

Kyiv National University of Trade and Economics

Department of Management

FINAL QUALIFYING PAPER

on the topic

«Management of retail space zoning»

(on the materials of LLC "EPICENTER K" LLC, PRYLUKY)

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INTRODUCTORY PARAGRAPH

The relevance of the study. Modern world trade trends have many aspects that can affect the dynamics and volume of trade. Retail trade has a special place in economic relations. It meets the needs of consumers with goods that are presented in retail chains and stores. To increase the efficiency of retail trade, there are tools that can influence consumers and increase sales and profitability of the trading company. Management of zoning of retail space is such a tool.

In conditions of saturation of society with goods, intensification of market competition, the formation of a new system of business orientation to the customer (consumer), the problem of sales is relevant for all businesses. That is why, at the present stage of development of market relations without the implementation of the general policy of management of zoning of retail space does not do any trading company, which is focused on long-term success in the relationship with the client. Skillful use of management of zoning of retail space tools allows entrepreneurs to stimulate sales and generate greater profits through the creation of a special atmosphere of the institution, favorable trade conditions, the formation of product range and a unique image of the enterprise.

Based on the above, it is very important to study one of the most influential and effective tools for selling goods and making a profit - management of zoning of retail space.

B. Berman and J. Evans studied management of zoning of retail space as an integral part of retail [2], the psychology of the buyer and the main activities of the management of zoning of retail space paid attention to AG Taborov [27]. I.M. Melnyk and

Y.M. Khomyak systematized the theoretical and practical aspects of zoning of retail

space, in particular the use tools, especially the calculation of certain groups of goods [16].

Despite the large number of studies on this issue, not all domestic trading companies comply with all the requirements and rules of merchandising, which reduces the efficiency and profitability of their activities. Thus, it is important to study the organization of management of zoning of retail space in a particular trading company.

Analysis of recent research and publications. The scientific literature hall for its further application in retail trade.

Research results. Presents a wide range of methods for planning and zoning the trading floor and evaluating their effectiveness [1-5], which are based on marketing principles [1, 4], psychological aspects [3] or technical characteristics of a particular trading floor [2].

The aim of the study is to develop a set of measures for planning and zoning of the trading.

Initial data of the final qualifying paper: Reporting of the enterprise, data of own researches, statistical data, results of researches of domestic and foreign scientists, etc.

The purpose of the study is to improve the management of retail space zoning in the enterprise "EPICENTER K", PRYLUKY.

The object of the study is the process of development of management of retail space zoning.

The subject of the research is theoretical, methodical and practical aspects of the process of development of management of retail space zoning at the enterprise.

PART 1.

THEORETICAL AND METHODOLOGICAL ASPECTS OF THE MANAGEMENT OF RETAIL SPACE ZONING

1.1. Organization and principles of retail space zoning.

The design of a trading hall first of all begins with definition of the form and the area of a trading hall. The most convenient and therefore the most common is the shape of a rectangle or square, or layout, close in shape to a circle or oval - both for the entire trading floor and for its individual sections and departments [3, p. 5].

An important principle of organizing the retail space of the store - do not distract the buyer from the product. If we are not talking about expensive boutiques, then neither retail equipment, nor planning, nor design should distract the buyer.


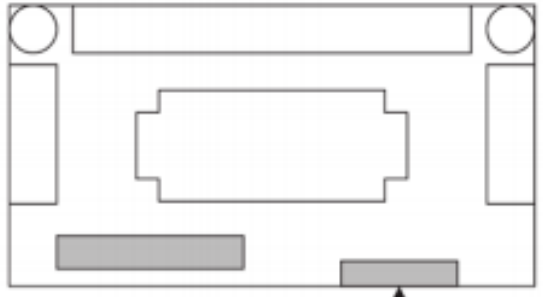
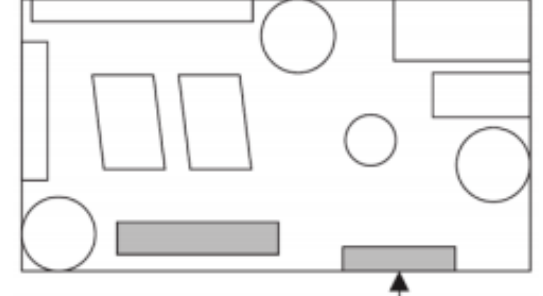
The next step in planning a store is usually to determine where the entrance to the store will be located. Since the spontaneous movement of people (i.e. buyers) is a counterclockwise movement, it is better to organize the entrance on the right side. People move from right to left, as most have a leading right leg and a right eye, being right-handed. It is more convenient for people to look to the right of themselves, to take goods to the right, instead of to the left. By the way, for this reason in a number of racks located opposite each other, with the same type of goods, the goods located on the right, almost always sell better than on the left.

As for shops with a small area, in such premises the entrance can be in the middle, in this case the usual type of movement counterclockwise inside the trading hall is organized artificially due to the special placement of trade equipment [1, p. 55].

If we are talking about a store located in a building at the intersection of streets, then the entrance should be located on the side of the street where there is a more intense flow of people and cars [2, p. 49].

After that it is necessary to define the basic zones of a trading hall, to distribute commodity brands or categories in a trading hall and to make the plan of arrangement of the trading equipment. The capacity of the store and the volume of its turnover largely depends on the size of the trading floor and the convenience of its planning. To date, there are 3 main types of planning: the grid, the loop and the labyrinth (table 1) [4, p. 75].

Table 1

 <p>The diagram shows a rectangular store layout with two groups of parallel shelves. Each group consists of three vertical rectangular shelves. Below each group is a horizontal grey rectangle representing a counter or service area. An upward-pointing arrow is located below the right counter.</p>	<p>The type of planning "grid" corresponds to the parallel arrangement of shelves, such planning is more often used for grocery stores and supermarkets, hardware and construction stores, bookstores. The main advantage of this type of planning is that it allows you to rationally use space.</p>
 <p>The diagram shows a rectangular store layout with a central island-shaped counter. Shelves are arranged in a loop around the perimeter of the store. There are circular shapes at the corners, possibly representing pillars or decorative elements. An upward-pointing arrow is located below the right counter.</p>	<p>The type of planning "loop" or "boutique" is characterized by the organization of the movement of buyers in a circle, in the center of which is the island trade equipment. It is usually used for clothing and footwear stores, jewelry and costume jewelry, certain groups of industrial goods. This type can be used to plan individual sections inside a store with a large area.</p>
 <p>The diagram shows a rectangular store layout with an irregular, asymmetrical arrangement of shelves and counters. There are several circular shapes scattered throughout the layout. An upward-pointing arrow is located below the right counter.</p>	<p>Labyrinth planning means that all structures and passages are located asymmetrically, creating the intended atmosphere. Such planning is used for shops with unusual design or technological goods, goods for youth. If a balance is reached between customer comfort and efficient use of retail space, planning is considered successful.</p>

The choice of planning depends on the price level, area and range of the store. The main task is to ensure the visibility of the trading hall (full - for small stores, zonal - for

large), ease of movement and orientation of customers in the trading hall, the flow of shopping flow in any area of the store [5, p. 15].

In addition to choosing the type of planning, it is also necessary to calculate the amount of trade equipment because the store should not be too tight and at the same time not too empty.

Planning is considered successful if a balance is reached between customer comfort and efficient use of retail space. For most stores, the efficiency of the use of space can be determined using a generalized coefficient of the installation area (formula 1)

$$CIA = \frac{\text{Equipment area}}{\text{The total area of the trading hall}} = 0,25-0,35 \text{ (max } 0,4) \quad (1) [3, \text{ p. } 123].$$

The given normative indicator is actual only for shops having floor trade equipment - shops of household appliances, foodstuff, clothes, footwear, building materials, etc. [3, p. 124]

For boutique-type stores, which are characterized by a small retail space and expensive goods, the ratio of the installation area tends to the lower limit. Stores of this type should not look too "obligatory", cramped, because customers in such stores are usually quite well-off and expect more comfort than from a simple store. And the goods in the boutique usually take up little space, because they are sold in small quantities due to their high cost.

