

How To Successfully Expand Your Business

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Cookshop Plus is an award winning cookware business in Bowral in the Southern Highlands area of NSW. The business, established in 2000, operated out of a small shop located within a shopping arcade. Not visible from the street, it was a true destination location – one had to know it was there. This didn't deter the owners, Terry and Joanne Ryan, from building a very successful business by providing a personal service, together with a extensive product choice for their customers. The store was very popular with both the locals and the tourists visiting on day tours from Sydney and Canberra.

However, Cookshop Plus like all other businesses, needed to grow, to avoid stagnation and being overtaken by the competition. The very thing that made the shop so popular – a large product range – became a real stumbling block in further business growth. The old shop was simply too small! No matter

how well did Terry and Joanne try to organise the existing retail space, they couldn't make it accommodate all their products.

It became a kind of vicious circle. In order to maintain their core competitive advantage – big range – they had to have more products on display. As a result, the shelves and aisles were crammed with merchandise to such an extent that it was impossible for customers to see or select the product they needed. Instead of offering customers a wide choice, the business was creating frustration and headaches for both the customers and the owners.

Sounds familiar? This is a problem common to many retailers, no matter what product they sell. The obvious answer was to find a new, bigger store, which is what Terry and Joanne did. However, there is always a great deal of risk associated with such move – higher rent, higher staff cost to service the

new space, higher stock holding cost, not to mention the cost of the new fitout. Unless careful thought is given to all the issues, the big expansion may end up being a big failure.

Whilst researching the project from the retail and brand design points of view, we had to consider and overcome a number of formidable and interesting challenges that I believe are typical to most retail businesses that are expanding into larger premises. Below, I'd like to share with you our approach and solutions because I believe you can learn some insights from this that you can apply to your business.

Challenge 1. Bigger space can create bigger mess

As messy as the old shop was, we realised that simply transferring stock from the smaller shop to the bigger one and adding more stock will create an even bigger mess. To

avoid that, every product group was carefully analysed; key departments and sections were decided upon, then adjacencies planned for better flow and add on selling opportunities. Operational and customer service needs were considered, to decide on the appropriate number and location of service points and to plan the support facilities.

To make it easier for customers to shop in the bigger space, we designed a retail signage program that clearly identifies all key departments (this is also part of the new retail branding for the business). Wide aisles were created to maximise access to all products, even for mums with prams! Traffic flows and clear sightlines were carefully planned. Promotional 'hot zones' were prominently positioned. As a result, the new space doesn't just have more product, it also makes shopping much easier.

Challenge 2. Easy to lose what made you strong

In the pursuit and excitement of a big scale makeover, it is easy to lose many of the things that made you strong in the first place. This can often be fatal for a retail business.

In the case of Cookshop Plus, they were always proud of their personal service, and of how friendly and welcoming their shop was. We therefore needed to build the new concept on these qualities and to ensure that they are strengthened in the new space.

Our approach was to build this into both the retail design and brand design elements. The old brand/logo was updated to be friendly, creative and contemporary, and to create good opportunities for retail graphics in store. The interior design of the new space continues with the same feel by using polished concrete floors and light timber fixturing. The shop has open sightlines throughout, so customers can



always see where they need to go and staff can see all customers at all times, to be able to help them when needed. There is a fully operational kitchen for cooking classes and product demonstrations, as well as a small playground for children. The plasma TV's on walls show favourite cooking programs and specially designed by us environmental moving images. All of this makes the visitors feel welcome and relaxed.

Challenge 3. Bigger space needs bigger fitout budget

When moving into a new, bigger space, a bigger fitout budget would normally be required. This may well be justified by the anticipated increase in trade, however good care must be taken to ensure that every fitout dollar goes towards the ultimate goal of creating a better business.

There was a very challenging budget on this project that we had to fit within. Although it demanded a lot of hard thinking design time, in the end it prompted some really unique and interesting solutions. For example, for this type of shop that mainly needs shelves to display the product, the merchandising system is a major expense item. Normally, a stripping system is used that requires all walls to be lined in order to look good. With the walls that are very long and high, this would cost a lot of money. Another problem with the extra height was that we needed an attractive and economical solution for how to treat the area above the stock.

This area extends all around the shop and is very visible from everywhere. Our solution was to design a new merchandising system based on square freestanding timber poles that do not rely on walls and that can also be extended up to the ceiling to carry graphics and inserted objects. Not only this proved to be far more economical, but it became a major concept component that gave the store its unique look and feel.

A lot of the visual impact of the concept is carried out by the environmental graphics specially designed by us. This is another element that is both unique and economical to produce. Further cost savings were obtained by working with the existing ceiling structure as well as polishing the concrete floor found in the shop, instead of choosing another covering. Most importantly, in all cases the overall concept was not compromised, but rather enhanced.

Challenge 4. Tempted to go into brand extensions

When you get much more space than you are used to, it is often tempting to extend your core offer to include other products that you were not able to sell before. This may be either a great opportunity or a major threat to business, as few brand extensions were proved to be successful in the past.

Brand extensions can be a subject for another article, but this project is an example that worked really well. Cookshop Plus now has a new major department of homeware, which has in fact quickly become one of the best trading areas of the business. This is due to a lot of careful planning that went into the decisions about the physical location of the department, its merchandising, street window displays exposure, as well as into creating a branding and signage programme that makes it easy to promote the new area.

Challenge 5. Difficult space

This is not perhaps common to all extension projects, but happens often enough with our customers. It may be because difficult spaces are usually cheaper to rent. To be honest, stores that are hard to plan never worry me much. In fact, some of our most interesting solutions came from such spaces.

The new Cookshop Plus location was very long and narrow, had variable ceiling heights, steps leading to a part of the space, and a narrow shopfront to the main street. The challenges we had to overcome were how to create a good flow of

customer traffic and access to all displays, particularly at the back of this long and narrow shop; how to make the space feel more proportional and interesting; how to create good sightlines so the new shop doesn't need too many staff and the stock security is good; how to merchandise the shop for best visual impact and maximise the all important main street frontage; how to make customers want to go up the steep stairs. With all these issues now resolved, the store in fact looks easy to shop and more proportional than it had appeared when we were looking at the empty space before starting the design.

Challenge 6. Variety of different products of all sizes and shapes

This is common for many (but not all) projects. For a kitchen and homeware store, the physical qualities of the merchandise is a major consideration. This includes size, shape, colour, light reflecting qualities, display quantities, security requirements. Every section in the store was analysed and best ways to display the product chosen. In addition, the merchandising system needed to be, on the one hand standardised, and on the other hand flexible to accommodate changes such as expansion, contraction or introduction of new products. The signage system also had to be designed to cater for this flexibility.

In this article, I talked about some of the challenges we had to consider when helping our client expand their retail business into bigger premises. I hope this will be informative and useful for your business. This strategic approach has certainly paid off for Terry and Joanne, who said in a recent interview, 'Overall concept is brilliant; it really works for both the space and the product. Customers love to spend time in the store, browsing and buying. Since the opening, we've been so busy selling that there hardly was time for anything else.'

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