays around themes, colors, and stories.

A **grid or straight layout** is a retail floor plan that has one or more primary (main) aisles running through the store, with secondary (smaller) aisles intersecting with them at right angles. It makes use of walls and fixtures to create small spaces within the store. The grid layout is low-cost and familiar to consumers. It is best used in retail locations where the majority of consumers shop the entire store. A **loop layout** exposes shoppers to the greatest amount of merchandise possible by encouraging browsing and shopping. In a loop layout, main aisles begin at the entrance, loop throughout the store (typically in a circular, square, or rectangular pattern) and return customers to the front. A **free-flow layout** is an arrangement with informal balance, where fixtures and merchandise are grouped into free-flowing patterns on the sales floor. There is no defined traffic pattern; consumers can browse and wander freely. This flexible layout has visual appeal and often triggers impulse purchases. It is best used in smaller stores with a limited range of merchandise. A **spine layout** is a combination of the grid, loop, and free-flow layouts. A single main aisle runs from the front of the store to the back; this "spine" is often broken up by subtle changes in floor surface or coloring and is not perceived as an aisle. On either side of the spine, merchandise departments branch off toward the back or side walls.

Fixtures and Merchandise

The principal installations in a store are the fixtures. **Fixtures** are permanent or movable store furnishings that hold or display merchandise; they include display cases, counters, bins, stands, shelving, racks, benches, tables, and even mannequins. Equipment such as mannequins have long been a staple of visual merchandising. Entire outfits can be put together on a mannequin, along with jewelry and handbags, to help consumers visualize what the clothing looks like when worn. The more merchandise that consumers are exposed to that is presented in an orderly and appealing manner, the more they tend to buy.

Display Areas of a Store

The goal of effective visual merchandising is to sell goods by promoting the store image and creating a positive shopping experience for the customer. Retail stores use several display areas to achieve this goal.

Window Displays

The display window is regarded as the most important part of the store design because it can be seen from outside the store and is often the first interaction a customer has with a brand or store. Window displays begin the selling process before a customer even enters. They give a quick impression of the store and entice customers to come inside. Visual merchandisers dress display windows in the current colors and fashions of the season, often using fully dressed mannequins and special decorations. Display windows can highlight certain types of merchandise, advertise seasonal sales, or inform shoppers of current promotions. There are two types of window displays. **Promotional displays** focus on specific products using special props. **Institutional displays** are planned displays that promote the overall image of the store.

Storefront

The **storefront** clearly identifies the name and general nature of the store and hints at the merchandise inside. It includes a store's sign, marquee, banners, windows, and exterior design and landscaping. The name, letters, logo, and colors on a sign help create a first impression and establish a brand identity. A **marquee** is an architectural canopy that extends over a store's entrance. While entrances to retail stores are usually designed with customer convenience and store security in mind, they can also contribute to a store's image.

Store Interior

Designing a store interior involves drawing, composing, and selecting colors, materials, furnishings, and accessories to create a distinctive image and brand. The selection of lighting, colors, floor and wall coverings, and store fixtures can have a powerful impact on a store's image of the store. The primary goal is to enhance the presentation of merchandise and to create an attractive overall shopping environment.

Interior Displays

Retailers use interior displays to show merchandise, provide customers with product information, reinforce advertising messages, and promote the store's image; they can also direct traffic flow within a store. Interior displays can be located at the store entrance, at an entrance to a department, near the cash register, and at the end of aisles. These displays can remind customers of planned purchases, suggest merchandise coordination, or generate impulse purchases.

Impulse Purchases

Visual merchandising and marketing are essential for driving customers to make **impulse purchases**. An impulse purchase is the unplanned decision to buy, triggered by seeing a product or by a well-crafted promotional message. Retailers place low-value items such as socks, lip balm, and umbrellas within the queuing area or next to higher-priced items in the hope that they will be bought on impulse.

Ideally, impulse products should be small and inexpensive. These are items that people can pick up and easily add to their baskets or hand to the cashier. Victoria's Secret encourages impulse purchases by placing attractive displays of inexpensive lip glosses, trial-size fragrances, and other novelty items near the checkout counter.