For economy-class stores with a small area, which is characterized by many cheap products that must have a high turnover to achieve financial efficiency, the ratio of the installation area tends to its maximum values.

In general, the load of trading halls with equipment directly depends on the income level of potential buyers: the lower the income level, the more trade equipment and

goods are presented in the hall, and accordingly the higher the income level, the more free space and less equipment in the hall [2, p. 67].

After calculating the coefficient of the installation area of a particular store, you need to determine how it is "correct", ie to find out whether to put additional retail equipment, remove something or leave everything as it is. It makes sense to refer to sales figures.

In any trading hall it is accepted to allocate three basic zones (fig. 4):

- 1) entrance area;
- 2) checkout;
- 3) main flow zone.

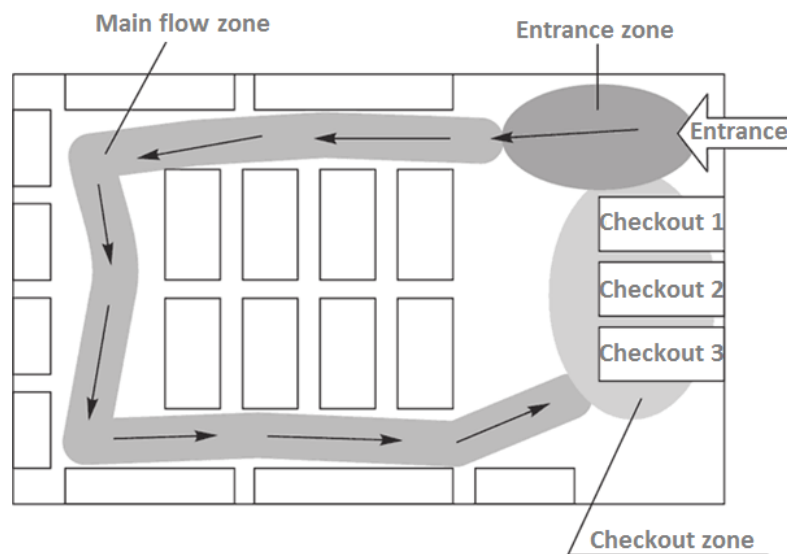


Figure 4 - Shopping areas of the store [3, p. 30].

The entrance area is called a few meters just behind the front door. It is responsible for creating a positive mood of buyers for shopping. In this area, the buyer switches attention from what surrounded him on the street, to what is happening inside the store. It is important that immediately after entering the store the space was not occupied - the buyer should be able to slow down to look around to feel comfortable in a new room. It is important that the entrance area encourages the visitor to buy something right now. To this end, it has products that are attractive and desirable [1, p. 34].

The entrance zone and the areas next to the supermarket are areas for sales, special offers and seasonal goods. Goods here should change quite often, but the main rule - it should always be relevant, you need right now goods, attractive and affordable.

The checkout is a "hot", lively place of the trading hall. Buyers who have made purchases will definitely come to the box office. Most stores deliberately create small queues at checkouts so that shoppers have time to stand, relax and buy something else. To do this, they are offered many products of impulse demand - it can be sweets, magazines, small related products in the grocery store, etc.

The main flow zone of buyers is the most important in the trading hall. It must be carefully planned, because the success of planning directly affects the number of purchases (this is especially important for stores with an area exceeding 100-200 square meters) [4, p. 24].

To achieve this goal, the main flow zone of buyers should be highlighted visually - the aisle should be wider than others to emphasize that it is the main. Also, the purchase flow can be organized by placing different groups of goods in certain places of the trading floor. For example, consider the classification of groups of goods and their location in the hall.

Large format stores may have a so-called promotional zone (designed to present seasonal goods and goods at reduced prices or sales) not in the entrance area, but in the central part of the trading floor, directly in the course of the main purchase flow [1, p. 22].

Every day, the largest number of buyers buys everyday goods. In particular, such goods include meat gastronomy, vegetables, dairy products, bakery products. The described product groups should be located on the outer perimeter of the trading hall, far from the entrance, forming several "golden triangles", ie triangles, the angles of which are the product group, entrance and cash register (Fig. 5). On the way to such goods, the

buyer is forced to inspect the entire trading floor and make unplanned impulse purchases.

Purchase of goods of impulse demand is usually not planned, so they are located in the "hot" areas of the trading hall: at the entrance to the trading hall, in places of the most intense shopping flows, in the cash area. There, they fall into the field of view of most visitors, encouraging them to make impulse purchases.

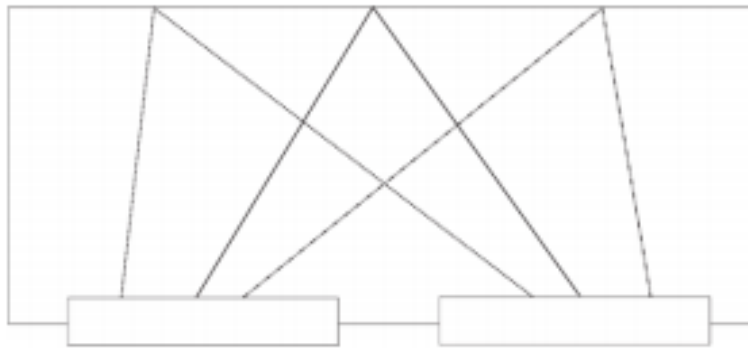


Figure 5 - Location of goods of daily demand [3, p. 33].

Most stores usually have one main purchase stream allocated by the maximum aisle width. However, stores with a large area (more than 3-5 thousand square meters) can have two or more zones of the main purchasing flow (Fig. 6).

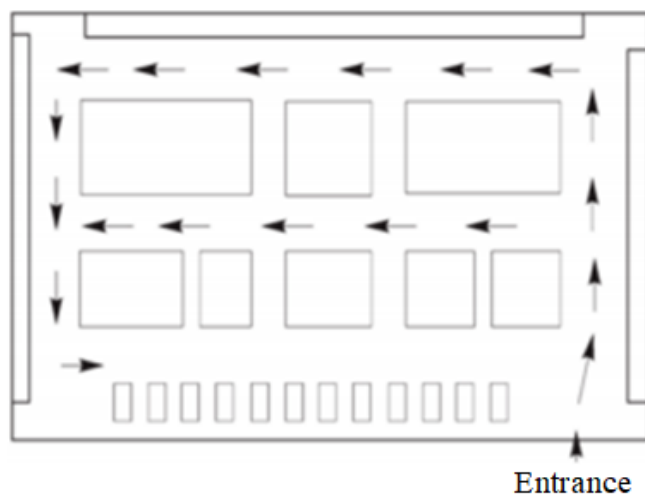
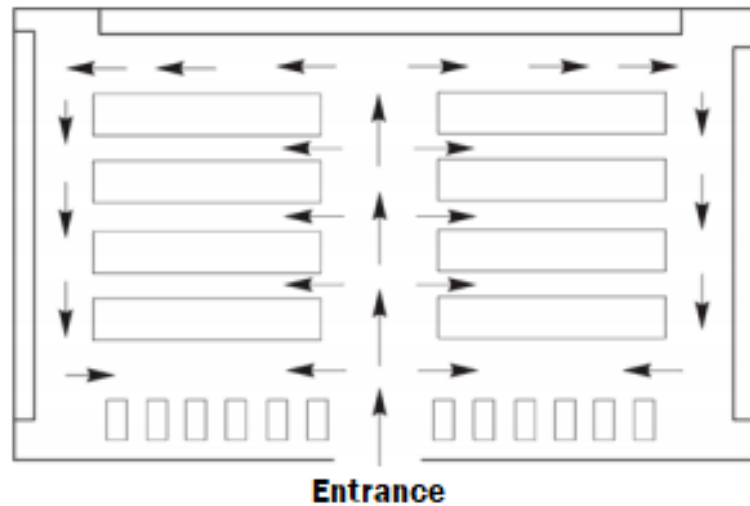


Figure 6 - The two main shopping flows in the store [3, p. 34].

