In theory, the economic principle of scarcity makes sense—people perceive products as more valuable when they are less available. In practice, however, purchasing decisions are much more complicated.

When viewing retail shelf displays, consumers are exposed to four factors that have a significant impact on their purchasing decisions:

- Organization
- Product quantity
- Product type
- Brand familiarity

This new research explores the impact that disorganized shelf displays and limited product quantities have on consumer purchase decisions. The findings indicate that in certain cases, shelves that are disorganized and not fully stocked tend to reduce sales; in other cases, however, these same circumstances can increase sales. Brand familiarity also plays a role.

To study these effects, the researchers examined purchasing decisions for two product categories—ingestible products (i.e., juice) and noningestible products (i.e., fabric softener)—and found distinct results for each category.

Unlike noningestible products, ingestible products are susceptible to perceptions of contamination. The research indicated that when consumers believe another shopper has touched an ingestible product, they evaluate the “contaminated” product less favorably even if the product is objectively unharmed. The consumer’s negative perception is called a “disgust reaction.”

It is important to note that for the perception of contamination to be present, the shelf display must be disorganized and contain a limited product quantity. However, the perception of contamination can be moderated by lack of brand familiarity. Uncertainty plays a significant role in the shopping environment, and consumers use retail cues to supplement knowledge they may lack regarding a product.

If the consumer is unfamiliar with a particular brand, the disgust reaction will be canceled out by the perception of popularity that the shelf communicates. As a result, the consumer is equally likely to purchase an unfamiliar-brand ingestible product from a disorganized shelf display with a single product as from a fully stocked, organized display.

For products that are not ingested, by contrast, disorganization and limited product quantity signal that the product is popular. However, consumers who are familiar with the brand are less likely to rely on these cues. In fact, they are equally likely to purchase a familiar-brand noningestible product from a disorganized shelf display with a single product as from a fully stocked, organized display. For unfamiliar-brand noningestible products, consumers rely more on shelf display cues for information about popularity, leading to increased purchases from a messy display with fewer products.

These findings—which were replicated through both laboratory experiments and field experiments in a retail setting—demonstrate the importance of understanding how consumers perceive and interpret cues in the retail environment in order to manage their overall experience.

**KEY TAKEAWAYS for Managers**

- Consider reevaluating your restocking process. Instead of restocking the fastest-selling products immediately, address ingestible product displays with familiar brands first to reduce cues that could negatively affect purchase decisions.
- Unfamiliar-brand noningestible products should be assigned the lowest restocking priority because sales of these products may actually benefit from disorganized shelf displays with fewer products.
- Manufacturers of ingestible products that restock their own products or take responsibility for their own shelves and displays without the help of store employees may be taking a risk. Storing and monitoring products on shelves is a full-time job.
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