Key Terms

color: A powerful and effective tool of visual merchandising that is often considered the strongest motivation for shopping.

digital displays: Hi-tech displays that are frequently being used in place of static, printed images of products, brands and logos to engage shoppers while in the store.

display: A presentation of merchandise that presents the visual and artistic aspects of a product to target a specific group of customers.

fixtures: The permanent or movable store furnishings that are used to hold or display merchandise including display cases, counters, bins, stands, floor and wall shelving, racks, benches, and tables.

floor plan: A drawing showing the arrangement of physical space in a retail store, including the positioning of merchandise groups and customer services.

free-flow layout: An arrangement with informal balance and no defined traffic pattern, where fixtures and merchandise are grouped into free-flowing patterns on the sales floor.

grid or straight layout: A retail floor plan that has one or more primary (main) aisles running through the store, with secondary (smaller) aisles intersecting with them at right angles.

impulse purchase: The unplanned decision to buy, made just before the purchase, and triggered by seeing the product or by a well-crafted promotional message.

institutional displays: Planned window displays that promote the overall image of the store.

interactive installations: Displays that allow consumers to become a part of the display.

lighting: An important element of visual merchandising that engages consumers' senses and guides them to

experience different moods and emotions.

loop layout: A store layout where major customer aisles begin at the entrance to a store, loop throughout the store (typically in a circular, square, or rectangular pattern) and return customers to the front of the store.

marquee: An architectural canopy that extends over a store's entrance.

merchandise: The fashion items sold by a retailer.

promotional displays: Window displays that focus on specific products using special props.

signage: The designs and signs that provide basic information, communicate a message, and add personality to a store's image.

spine layout: A combination of the grid, loop, and free-flow layouts, this store layout has a single main aisle that runs from the front of the store to the back of the store, with merchandise departments branching off toward the back or side walls.

store layout: The interior arrangement of the retail facilities or the way that a store uses its floor space to serve customers and to facilitate and promote sales.

storefront: The front of the store that showcases the name and general nature of the store, including the store's sign, marquee, banners, windows, as well as the exterior design and landscaping.

visual merchandising: The physical display of products which makes them appealing, accessible, and enticing to shoppers in a retail store.

Math Examples

The math problems in this curriculum are intended as practice in applying math concepts to the real world. The concepts included are generally those covered through Algebra I.

While this curriculum is not intended as a substitute for standard math courses, several review tools are included.

Below you will find example questions very similar to those on the math quiz for this lesson. A complete solution is given for each example. On your course homepage, a Math Concepts Reference link is included beneath the Tutorial. This reviews key math concepts as well as business and financial formulas.

Example Questions

1. You have 3 identical racks, one for dresses, slacks, and jackets. How many different ways can you arrange all 3 categories on your racks?

SOLUTION

:

These are all of the possible ways:

dresses, slacks, jackets
dresses, jackets, slacks

slacks, dresses, jackets
slacks, jackets, dresses

jackets, dresses, slacks
jackets, slacks, dresses

As you can see there are 3 choices in the first rack, then 2 left for the second, and 1 left for the third

This can be expressed as $3 \times 2 \times 1$ or $3!$ (3 factorial) = 6 ways

2. You have the opportunity to rent space on the sign in front of the mall. The rent is \$225 per month and it is 2 feet x feet. What is the rent per year per square foot?

SOLUTION

:

The area of the sign is $2 \text{ ft} \times 9 \text{ ft} = 18 \text{ square ft}$
 $\$225 \text{ per month} / 18 \text{ square feet}$
 $= \$12.50 \text{ per month per square foot}$
 $\$12.50 \text{ per month per square foot} \times 12 \text{ months} = \$150 \text{ per year per square foot}$

Window Display & Merchandising Reading Quiz

1. Which of the following is NOT a purpose of visual merchandising?

a) To engage the audience with the products
b) To attract the customer's attention
c) To help customers determine the store's layout
d) To increase sales

2. Which of the following is NOT an example of new and innovative elements used by visual merchandisers?

a) Flat-screen

videos b) Music c)
Lighting d) Live
animals

3. Which element of display is used to attract attention, capture a mood, and allow for careful inspection of the merchandise?
?