In some cases, the organization of the main purchasing flow may not coincide with the perimeter of the store, for example, if the store is mainly goods of targeted demand and few goods of impulsive demand. In this case, planning with the main aisle in the central part of the store with side aisles from it is used (Fig. 7).



2.

Figure 7 - Purchasing flow in the central part of the trading floor [3, p. 35].

Planning and zoning of the trading floor is a complex and time-consuming process, but successful solutions and their implementation for the planning and zoning of the store can increase the number buyers and sales. It will be facilitated by a pre-thought-out and correctly selected optimal type of planning, as well as a rationally calculated amount of trade equipment.

1.2. Management methods and indicators for assessing the quality of retail space zoning.

These and other definitions of merchandising are correlated as separate aspects of a complex phenomenon that has different forms and manifestations, which necessitates classification according to various characteristics depending on:

- purpose and properties of the product: pro-satisfactory, non-food, pharmacy;
- emotional impact on the buyer: visual, communicative, a set of visual and communicative;

- features of the location of product categories in the trading hall: category, business, exclusive, cross, seasonal, combined;
- corporate strategy: reactive, proactive, advanced;
- organizer of the merchandising system: manufacturer and trader.

Among the motives that determine the use of merchandising as a marketing technology, indicate the following:

- increase in sales;
- creation of competitive advantages of shop and separate trade marks;
- formation of consumer commitment to the store, increasing the number of loyal and new customers;
- effective presentation of goods at points of sale;
- attracting buyers' attention to goods and special offers;
- providing customers with the necessary information;
- influence on customer behavior;
- increasing the level of decision-making by the buyer directly in the trading hall, increasing the time spent at the point of sale.

Merchandising accumulates the principles and methods of trade, logistics, advertising, design, composition, psychology and sociology [1].

Specialists distinguish three functional areas of merchandising management (the so-called "three-level concept of merchandising"):

Level 1 - the appearance of the store and the surrounding area (area around the store, name, advertising, showcase, entrance area, ease of location, range);

Level 2 - planning and atmosphere of the trading hall (technological planning, interior of the store: colors, lighting, POS-materials and advertising at the point of sale);

Level 3 - display of goods on the shelves (optimality, quantity, availability, location).

Identified functional areas of merchandising and their elements perform their specific role in terms of interaction with the consumer in the trading floor, which determines the next course of the study.

Thus, the determining factor influencing the decision to purchase is the location of the store [10, p. 37].

The advantages of the location of the store, which have a positive effect on customer loyalty, include: good visibility of the place, the ability to park the car, the availability of transport communications, equipped and safe crossings, recreation areas, the presence of other shops and service companies.

Influence on the buyer's decision to buy begins with the atmosphere of the store, because it forms the expected psychological state of the buyer [7, p. 186].

When placing and displaying goods, organizing in-store advertising and information, color design and music, it is important to prevent the possibility of discomfort in the perception of the buyer.

Discomfort of perception of the goods in shop arises in cases:

- insufficiency, difficult availability of information;
- lack of ability to quickly find and select the required product;
- information overload;
- unsuccessful color design, music and sound;
- inefficient lighting, at suboptimal conditions of temperature and humidity.

When planning the color of the interior of the room, keep in mind that color actively influences the thoughts and feelings of customers.

The impact is manifested on three levels: physical (behavioral parameters), optical (distance parameters) and emotional (behavioral parameters).

The emotional impact of the decision on color design should be based on knowledge of the "psyche of colors". Studies conducted by Swiss psychologist M. Lüscher show that colors cause the following sensations: blue - cold, purple - heaviness, crimson - greatness, green - calm, red - cheerfulness, orange - warmth, yellow - lightness, yellow-green - attractiveness [7, p. 206].

One of the experimental patterns is the dependence of temperature perception on color design. Thus, in a "cold" (blue-green) room, the same temperature is perceived 3-4 degrees lower than in a "warm" (red-orange). Color is also often identified with price, quality, style and image of the store.

Taking into account the factor of proper lighting, in particular the rational combination of natural and artificial lighting, plays an important role in the organization of the interior. Insufficient lighting has a negative effect on sales, too bright - causes rapid eye fatigue. The advantage of artificial lighting is that it can be completely subordinated to the task of decorating the trading hall, adding the appropriate strength and color.

However, it should be borne in mind that artificial lighting can enhance or reduce the color intensity of individual products. Taking into account the peculiarities of color perception in different lighting and grouping allows you to emphasize the features of a color.

At the same time, the perception of color depends on the emotional state of the buyer - some colors attract, others cause indifference, others are not perceived.

Therefore, an important element of the atmosphere of the trading hall is the musical accompaniment, which helps to awaken in customers a certain mood. Yes, the feeling of comfort is facilitated by music, which creates an inconspicuous but effective background for shopping, rather than distracting from them. A study conducted in the United States by Muzak showed that music has a positive effect on customers if it matches their demographic characteristics. In this case, buyers spend in the store 18% more time [7, p. 210].

An important means of motivating the buyer to buy is the advertising and information design of the store. Among the advantages of in-store advertising should be noted the following:

- it is addressed to potential buyers who are really interested in the product, and this provides it with high efficiency;
- facilitates the buyer's choice;
- acts on the imagination of the buyer;
- usually allows the buyer to compare several varieties of similar products and choose the one you like best or the one that meets the material capabilities.

A variety of in-store advertising are exhibitions and sales, which provide an opportunity to identify the attitude of buyers to new products, to establish the motives for giving preference to buyers of certain quality indicators, to promote certain areas of product development and domestic producers.

It is advisable to hold exhibitions of seasonal collections twice a year - autumn-winter, spring-summer, and exhibitions and sales of collections of individual manufacturers. To exercise their right to make their own choices, the consumer must have sufficient information. Therefore, a very effective, in terms of increasing customer loyalty, is a policy of information and training, which promotes a conscious purchase.

Information promotion activities can be as follows:

- joint production with manufacturers of special inserts with information about the properties of individual products and their operating conditions;
- advertising with information about manufacturers and their range;
- special training programs for sales staff who are in direct contact with the buyer;
- improving information at points of sale, including video and computer technology;
- specialist consultations, educational programs for consumers and potential clients.

A particularly important role in shaping the expected behavior of the buyer belongs to the sales staff of the store. The effect of service depends not only on the ability to show the product, but also on knowledge of information about the most important consumer properties of different groups of goods; ability to make a comparative description of goods with different composition and various manufacturers; knowledge of the rules of sale and exchange goods; advising on the conformity of the product to modern fashion trends; selection of goods taking into account the individual characteristics of the buyer, etc.

However, trade begins with the product. The formation of the behavior of buyers of the trading floor should take into account the physiological, socio-psychological and other components of the natural human system.

The whole set of merchandising solutions for the display of goods can be reduced to three main groups:

- decisions on the correct physical location of the goods (taking into account the rules of calculation and direction of the flow of buyers);
- decision on the original design of the displayed goods (no goods should be lost in the general trading environment);

- decision on product presentation.

Based on the statement that consumer behavior depends on the characteristics of the goods sold, this issue should be considered in the context of the peculiarities of the organization of trade in certain groups of goods.

Thus, taking into account the characteristics of textile products, it is advisable to use the following approaches to their placement and calculation [12]:

1. The most priority textile goods must be placed on commercial equipment at the level of 80-160 cm, taking into account this seasonal nature of the sale of textile fabrics and the influence of fashion.

2. Textile fabrics should be placed in such a way as to facilitate the search for the necessary. Therefore, on shelves or brackets it is necessary to create visible blocks according to the season, types of fiber, color design (plain, printed, variegated), color combination, manufacturers, purpose (coat, suit, dress, underwear, home textiles, etc.), prices, themes, etc.

Textile goods placed in visible places on additional equipment (racks or brackets) in accordance with the trajectory of buyers have a better chance to attract the attention of buyers, in particular:

- placement of subordinate goods next to the main (lining, applied materials are placed next to coat, cloak, suit fabrics);

- advertising calculation or information about fashion novelties.

