

# Unit 30: Visual Merchandising in Retail

<b>Unit code:</b>	<b>L/502/5504</b>
<b>QCF Level 3:</b>	<b>BTEC National</b>
<b>Credit value:</b>	<b>10</b>
<b>Guided learning hours:</b>	<b>60</b>

## ● Aim and purpose

The purpose of this unit is to give learners an understanding of how visual merchandising is used to promote the sale of goods, through a variety of techniques and making the best use of selling space in store.

## ● Unit introduction

Visual merchandising, until recently just called 'merchandising', is the activity of promoting the sale of goods in retail outlets. This includes combining product, environment, and space into a stimulating and engaging display to encourage the sale of a product or service. Visual merchandisers can use many elements in creating displays, including colour, lighting, space, product information, sensory inputs such as smell, touch and sound, as well as technologies such as digital displays and interactive installations.

Visual merchandising is one of the final stages in trying to set out a store in a way that customers will find attractive and appealing and it should follow and reflect the principles that underpin the store's image. Visual merchandising is the art of implementing effective design ideas to increase store traffic and sales volume. The significance of window and internal displays, product positioning and effective promotional techniques are all important aspects of visual merchandising. This unit gives learners the opportunity to investigate and experience the techniques different retailers use, to entice customers into retail outlets and then focus their minds on what is available.

Visual merchandising techniques vary according to the type and size of a retail business and the goods on sale. The retailer has to consider many additional issues such as stock management, customer profiles, finance and legislation, as well as creative and psychological factors.

On completion of this unit, learners will understand how visual merchandising has to be attractive and appropriate and use space cost-effectively to stimulate customers into buying.

## ● Learning outcomes

**On completion of this unit a learner should:**

- 1 Know the visual merchandising and display techniques used in different retail outlets
- 2 Know how space is used for merchandising and displaying goods
- 3 Understand the psychology used in visual merchandising to influence customers to purchase goods
- 4 Be able to plan and assemble a safe visual merchandising display for a range of goods.

# Unit content

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## 1 Know the visual merchandising and display techniques used in different retail outlets

*Type of retail outlets:* eg department stores, discount stores, supermarkets, hypermarkets, convenience tobacco newsagent (CTN), franchises, wholesaling, factory outlets, cash and carry, non-profit organisations, mobile shops, farm shops, outdoor and indoor markets

*Visual merchandising and display techniques:* shelf layout; positioning; stock facings; horizontal and vertical blocking; price marking legislation; use of point of sale material; location; different products; themes; promotions; special events; use of fixtures and fittings; hardline fixtures, eg gondolas, tables, bins, containers; softline fixtures, eg round rails and four-ways; wall fixtures, eg shelves, hooks, hanger bars

*Different kinds of goods:* retail sub-sectors; impulse goods; convenience goods; search and compare lines; speciality goods; complementary merchandise placement; seasonal goods; brown and white goods

## 2 Know how space is used for merchandising and displaying goods

*Layouts:* grid iron, open/free-flow, boutique, spine

*Customer traffic flow:* entrance design (flat, recess, open); automatic doors; access; multi-level outlets, aisle size

*Space usage:* storage versus selling; using historical sales; allocation by gross margin; sales less cost of goods sold; value of space in terms of sales per square metre; sales per linear metre used for shelf space for groceries; sales per cubic metre used for fridges and freezers; positioning of departments; use of freestanding displays; allocation of space for fitting rooms; preparation of fish, flowers and meats; sampling and demonstration; complementary merchandise placement; positioning of seasonal areas and goods

*Displaying goods:* window; internal location (aisle ends, near stairs, entrances, escalators, lifts); different products; themes; promotions; special events; balance; dominance; eye movement; gradation; symmetry; asymmetry; link with merchandise on sale; correct temperature; use of props; substitute food; mannequins; furnishing enhancements; point of sale (POS); monitoring display effect; ticketing legislation eg Trades Description Act 1968, Food Safety Act 1990, Price Marking Order 1991 including subsequent amendments; height of merchandise; ticket positioning

## 3 Understand the psychology used in visual merchandising to influence customers to purchase goods

*Tangible techniques:* how customers are influenced by window displays; transition zone; use of company/brand name; fixture positioning; use of mirrors; signage; promotions; odd versus even pricing; price lining; using price premiums; packaging design; angles and sight-lines, vertical and horizontal colour-blocking; use of point of sale (POS) material

