



Merchandising as a strategic tool for sales and profit optimization of physical space in neighborhood stores

El *merchandising* como herramienta estratégica en ventas y rentabilización del espacio físico en tiendas barriales

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ABSTRACT

Objective. To analyze merchandising and the profit optimization in the physical space of neighborhood stores in the Flavio Alfaro parish, in the province of Manabí. (Ecuador). **Methods.** The study approach was mixed, in addition to having a descriptive design. The population consisted of 6197 inhabitants and the probability sample size was 354 inhabitants, using a questionnaire as a data collection instrument. **Results.** It was evidenced that in the neighborhood stores of the Flavio Alfaro parish, merchandising techniques or strategies are not implemented; in other words, the people in charge or owners of the businesses do not have the knowledge of the existence of this tool and its benefits; therefore, it is considered prudent to diagnose the most decisive points regarding the causes that provoke the lack of knowledge of this branch of merchandising. **Conclusions.** The automation of document management not only optimizes internal processes, but also contributes to institutional strengthening through a more transparent, agile and efficient administration of document resources.

Keywords: merchandising strategy; sales system; stores; profit optimization; marketing.

RESUMEN

Objetivo. Analizar el *merchandising* y la rentabilización en el espacio físico de tiendas barriales en la parroquia Flavio Alfaro, en la provincia de Manabí (Ecuador). **Métodos.** El enfoque de estudio fue mixto, además de contar con un diseño descriptivo. La población estuvo conformada por 6197 habitantes y el tamaño de muestra probabilística fue de 354 habitantes, utilizando un cuestionario como instrumento de recolección de datos. **Resultados.** Se evidenció que en las tiendas barriales de la parroquia Flavio Alfaro no se implementan técnicas o estrategias de *merchandising*; dicho de otro modo, las personas encargadas o propietarios de los negocios no tienen el conocimiento de la existencia de esta herramienta y sus beneficios; por lo tanto, se considera prudente diagnosticar los puntos más decisivos en cuanto a las causas que provocan el desconocimiento de esta rama del *merchandising*. **Conclusiones.** La automatización de la gestión documental no solo optimiza los procesos internos, sino que, además, contribuye al fortalecimiento institucional mediante una administración más transparente, ágil y eficaz de los recursos documentales.

Palabras clave: estrategias de merchandising; sistema de ventas; tiendas; rentabilización; marketing.

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INTRODUCTION

A strategy little exploited, but with great potential, is the use of *merchandising* as a commercial tool. The problem of this research focuses on how *merchandising* impacts the improvement of the sales system and the growth of neighborhood stores in the parish of Flavio Alfaro, in the province of Manabí (Ecuador). It is essential that the inhabitants know the positive impact generated by merchandising; however, it should be emphasized that it is not a technique to manipulate the consumer, but rather a technique that helps the customer to be guided in decision-making at the moment of choosing the product.

The parish of Flavio Alfaro is a relatively young city, which preserves its traditions and has dense vegetation, among which are the cultivation, harvesting, and commercialization of citrus fruits. Likewise, it is diversified by small and medium-sized businesses, ranging from tangible products to telephone and Internet services; however, a sales system that highlights them has not been implemented; thus, the lack of a sales system may lead to a lack of organization in neighborhood stores (Government of Manabí, 2025).

This research was carried out during the COVID-19 pandemic, given the need to continue innovating in order to find the means through which businesses would not fall into decline; especially in the parish of Flavio Alfaro, since the economic losses caused by the pandemic have been considerable around the world (Camino Solórzano et al., 2020).

According to Hernández (2021), merchandising strategies are of great usefulness for promoting and selling products; thus, merchandising is the technique to persuade the client/buyer, being this a way of planning how the sale and promotion of a certain product will be carried out.

Likewise, Palomares (2012) indicates that the study and analysis of this tool determines how the efficiency of the stores can be affected in the environment for their clients and potential buyers, considering that the visualization of the store and its physical structure is the access point that represents one of the most important and significant elements of the interior architecture.

On the other hand, Cruz (2021) states that these are classified into two: the internal, which is applied inside the hall or sales room; and the external, which is developed outside the space, in nearby areas, such as parking lots, traffic zones, or even sectors not accessible to the customer, such as warehouses or unloading yards. These actions contribute to projecting a coherent image and reinforcing the visual communication of the business.