3. The product must sell itself.

It should be borne in mind that textile products are characterized by unstable (alternative) demand, which allows a relatively wide interchangeability of textile fabrics depending on the composition, color design, decoration, etc. and is formed directly in

the store depending on the number of varieties, which requires a special approach to calculation.

So, at formation of stacks it is necessary to pick up homogeneous segments on color, the size of drawing, to consider transition from dark to lighter tones. Of particular note is the question of determining the required number of varieties of color design for each variety. On the one hand, it should be sufficient to provide a variety of choices, on the other - a review. It is known that psychologically acceptable information is $7 + 2$ characters. Since in the European tradition they read from left to right, the most promising colors should be placed in the first places in the row, and the basic colors should be represented by 2-3 shades. Then, depending on the fashion trends for this season, the colors are placed on the principle of contrast (textile fabrics of warm tones - textile fabrics of cold tones) or on the principle of flow.

Each merchandising tool has its own specific role in interacting with the consumer in the trading floor, but the maximum effect is achieved through the prism of a systems approach, where merchandising is seen as a system of interconnected elements that integrates and performs its functions as part of a holistic trading system.

According to O. Dankeeva, "merchandising management is the only purposeful system based on certain scientific principles, in which the control subsystem by its successive actions: planning, organization, control and analysis, affects the managed subsystem, which contributes to the effective representation of the trading company and goods in it, provides influence on consumer behavior when deciding to buy goods and increase profits "[3].

The main factors of effective organization of merchandising and the most typical tasks of marketing management, the prompt solution of which allows any retailer to achieve and maintain competitive advantages, respond quickly to changes in market conditions and optimally combine business goals and objectives with consumer needs, are shown in table 3.

Management of zoning of a trading company

№	Levels and tools of zoning of trade enterprises	Management tasks
1.	2.	3.
<i>The first level of the zoning concept</i>		
1.	<p>Perception of the store by the target audience:</p> <ul style="list-style-type: none"> • characteristics of the consumer (age, gender, social status, education, family size, income level, lifestyle); • place of residence; • motive for purchase; • the motive for choosing this store; • expectations from visiting the store. 	<ol style="list-style-type: none"> 1. Analysis of the social status of potential buyers. 2. Analysis of the level of income of relevant consumer groups. 3. Research of areas of residence of consumers. 4. Study of motivations of potential consumers when choosing goods, shop. 5. Collection and analysis of information about potential buyers (questionnaires, observations). 6. Formation of the concept of zoning.
2.	<p>Store location:</p> <ul style="list-style-type: none"> • type of district and its development potential; • convenience of placement in relation to other objects; • population within the service radius; • distance from competing companies; • availability of access roads; • availability of parking lots, public transport stops; • availability; • type and features of the store building. 	<ol style="list-style-type: none"> 1. Choosing the most optimal location for the store in terms of customer preferences and capabilities of the enterprise. 2. Analysis of the intensity of traffic and pedestrian traffic near the store. 3. Analysis of the purchasing power of the population within a radius service. 4. Analysis of the level of competition. 5. Estimation of potential service radius. 6. Assessment of the convenience of access to the store, the availability of parking, public transport stops.
3.	<p>Name, advertising slogan and sign:</p> <ul style="list-style-type: none"> • corporate identity; • slogan. 	<ol style="list-style-type: none"> 1. Choose a name, image slogan and sign that is straight or associatively reflect the specifics of the store and the characteristics of the target audience. 2. Collection and analysis of information on how clear the name is, what associations it evokes, how relevant it is to the general store concept. 3. Assessment of compliance with the slogan of the product specifics of the store, what emotions it evokes. 4. Analysis of attractiveness, intelligibility, memorability signs, combination with the general design of a facade. 5. Development of corporate style and image of

		the store in terms of customer psychology.
4.	Design of shop windows, facade, entrance group: <ul style="list-style-type: none"> • types of shop windows (text-color, commodity-decorative, plot, thematic); • highlighting the facade with paint or finishing material; • convenience of entry / exit; • design of the entrance group. 	<ol style="list-style-type: none"> 1. Choice of type, style and design of shop windows, frequency of change. 2. Analysis of compliance of shop windows with store specialization, price level, seasonality. 3. Analysis of compliance of the input group of the store format and method of sale.
<i>The second level of the merchandising concept</i>		
5.	Retail space zoning: <ul style="list-style-type: none"> • store format, location and area; • area and configuration of the trading hall; • architectural features (location of the entrance area, planning of trade and technological premises, connection between trade premises); • methods of selling goods. 	<ol style="list-style-type: none"> 1. Zoning of retail space of the store (division into trade and technological zone, cash zone, entrance zone and output). 2. Analysis of the size, visibility of the entrance / exit area, provision of storage rooms, trolleys and baskets, unimpeded movement of customer flows. 3. Assessment of the optimal placement of the cash zone, providing RRO. 4. Analysis of the demonstration and installation area. 5. Research of efficiency of highways of the basic streams buyers.
6.	Trading hall planning: <ul style="list-style-type: none"> • form and type of trading hall planning (linear, boxing, mixed, free, exhibition); • directions of flow in the hall; • types and type of placement of trade and technological equipment; • types of placement of product groups. 	<ol style="list-style-type: none"> 1. Choosing the type of trading hall planning. 2. Analysis of the efficiency of area distribution under commodity groups. 3. Assessment of compliance with the quantity and quality of trade store format equipment, technological processes. 4. Detection of "hot" and "cold" zones. 5. Analysis of the trajectory of customers in the store. 6. Evaluation of the effectiveness of POS-advertising.
7.	Creating a store atmosphere: <ul style="list-style-type: none"> • color design; • lighting (uniform, accent); • navigation system; • scents (floral, fruity, associated with certain products, natural); • music (tempo, thematic orientation, volume, time factor); • temperature; • work culture of sellers (politeness, sociability, professionalism, way of presenting the product, reaction to 	<ol style="list-style-type: none"> 1. Analysis of compliance with the color design format and concept of the store type of goods and storage conditions. 2. Analysis of the advantages and disadvantages of different light sources and their equal. 3. Research how readable the navigation system is clear, corresponds to corporate style, covers a trading hall, directs streams of buyers on rational routes. 4. Analysis of how natural and responsive the odors are visual perception of the product. 5. Assessment of compliance of the musical

	complaints, suggestions, appearance); • availability of in-store advertising.	accompaniment of the concept of the store, the characteristics of the target segment. 6. Analysis of the psychological impact of the atmosphere shop for buyers. 7. Analysis of the effectiveness of advertising and incentives sales. 8. Development of recommendations for the formation of the atmosphere of the store in terms of customer psychology. 9. Development and implementation of service standards.
<i>The third level of the concept of merchandising</i>		
8.	Product display: • range of goods; • types of calculation (commodity, decorative; basic, special; by product groups, manufacturers, ideological representation); • calculation methods (horizontal, vertical, combined).	1. Assessment of sales potential, turnover planning in the range. 2. Optimization of inventory and procurement plan. 3. Analysis of compliance of trade equipment and its placement to the specifics of goods. 4. Analysis of cost and profitability of goods. 5. Analysis of the ratio "place - visibility - price". 6. Optimization of the number of units of goods in the calculation. 7. Implementation of management by categories. 8. Development of a planogram. 9. Establishing compliance of the calculation of goods with planograms. 10. Development of a merchandising standard. 11. Analysis of compliance of the calculation of goods to the standard of merchandising.

Successful compliance with the first, second and third levels of zoning management guarantees effective and efficient results. All stages are interconnected and complement the previous one. This principle of operation helps the company to properly organize the trade process and move in the right direction.

Thus, the proposed classification of merchandising tools of a trading company with the definition of specific areas of their application can serve as a basis for the implementation of its key objectives, which allows to present certain products to

potential buyers in the most favorable material and psychological conditions and achieve desired results in the market.