a) Color b)
Lighting c)
Sensory inputs
d) Signage

4. Which type of store layout begins at the entrance to the store, follows a pattern throughout the store, and returns customers to the front of the store, thus exposing them to the most merchandise?

a) Grid layout b)
Loop layout c)
Spine layout d)
Free-flow layout

5. The display cases, counters, bins, and stands that are used to hold or display merchandise are called:

a) Equipment
b) Mannequins
c)
Merchandise
d) Fixtures

6. Which of the following is NOT an element of store layout?

a) Marquee b) Display cases
c) Fixtures d) None are part of
store layout

7. Which type of store layout has a retail floor plan that has one or more primary (main) aisles running through the store, with secondary (smaller) aisles intersecting with them at right angles?

a) Grid layout b)
Loop layout c)
Spine layout d)
Free-flow layout

8. What is an architectural canopy that extends over a store's entrance called?

- a) Merchandise
- b) Fixture c) Display d) Marquee

9. What are the fashion items sold by a retailer called?

- a) Merchandise
- b) Fixture c) Display d) Marquee

10. Which displays focus on specific products using special props?

- a) Digital b) Institutional c) Promotional
- d) Interactive

Window Display & Merchandising Math Quiz

1. A clothing store sells last year's merchandise at a discount of about half off the original retail price. If an item doesn't sell after being displayed for a week, its price is reduced about another 10%, and so on each week until the item sells. Which could be the price of an item that originally was priced at \$69.00 but sits on the shelf for two weeks?

- a) \$48.30
- b) \$20.70 c) \$27.95
- d) \$31.05

2. You have 4 shelves, one each for T-shirts, socks, belts, and ties. How many different ways can you arrange all 4 categories on your shelves?

- a) 16

- b)
- 19 c)
- 21
- d)
- 24

3. You are looking at floor layouts for a new store. The store is 50 feet x 50 feet. You want to leave 60% open space for walking. How much floor area do you have for displays?

- a)
- 1,000
- b)
- 1,200 c)
- 1,400
- d)
- 1,600

4. If the likelihood of an item being purchased on impulse decreases with price by the following formula, what is the likelihood of a \$2 item being an impulse purchase? $\% \text{ likelihood} = 80 / \text{Price}$

- a) 4%
- b)
- 20% c)
- 40%
- d)
- 60%

5. You have the opportunity to rent a window display in your mall but away from your store. The rent is \$200 per month and it is 4 feet x 10 feet. What is the rent per year per square foot?

- a)
- 16
- b)
- 30 c)
- 60
- d)
- 64

6. In a merchandising plan, sales for this June are \$87,900. The sales for next June are projected to be 10% higher. What will next year's June sales be?

- a)
\$96,690
- b)
\$97,324
- c)
\$98,860
- d)
\$99,203

7. Your window display is 20 feet by 6 feet. What is your window display square footage?

- a) 24
- b) 40
- c) 80
- d) 120

8. The mall owner has four available display spaces for you to rent to drive foot traffic to your store. The square footage for each is as follows: 120, 100, 50, and 75. What is the average square footage available?

- a) 76.50
- b) 86.25
- c) 95.5
- d)
106.25

9. Your store currently owns 60 mannequins. You have been losing 2% of your mannequins per year due to breakage. With this trend, what will your mannequin inventory shrink to in three years?

- a)
49
- b)
52
- c)
56
- d)
59

10. The number of promotional displays suppliers ask you to put up in your store has been increasing at a rate of 9% per year. This year there were 365 of these. If the trend does not change, what will the total number of promotional displays be in 4 years?

- a) 515
- b) 615
- c) 455
- d) 496

Merchandising

This unit deals with the importance of store layout. We will learn about the factors of store layout that enhance merchandise sales. We will study the types of store layouts and considerations for merchandise placement. Lastly, we will review mathematics used in determining store layout.

Why is Store Layout Important?

Store layout is the arrangement of store fixtures, equipment, and merchandise. It has a major influence on sales and is important to the image and appearance of the store. The arrangement of merchandise is a primary consideration when determining store layout. Merchandise must be positioned so that it can be easily seen and examined by customers before they buy it. Another important consideration is the visible and convenient placement of cash registers.

