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THE ROLE OF PRODUCT MERCHANDISING IN RETAILING: A CASE
STUDY OF THE THREE GIANTS IN THE ZIMBABWEAN RETAIL SECTOR.

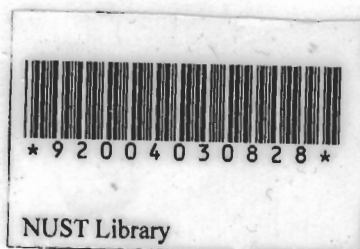
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ABSTRACT

The retailing sector in Zimbabwe is a very competitive arena. This dissertation is concerned with a real world product merchandising management challenge in retailing. The purpose of this study was to examine the role of merchandising in retailing. We only need to consider some high profile companies to see this in this case, thus the three giants in the retail sector (OK, TM and Spar) were referred to for an understanding of current merchandising practices and challenges. Specifically the objectives of the study were;

- To understand the role of merchandising in retailing.
- To understand the key merchandising approaches.
- To find out the advantages of well calculated merchandising tactics.
- To understand how merchandising influence consumer buying behaviour.
- To find out constraints that may threaten effective merchandising and opportunities available for retailers to improve their merchandise appeal.

The motivation to undertake this study stemmed from the need to find out how the shelf space allocation problem, one of the challenges which arise largely due to the conflict of limited shelf space availability and the large number of products that need to be displayed is managed. Apart from revealing the key factors of merchandising, the researcher also sought to investigate the influences of consumer buying behavior at the point of purchase and the benefits of proper merchandising approaches.

Through the use of literature review, the researcher sought to array the importance and relevance of merchandising in a grocery store as well as the possible strategies that can be used. This was done through the analysis of elements like the six (6) rights of merchandising (type, quality, quantity, price, time and place), store atmosphere and layout, point of purchase displays, location of stock within the store, space allocation management and assortment planning.

The research was carried out in Bulawayo and Harare and was concerned with gathering opinions from the merchandising executives of the 3 giants as well as the expectations of the targeted customers (the shoppers). The research was conducted in the form of a

quantitative survey and it was through this **method that** questionnaires were used to gather data that enabled the researcher to come up with conclusive results. The data was analysed, interpreted and presented in tabular and graphic form.

The researcher came to the conclusion that most retailers use the grid type shelf layout, which makes it easy for customers to shop around. It was also concluded that most retailers use classification dominance displays in arranging products next to each other to encourage on- the-spot purchase decisions. The overall conclusion that the researcher made was that merchandising plays a significant role in beautifying the store, enhancing the store and merchandise appeal, which results in customer attraction. As a result a large customer established as greater sales and profits are realized.

From the conclusions, the researcher then made recommendations that retailers must constantly rejuvenate their relationships with suppliers, so as to ensure that the right type of ordered merchandise is delivered in the right quantities at the right time and place in order to guarantee that shelves are not out of stock at any given time. Other recommendations made include that retailers should consider setting up a separate merchandising division – to fully pay attention to the store appeal management, consider applying the FIFO (first in first out) product rotation system to ensure that fresh products are placed behind older products at the same time avoid loses from expired stocks, and to keep a close eye on the shelves in making sure that products are in good shape and condition (that is right facing and not expired or damaged).