World Journal of Management and Business Studies *(ISSN: 2795-2525)*

Vol. 2, No 3., May., 2022

THE EFFECT OF SHELF SPACE MANAGEMENT ON THE GROWTH IN SALES OF SMALL SCALE ENTERPRISES IN ABUJA

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Abstract

This study examines the effect of shelf space management on the growth in sales of small scale enterprises in Abuja.. The specific objectives of this paper are to investigate the effect on shelf space management. Emphasis will be specified on the effect of shelf space management on the growth in sales of small scale enterprises in Abuja, Nigeria. The paper adopted primary and secondary source of data collection but relied heavily on secondary resources because of its utilization of content analyses approach. The study reveals that shelf space management can affect growth in sales in small scale enterprises, it equally opines emphasis on facilitating an easy way to browse through the store as a result of product placement and position on shelf. This results in the tendency of consumers spending more time in stores, which leads to higher consumer spending as well as increase in the growth of sales in the stores or supermarkets as the case maybe. Subsequently, the study recommends that small scale enterprises should continue to elevate the importance of appropriate shelf management investment now that technology has simplified the process of understanding the impact and return on investment.

Keywords: *shelf Space, Management, Small Scale Enterprises, Growth and Sales*

INTRODUCTION

Small scale enterprises are easier to manage because it gives room for cordial relationship with prospective customers and consumers. As a small scale enterprise, it can seem that the odds are always stacked in the favour of larger competitors. That point can be further argued if one throw in the fact that they usually have bigger budgets and a more diverse set of customers. But that doesn't mean small scale businesses can't compete. In fact, there are many ways in which one can beat out a larger scale business. To do that, one has to work smarter and be more creative in the way one present oneself to customers. It also helps if one doesn't give up any ground one has won by slacking off or taking a wrong step. Thus, one of those wrong steps is to not manage ones shelf space effectively and efficiently.

Shelf space is the place allocated to the products on the retail shelves. Shelf space is very limited to the small scale businesses, due to which retailers are very selective to stock the items and allocating them a proper shelf space is a big issue to them. But for the individual stock keeping units (SKUs), shelf space is an important factor in the growth of sales of small scale enterprises, as it relates to revenue, cost and eventual profit of the product category. Besides providing the shelf space biggest challenge is to provide the proper location to them. Proper shelf allocation is significant in product sale. Usually those items which are on the lower shelf usually get the less consumer attention than those items which are on the upper part of the shelves. So the items which are at the lower shelves will return with the lower sale and there is a chance they will get less benefits from the promotions (Ammar and Gulraiz, 2020).

Small scale enterprises job is not easy especially when looking for profit maximization shelf arrangement and at the same time meeting the manufacturer's requirement. Through the shelf optimization measurement they can predict the effect of the shelf layout on the sale of different product categories and marketing effectiveness. A well-defined shelf layout model could make the life of small scale enterprises easy (Nierop & Franses, 2016). Shelf space management refers to the point that products get proper place on the shelf so that maximum profit can be achieved and can avoid the situation of stock out. Shelf space is a scarce and critical resource which must be allocated so as to optimize the profitability level of the assortment, and retail chains need methods for validating the pertinence of the shelf space allocation made by store managers (Desmet & Renaudin, 2018).

Effective Management of the limited shelf space is most sensitive subject for all small scale enterprises (Reyes & Frazier, 2015). New products development have already made shelf space management too complex, because now there are so many types of product available in the grocery stores and its quite difficult for the grocery retailers to decide which product needs how much of shelf space and similarly new product development has enriched the consumers with so many choices. Decision about the shelf space allocation and its management is critical to effective grocery retail operational management (Reyes & Frazier, 2015). A well-managed shelf space not only improves customer service by reducing out-of-stock occurrences; it can also improve the return on inventory investment by increasing sales and profit margins (Yang, 2019; Yang and Chen, 2019). It is against this background that, the paper seeks to examine the Effect of Shelf Space Management on the Growth in Sales of Small Scale Enterprises in Abuja with particular reference to EJIF Enterprise.

