



# International Journal of Marketing and Technology

(ISSN: 2249-1058)

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**Title**

**A STUDY ON POINT OF PURCHASE –  
AN ADVERTISING AND SELLING TECHNIQUE**

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## **INTRODUCTION:**

The term Point –Of –Purchase, or POP, refers to the promotional graphics focused on influencing consumer behavior at the moment of purchasing decision. Point –of –Purchase displays are driving a retail revolution. They are enabling true dynamic selling. The presentation of the product and merchandise is almost as important as the product itself. There is only one chance to make a first impression and it has to be a good one. Point of Purchase displays or POP presentations can be anything from stock corrugated floor stand or counter displays to acrylic or corrugated ballot boxes to elaborate custom die-cut & printed stand up displays. In recent years, the point of purchase for products and services has become an important focus for marketers, because consumers tend to make purchasing decisions on very high-margin products or services at these strategic locations.

On a macro-level, a point of purchase may be a mall, market or city. On a micro-level, retailers consider a point of purchase to be the area surrounding the counter where customers pay. It is also known as "point of sale". Points of purchase may be real, as in the case of a "brick and mortar" store, or virtual, as in the case of an electronic retailer that sells goods and services over the internet. Most purchase decisions are made at the shelf during just a few critical seconds. The ability for a product to attract shoppers' visual attention has a strong influence on the choices they make – products that are unseen are often unsold.

## **OBJECTIVES OF THIS STUDY:**

- ➔ To know the Influence of Point of purchase materials on customers while making purchase
- ➔ To know whether POP would be a replacement for a salesperson
- ➔ To know which age group is most influenced by POPs
- ➔ To know whether POP influences Impulse buying behavior

## **THEORETICAL FOUNDATION:**

The studies on consumer shopping behavior showed that a high proportion of all purchases in supermarkets, chemist shops and other retail outlets are totally unplanned. In a general sense, this means that many product and brand decisions are made in-store at point of purchase rather than as pre-planned purchases beforehand. It is patently clear from these studies that these play a role - perhaps the major role - in influencing unplanned purchasing and increasing sales. Some startling results were obtained by research commissioned by the Point of Purchase Advertising Institute (POPAI) which should force marketers to re-evaluate their strategic thinking and re-allocate their promotional budgets quite drastically.

The 1995 POPAI consumer habits study, compared shoppers planned purchases obtained during entry interviews and actual purchases during exit interviews and it was possible to classify every brand purchase into one of four types of consumer behaviors:

1. Those specifically planned, where the customer had indicated an intention to buy. 30% in supermarkets and 26% in mass merchandise stores
2. Generally planned where there was intent to buy a specific product but with no brand in mind. - 6% in supermarkets and 18% in mass merchandise stores
3. Substitute purchases where the product or brand indicated was not purchased (pure brand switching) - 4% supermarkets 3% mass merchandising stores
4. Unplanned purchases where there was no prior purchase intent - 60% in super markets and 53% in mass merchandising stores