*Intangible techniques:* how customers are influenced by senses (sight, touch, smell, taste, hearing); how light, colour, texture, shape and dimension combine to achieve a visual effect; use of 'open-merchandising'; visible and accessible products, eg cars, fruit, vegetables, clothing, furniture and horticultural items; demonstrations, eg wearing new ranges of clothes, cosmetics, accessories, perfumery; trials/sampling; add-ons; tidiness; creating atmospherics (music, mirrors, lighting, eg coloured lights, halogen, fluorescent, incandescent, natural); wall displays, face outs, sleeve outs; use of furniture to create social familiarisation

#### 4 Be able to plan and assemble a safe visual merchandising display for a range of goods

*Plan:* plannograms and annotation; type and duration of goods; type of outlet; factors to be considered; relation to business objectives; marketing strategy; seasonal trends; use of historical sales data; expand market; frequency of change; permission from management; display/merchandising; departmental/area managers of department; suppliers of goods; budgets

*Visual merchandising display:* location in outlet; space utilisation; customer traffic flow; using psychological influences; use of point of sale (POS) material, props, enhancements; health and safety aspects and risk assessment; ticketing legislation, eg Trades Description Act 1968, Food Safety Act 1990, Price Marking Order 1991 including subsequent amendments; good practice in creating displays

*Range of goods:* impulse goods; convenience goods; search and compare lines; speciality goods; complementary merchandise placement; seasonal goods; new stock ranges; basic stock ranges; event merchandise

## Assessment and grading criteria

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria for a pass grade describe the level of achievement required to pass this unit.

Assessment and grading criteria		
To achieve a pass grade the evidence must show that the learner is able to:	To achieve a merit grade the evidence must show that, in addition to the pass criteria, the learner is able to:	To achieve a distinction grade the evidence must show that, in addition to the pass and merit criteria, the learner is able to:
<b>P1</b> describe how visual merchandising techniques are applied to goods in different types of retail outlets [IE]	<b>M1</b> analyse the visual merchandising and display techniques used to present goods in retail outlets	<b>D1</b> evaluate how retail businesses use psychological visual merchandising and display techniques to influence customers to purchase goods
<b>P2</b> describe how space is used to display goods in three retail outlets [IE]		
<b>P3</b> explain how retail outlets use psychology in their visual merchandising and display techniques to encourage customers to purchase goods [IE]	<b>M2</b> compare how three retail businesses use space and psychology to influence customers to purchase goods	
<b>P4</b> plan a safe visual merchandising display using a range of goods within a retail context [CT, RL]	<b>M3</b> analyse the techniques you used in your visual display.	<b>D2</b> evaluate the planning and assembling of your display, making recommendations for improvements.
<b>P5</b> assemble a safe visual merchandising display using a range of goods within a retail context.		

**PLTS:** This summary references where applicable, in the square brackets, the elements of the personal, learning and thinking skills which are embedded in the assessment of this unit. By achieving the criteria, learners will have demonstrated effective application of the referenced elements of the skills.

Key	IE – independent enquirers	RL – reflective learners	SM – self-managers
	CT – creative thinkers	TW – team workers	EP – effective participators

## Essential guidance for tutors

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### Delivery

The aim of this unit is to introduce learners to the range of visual merchandising and display techniques used in retail outlets. It provides an opportunity for learners to apply all the techniques in presenting a display of goods to encourage customers to buy. It is recommended that the unit content is covered in sequential order.

Delivery should involve learners using site visits to investigate local retailers' visual merchandising and display techniques, as included in the unit content. They should be given the opportunity to learn about as many different retail environments as possible, as the techniques used depend on the specific type of goods and services. For example, an independent retailer selling exclusive and expensive ladies' apparel may present a limited range of merchandise to promote an image of exclusivity, whereas a large multiple chain selling discounted products through outlets and the internet may present in bulk through the use of bins and aisle-end baskets.

Learners should be encouraged to appreciate the many different techniques used by retail outlets to use selling space effectively. Some retail outlets will try and use every millimetre of space to show their stock, in particular those offering discounted goods. Retailers selling more expensive items such as cars (dealerships) and furniture (for example DFS) will use space to provide customers with thinking time as well as to present goods. Learners should also be made aware of how space is used to move customers around large stores (for example IKEA) and encourage them to consider items not on their shopping lists.