Statement of the Problem

Small scale businesses especially those who are dealing with grocery products face a very large and highly complex set of marketing decisions. Averagely they keep 45,000 separate products and making the decision for these much of products are not an easy job. Small scale businesses are supposed to think all the way from whether a given item should be stocked and what the promotional strategy should be for an item. The competition among the small scale businesses like the supermarkets in Abuja is very tight and the proficiency with which these decisions are made ultimately determine the success or failure of these small scale businesses. Supermarkets in Abuja are left with two concerns. On one hand, they are looking for differentiation to avoid price competition. Through differentiation they can get the long term competitive advantage in consumer’s mind. On the other hand, they are seeking productivity gains by cost reductions or economies of scale and integration of decisions to share experience (Yang, Chen, 2019). Small scale businesses are supposed to take some critical decisions to improve the sale of the different product categories and retain the customers. Small scale businesses especially supermarkets in Abuja can do it in multiple ways. They can increase the sale by offering the price discounts or by increasing the in-store advertisement and by the improvement of the shelf space.

Although, the effect of shelf space management has been shown to influence profit maximization of organizations in other countries and sectors, there is little empirical evidence on the effect of shelf space management in sales growth of small scale enterprises in Nigeria, which makes this research a peculiar one to be investigated. This study therefore sought to examine the Effect of Shelf Space Management on the Growth in Sales of Small Scale Enterprises in Abuja with particular reference to EJIF Enterprise.

Objectives of Study

i. To investigate the effect on shelf space management on the growth in sales of small scale enterprises in Abuja, Nigeria.

ii. To find out what management designs on the shelves will increases growth in sales of goods and services.

LITERATURE REVIEW

Concept of Shelf Space Management

Shelf space management, according to Bezawada et al (2019) defined as careful placement of products on shelves and organisation of categories within each store to generate greater sales, is an important strategy for retail managers. According to the grocery retailer view point, space allocation and shelf space are one of the most critical resources that the retailer owns and thus must not be taken for granted. Shelf space mismanagement can be the downfall of a prominent retailer. According to Ammar and Gulraiz (2020) shelf space is the place allocated to the products on the retail shelves. Shelf space in a single store is very limited to the retailers, as a result retailers are very selective towards products they stock and allocating them an appropriate shelf space and position can be an issue. Shelf space management are important because it improves customer service, helps easy location of the product, determine product performance, determines the size of the overall store assortment and store image.

Concept of Growth in Sales

In a general sense when growth is mensioned people tend to perceive it as increase. This is not far from the truth. Looking at it from the economic term, growth according to investopedia (2020) growth is an increase in the production of economic goods and services, compared from one period of time to another. Thus, growth in sales in this paper will be seen or conceptualised as an increase in the sales of goods and services over a period of time.

Concept of Small Scale Enterprises

Small scale business enterprise can be defined in terms of annual sales, asset valuation, net profit, balance sheet totals and the size of the business including the numbers of employees available in the business. Different authors, scholars, and schools have different ideas as to the variation in capital outlay, number of employees, sales turnover, fixed capital investment, available plant and machinery, market share and the level of development, these features equally vary from one country to the other.

In Nigeria, the Third National Development plan defined a small scale business as a manufacturing establishment which employs not more than ten people, or whose investment in machinery and equipment does not exceed six hundred thousand naira. The Central Bank of Nigeria (1983) in its credit guidelines, classified small scale business as the business with an annual income or asset of less half a million naira (N500, 000). The Federal Government Small Scale Industry Development Plan of 1980 defined a small scale business enterprise in Nigeria as any manufacturing process or service industry, with a capital not exceeding N150, 000 in manufacturing and equipment alone.

The small scale industries association of Nigeria (1973) defined small scale business as those having investment of capital, land building and equipment of up to N60, 000 pre SAP Value and employing not more than fifty persons. The Federal Ministry of Industries (1973) defined it as those enterprises that cost no more than N500, 000 (pre-SAP Value) including working capital to set up. In 1990 budget, the Federal Government of Nigeria defined small scale enterprises for the purpose of commercial loan as those enterprises with annual turnover not exceeding N500, 000 for merchant loan and those for the purpose of commercial loan as enterprises with capital investment not exceeding N2 million (excluding cost of land or a maximum of N5 million).