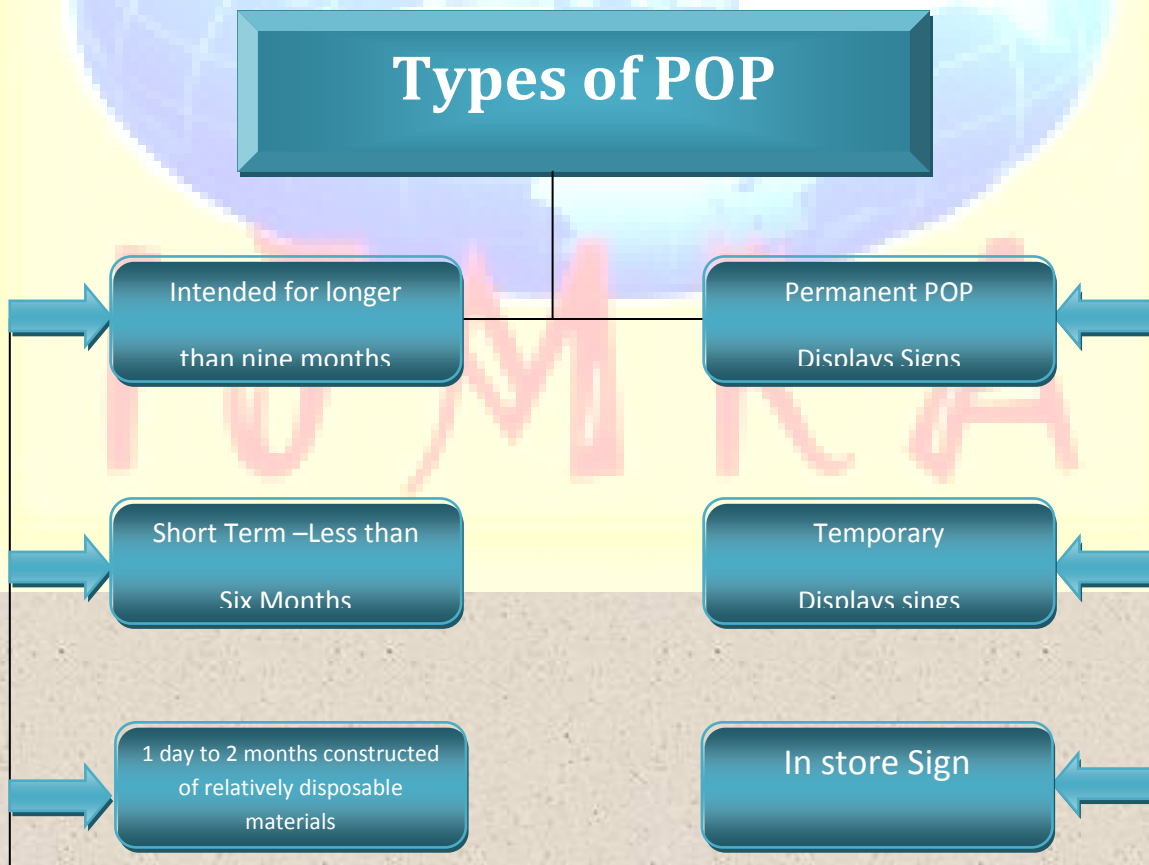
The results show a 70% in-store decision rate in supermarkets and 74% in mass merchandising stores which means the advertising investment in building brand awareness and brand equity is only responsible for filling 30% of a consumers shopping trolley the rest is being done by in-store promotions, which appear to be a major component in brand switching.



**BENEFITS OF USING POPS:**

- ➔ Delivering a rapid return on investment.
- ➔ POP give retailers a new, simple and effective way to put product information in front of their customers and sell to them whilst reducing their cost of sale.
- ➔ Research shows that the critical battlefield for winning sales is when the customer is faced with the product.
- ➔ This is the point of purchase where the decision to buy is made.
- ➔ It is here that retailers must convince customers that the product is the one that they should buy.
- ➔ It is at this point of purchase the POP displays make maximum impact.

**TYPES OF POP:**



### **THE GROWING MARKET FOR POP:**

- I.T Strategies, an US based analyst firm, in its report estimated the wide format POP display signage to be a \$ 7.6 billion market.
- The POP advertising Institute predicts that in-store advertising accounts for 53 – 60 % of consumer purchase.
- P.O.P buyers report issued by P.O.P magazine states that annual P.O.P spending is estimated at over \$ 17 billion.
- Additionally they predict P.O.P advertising to grow nearly 20% over the next five years.

Indian retail sector have emerged as a most dynamic and fast pace industries with immense completion. Retail organizations are aggressively adopting innovative marketing Strategy to attract the customer. Many Players are trying to recreate the ambience and experience of foreign shopping malls and are providing wide product range, quality and value for money to create a memorable shopping experience. The services offered at these outlets are promoted through the print, electronics and outdoor. However, it is still to find out at what extend the Indian consumer are accepting this innovation and what they perceive about it.