In addition, the general study of the application of merchandising tools necessitates the development of further research into the specifics of the use of individual tools in the promotion of various products in various commercial establishments.

PART 2.

DEVELOPING THE PROCESS OF MANAGEMENT OF RETAIL SPACE ZONING IN THE ENTERPRISE "EPICENTER K", PRYLUKY

2.1. Analysis of the enterprise' performance, changes in demand for its services and characteristics of its retail space zoning

Epicenter National Network of Shopping Centers is a leader in retail trade in Ukraine, which provides an opportunity to purchase quality goods for construction and repair, garden and vegetable garden, decoration and design of housing in the format "FROM and TO", as well as use numerous additional services in the territory all of Ukraine.

The company started its activity on December 6, 2003 with the opening of the first hypermarket in Kyiv. Since then, the Epicenter has been developing dynamically and confidently expanding, covering not only regional centers but also district cities.

Every day more and more residents of Ukraine choose Epicenter. Today, the national chain of construction and hypermarkets "Epicenter K" is the winner of the international festival "Choice of the Year" in Ukraine - in the nomination "Network of the Year of Hypermarkets of Building Materials", winner of the annual national award "Ukrainian Trade Olympus" in the nomination "National chain of hypermarkets of building materials", as well as the winner of the National competition-rating "Brand of the Year".

Today, Epicenter is the largest retail and retail company with 50 stores, with a total area of over 1 million m². Hypermarket "Epicenter K" Pryluky has become the second for the network in the Chernihiv region (the first was opened in 2011 in Chernihiv). In total, it became the 14th shopping center, one opened and reformatted by the retailer in 2019. The shopping center in Pryluky is located on the street. Yuri

Koptev, 59K, it was built on the site of an abandoned shop №9 of the Budmash plant. The area of the shopping center is 4,783 square meters. [14]

The range includes a wide selection of non-food items: building materials, wood and metal products, floor coverings, tiles, paints, furniture, tools, everything for the garden, appliances and chemicals, automotive products, children's products, utensils, office and pet products. In addition, the new shopping center will feature a network of sports stores Intersport.ua. And all the goods from the mall can be ordered online, arranging delivery, or picking up from the mall. There will also be a cutting section, a cafe, a bank branch and its own car park. It has a favorable location by road. Variety of goods will meet the needs of consumers of different ages and social status for all goods are relevant documents that certify the quality of goods.

According to Volodymyr Honcharov, Deputy General Director, Retail Director of Epicenter K, construction and opening of optimal format shopping centers (4000-6000 sq. M) in district centers and small cities of regional subordination is Epicenter's strategy aimed at providing access to Ukrainian consumers. in all corners of Ukraine to modern trade service of the European level.

Epicenter K is a leader in the Ukrainian retail market of the segment of goods for construction and repair with all domestic investments, which has 58 operating shopping centers in different regions of Ukraine, from the capital to district centers. In the shopping centers of the network, the total retail area of which exceeds 1.5 million square meters. m, presented more than 550,000 items from more than 5,500 suppliers. According to the results of 2020, the total turnover of the Epicenter group of companies compared to 2019 increased by 23.4% or UAH 8.7 billion.

A wide selection of technical equipment and tools can also be purchased in the network "Epicenter K". Today, more than 50 hypermarkets have been opened, which provide the population with both jobs and everything necessary to improve the economy and construction.

Due to its success, as well as the desire to improve the quality of service, increase the choice of goods, the company provides significant competition to other construction networks throughout Ukraine.

The epicenter K network, aimed at leadership, has captured the market with its customer-oriented service, a wide range of goods and services, as well as the professionalism of its employees. Each market has 10 departments that are responsible for this range of goods and services. There are more than 10 assortment groups in each department. In total, each market has more than 40,000 units of goods.

Thus, showing the success of employees, to be a leader in the retail market format "from and to" in Ukraine. Distribution and development of a network of markets in all regional centers of large cities in Ukraine, presentation of a wide range of products and providing a high level of customer service.

The network of construction hypermarkets of Epicenter K LLC has developed a very large number of measures to stimulate the sale of goods, which consist of various seasonal discounts and promotions, as well as gift certificates in the "DEKO" department. The general purpose of the network is to provide residents of Ukraine with a wide range of affordable and quality goods, saving customer time through modern technologies of service and providing a wide range of services and goods under one roof. corporate profits and is a VAT payer. Consider the organizational structure of LLC "Epicenter K". In general, the company is controlled by the CEO. Also, his direct powers include represent the interests of the enterprise and to bear legal responsibility for activity of the enterprise. Directly economic activity is managed by the director, in which function includes the conclusion of contracts and opening of accounts in banks.

Accordingly, all departments and units of the analyzed enterprise are subordinated to the director. Directly, the organizational structure of LLC "Epicenter K" is shown in Figure 2.1.

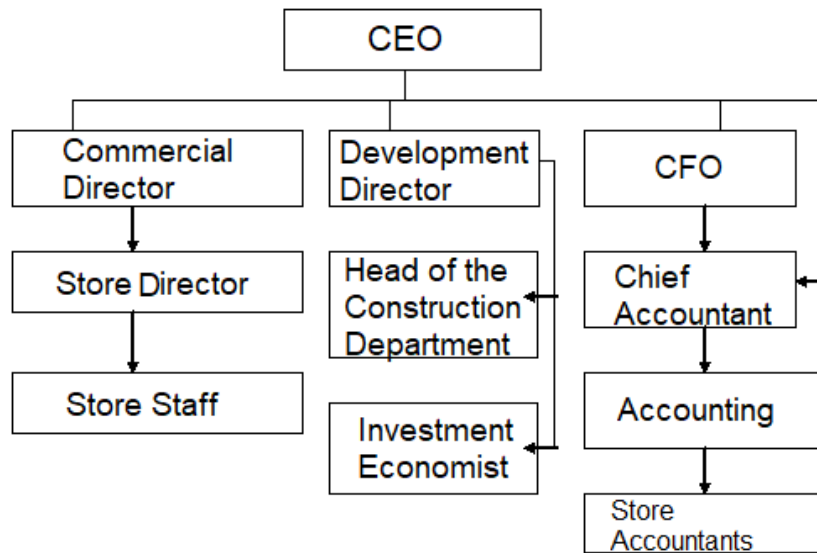


Fig. 2.1. Organizational structure of Epicenter K LLC

Sales departments in turn consist of the following:

10 department - "Garden and vegetable";

20 department - "Tools";

30 department - "Electromechanics";

40 department - "Metal products";

50 department - "Decor";

60 department - "Floor coverings, tiles";

70 department - "Plumbing";

80 department - "Wood products";

90 department - "Building materials";

100 department - "Deco".

Non-trading departments include the following:

1. Receipt department;

2. Equipment department;
3. Department of non-cash payment;
4. Department of cash registers;
5. Delivery department;
6. Information department;
7. Security service;
8. Human Resources Department.

2.2. Identification of strengths and weaknesses in the management process of retail space zoning in the enterprise "EPICENTER K", PRYLUKY.

Today, foreign and domestic retailers know what effect the effective use of merchandising tools can have. Up to 2/3 of all purchase decisions are made by consumers standing in front of the counter. The analysis of the received statistical data shows dependence of increase in level of sales on the average on 10 - 20% on effective and competent application of strategy of merchandising. The use of merchandising tools increases the competitiveness of the enterprise due to the rapid finding of goods by the buyer, the convenient location of trade equipment and service in the store. Also one of the requirements of merchandising is the quality of the product. Excellent quality of goods, their convenient location and favorable atmosphere of the store are one of the main criteria for the buyer's choice of place of purchase, and therefore the key to high competitiveness of the outlet.

One way to increase the competitiveness of retailers is to influence the internal factors of competitiveness, which include the effective use of new technologies such as merchandising technologies. This allows the company to gain additional competitive advantage through the use of specially designed technologies that the competing company can not implement in itself for a number of reasons.