In the same way, the importance of *merchandising* resides in the role played by the consumer's eye; that

is, it is essential for all entities, it is also relevant, since it contributes to awaken the interest of customers in the places of sale, where ethical, symbolic and cultural perceptions are taken into account.

El objetivo general de esta investigación fue analizar el *merchandising* y la rentabilización en el espacio físico de tiendas barriales en la parroquia Flavio Alfaro, en la provincia de Manabí (Ecuador). Por ello, se pretende analizar el comportamiento de las tiendas en todos los ámbitos que puedan generar una determinada impresión en el punto de venta.

METHODS

Type and area of study

This research had a mixed approach, using a descriptive design. The study was developed in the area of the Flavio Alfaro parish, in the province of Manabí (Ecuador), during the year 2024.

Population and sample

According to Vizcaino et al. (2023), the population can be considered as the delimitation of the object of study, the representativeness of the results and the choice of appropriate statistical techniques. Its correct understanding and definition guarantee the validity and reliability of the research. In our case study, the study population consisted of 6197 inhabitants of the Flavio Alfaro Parish. The sample was 354 inhabitants, which was obtained through a simple-probabilistic sampling.

According to Otzen and Manterola (2017), all individuals in the white population have the same possibility of being included in the study. This implies that the probability of choosing an individual to investigate "x" is independent of the probability possessed by the rest of the individuals that make up the population.

Variables and data collection instruments

The merchandising variable is a set of techniques and strategies applied at the point of sale with the objective of increasing product rotation, stimulating purchase and improving the presentation of the product or service to the consumer (Kotler and Keller, 2016).

The measurement instrument was the questionnaire, elaborated by questions of responsible and coherent character to the subject. Reliability was measured through Cronbach's alpha, whose result was 0.977, indicating a good internal consistency for this scale.

Data collection techniques and procedures

The techniques used for the development of this research were: survey, interview and field observation, which were applied to neighborhood stores in the Flavio Alfaro parish. Among these, and as a sample for the implementation of

the techniques, ten were selected, which had parameters such as the display of products on the counter, location of products on hangers and shelves, location of products by product lines and product family, physical distribution of products on hangers and showcases for their visibility, among others. For their evaluation, a weighting of 1 to 5 was used, with 1 being the lowest score and 5 the highest.

These techniques were applied to the customers of the neighborhood stores in order to collect true and necessary information for the solution of the problem posed in this work.

Data analysis

The data obtained were coded and processed using SPSS 21.0 statistical software. In order to tabulate and measure reliability and validity, Cronbach's alpha was used, obtaining a reliability of 0.977, which indicates a good internal consistency for this scale, as well as a validity of 0.904, which is acceptable and correlates with reliability.

Ethical aspects

In this research, the basic ethical principles of the social sciences were respected, ensuring the informed consent of the subjects, the protection of the data collected and the care for the dignity of the respondents. For this research, the cultural sensitivity of the Flavio Alfaro parish was taken into account in order to establish an appropriate relationship with the community. As Toro et al. (2023) point out, it is necessary for Latin America to use universal but adaptive ethical principles in contexts where there is high social vulnerability and little ethical

institutionalization, as in the case of neighborhood microbusinesses.

In the same way, a reflexive and situated ethical stance was adopted, considering that research on microenterprises means recognizing their social and economic vulnerabilities. As stated by Pastor-Andrés et al. (2025), ethics in socioeducational research needs to focus on care, co-responsibility and justice, fostering equity among researchers and participants. Guided by this approach, the present study sought not only to minimize risks, but also to provide tangible benefits through personalized proposals aligned with the business reality of the participants.

RESULTS

It was observed that 36.2% of the inhabitants were between 18 and 30 years of age. The majority were female; likewise, 52.8% were rural residents (see Table 1).

The results of the dimensions associated with the merchandising variable show an uneven performance. The location of products by lines and families (69.8 %) and the physical distribution oriented to customer visibility (61 %) stand out positively, reflecting an adequate structuring of the space and a commercial and visual logic favorable to the shopping experience. However, key aspects such as counter displays (43.5 %), prevention of cross-contamination (42.9 %) and communication of promotions and discounts (42.9 %), presented intermediate or low ratings, showing areas with high potential for improvement. As for the physical environment, both the exterior and the internal

Table 1

General characteristics of the inhabitants of the parish Flavio Alfaro

General characteristics	n = 354	
	fi	%
Age		
18 to 30	128	36.2
31 to 40	122	34.5
41 to 50	76	21.5
51 to more	28	7.9
Gender		
Male	199	56.2
Female	155	43.8
Type of residence		
Urban	167	47.2
Rural	187	52.8

environment of the stores were rated as “good”, although with relatively low percentages (43.8 %), indicating an initially positive perception, but which still needs to be strengthened (see Table 2).