According to Umar (1997) the concept of the small size firm is a relative one and it depends mainly on both the geographical location and the nature of economy activity being performed. A small scale enterprise is a privately owned and operated business, characterized by a small number of employees and low turnover. A small enterprise usually only shares a tiny segment of the market it operates in. Small scale enterprises (also, small scale businesses) are essential to the economy for industrial growth and diversification.

According to the size various countries have different specification of the numbers of employees a small business enterprise should have. The U.S. Small Business Administration states that small-scale enterprises generally have fewer than 500 employees within a 12-month period in non-manufacturing industries. A company must consider any individual on its payroll as an employee. In Australia, however, a small-scale enterprise is one that has fewer than 15 employees on payroll, as defined by the Fair Work Act.

The Small Business Act for Europe states that small enterprises are those that have 250 employees or less. Small scale enterprises in Asian countries generally have 100 or fewer employees, while small scale in African enterprises hire 50 or fewer workers. Using financial measures such as net profits, balance sheet totals, the value of assets and annual sales as a means of defining small scale business enterprise In the United States for example, a non-manufacturing small scale enterprise is one that does not earn more than $7 million in a year. Financial measures can vary by industry, as annual receipts may be higher for industries that have higher overhead costs to operate. In general, small scale enterprises are businesses that do not dominate their respective industry (MOPFED Report, 2020).

Theoretical Framework

The paper is anchored on the theory of log-log model. This theory shows that the effect of shelf allocation on brand sales, using log of unit sales as the dependent variable and two sets of independent variables to capture space and location elasticity effects. It also included a set of control parameters.

Location Parameters Retailers and manufacturers believe that brand location has an important impact on sales. Eye-level often is seen as the best location. However, when pressed to be more specific about what is meant by eye-level, it is discovered that experts were referring to any one of several shelves above the knees but below 6 1/2 feet. Manufacturers also profess preferences for particular positions along the horizontal plane. Some believe the middle is the focal position, but others prefer the edges in order to be first or last in the planogram. Since we lacked a complete theory on how location affects sales, this paper elected to model location effects in a fashion flexible enough to accommodate multiple phenomena that might vary by category (Dreze, Hoch & Purk, 1994). Thus, the model location or Log-Log Model is adopted as the theory for this paper since it best suites the analysis of the research.

METHODOLOGY

The paper adopted primary and secondary source of data collection but heavily relied on the secondary sources of data collected which comprises of the use of textbooks, written by different authors on the subject matter, journals, magazines, information from the internet and other published and unpublished materials applicable to the work. The data was examined using the content analysis approach. This is because of its major dependency on secondary source of data.

The effect of Shelf Space Management on the growth of sales in small scale enterprises

Shelf space management is the capacity for business owners especially those in glossaries business to improve on the growth of their sales in stores. This cannot be easily achieved without a well-structured shelf design which can be advantageous for both consumer and retailer. This statement is explained by the fact that consumers' overall shopping satisfaction increases when the in-store shelf design is structured well. As a result, greater consumer satisfaction leads to an increase of sales (Fancher, 2019). Subsequent to these findings, Drèze et al. (2014) come up with the fact that 1/3 of all consumer decisions on purchases are planned in advance of visiting the store. This means that 2/3 of all consumer purchases are made by rule-of-thumb decision making processes, showing low involvement (Dagnoli, 2017). The in-store decisions consumers make, follow quickly after a minimal product search and price comparison (Hoyer, 2014; Dickson and Sawyer, 2020). Drèze et al. further state that managing the way products are presented in shelves might have a significant effect on consumers' in-store shopping behaviour. Subsequent studies revealed that visual attention, resulting from in-shelf product visibility, actively influences consumers' brand consideration set (Pieters and Warlop, 2019; Allenby and Ginter, 2015). These outcomes are empowered by the study of Chandon et al. (2016), arguing that point of purchase consumer behaviour is influenced by in-store factors, such as shelf position and the number of facings. These factors can create a so-called "visual lift" for their brands, which means that products are more likely to be added to a consumers' consideration set in case they get in-store visual attention (Chandon et al., 2016).