Measuring Productivity

Many retailers use sales per square foot as a measure of store productivity. Store layout has a significant impact on sales per square foot. Grocery stores and similar businesses that display merchandise on long rows of shelves often measure their productivity in terms of sales per linear foot. Regardless of the type of measurement, the goal is to make the selling area as productive as possible.

Creating a Store Layout

A store layout should be created with two objectives in mind:

- Encourage customers to move around the store. Customers who move around a store tend to view more merchandise, which leads to greater sales. Retailers need to balance the flow of customer traffic around the store with their ease of locating merchandise. If customers move around the store without locating the merchandise they seek, they may become frustrated and leave without making a purchase.
- Provide a space that is sufficient for customers to shop in and that is useful for maximum productivity. A selling space that is overcrowded with fixtures and racks can become confusing and overwhelming to customers.

Types of Store

Layouts

There are four main types of floor layouts in use in most stores. They are the grid, loop, free flow, and spine pattern layouts. Each layout pattern meets specific merchandising needs.

Grid

The **grid layout** is characterized by long rows of shelving with aisles between the rows. The shelves are designed to hold a large amount of merchandise. More merchandise can be displayed on the sales floor with the grid layout than with other layout patterns. The grid layout makes it easy for customers to find specific merchandise. This layout is typically used in grocery stores and drugstores.

Loop

p

The **loop layout** is designed to lead customers from the front of the store, through the store, and back to the front—or in a loop around the store. The loop layout provides the best opportunity for customers to see the most merchandise. Many department stores use the loop layout as a way of encouraging customers to see several departments during a visit.

Free

Flow

The **free flow layout** features merchandise on fixtures that are arranged in asymmetrical or free flowing patterns on the sales floor. This is a casual layout that encourages customers to browse as they travel through the store. The free flow layout is visually attractive, but can use a great deal of selling space. Many small specialty stores and certain departments of department stores use this layout.

Spine

The **spine layout** features a center aisle that extends from the front of the store to the back. Merchandise fixtures are arranged on either side of the spine using either the free flow or grid layout. Merchandise is also on both sides of the center aisle. Some drugstores use this layout, using the center aisle or spine to lead customers to the pharmacy at the back of the store.

Fixtures – Purchase or Lease?

Once the layout of the store has been determined it is time to decide the types and quantities of fixtures needed to hold and showcase merchandise. **Fixtures** are permanent or transportable store furnishings that are used to hold and display merchandise. The types of fixtures depend on the types of merchandise the store carries. Many fixture companies offer purchase, lease, or lease-to-buy options to retailers. Some vendors even offer used fixtures for sale. storeowner should consider the options carefully against the financials and to determine which option will best help achieve the store's goals.

Purchasing store fixtures means that they become the property of the store. It also means a capital investment will be made for the purchase. The purchase cost of fixtures and displays can be depreciated over several years, providing a tax deduction. Once fixtures and displays are purchased, they lose much of their value, just the way a brand new car does once you drive it off the lot.

Leasing store fixtures means signing a lease agreement that spells out the terms of the lease arrangement. Lease terms vary greatly. Study the terms of the lease to be certain that the lease is a good one for the business. It is a good idea to ask a lawyer to review any lease before you sign it. Lease payments can be deducted as operating expenses for tax purposes. Often the lease tax deduction is larger than depreciation deduction from buying. It is important to compare the cost of leasing with the cost of financing a fixture purchase to determine which is best for your situation.

The Importance of a Good Entrance

The store entrance provides the first view customers have of a store. The entrance is an opportunity to set the tone and to provide the customer with a good first impression of the store. A well-planned, eye-catching entrance will encourage customers to enter your store.

Merchandising for Profit

Retail selling space is a valuable commodity that retailers use to maximize store profits. The strategic placement of store merchandise within the selling space is a big factor in helping to generate merchandise sales and subsequent profits.

Staple merchandise is generally placed in a permanent location and does not need to be placed in the heaviest customer traffic areas. Customers will seek out staple items, so placing them in a permanent location makes it easier for customers to locate them when making return visits to the store.