Table 2*Merchandising dimensions of the inhabitants of the Flavio Alfaro Parish*

Dimensions	n = 354	
	fi	%
Exhibition of the products in the counter		
Very inadequate	2	.6
Inadequate	19	5.4
Normal	154	43.5
Adequate	112	31.6
Excellent	67	18.9
Placement of products on shelves and racks		
Very inadequate	4	1.1
Inadequate	15	4.2
Normal	111	31.4
Adequate	147	41.5
Excellent	77	21.8
Product placement by product lines and families		
Very poor	2	.6
Poor	15	4.2
Does not exist	14	4.0
Good	247	69.8
Very good	76	21.5
The physical distribution of products on shelves and showcases for customer visibility		
Very poor	1	.3
Poor	19	5.4
Does not exist	8	2.3
Good	216	61.0
Very good	110	31.1
Placement by types of products regarding cross-contamination		
Very poor	7	2.0
Poor	23	6.5
Neither good nor poor	152	42.9
Good	116	32.8
Very good	56	15.8
Placement of information about promotions and discounts		
Very poor	7	2.0
Poor	23	6.5
Neither good nor poor	152	42.9
Good	116	32.8
Aspecto físico del exterior de las tiendas		
Poor	12	3.4
Neither good nor poor	132	37.3
Good	155	43.8
Very good	55	15.5
Aspecto físico del exterior de las tiendas		
Poor	12	3.4
Neither good nor poor	132	37.3
Good	155	43.8
Very good	55	15.5
Internal environment of the stores		
Poor	5	1.4
Neither good nor poor	110	31.1
Good	155	43.8
Very good	55	15.5

The results show a broadly positive perception regarding the impact of merchandising on neighborhood stores. A total of 55.4% of respondents considered that it is probably important for improving the environment and the presentation of products, while 43.8% stated that it is definitely so. Only 0.8% were undecided (see Table 3).

Table 3

Perception of the importance of merchandising for a better environment and product presentation in neighborhood stores

	n = 354	
	fi	%
Definitely yes	155	43.8
Probably yes	196	55.4
Undecided	3	.8

Qualitative results

Interview results

According to the results obtained from the interview conducted with the owners of the neighborhood stores of the parish of Flavio Alfaro, the store owners lack the appropriate level of knowledge regarding *merchandising* strategies and modern sales systems.

Observation Results

The results of this technique are reflected in the observation of points, both of the internal and external environment, of the neighborhood stores of the parish of Flavio Alfaro. In accordance with what was analyzed in the survey conducted with the customers and in the interview carried out with the store owners, a comparison of responses is made in relation to what was observed. In this field technique, the order of the products on the shelves, the organization of products by family and by lines, the internal lighting of the business, or the separation of products that may generate cross-contamination, such as cleaning products, was evaluated.

Through this research technique, it was possible to demonstrate that in the neighborhood stores of the parish of Flavio Alfaro there is a deficiency regarding the application of *merchandising* as an essential tool for the improvement and economic development of the businesses. One of the most important factors that could be detected was the lack of lighting in some of the observed stores; likewise, the lack of organization on the counters was noted, as well as the deficiency in the external image of the establishments.

DISCUSSION

This research demonstrates that the implementation of *merchandising* strategies has a direct impact on the improvement of the sales system in neighborhood stores, especially in rural contexts, such as that of the

parish of Flavio Alfaro. Throughout the study, a clear need was evidenced to strengthen the knowledge and application of visual *marketing* tools by the owners of these establishments, who, for the most part, manage their businesses in an empirical manner. As Chimborazo-Mazabanda et al. (2022) point out, merchandising helps to boost sales through the optimization of the visual presentation of the product, the organization of the physical space, and the stimulation of both the rational and emotional aspects of the consumer.

Although nine out of ten interviewees claimed to have some knowledge about *merchandising*, this perception contrasts with the results of the field observation, which showed multiple deficiencies in the internal and external organization of the stores: poor lighting, inappropriate mixing of products, and deficient signage of promotions. This suggests that the existing knowledge among the owners is rather intuitive and lacks a solid technical or strategic basis.