But how can small scale businesses accomplish a well-designed and effective shelf structure? There are a lot of factors SSE's should consider when designing a shelf allocation. In order to investigate the Effect of shelf space management on product sales, four different shelf components which are likely to affect the effectiveness of shelf space management are as follows: the number of product facings, product placement on shelf, product adjacencies and category arrangement are determined to increase the growth of sales in small scale enterprises.

Number of facings: The effectiveness of shelf space management is often determined in terms of shelf space elasticity. This elasticity is a parameter that indicates to what extend additional shelf space has influence on product sales. (Eisend, 2014) In their research on the influence of shelf space allocation on products' sales, Desmet and Renaudin (2018) came up with some important conclusions on shelf space elasticity. Their first finding was that the type of product purchase influences the effect of shelf space allocated to a particular product. They concluded that shelf space allocation is most effective on impulse purchases, which means that shelf space has a causal effect on sales. In addition to this conclusion the paper also states that the amount of space given to a particular product in relation to the product category within the whole shelf gives a positive effect to the products' sales. Moreover, not only product sales will increase as a result of an efficient shelf space management, also consumer satisfaction will increase. This is because an efficient shelf space management will decrease the chance of products being out of stock (Lim et al.,2014). So; the more facings assigned to a product, the less likely it is the product will be out of stock.

However, these positive effects for products are bounded to constraints. The effect of extra shelf space will decline when the amount of facings reach a certain point, dependent on the type of product (Chandon et al., 2019). In the same research by Chandon et al., they conclude that shelf space management can have a positive effect on product consideration by consumers. They found that doubling the amount of product facings could help a product on three elements of consumer decision making; noting the product, considering the product and choosing the product. According to their results, especially low-market-share brands benefit from product facings; consumer brand choice can increase by up to 67% due to doubling the amount of low-market-share product facings.

Display incompleteness: As stated before, emptied shelf space can also have a positive influence on consumers' perceptions and buying intentions of certain products. For example, study of Van Herpen et al. (2019) showed that people are intended to choose products that they consider to be scarce. In their research example, they asked people to choose a rosé wine from a wine shelf. They found out that the type of rosé which had the least amount of bottles remaining, was significantly chosen the most often. This effect is better known as the Bandwagon effect, which occurs when people are intended to buy products that were chosen by other consumers (Van Herpen et al., 2019). In line with the study of Van Herpen et al., Razzouk et al. (2018) earlier revealed that consumers have the intention to pick promoted products more frequently when they are presented in display stacks that are visibly picked from (actively suggesting that the stack was missing products). In their study, they conducted three different in-store experiments testing whether incomplete product displays have a positive impact on promotional sales. Using complete stacks as control variable, they found out that a significant majority chose the same product when presented on an incomplete stack above the products presented on complete stacks.

Product placement on shelf: Another way in which small scale enterprises can increase their sales on products is to provide attracting shelf displays. In this section, there will be a closer look to which factors are considered when SSE's have to determine the ideal position within shelves for their products. Four different characteristics of product placement on shelves will be discussed in this chapter: (1) horizontal positioning; (2) vertical positioning; (3) product adjacencies and (4) category arrangement.

Horizontal positioning: when we look at the ideal placement of products within a shelf, the research of Valenzuela et al (2013) comes up with the fact that consumers consider products that are placed in the centre of a shelf as the most popular ones. A study of Sorensen (2015), concludes that products placed at the end of shelves are given more so-called face time than products placed more centrally. This means that products at the horizontal extremes of shelves attract far more attention of consumers than products placed more in the middle of the shelves. On top of that, Sorensen argues that when familiar products are placed at the end of a shelf, this results in far more traffic in those specific paths. Another advantage of products placed at the horizontal extremes of a shelf is the ease with which products in those places are more easily reached when consumers come from the main aisles. (Van Nierop et al., 2018) Considering these facts, Chandon et al. (2019) surprisingly revealed that products that are placed at the centre of a shelf are more likely to be noticed, and that this position helps the products' sales.