Store Entrance

Space near the store entrance has the greatest customer exposure and the best chance of producing the largest amount of sales. Placing the most appealing merchandise near the front entrance of the store to get customers to come in is a basic merchandising principle.

Impulse Purchases

Impulse purchases are usually small items of merchandise that are purchased with little or no thought on the part of the customer. They are generally placed near the customer entrance, at the checkout area, and in areas of heaviest customer traffic so that customers can easily see them. Candy bars and breath mints are examples of impulse merchandise. They are often placed near the cash registers so customers will easily see and buy them. This placement of impulse items is very common in drugstores, convenience stores, and airport shops.

Point of purchase (POP) displays are sales promotional tools that are designed to encourage impulse purchasing and

highlight special offers. Merchandise manufacturers usually supply these displays to retailers to promote the sale of their merchandise. Point of purchase displays are often used at the checkout area so that customers can easily add the item to their purchase.

Related Merchandise

Related merchandise consists of items that are related to each other and that usually sell together. If a customer buys one they will be likely to buy the other. These items should be located near each other; adjacent placement reminds customers of a possible need and makes it convenient for them to just pick up the other item and buy it. Razors and shaving cream are examples of related merchandise.

Summary

In this unit we have studied the importance of store layout and the four types of store layout. We discussed leasing or purchasing store fixtures and displays. We then learned about the importance of a good store entrance. Lastly, we reviewed some mathematical formulas related to store layout.

Key Terms

Store Layout: The arrangement of store fixtures, equipment, and merchandise.

Grid Layout: A type of store layout that is characterized by long rows of shelving with aisles between the rows.

Loop Layout: A type of store layout that is designed to lead customers from the front of the store, through the store, and back to the front or in a loop around the store.

Free Flow Layout: A type of store layout that features merchandise on fixtures, arranged in asymmetrical or free flowing patterns on the sales floor.

Spine Layout: A type of store layout that features a center aisle that extends from the front of the store to the back.

Fixtures: Permanent or transportable store furnishings that are used to hold and display merchandise.

Impulse Purchases: Usually small items of merchandise that are purchased with little or no thought on the part of the customer.

Point of Purchase (POP) Displays: Sales promotional tools that are designed to encourage impulse purchasing and highlight special offers.

Related Merchandise: Items that are related to each other and that usually sell together.

Math

Examples

The math problems in this curriculum are intended as practice in applying math concepts to the real world. The concepts included are generally those covered through Algebra I.

While this curriculum is not intended as a substitute for standard math courses, several review tools are included.

Below you will find example questions very similar to those on the math quiz for this lesson. A complete solution is given for each example. On your course homepage, a Math Concepts Reference link is included beneath the Tutorial. This reviews key math concepts as well as business and financial formulas.

Example Questions

1. Your store has 500 linear feet of shelving. Your first quarter sales were \$175,000, and your second quarter sales were \$160,000. (A quarter is a 3 month period of the year.) What are the average quarterly sales per linear foot?

SOLUTION

:

$\$175,000 / 500 \text{ linear feet} = \350
 $\$160,000 / 500 \text{ linear feet} = \320
 $\$350 + \$320 = \$670 / 2 =$
 $\$335 \text{ per linear foot per quarter}$ Note: You could also sum \$175,000 and \$160,000 then divide by 500 linear feet and 2 quarters

2. After reviewing your model stock list you discover a changing sales pattern over the last several months on the most popular style of jacket. The data notes the following sales per month: May-100 units, June-150 units, July-190 units. Assuming your sales continue to grow at the rate they did between May and July, what will your sales be in August?