Case studies and personal experiences, as both a customer and retail employee should be used so that learners gain an understanding of the psychological techniques both tangible and intangible techniques retailers use to persuade customers to buy. Knowledge can be gained during site visits. Learners should be encouraged to apply some of the techniques they identify by displaying a range of goods in a retail context. Some centres offer learners the opportunity to work in the centre's retail outlet, for example in the travel/stationery shop. Other opportunities, such as work experience, part-time employment and local outlets (in particular not-for-profit businesses such as charity shops) can provide opportunities for learners to plan and create a safe merchandising display. Learners should also be given the opportunity to gain the higher grading criteria, allowing self-analysis, in particular in terms of attraction of their display and possible sales generated.

On completing this unit, learners will have developed an understanding of how visual merchandising has to be attractive and appropriate, and how space can be used cost-effectively to stimulate customers' desire to buy.

## Outline learning plan

The outline learning plan has been included in this unit as guidance and can be used in conjunction with the programme of suggested assignments.

The outline learning plan demonstrates one way in planning the delivery and assessment of this unit.

Topic and suggested assignments/activities and/assessment
<p>Introduction to unit and structure of the programme</p>
<p>Visual merchandising and display techniques</p> <p>Learners will receive or participate in:</p> <ul style="list-style-type: none"><li>• formal theory input</li><li>• a group exercise on types of retail businesses</li><li>• pair work on online retailing</li><li>• a case study exercise on classification of retailers in groups</li><li>• a guest speaker on visual merchandising</li><li>• a visit to local retailers to see how visual merchandising is used to encourage customers to buy</li><li>• an individual exercise searching the internet for different types of goods</li><li>• a class discussion on successful visual merchandising</li><li>• a group exercise on visual merchandising and display techniques.</li></ul> <p>There may still be formal input during group work</p>
<p><b>Assignment 1 – Visual Merchandising Techniques in Different Retail Outlets</b></p>
<p>Space for merchandising and display</p> <p>Learners will receive or participate in:</p> <ul style="list-style-type: none"><li>• formal theory input</li><li>• a group exercise on store layouts</li><li>• a DVD/video on visual merchandising/class discussion</li><li>• a group exercise on space usage/plannograms</li><li>• a class discussion on the display of goods</li><li>• an individual exercise on ticketing legislation</li><li>• a class discussion on effective use of space for merchandising.</li></ul> <p>There may still be formal input during group work</p>
<p>Psychology used in visual merchandising</p> <p>Learners will receive or participate in:</p> <ul style="list-style-type: none"><li>• formal theory input</li><li>• a class discussion on the importance of psychology in merchandising</li><li>• a guest speaker on the importance of merchandising/class discussion</li><li>• a DVD/video on psychology of retailing</li><li>• a guest speaker on psychology used in retailing</li><li>• a group exercise searching the internet to identify space management.</li></ul> <p>There may still be formal input during group work</p>

## Topic and suggested assignments/activities and/assessment

### Assignment 2 – The Use of Space and Psychology in Visual Merchandising

Plan and create a safe visual merchandising display

Learners will receive or participate in:

- formal theory input
- a class discussion on displays
- individual research into visual merchandising displays
- a 5-minute individual presentation on the findings from the research
- an exercise on plannograms in groups
- a case study on influence of aroma, lighting and colour as a group exercise
- a review of the unit.

### Assignment 3 – The Planning and Assembly of a Visual Merchandising Display

Supervised assignment time

Non-supervised study time and completion of assignments

## Assessment

For P1, learners will describe how visual merchandising is applied to the three selected retail outlets to an identified range of goods. Learners should consider selecting a diverse range of retail outlets such as smaller independent retailers offering specialised products and services, for example, pet shops, art and craft shops, bakers, butchers and other retail outlets not located in the traditional 'high street'. These can also include garden centres and countryside stores, vehicle dealerships, farm shops and shops located within tourist attractions. Learners should be encouraged to use illustrative evidence such as photographs and drawings to apply the unit content to specific named retailers and, where appropriate, to the relevant techniques used.

For P2 learners need to select three retail outlets which can provide them with sufficient information to investigate the use of sales floor space. Learners should be encouraged to consider floor plans and plannograms that show the retail space usage of appropriate goods. Learners should also be aware of the space allocated to services such as demonstrations, and areas set aside for virtual suggestions such as kitchen options. P3 requires learners to explain how the three retail outlets use psychology through their visual merchandising and display techniques to encourage customers to purchase. Learners need to emphasise how the unit content is applied to selected retail outlets through evidence such as annotated floor plans and photographs.