Table 4

SWOT - analysis of the enterprise LLC "Epicenter-K"

	The external environment of the enterprise	The internal environment of the enterprise
1	2	3
Strengths	<ul style="list-style-type: none"> - taking into account regional and market features; - popularity and leading positions in the B2B market; - experience in new markets; - close and convenient location for potential consumers and suppliers. 	<ul style="list-style-type: none"> - the presence of a management company with many years of experience and highly qualified managers; - a wide range of goods of domestic manufacturers; - production of own competitive trademarks; - active market and advertising policy.
Weaknesses	<ul style="list-style-type: none"> - insufficiently high speed of development of regional representations; - lagging behind in the development of the level of service of regional representations; - had a small number of loyal customers. 	<ul style="list-style-type: none"> - competition between the common positions of own and purchasing products; - insufficient turnover of part of the range; - insufficiency of qualified service personnel in the supermarkets of the network.
Opportunities	<ul style="list-style-type: none"> - the creation of new jobs contributes to the growth of incomes of citizens, which revives 	<ul style="list-style-type: none"> - high turnover of most of the range; - the possibility of carrying out

	<p>the market;</p> <ul style="list-style-type: none"> - technical progress allows the development of own product in accordance with market requirements; - quality advertising helps to attract new customers; - lower prices for raw materials for production will reduce its cost and will increase profitability. 	<p>logistics processes at a high level;</p> <ul style="list-style-type: none"> - high efficiency of the project; - an employee with divisions of the company in other regions is allowed to exchange service and technological experience.
Threats	<ul style="list-style-type: none"> - reduction of prices by competitors will attract customers and to maintain market share, there will be an unplanned need to reduce prices; reduce profitability and necessitate higher prices. 	<ul style="list-style-type: none"> - customer dissatisfaction will cause the need for restructuring and technical re-equipment of the company - inappropriate advertising will cause inefficiency in the cost of its placement.

The SWOT matrix, which is presented in Table 4, uses paired combinations of strengths / weaknesses with opportunities / threats of external environment. After analyzing these combinations, conclusions were made.

With the help of the SWOT matrix you can see that the company "Epicenter-K" has many opportunities to overcome threats with the strengths of the company: brand awareness and effective work marketing department will help in the rapid reduction of sales with market saturation. However, such weaknesses of the enterprise as:

standard methods of product promotion in the North-East will be able to prevent opportunities to enter new markets areas and strong competition. These relationships

must be taken into account when forming the strategy of the enterprise and work on their minimal impact. [18]

At this stage, the company LLC "Epicenter-K" is recommended to use the latest technologies to expand and improve its range, which will maintain market leadership. It is recommended to take steps to smooth the situation regarding the price increase, namely the use of intensive marketing policy to increase sales of goods of Epicenter-K LLC.

PART 3.

IMPROVEMENT OF THE PROCESS OF RETAIL SPACE MANAGEMENT IN THE ENTERPRISE "EPICENTER K", PRYLUKY

Optimizing the placement of product groups in the trading floor, taking into account the rules of customer behavior in the store and the product neighborhood can increase sales by average by department by 10%. Optimizing the display of goods in the store can bring an increase in revenue per unit area of the product by 15%.

The combined use of optimization of placement, calculation and advertising (for example, the method of "color spot") brings up to 25% increase in sales by department, and by individual brands (manufacturers), which directly apply the method of "color spot" sales growth reaches 90 %.

According to research conducted in Western countries - 80% of goods in stores are bought under the influence of various impulses. These may include the product itself, the appearance of which attracts the attention and money of the buyer, an attractive price, additional advertising at the point of sale.

Once again, 80% of goods are purchased in stores not because it is better, but because they at a particular time make the most favorable impression on the buyer. Thus, the trading hall is a place where the seller has the last chance to show the buyer the goods, to influence his choice and to push him to buy more units of the goods. And, knowing that 65% of shoppers decide to buy while in the trading floor. It turns out that 9 out of every 10 customers who come to the store for shopping do not have a final decision on, for example, which brand of milk they will buy and will buy or do they carbonated drinks. Not to use this chance means to voluntarily give up the profit.

According to the International Association of Point-of-Sale Advertising (POPAI), by properly placing product groups in a store plus taking into account customer

behavior, you can increase sales by an average of 10%. The correct calculation will raise the income by another 15%, and accentuation techniques (color, location) - by another 25%. In general, other things being equal, sales of the "right" store can be 200-300% higher than in a similar store the point where the product is laid out arbitrarily.

Due to the fact that the organization has almost no management of the merchandising complex, it is necessary to consider possible ways to improve and make suggestions.

Creating an individual standard of merchandising for the trade network "Epicentr K", due to the lack of such a document. It is characterized by two types of tasks that are solved in the framework of merchandising. External tasks: marketing and logistics (organization of effective inventory, location of brands) and visual (design and promotion of goods). Internal tasks: development of merchandiser's instructions, formation of structure (divisions) and training.

To ensure the solution of external problems, it is necessary to analyse the product for profitability to comply with the rule of priority places: "The products that bring the most profit and have the best sales should be in the best places in the trading floor and trading equipment." As well as the definition of visual design and promotion in the trading floor, which depend on the existing competition in the market of goods sold in the store. The characteristics according to which the goods are distributed by segments are determined by the managers of the trading floor and the administrator.

The consequence of solving external problems are internal problems in creating an individual standard of retail merchandising:

- a) the formation of the structure (unit)
- b) development of instructions for merchandisers
- c) training.

The structure of merchandising divisions has a functional character and is determined by the types of external tasks - marketing and logistics and visual promotion. The supervisor is subordinate to the administrator, who compiles instructions for merchandisers, which are approved by the administrator. Two merchandisers (in the future it is possible to increase the number of merchandisers) working with certain areas of the trading hall or certain types of products are subordinated to the supervisor.

In the store upon receipt of the goods in the warehouse of the store is an instruction on its presentation for the merchandiser. This instruction is basic. The full calculation of the instructions is done once - after identifying the optimal in terms of merchandising plans for the location of product groups and making a final decision on the reorganization of the merchandising system. In the future, the merchandiser only checks the availability of goods from this instruction and the calculation of new goods according to the instructions.

The second most important is the instruction, according to which the formats and quantity of POS-materials in the outlet are normalized. The instruction has several parts: "Zone" entrance - exit", "Checkout area", "Trading hall". Types and formats of POS-materials are defined by the supervisor on visual registration and features of advancement of the goods: "in-store advertising should be placed for no more than 15-20% of goods."

The consequence of creating an individual standard of merchandising is the introduction of the position of supervisor in the staffing schedule. For this position it is advisable to hire a new employee with a degree in marketing or commerce. Since employees with such education are familiar with the specifics of sales organization, management and control over the activities of subordinates, which will ensure easier entry into work and most importantly, the employee will already be equipped with the basic knowledge necessary for the supervisor.

This measure will solve a number of problems with the presentation of goods, the implementation of control over these activities. The advantages of having a supervisor in the company are as follows:

- a) constant monitoring of the work of merchandisers (regular storches) will achieve the full presence of the product on the shelves of retail stores, which will lead to brand recognition among customers and to increase sales;
- b) compliance with calculation standards;
- c) prompt response to changes in marketing policy (promotion of new positions or brands in the market);
- d) assistance in conducting (by merchandisers) marketing and trade marketing activities;
- e) control over the use of trade equipment.

As for the shortcomings, here we can only highlight the increase in the salary budget. Acceptance of a staff merchandiser. This position requires 1 people in store of the trade network "Epicentr K", which should be transferred from the positions of sales consultants, as they are already familiar with the planning of the trading floor and the peculiarities of sales of goods. Merchandiser must be engaged in securing a permanent place for the product. It is necessary that it corresponds to the general logic of the location of product groups in the trading floor. It is important for the buyer that in the store, which he regularly visits, each product lay in a certain, well-known place. The presentation is based on planograms, which determine the place of the distributor's product on the shelves. This will increase the efficiency of merchandisers, as it will reduce the time spent on the design of shelves, display of goods. Planograms ensure compliance with the standards of calculation: the sequence of brand names, segmentation, division into corporate blocks, and so on. These standards should be described in the individual merchandising standard, as well as in the instructions for

which the supervisor is responsible. Also, having fixed a permanent place for the goods, the merchandiser should be engaged in their further promotion: to allocate a product by means of various means of paper advertising (shelfstockers, stickers, wobblers, bright firm price tags).