But are the statements of Sorensen and Chandon et al., (2019) just as contradictory as they seem to be? There are several possible explanations that can explain these differences. The most important way to look objectively to both statements in terms of the research design. For example, the research conducted by Sorensen was done by using a tracking system mounted under consumers' shopping carts. Using these instruments, they monitored the traffic routes of consumers within supermarket paths. On the other hand, Chandon et al., (2019) used an eye-tracking system to determine which factors are of influence on product attention. They asked their respondents to look at a shelf planogram, and used eye-tracking to determine to which products the respondents were looking at. After doing so, they asked their respondents to either name one of the product brands, or say which product brand they would consider buying. The different research types stated above might well be important indicators for their dissimilar outcomes. When using a tracking system such as Sorensen used in his research, placing your shopping cart at the extremes of an aisle doesn't automatically mean that the products placed at those extremes are given the most face time by consumers. Moreover, the position of the shopping cart doesn't always determine the position of the corresponding consumer.

When interpreting the research design of Chung et al. (2017), an important remark is that using a fixed planogram of a product shelf is not completely applicable in the way a consumer experiences a shopping path faced with in supermarkets. As consumers don't face supermarket shelves the way the respondents of this study do, the results of Chandon et al. might well be influenced by the different consumer experience. Instead of facing the shelves as a fixed picture, in practice, they walk along them. These currently occurring paradoxical seeming findings indicate that there is no unanimous knowledge about the optimal horizontal shelf place to put products on (Chung et al., 2017).

Thus, in this area of scientific research, there is a lack of empirical evidence to prove with certainty which effects different horizontal product locations have on consumer behaviour and product sales.

Vertical positioning: According to Raghubir and Valenzuela (2018), the effects of vertical product positioning on shelves are much stronger than the effects of horizontal product placement. This statement is strengthened by the research of Hansen et al. (2020); in their research on retail shelf allocation, they conclude that vertical location effects have twice more impact on sales than horizontal shelf lengths. When determining the best vertical location for your product, previous studies show that eye level is the most effective location for product placement (Van Nierop et al., 2018). This might be the case due to the fact that products placed at eye-level are seen with less far less effort than products placed on the vertical extremes of a shelf (Sigurdsson et al., 2019).

There are several ways in which SSE's can influence the consumers' perception of products using vertical product placement. For example, a research on the optimal arrangement of products in a particular shelf concludes that when retailers want their products to be considered cheap, the best place for their products is at the bottom of the shelf, and luxury products are perceived to be on top of the shelves. (Raghubir and Valenzuela, 2018). Not only the price orientation is caused by the vertical positioning of products. Previous studies on the effect of vertical positioning on affect and evaluation proved that higher placed variables are evaluated as being more positive (Meier and Robinson, 2014). Despite the fact they used words instead of products in order to test the influence of vertical positioning on evaluation, they might well have found a relevant relationship between vertical positioning of words on evaluation. During their research, they asked people to evaluate words placed on random places on a computer screen. In their conclusion section, they state that the words placed on top of the computer screen were evaluated more positively by their respondents than the words placed at the bottom of the screen. Moreover, a study of Schubert (2015) revealed that high vertical positioning of variables can influence the evaluation of those particular variables in terms of the perception of power. In this study Schubert conducted 6 different studies which showed that not only the speed of powerful judgments was higher on the top of the screen, also the judgments themselves were more powerful when the variables were placed on top. Similar to the study of Meier and Robinson, Schubert used screens to test the speed and judgments of his respondents. Although these studies were conducted with variables different from products, further research on vertical positioning might yield relevant outcomes for vertical product placement.