SOLUTION

:

Total growth May to July = $190 - 100 = 90$ units
Average monthly growth = $90 \text{ units} / 2 \text{ months} = 45$ units per month
 $190 \text{ units in July} + 45 \text{ unit increase} = 235$ units in August

Merchandising Reading

Quiz

1. A grocery store would most likely use which type of layout?

- a) Loop b)
- Random c)
- Grid d)

Free flow

2. What is the primary purpose of fixtures?

- a) To display merchandise
- b) To provide good lighting
- c) To assist families with young children

3. Which of the following might be considered an impulse purchase?

- a) A bag of pink grapefruit
- b) A candy bar
- c) A loaf of bread
- d) A new computer printer

4. Who usually provides POP displays?

- a) Trade groups
- b) Manufacturers
- c) The government
- d) Retailers

5. Store ___ is the arrangement of store fixtures, equipment, and merchandise.

- a) Map
- b) Blueprint
- c) Setups
- d) Layout

6. The ___ layout features merchandise on fixtures that are arranged in asymmetrical patterns on the sales floor.

- a) Free flow
- b) Spine
- c) Complex
- d) Simple

7. ___ is/are an option for obtaining store fixtures.

- a) Purchasing
- b) Leasing
- c) Leasing-to-buy
- d) All of the above

8. True or False: It's a good idea to ask a lawyer to review your lease before you sign it.

- a) True

b) False
9. ___ purchases are usually small items of merchandise that are purchased with little or no thought on the part of the customer.

- a) Unrelated
- b) Related
- c) Direct d) Impulse

10. Toothbrushes and dental floss are examples of ___ merchandise.

- a) Unrelated
- b) Related c) Direct d) Competitive

Merchandising Math Quiz

1. Last year, your store had total sales of \$190,000. Because of a downturn in the economy, you expect sales to decrease by 3% this year. What are your planned sales for next year?

- a) \$184,300
- b) \$187,000 c) \$190,000
- d) \$195,700

2. Review of the basic stock list for your gift shop indicates that you need to reorder the following items: 12 glass vases @ \$8.75 each, 6 silver plated vases @ \$12.50 each, 12 glass paperweights @ \$9.25 each. What is the total cost for all of the items?

- a) \$200
- b) \$250
- c) \$280
- d) \$291

3. You are planning to purchase displays for your store which has 2,400 sq. ft. of selling space. Each display has a footprint of 10 ft. x 4 ft. You want to leave 60% open space in your store for walking around. How many displays can you fit?

- a)

- 16
- b)
- 20 c)
- 24
- d)
- 30

4. After reviewing your model stock list, you discover a changing sales pattern over the last several months on the most popular style of running shoe. The data note the following sales per month: May-120 units, June-165 units, July-180 units. Assuming your sales continue to grow at the rate they did between May and July, what will your sales be in August?

- a) 190
- b) 200
- c) 210
- d) 215

5. Last month, sales in the following categories were: Promotional items (\$1,401 with returns of \$214 and discounts of \$159), Staple items (\$2,306 with returns of \$178), All other items (\$2,298 with returns of \$56). The total square footage of the selling space is 5,000 square feet. Compute the sales per square foot of selling space.

- a) \$0.78/square foot
- b) \$1.08/square foot
- c) \$1.54/square foot
- d) \$1.67/square foot

6. Last year, total sales for your grocery store were \$17,000 with returns of \$457 and discounts of \$700. The linear feet of shelving in the store totals 650. What are the sales (less returns and discounts) per linear foot of the store?

- a) \$21.04
- b) \$21.58 c)
- \$24.37
- d) \$90.99

7. You are planning the running shoe merchandise levels for your shoe store. Last year, your running shoe sales were down 10% from the previous season. The store had projected sales of 900 pairs of running shoes. Calculate the number of units the 10% sales decline represents.

- a) 90

- b) 105
- c) 150
- d) 158

8. You are ordering \$279 of goods from a vendor. The vendor offers a 3% discount for payment within 30 days. Assume that you will take advantage of this discount. Shipping is \$10. What is the total amount of the order?

- a)
\$206.13
- b)
\$276.05
- c)
\$280.63
- d)
\$904.77

9. A soda machine representative convinces you to lease a machine for \$250/month. You discover that you are selling \$1,000 in soda per month at a margin of 25%. Are you making money on the machine?

- a) Yes
- b) No

10. Your store sells five varieties of 16 oz. bags of potato chip costing \$1.25, \$1.49, \$1.50, \$1.39, and \$1.35 respectively. What is the mean price of the 16 oz. bags of potato chips?

- a)
\$1.35
- b)
\$1.40
- c)
\$1.45
- d)
\$1.49