Personnel training for employee, who should be hired, usually in the form of an introductory briefing with a mandatory installation working day in conjunction with a supervisor and another merchandiser. For long-term employees it is necessary to periodically conduct trainings to improve their professional level. You can select the following areas in the curriculum:

- a) trainings on the theoretical foundations of merchandising, general features of the calculation;
- b) trainings on features and principles of calculation of separate goods in shops, on the open and closed markets;
- c) trainings on novelties - the necessary detailed description of properties and advantages of the goods, and also the information on principles of its statement is necessary.

These programs are the minimum for the normal operation of merchandiser. Merchandiser should also be tested periodically to monitor their knowledge. Test questions may relate to display standards and product properties. The staff must be constantly developed so that employees are interested in working in this company, and the company could more effectively organize the activities of employees. You can offer the following areas of additional training:

- a) Overcoming customer objections. This training should be based on the principles of psychology.
- b) The origin of the product and its positioning. Buyers often ask the question: "In which country is this product produced?"; "How is one brand fundamentally

different from another?". The merchandiser must be able to answer such questions, despite the fact that there is a sales consultant in the trading floor.

c) Rational use of working time. In this training it is necessary to pay attention to the unit cost of the sales representative and merchandiser and the cost of his loss of time.

Constant training, conducting various trainings will make merchandisers professionals and increase the efficiency of their work, and thus increase the profit of the retail outlet.

When building a merchandising strategy at the point of sale, it is necessary to take into account the following main points of control when organizing the work of merchandisers:

a) to assess the performance of merchandisers should be developed assortment matrices and planograms of the calculation for each category of stores in accordance with which the control of work;

b) in accordance with the concept of merchandising, evaluation criteria should be developed to minimize subjectivity. The criteria should apply to all components of the company's current concept of merchandising: stock, location and presentation of goods;

c) merchandisers must have reports required to be completed;

d) to increase the efficiency of merchandisers requires statistics on the store, it provides an opportunity to see the situation on the shelves in the dynamics for a certain period;

e) the range of time for auditing the work of merchandisers by the supervisor should be determined on the basis of the developed documentation on work standards, as well as the frequency of the audit. For this purpose, it is necessary to consider construction of work in the company: whether the estimation of all

personnel, features of system of motivation of the personnel and many other factors is carried out;

e) there should be a system of control (verification) of the work of merchandisers with different groups of goods at the point of sale - conducting regular storches. For this purpose, it is necessary to make the plan of their carrying out taking into account the primary stork during which deviations from the plan come to light and the purposes are defined, and the secondary stork during which the degree of correction by a merchandiser of a situation is defined. In the event of a recurrence of an adverse situation, it is important to determine further action on the merchandiser;

g) holding morning meetings. The meeting lasts a maximum of fifteen minutes, during which the supervisor summarizes the results of the work of merchandisers for the previous day, focusing on the negative and positive points, as well as, if necessary, sets priority goals for the current day;

h) establishing the reporting procedure. This step includes monitoring the reporting of merchandisers and preparing the necessary reports for management.

Acceptance of a supervisor in the staff is one of the methods to improve the company's performance. To begin with, it is proposed to launch a pilot project and create such a position. The required number of employees is 1. The supervisor's salary will be UAH 14,000.00. month. The event does not provide for the opening of a merchandiser position, but only training and retraining of sales consultants who already have some experience and will be able to quickly learn new material.

To accomplish this goal, it is necessary - placement of an advertisement for a supervisor vacancy on the website - UAH 1,000. The cost of PA for 12 months will be:
 $14000.00 * 12 + 1000.00 = \text{UAH } 169,000.00.$

Deductions for social needs: $169000.00 * 37.26 / 100 = \text{UAH } 62,970.$

Determine the size of the budget of the proposed measure.

$$169000 + 62970 = 231970 \text{ hryvnias. or } 231.97 \text{ thousand UAH.}$$

The measure we will offer will increase revenues by 4%.

Revenue (2020) = 11262764 thousand UAH.

$$11262764 * 0.04 = \text{UAH } 450510.56 \text{ thousand.}$$

We forecast the growth of sales, due to the implementation of the measure, using a standard distribution of probabilities:

$$OP = (O + 4 * B + P) / 6$$

where O is an optimistic forecast;

B - the most probable forecast;

P - pessimistic forecast.

To determine the forecast sales in the planning year, the company received the opinion of leading experts and heads of departments and obtained the following results:

Table 3.1. Expert survey results

Experts	1	2	3	4	5
Increase in net income (revenue) from sales, thousand UAH	500000	480000	490000	530000	525000

The values of this forecast must be checked for reliability and typicality.

Determine the standard deviation, which characterizes the scattering of opinions of individual experts relative to the mean.

Table 3.2. Intermediate calculations to determine the standard deviation

Experts	1	2	3	4	5
Increase in net income (revenue) from the sale, thousand UAH	500000	480000	490000	530000	525000
Average value	503570				
Deviation	-357,14	-2357,14	-1357,14	2642,86	2142,86
	127551,02	5556122,42	1841836,73	6984693,88	4591836,58

Determine the coefficient of variation (s), which characterizes the homogeneity of the set of opinions of experts:

Since $<33\%$, the set of opinions of experts can be considered homogeneous, which indicates the possibility of using the data of expert assessments for further calculations.

The most probable sales volume (B) is taken by the median method and determined at the level of UAH 500,357.14 thousand. as the average value of the series, pessimistic (smallest) value (P) - 480000 thousand UAH, optimistic (largest) value (O) - 530000 thousand UAH.

Calculate the forecast values of the increase in sales as a result of admission to the staff of the supervisor:

$$OP = (O + 4 * B + P) / 6 = (53000 + 4 * 50357,14 + 4000) / 6 = 50404,76 \text{ thousand UAH.}$$

We calculate the increase in net income (revenue) from sales, given that 1262764 thousand UAH. - the basic value of net income (revenue) from sales:

$$500404.76 / 1262764.0 * 100\% = 4\%,$$

Net income (revenue) from sales in the project year will be:

$$1262764,0 + 50404,76 = 1313168,76 \text{ thousand UAH.}$$

Find the value of total costs in the planning year.

Find the value of total costs in the project year. The total cost of production and sales (PV) in the base year amounted to 1211148.0 thousand UAH, including fixed costs (15% of full costs) - 181672.20 thousand UAH, variable (85% of full costs) - 1029475.80 thousand UAH.

Calculate the increase in variable costs in the project year by increasing sales by 4%.

$$1029475.80 * 0.04 = 41179.03 \text{ thousand UAH.}$$

Calculate the increase in total costs in the project year:

$$41179.03 + 330.42 = 41509.45 \text{ thousand UAH.}$$

Fixed costs due to their increase by UAH 330.42 thousand. in the project year will be:

$$181672.20 + 330.42 = 182002 \text{ thousand UAH.}$$

Thus, the total costs in the project year will be:

$1029475.80 + 41179.03 + 182002 = 1252656.83$ thousand UAH.

Calculate the increase in profit from sales:

$500404.76 - 411279.03 = 92525.73$ thousand UAH.

Therefore, the profit from sales will be:

$516156.0 + 91225.73 = 608741.73$ thousand UAH.

Where 516516.0 thousand UAH. - the basic value of profit from sales.

The increase in net additional income from sales will be:

Net profit = $95225,73 (1 - 0,19) = 74672,84$ thousand UAH.

Thus, the net profit from sales in the project year will be equal to:

$515360.0 + 79472.84 = 222832.84$ thousand UAH

Where 153560.0 thousand UAH. - the basic value of net profit from sales.

Here are the expected results from the adoption of the staff position of supervisor in table. 3.3.