### **DATA COLLECTION METHODS:**

This study was conducted at organized retail outlets which were in Dakshina Kannada and Udupi region to find out the consumer credibility perception and behavior towards various means of display materials and what influences them in making purchase decision from a particular outlet. This study primarily concentrates on the effectiveness of sales promotion techniques like Point of Purchase materials and how do the customers pursue such practices, influences of those in their buying pattern. It also tries to find out the overall perception on The POPs materials and its influence on various groups of customers.

**SAMPLE:**

To be certain that a fair representative of the population is selected; the sample consisted of at least 100 for each cities. The method used for sampling was the Random Sampling Method. For such a study larger the number of sample better will be the understanding of the costumers mind. However, one has to also look at the Cost and the time involved in such a study. With a use of Random Sampling Method 300 people were selected for the study.

**DATA COLLECTION:**

A questionnaire with about 15 questions was used as an instrument of data collection. A separate questionnaire was given to all the retail shop owners' to know their perception about POP display. Interaction with everyone in the list was by the way of Personal Interview. The data was analyzed with the help of percentages and statistical test like chi square.

**FINDINGS:**

A sample size of 300 was included in this research. There were 4 age categories of respondents ranging from 11 years to over 40 years. In general the sample was predominantly between the ages 18 to 25 years (over 35%).

**Table 1: Age Group of respondents**

Age group	No. of respondents	Percentage
11 to 18	47	15.67
18 to25	106	35.33
25 to 40	80	26.67
above 40	67	22.33

**Table 2: The factors considered by respondents while selecting a retail outlet**

Factors	Respondents	Percentage
Nearness	103	34.33
Product availability	112	37.34
Offers	41	13.67
Ambience	37	12.33
Others	7	2.33

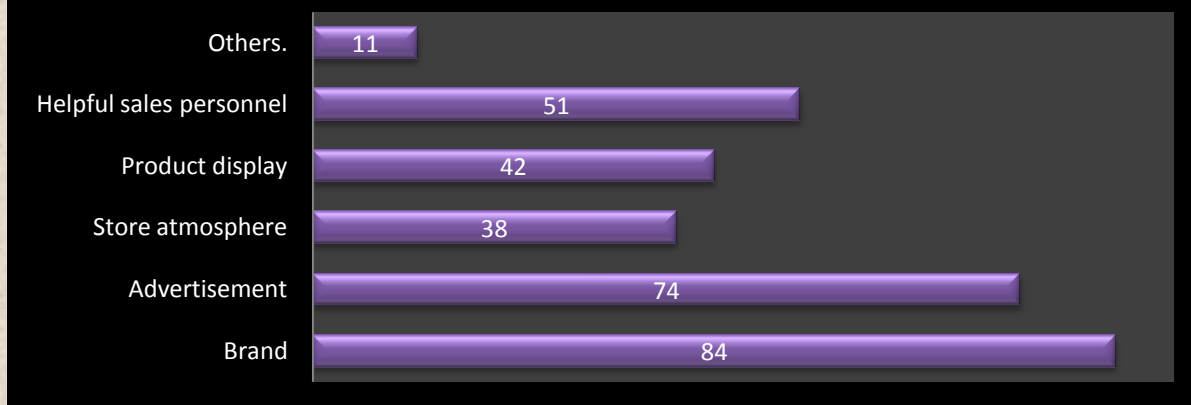


Product availability and the location advantage are very important factors considered by the respondents while selecting a retail outlet.. Other factors like offers, ambience etc. gets lesser frequency comparatively.

**Table 3: Influencing factors while make purchases**

Influencing factor	Respondents	Percentage
Brand	84	28
Advertisement	74	24.67
Store atmosphere	38	12.67
Product display	42	14
Helpful sales personnel	51	17
Others	11	3.66

### The highest influencing factor



Brand name and the advertisements are the high influencing factors while make purchases. People get to know about the product or brand through advertisements. The sales personals and the display also have their due importance. Sometimes people need assistance and that's when they approach the salesperson. Display and store atmosphere helps to attract the consumers while doing their purchases.