P4 and P5 should involve the safe presentation and display of goods within a retail environment. Photographic evidence of learner displays, including planning evidence, assembly and multi-dimensional views (floor view, back, front and two sides), is required. If assessed directly by the tutor then observation records must be completed by both the learner and tutor. Witness statements should be provided by suitable representatives and verified by the tutor if the assessment is completed in a work experience environment. Guidance on the use of observation records and witness statements is provided on the Edexcel website. A supporting written explanation should accompany all evidence produced for P5.

For M1, learners should be able to analyse the visual merchandising and display techniques used to present a range of goods in retail outlets as listed in the unit content. Learners should be able to supply specific examples of how both selected organisations analyse these techniques in terms of how successful the presentation of goods are.

M2 requires learners to analyse how three selected retail organisations use space and psychology to influence customers to buy. This can be presented using visual evidence used for P3 supported by text.

For M3, learners must analyse how they used visual merchandising techniques to display a range of goods safely and should identify their performance strengths and weaknesses.

For D1, learners need to evaluate how two selected retail businesses use psychological visual merchandising and display techniques to influence customers to purchase a range of goods. Ideally, the selected retail businesses should be those used for investigation and analysis for the pass and merit criteria. Learners should be able to judge the techniques used to display and present goods critically, through the use of annotated photographs and other visual representations, and draw conclusions for evaluation. A selection of the unit content for all the learning outcomes, in particular those including appropriate legislation, could be used for the evaluation. Although comparison between the two retail businesses is not a requirement, learners may use this as part of the evaluation.

D2 requires learners to evaluate how they used visual merchandising and display techniques in their planning and assembly, and make recommendations on how they could have done things better. Learners can use evidence gathered for P5 and M3 to self-assess and from this information draw up recommendations for improvement, offering some corrective or developmental suggestions. Learners should be able to assess their display against the unit content and then identify appropriate ways to improve their performance. Learners are expected to identify specific and realistic self-developmental strategies through which they can improve their visual merchandising and display techniques within a retail context.

### Programme of suggested assignments

The table below shows a programme of suggested assignments that cover the pass, merit and distinction criteria in the grading grid. This is for guidance and it is recommended that centres either write their own assignments or adapt any Edexcel assignments to meet local needs and resources.

Criteria covered	Assignment title	Scenario	Assessment method
P1, M1	Visual Merchandising Techniques in Different Retail Outlets	You are a retail researcher for a consultancy. You have been asked by your line manager to produce a research report on visual merchandising techniques used in different retail outlets.	Research report
P2, P3, M2,D1	The Use of Space and Psychology in Visual Merchandising	As above.	Research report
P4, P5,M3,D2	The Planning and Assembly of a Visual Merchandising Display	The planning and assembly of a visual merchandising display.	Display Report

Learners will be expected to produce evidence that shows their knowledge and understanding of the nature of visual merchandising. It may include:

- a safe visual merchandising display
- research reports.



## Links to National Occupational Standards, other BTEC units, other BTEC qualifications and other relevant units and qualifications

This unit forms part of the BTEC Business sector suite. This unit has particular links with the following unit titles in the Business suite:

Level 3
The Business Environment
Understanding Retailing
Fashion Retailing
Food Retailing

This unit links to the Level 3 NVQ in Customer Service particularly Units 7, 18 and 26.

This unit also links to the National Occupational Standards for Marketing and Sales Non-specialists, particularly Units 1, 2, 3, 4, 5, 7, 8 and 10 and the Level 3 National Occupational Standards for Retail, particularly Cluster A, Cluster B and Cluster D.

### Essential resources

For this unit learners should have access to a suitable business teaching environment with access to the internet to carry out research. Tutors may consider building a bank of resource materials to ensure there is a sufficient supply of relevant information on visual merchandising techniques.

Learners can generate evidence from a work placement or work experience. Other learners may have access to information related to family owned and run retail businesses.

Learners will require access to retail organisations to provide opportunities for investigating visual merchandising and display.

### Employer engagement and vocational contexts

Centres should develop links with local retail businesses. Many businesses and chambers of commerce want to promote local retail business so are often willing to provide work placements, visit opportunities, information about retail merchandising and visiting speakers.