Product adjacencies: Another way in which SSE's can influence consumers to buy particular products is by efficiently structuring product adjacencies within shelves. To illustrate; a research of Chen et al.(2016), came up with the fact that retailers can improve purchases by up to 70% by using visual product adjacency. They state that retailers currently are not fully aware of the fact that product adjacency can improve combined purchases by carefully putting products side-by-side on shelves.

One way in which product adjacencies can influence product sales is by the way in which consumers perceive products presented next to each other. To illustrate: in their research on brand equity dilution, Buchanan et al. (2019) come up with some interesting findings on product perception based on adjacency. Their research was emphasized on the effect of display conditions on the consumers' perception of products, divided in two products: high-equity brands and unfamiliar brands. Out of their research results, they conclude that there are some ways in which the consumers' expectations can have implications for both the high-equity brands as the unfamiliar brand. They state that the way in which consumer perceive a certain product, is influenced by the way the products are presented on the shelves, in relation to other products. When, for example a high-equity product and an unfamiliar product are placed within the same shelf, there are several factors that can determine how the consumers' pre-existing product evaluation will be affected; such as price and package design differences between the two products. From the high-equity product perspective, it is undesirable to be compared with unfamiliar brands. In order to be dissimilar to the unfamiliar option, Buchanan et al. (2019) state that the high-equity brand should both: 1) Be the preceded choice option above the unfamiliar product. 2) Not be placed in a way that the unfamiliar product is easily compared with the high equity brand product.

Category arrangement: Not only the consumers' willingness to locate products can increase by managing product categories well. In their research on the 'mere categorization effect', Mogilner et al.(2018) found out that the number of categories provided by retailers within shelves have a positive influence on the overall consumer satisfaction. Their statement is that a greater amount of categories on shelves both influence the consumers' perception of variety, as well the evaluation on the choice they have made. Aside from expanding the number of product categories, another way to assess consumer satisfaction is to provide a store layout that is congruent to a consumers' internal product structuring (Morales et al., 2015).

These internal product structuring schemas help consumers to avoid losing track on all different product categories provided in supermarkets (Alba and Hutchinson, 2017). According to Stayman et al, (2018), SSE's can use these consumer schemas. They state that when SSE's conform their product arrangement to the internal schema of consumers, it becomes more convenient for consumers to internally process the shelves, which leads to both a greater consumer satisfaction and positive affection with the assortment. According to Desai and Ratneshwar (2017), there are two specific ways in which SSE's can arrange a product category within a shelf. First, they can use a taxonomic product shelf, this means that products of the same nominal category (e.g. regular crisps next to light crisps) are placed within the same product shelf. Second, a goal-based shelf display, containing several products that determine a common consumer goal (e.g. fair trade) (Desai and Hoyer, 2020; Ratneshwar and Shocker, 2019).

These two categorical product structuring methods are also described in terms of benefit- and attribute-based product categories (Lamberton and Diehl, 2013). Using light crisps as their research variable, Desai and Ratneshwar (2017) state that products placed in a goal-based category shelf are more likely to be bought by consumers than products that are arranged based on taxonomic characteristics. However, they state that most SSE's will be cautious to implement these findings, regarding the fact that it might well be very complicated to alter all shelves this way. Moreover, they argue that it's very questionable in which extent consumers are willing to put effort in locating all products when placed in goal-based category shelves. A study by Lamberton and Diehl (2013), conducted on consumer shopping behaviour resulting from category arrangement sums up some insights about goal-based product categorization versus taxonomic categorization.

In this study, the authors tested the effects of both taxonomic and goal-based categorization in terms of similarity perceptions and assortment organization on construal level. To do so, they conducted multiple studies with different products to guarantee that participants did not have any expectations about assortment organizations in advance. The first conclusion they come up with is that a goal-based product categorization leads to greater perception of similarity within the product category than taxonomical-based product categorization. Second, this paper argues that for consumers that are not high-variety-seeking, the perception of similarity a goal-based categorization generates avoids the assortments to be too overwhelming to consumers. Considering the statements these earlier studies have yielded, SSE's should be most of all very careful using these conclusions. For example due to the fact that the research of Desai and Ratneshwar was conducted using light crisps as research product. As this is a very narrow product category, it is unlikely that these statements hold for all products presented in supermarkets.