**Table 4: Basis taken while taking a purchase decision.**

Basis Rating	Brand	Price	Availability	Offers	Color	Packaging	Display	Celebrity
1	72	97	48	52	30	32	72	33
2	93	76	47	44	45	34	18	38
3	39	40	29	38	40	40	36	29
4	30	45	19	43	47	39	32	45
5	27	22	54	40	40	51	43	41
6	22	5	52	38	46	41	40	32
7	17	14	51	45	52	63	59	82

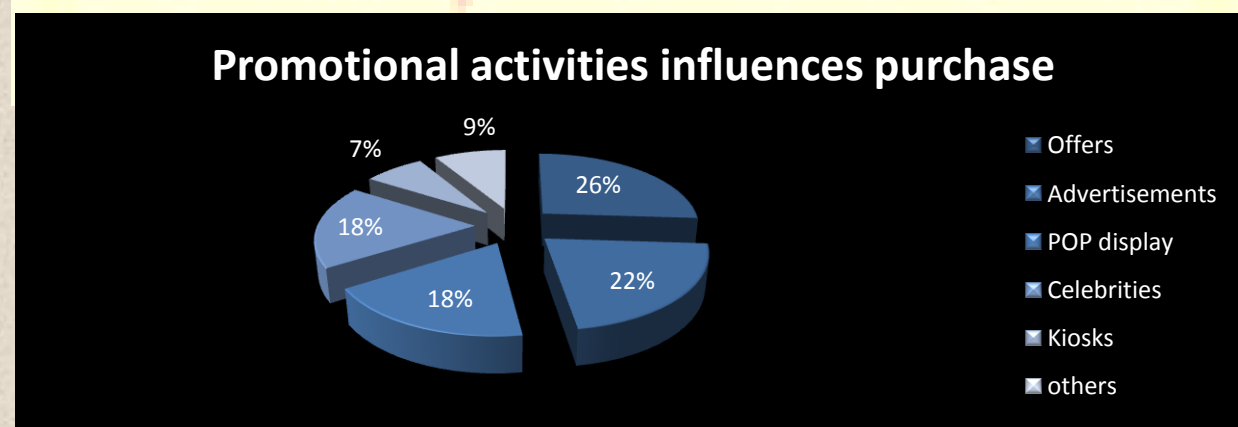
Rank- 1st as most influential factor and 7- least influential factor

The above two way table explains the ranking given by the respondents for some factors which effects purchase decision. All are having their own ranking on the basis of the respondent's consideration level. Price is considered to be the most influential factor when purchasing the product. Brand and display plays a very significant role and the retailers should use this for their advantage.

The study further tries to understand which of the promotional activities are more advantageous to use and the importance of POP's.

**Table 5: Promotional activities that influences purchase**

Promotional activities	Respondents
Offers	78
Advertisements	65
POP display	55
Personal selling	54
Kiosks	22
Others	26



The right blend of all types of promotion is required to attract the customers to the stores. It is quite visible in the survey that the respondents were influenced by the various kinds of promotional elements like offers, advertisements, POP display and personal selling.

**Table 6: Feature of the store liked by the customer and that influences purchase.**

Features Ranking	Shelf design	Aisle design	Kiosks	Sales persons	Display board and pamphlets
1	73	64	49	87	78
2	66	34	64	71	69
3	51	59	63	54	63
4	50	77	84	34	51
5	60	66	40	54	39

Rank- 1 as most liked factor and 7th- least liked factor

This is the ranking given by the respondents about the store atmosphere. This is to know how much customer observes in the store other than the actual purchase. In this aspect sales person gets maximum importance. People give most importance to them because of the interaction they can do with them. Second rank goes to Display boards and pamphlets, these display boards and pamphlets attract attention of the consumer and helps the customer to aware about the product. Kiosks, shelf design and aisle design are yet other factors customers do consider.

**Table 7: Whether POP influences purchase or not.**

Yes	No
143	157

Here the question asked to know whether POP influences customer to make purchase. Point of purchase is those which are used to display the product in the store. Usually it is used to attract the customer and to influence the impulse buying.