Table 3.3 Expected results from the adoption of the position of supervisor in the staff thousand UAH

№	Indexes	Units of measurement	Indicator value
1.	Increase in net income from sales	thousand UAH	505404,76
2.	Increase in total costs of production and sales	thousand UAH	415609,45
3.	Increase in profit from sales	thousand UAH	92565,73
4.	Net profit growth	thousand UAH	74672,84

Thus, due to the acceptance of the position of supervisor in the staff, the net income (revenue) from sales in the project period will increase by 505404.76 thousand UAH. Total costs for production and sales will increase by 415609.45 thousand UAH. Profit from sales will increase by 92525.73 thousand UAH, and net profit - by 74672.84 thousand UAH and will amount to UAH 252,832.84 thousand.

Based on the results of preliminary calculations, we determine the main indicators of economic efficiency. No new equipment is required for this measure, so capital expenditures will be equal to changes in working capital.

Determine the change in working capital in the amount of 4% of 85% increase in variable costs, which will be obtained as a result of the implementation of the measure:

$$412179.03 \times 0.85 \times 0.04 = \text{UAH } 19,400.09 \text{ thousand.}$$

Therefore, the capital costs required for the event are:

$$K_n (\text{PI}) = 19400.09 \text{ thousand UAH.}$$

Additional net profit is UAH 22,832.84 thousand, and its increase is UAH 7,472.84 thousand, respectively.

Payback period of capital investments:

$$T = \text{Net Income} = 1400,09 / 7472,84 = 0,19 \text{ years (69 days)}$$

Calculate the feasibility of capital investment, taking into account the discounting of the project during its economic life.

The project must be discounted at the rate we accept at 25%.

Since the purchase of the program does not involve the installation of new equipment and construction work, in our case, the net generated cash flow will be equal to:

$$\text{Net income} = 74572,84 \text{ thousand UAH.}$$

The current (present) value (HB) of future cash flows for the entire life cycle of the project (the economic life of the project) is calculated by the formula:

Where PPP - net generated cash flow of real money for the 1 year of the project life cycle; p - the discount rate, which is taken at the level of the NBU refinancing rate (we accept at the level of 25%) is equal to 0.25. The economic life of the project (life cycle) is determined based on the rate of depreciation (Am.,%).

The present value of the future cash flows accumulated over the entire life cycle of the project () for this innovation will be equal to:

$$74372.84 * 2.6893 = 200296.71 \text{ thousand UAH.}$$

Net present value (NPV) is calculated as the difference between the sum of present values accumulated over the life of the project and the initial investment:

$$200596.71 - 14040.09 = 184696.62 \text{ thousand UAH.}$$

The discount (guaranteed) period of return on investment is defined as the ratio of initial investment to the average annual present value:

$$14040,09 / 40319,342 = 0,35 \text{ years (128 days) } < 5 \text{ years,}$$

average annual present value:

$$202096,71 / 5 = 40419,342 \text{ thousand UAH.}$$

The undiscounted return on investment is defined as the ratio of the initial investment to the average annual present value:

$$14040.09 / 74372.84 = 0.19 \text{ (69 days) } < 5 \text{ years}$$

The profitability index is determined by the ratio of net present value to initial investment:

$$18696.62 / 1400.09 = 13.35 > 0.$$

The profitability index is determined by the ratio of the sum of current values accumulated over the entire life cycle of the project to the initial investment:

$$204096.71 / 14040.09 = 14.35 > 1.$$

Based on the calculations, we can conclude that it is appropriate to hire a supervisor, which is confirmed by the following indicators:

1. CHNV at the end of the life cycle with a cumulative result, there is a positive value - 186986.62 thousand UAH.
2. The guaranteed return on investment is 0.19 (69 days) a year, which is acceptable, as it is much less than the economic life of the project, which is equal to 5 years.
3. $ID = 13.35 > 0$, which indicates the high efficiency of the project.
4. $SP = 14,35 > 1$, which is acceptable and indicates the high efficiency of the project.

Therefore, the above indicators indicate the possibility of implementing this measure.

The results of calculations of indicators of economic efficiency of the proposed measure are given in table. 3.4.

Table 3.4 The main indicators of the effectiveness of the proposed measure

Indicator	Units of measurement	Indicator value
1. Capital expenditures (initial investment)	thousand UAH	14040,09
2. Additional income from sales	thousand UAH	92625,73
3. The sum of the present values accumulated for all term of economic life of the project	thousand UAH	205096,71
4. Net present value	thousand UAH	186964,62

5. Payback undiscounted period	Years	0,19 (69 days)
6. Payback discounted period	Years	0,35 (128 days)
7. Yield index		13,35
8. Profitability index		14,35

As you can see from table. 3.4, the proposed measure will allow the company to obtain additional profits (92625.73 thousand UAH). The discounted payback period will be 0.35 years, and the undiscounted payout will be 0.19 years, which is much less than the economic life of the project. Capital expenditures are not significant. Profitability and profitability indices are (13.35 and 14.35 respectively), which indicates the feasibility of the proposed measure.

Therefore, making the appropriate calculations, we can draw the following conclusions. As a result of the implementation of the proposed measures we will have an increase in net income (revenue) from sales of products by 505404.76 thousand UAH, its project value will be 1313168.76 thousand UAH. Total costs for production and sales will increase by 41,508.83 thousand UAH. Profit from sales will increase by 92625.73 thousand UAH. (or 17.87%). In the project year, net profit will increase by 48.65% and will amount to 22832.84 thousand UAH, which is 74372.84 thousand UAH. more than the base year. Costs per 1 UAH. sold products will decrease by 0.52%. Profitability of activity (sales) will increase by 0.52, profitability of products will increase by 0.6%.

Therefore, hiring a supervisor as a whole is an effective measure and, as the analysis shows, has a positive effect on the main performance of the enterprise.

CONCLUSIONS

Management of retail space zoning, increases store attendance, helps to create and maintain the image, rational management of inventories, increases profits and market share. The concept of merchandising is a system of specific tasks facing the company in this area. It is worth remembering that these tasks are interrelated and can be solved only in the complex, otherwise not achieve the ultimate goal - to increase the company's profits by creating a desire of the buyer to buy a promotional product.

In this course work the activity of the of Epicentr K LLC was analyzed,.; the technical and economic characteristics of the enterprise are considered and the corresponding conclusions are made on the basis of comparison of activity of the enterprise.

The first section identified the theoretical aspects of merchandising in the overall process of managing the sale of goods, its content and objectives, methodological approaches, the basics of planning and control of this activity.

In the second section, the technical and economic characteristics of the enterprise and a study of its trading activities. It was determined that Epicentr LLC has its own network of specialized stores. Epicentr stores are located in different regions. The network is constantly expanding, specializing in home improvement and gardening. The company is one of the first in Ukraine to introduce a chain of home improvement stores and has successfully expanded across the country over the last decade.

The analysis of the merchandising complex at the enterprise was also carried out, the strengths and weaknesses of EPICENTR LLC were identified and compared with competitors.

In the final part of the course work were considered ways to improve the efficiency of the enterprise by improving merchandising. Proposals were developed to

increase the efficiency of merchandising management at the enterprise by hiring a supervisor.

After calculating and analyzing them, it was found that the implementation of this measure is profitable and effective and will increase the company's revenues, improving the company's performance, while in the project year net profit will increase by 48.65% and will amount to 225832.84 thousand UAH. which is 74672.84 thousand UAH. more than the base year.

With the right focus of the buyer's attention on certain brands or types of goods, you can increase their sales to 90%. Managing trade space zoning helps to improve the quality of service, helps the buyer to make a choice with minimal help from sellers. For the correct organization of trade is also important the choice and placement of trade equipment, furniture, it is important to consider a large number of factors influencing buyers, such as music, lighting, colour, cleanliness, price tags. But still the main thing in the store is the product: its range, and then the placement and well-placed accents. If the product is uninteresting, low-quality, does not have its own "face", then all efforts to design a trading floor, unfortunately, will be in vain.

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