CONCLUSIONS

The essence of this investigation is to assess how shelf space management can affect growth in sales in small scale enterprises, it equally opines emphasis on facilitating an easy way to browse through the store as a result of product placement and position on shelf. This results in the tendency of consumers spending more time in stores, which leads to higher consumer spending as well as increase in the growth of sales in the stores or supermarkets as the case maybe. When looking at shelf space management, previous studies argue that an overall well-structured shelf space management can contribute to a greater consumer' shopping satisfaction, which is positively related to product sales. The first dimension of shelf space management is the amount of facings a retailer assigns to a certain product.

This paper argues that up to a certain amount, increasing the number of facings assigned to a product can makes it more likely that consumers will buy a certain product. Additionally, a larger amount of products also affects the perception of consumers about a particular product. According to consumers, the amount of facings assigned to a product by SSE's, determines the level of importance the SSE's attributes to that product. The last finding regarding the effects of product facings is that managing shelf space well can have a positive influence on consumers' overall store perception, due to the fact it decreases the risk of products being out of stock. The only important finding in relation to horizontal product placement is that products that are placed at the horizontal extremes of a shelf are perceived to be discounted. At the same time, products that are placed more centrally are perceived to be considered more popular by retailers (Valenzuela et al., 2013).

Vertical product positioning, however, have much stronger effects on sales than horizontal placement (Raghubir and Valenzuela, 2018; Hansen et al.,2020). This part also comes up with the finding that eye-level product positioning is the most effective vertical product allocation in terms of product sales (Van Nierop et al., 2018). Moreover, vertical product placement also affects a consumers' perception about the product. Products placed on the higher shelf parts are perceived to be expensive and powerful, whereas products on the lower parts are associated with cheapness (Raghubir and Valenzuela, 2018; Meier and Robinson, 2014; Schubert, 2015). The importance of product adjacencies is best described by the fact that it can increase product sales by up to 70% (Chen et al., 2016). SSEs should carefully consider how to allocate their product adjacencies, because of the fact that it affects the consumers' perceptions of all products presented adjacently.

In terms of category arrangement, this paper shows that the amount of product categories presented in stores positively influences the overall consumer satisfaction due to a greater perception of variety and more positive evaluation on choice afterwards. This concept is better known as the 'mere categorization effect (Mogilner et al., 2018). However, it should be noticed this holds up to a certain point. The best way to categorize products is by goal-based categorization, which is likely to positively affect product sales.

Furthermore, goal-based category arrangement can also have a positive effect on consumers' overall store perception by diminishing feelings of an overwhelming amount of products presented in a certain store (Lamberton and Diehl, 2017; Desai and Ratneshwar, 2017). Thus, this paper has been able to show that the effect of shelf space management on the growth in sales of small scale enterprises is evidence in most small scale enterprises. Therefore, adopting the above mentioned shelf designs and management skills, the growth of sales in small scale enterprises is inevitable.

RECOMMENDATIONS

i. Continue to elevate the importance of appropriate shelf management investment now that technology has simplified the process of understanding the impact and return on investment. Leverage this technology to: • Implement macro space planning to optimize total store, department and aisle allocation. • Automate planogram creation. • Test various scenarios without investing sizable investment to optimize shelf layout. • Gain a better understanding of how shoppers view and interact with the shelf. • Deploy continuous compliance monitoring.

ii. Consider center store profit contribution, especially since new technology empowers retailers to better optimize assortment. While most physical shelves are in the center of the store, retailers are beginning to dedicate more space to the perimeter.

iii. Utilize transferable demand analytics to determine optimum product mix.

iv. Consider category and brand promotion impact when allocating space and profitability when it comes to product positioning.

v. Avoid over-spacing private brands to reduce out-of-stocks on high velocity items.

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