The result obtained from the study is 52% of respondents answered no for the question on because POP is attractive no one is ready to purchase consumers prefer other factors also while making purchase like price brand etc.

**Table 8: "Attractive POP Displays can be replacement for a sales person" Do u agree this statement.**

Yes	No	Don't know
77	145	78

Attractive POP cannot be replacement for the salesperson. This is the result obtained from the survey more than 48% of people denied to agree this statement.

The result is negative because most of the people still require assistance from some of the salesperson in an outlet. Even if it is a mall or a supermarket people do see for the assistance. It requires lots of effort to educate the customer before going to replace POPs to salespersons

**CHI-SQUARE TEST:**

**To find out whether POP influences the purchase irrespective of the age of the consumer**

	Age group Of respondents				Total
	11 to 18	18 to 25	25 to 40	40 and above	
Pop influences purchase	24	55	31	33	<b>143</b>
Pop will not influences purchase	23	51	49	34	<b>157</b>
Total	<b>47</b>	<b>106</b>	<b>80</b>	<b>67</b>	<b>300</b>



### Hypothesis

Ho - No association between Point Of Purchase and age group with respect to the buying behavior

H1 – There is association between point of purchase and age group with respect to The buying behavior

By taking the hypothesis that pop will not influences the purchase behavior irrespective of age of the respondents, both are independent factors.

### Calculation of expectation

#### Pop influences purchase

Age group 11 to 18 =  $143 \times 47 / 300 = 22.403$

Age group 18 to 25 =  $143 \times 106 / 300 = 50.527$

Age group 25 to 40 =  $143 \times 80 / 300 = 38.133$

Age group 40 and above =  $143 \times 67 / 300 = 31.94$

#### Pop will not influences purchase

Age group 11 to 18 =  $157 \times 47 / 300 = 24.60$

Age group 18 to 25 =  $157 \times 106 / 300 = 55.47$

Age group 25 to 40 =  $157 \times 80 / 300 = 41.87$

Age group 40 and above =  $157 \times 67 / 300 = 35.06$

Groups	Observed frequency Oij	Expected Frequency Eij	Oij-Eij	(Oij-Eij) <sup>2</sup> *Eij
<b>Pop influences purchase</b>				
Age group 11 to 18	24	22.4	1.6	0.114285714
Age group 18 to 25	55	50.53	4.47	0.395426479
Age group 25 to 40	31	38.13	-7.13	1.333252033
Age group 40 and above	33	31.94	1.06	0.03517846
<b>Pop will not influences purchase</b>				
Age group 11 to 18	23	24.6	1.6	0.104065041
Age group 18 to 25	51	55.47	4.47	0.360210925
Age group 25 to 40	49	41.87	7.13	1.214160497
Age group 40 and above	34	35.06	-1.06	0.032047918
<b>Total</b>				<b>3.588627066</b>

**Calculation of table value**

$$(C-1)(r-1) = (4-1)(2-1) = 3$$

3 at 5% level of significance

**Table value = 7.815**

**Calculated value 3.588627**

Calculated value of chi-square is lower than the table value .The null hypothesis stated above holds true.

### **Conclusion:**

To sum up with all these analyzed data briefly we can say that point of purchase materials have not got that much importance in influencing buying pattern of the consumer. At present it is just acting as a promotional method. The actual output is yet to be obtained. To make it more effective it should reach customer much effective way. And even consumers need to be educated to use it. At present the influence of POP on purchase is less than the advertisements and offers for the product.

With the result derived from the research, considering geographical area where the research is done we can say that at present situation POP Cannot be the replacement for salesperson. The most influence age group for POP is the younger generation.

POP do influences impulse buying pattern but to small extent only not to the large extent. POP helps draw attention of the consumers into the stores and to make purchase .The one who will attracted by the POP outside the store they will observe POPs inside also it can be favorable to the seller.

POPs do have attention value but it needs very much attention towards it .frequent maintenance, updating information etc everything should be maintained carefully.

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