## Indicative reading for learners

### Textbooks

Colborne R – *Visual Merchandising* (Delmar, 1996) ISBN 0827357591

Diamond J – *Contemporary Visual Merchandising and Environmental Design* (Prentice Hall, 2003) ISBN 0130988847

Hasty R and Reardon J – *Retail Management* (McGraw Hill, 1996) ISBN 0071143177

Underhill P – *Why We Buy: The Science of Shopping* (Texere, 2000) ISBN 158799044X

### Journals

*Drapers*

*Fashion Week*

*Independent Retailer*

*Retail Week*

*The Grocer*

### Websites

<a href="http://www.fashionwindows.com">www.fashionwindows.com</a>	Fashion Windows
<a href="http://www.rootstein.com">www.rootstein.com</a>	ROOTSTEIN Display Mannequins
<a href="http://www.sonybiz.net/retail">www.sonybiz.net/retail</a>	Sony
<a href="http://www.visualstore.com">www.visualstore.com</a>	Visual Store

## Delivery of personal, learning and thinking skills

The table below identifies the opportunities for personal, learning and thinking skills (PLTS) that have been included within the pass assessment criteria of this unit.

Skill	When learners are ...
<b>Independent enquirers</b>	investigating visual merchandising investigating display techniques investigating the use of space investigating the use of psychology in visual merchandising
<b>Creative thinkers</b>	planning and assembling a safe visual merchandising display
<b>Reflective learners</b>	reflecting on how an effective display should be arranged.

Although PLTS are identified within this unit as an inherent part of the assessment criteria, there are further opportunities to develop a range of PLTS through various approaches to teaching and learning.

Skill	When learners are ...
<b>Independent enquirers</b>	planning and carrying out research into different display techniques investigating the use of space investigating the use of psychology
<b>Creative thinkers</b>	examining reasons for different methods of display policies adapting their skills as circumstances change when developing a visual merchandising display
<b>Reflective learners</b>	setting goals, with, success criteria, for researching display techniques inviting feedback on their own work and dealing positively with praise, setbacks and criticism when developing a visual merchandising display evaluating their experiences and learning to inform future progress
<b>Team workers</b>	working in a group to discuss ideas about display techniques taking responsibility for their own role in group work managing activities to reach agreements and achieve results when developing displays
<b>Self-managers</b>	seeking out challenges or new responsibilities and showing flexibility when priorities change when developing displays dealing with competing pressures, including personal and work-related demands when researching visual merchandising responding positively to change, seeking advice and support when needed when developing displays
<b>Effective participators</b>	acting as an advocate for own views and opinions when working in groups with differing views.

## ● Functional Skills – Level 2

Skill	When learners are ...
<b>ICT – Use ICT systems</b>	
Select, interact with and use ICT systems independently for a complex task to meet a variety of needs	researching visual merchandising and display types identifying how retailers use psychology in creating displays
Use ICT to effectively plan work and evaluate the effectiveness of the ICT system they have used	tabulating information about visual merchandising
<b>ICT – Find and select information</b>	
Select and use a variety of sources of information independently for a complex task	finding illustrative materials for presentations and tabulations about visual merchandising creating diagrams, presentations and tabulations about visual merchandising
Access, search for, select and use ICT-based information and evaluate its fitness for purpose	exploring, extracting and assessing the relevance of information from websites about merchandising techniques
<b>ICT – Develop, present and communicate information</b>	
Enter, develop and format information independently to suit its meaning and purpose including: <ul style="list-style-type: none"> <li>• text and tables</li> <li>• images</li> <li>• numbers</li> <li>• records</li> </ul>	bringing together a variety of materials gathered through research preparing information to present to others about visual merchandising
Bring together information to suit content and purpose	
Present information in ways that are fit for purpose and audience	
Evaluate the selection and use of ICT tools and facilities used to present information	
Select and use ICT to communicate and exchange information safely, responsibly and effectively including storage of messages and contact lists	communicating with other members of a group
<b>Mathematics</b>	
Understand routine and non-routine problems in a wide range of familiar and unfamiliar contexts and situations	using numerical data in relation to the planning and assembly of a display
Interpret and communicate solutions to practical problems in familiar and unfamiliar routine contexts and situations	using measurements to produce a visual merchandising display

Skill	When learners are ...
<b>English</b>	
Speaking and listening – make a range of contributions to discussions and make effective presentations in a wide range of contexts	carrying out group work investigating visual merchandising techniques attending group team meetings making presentations about visual merchandising
Reading – compare, select, read and understand texts and use them to gather information, ideas, arguments and opinions	reading about visual merchandising techniques reading about how psychology is used in visual merchandising
Writing – write documents, including extended writing pieces, communicating information, ideas and opinions, effectively and persuasively	writing reports providing information about visual merchandising producing labelled charts and diagrams showing how a display will be assembled.