From the customer's perspective, the perception of merchandising was generally positive: 43.8% considered that "it is definitely important" and 55.4% believed that "it is probably important." This assessment coincides with studies such as that of Sánchez et al. (2025), which highlight the fundamental role of sight as a key sense in the purchasing process. However, this positive assessment is not fully reflected in the shopping experience, since field observation also revealed a "lack of organization on the counters" and a "deficiency in the external image of the establishments," which evidences a disconnection between customer perception and the observable reality at the points of sale.

Despite these shortcomings, the owners expressed a genuine interest in improving their businesses, motivated mainly by the fact that these stores represent the daily livelihood of their families. However, this desire for improvement is limited by factors such as the lack of resources, limited professional training, and the reduced intervention of local entities that promote training processes in *marketing*.

In this regard, the study highlights that neighborhood store owners are not fully aware of the benefits of *merchandising*, which justifies the need for a training proposal as part of this research. This proposal includes strategies adapted to the local reality, such as retail *merchandising*, visual merchandising, and the organization of products "by rows or columns," in order to improve the store's appearance, attract more customers, and increase income. Caballero Ricardo and Mercedes (2022) emphasize that these techniques are designed to attract new customers and foster strategic purchases, even with limited resources, which makes them highly viable for this type of business.

It should be noted that merchandising is not limited solely to visual aspects. It is an integral technique that

combines organizational, sensory, and strategic elements to fulfill its function in the market. According to Altamirano and Castro (2020), *visual merchandising* communicates and persuades the consumer through four key tools: (1) commercial atmosphere, (2) product arrangement, (3) exterior architecture, and (4) sales floor. Therefore, its strategic application involves considering aspects such as store order, preferential product placement, sound or aromatic ambiance, and logical distribution to avoid, for example, cross-contamination. The latter aspect was valued ambivalently by the surveyed customers.

As Jama-Sánchez et al. (2024) point out, in the current context of commerce—where competition is increasingly intense and consumers have access to multiple options—stores must seek effective strategies to attract and retain customers. One of the key tools used by retailers is *merchandising*, which encompasses the visual presentation of products, the arrangement of spaces, and the creation of an attractive shopping experience; therefore, it is essential to analyze how visual *merchandising* can generate impulse purchases among customers.

Likewise, visual merchandising is an effective tool to promote and display products, thereby contributing to sales growth. In the case of the stores in Flavio Alfaro, this research confirms that the strategic use of these techniques can significantly strengthen their sales system. The proposed strategies, being low-cost and highly applicable, can transform not only the aesthetics of the business but also its profitability and sustainability. As mentioned in Prado (2020), “the actions that can indeed be carried out are those related to image *merchandising*, such as visual or presentation merchandising, and exterior *merchandising*” (p. 44). These interventions, together with appropriate training processes, can make a substantial difference in local economic development and in the professionalization of small-scale commerce.

CONCLUSIONS

The results obtained, both quantitative and qualitative, allow us to conclude that there is a widespread lack of knowledge about this tool among store owners, which limits its effective implementation. Despite this shortcoming, it was evidenced that merchants show interest in applying merchandising strategies once they understand their benefits. This disposition is reflected in the interviews, where the owners recognize the importance of improving the organization of the point of sale, the visibility of products, and the customer experience. Therefore, it is concluded that although merchandising is still not being utilized in a technical or strategic way in the stores of the Flavio Alfaro parish, its application represents a concrete opportunity to improve profitability, visual positioning, and customer loyalty, which can significantly transform the commercial performance of these businesses and thus contribute to strengthening the local economy.

Recommendations

In this regard, it is suggested that the owners of the stores in the Flavio Alfaro parish, stay informed about all the effective techniques of *merchandising*, that is, to be perseverant and continue acquiring updated knowledge in order to provide a better shopping opportunity and constant communication with customers. In addition, it is suggested to apply new trends, considering that times have changed and that every day businesses are immersed in a more globalized world, where technology is a very powerful tool that helps to access a great amount of knowledge. Also, it is recommended to keep a continuous record of all their sales and in this way apply merchandising strategies in their business. This is one of the most efficient ways to achieve higher income.

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MFC: conception, article design and data recollection.
MRZ: statistic, data analysis and interpretation.
MYEA: writing of the article, discussion and final review of the article.



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