

THE IMPACT OF POINT OF PURCHASE DISPLAY ON CONSUMER DECISION MAKING

Dr. Harbhajan Bansal*

Mr. Punkaj Kumar**

Abstract:

Retail sector in India is passing through a transition phase and retailers are facing a very tough competition not only from their traditional rivals but also from invisible giants (online retailers). The biggest differentiator between these two is display of products, brick and mortar retail stores have got an advantage that their customers can actually touch and feel the products. Display plays a major role in consumer decision making and studies show that around 70% of the final decisions are made inside the store. Point of purchase display comes into force when customer is actually purchasing the product. It acts like a last moment reminder and boost sales.

Key Words: Point of purchase display, retail, promotion, advertising, consumer decision making

* Professor HSB, GJUST, Hisar

** Research Scholar, HSB, GJUST, Hisar

Introduction

The retail landscape has seen a major shift in the recent years. The scenario in the retail store (especially in metro cities) is altogether different as compared to ten year ago. The way that consumers used to make purchase decisions has changed dramatically: they stand in stores, using the smart phones in their hands to compare the prices and product reviews on various e-tailing websites and recommendations of family & friends through social media. When they are ready to buy, the probability that any online retailer would deliver them cheaply direct at their doorstep, sometime on the same day. These kinds of unpredicted shifts have changed the viewpoint of the industry experts and some of them predict to end the retail as we know it (Grewal et al., 2003). It is predicted that retail will change more in next 10 years than it has changed in the last 100 years. Though that is not to suggest that malls, chain stores and big name brands will not continue in the foreseeable future but it indicates that new players will rapidly emerge and will lead the market. The trend of weekend shopping is also a major shift in retail industry. Shopping has become much more than only buying and selling of goods (Machleit et al., 2000). People visit the retail stores to have fun (eating out, watching movies, enjoy good time with family etc.). Today's consumers have more choice and far more product information than ever before which makes the job of the retailer quit tough in keeping the consumer in his fold.

Point-of-purchase Display

Today, retail stores have everything from shoes, clothes, toys to electronics. It is therefore important for store owners to have the necessary tools for merchandising a wide variety of items in the most efficient manner within their stores to help promote merchandise. As the retail stores develops visual retailing and displaying of products is becoming a source of concern for business owners. Retailers must be in tune with all the different types of store displays and fixtures available for store displays that are available for their stores' merchandise.

Point-of-purchase is the place where a customer is about to buy a product. Point-of-purchase display refers to how a retailer should display various brands so that they are most likely to be noticed and purchased by the customers. It is a well-recognized fact that many of Indian customers make their final decision with respect to purchase of a product/brand at the last minute. The point-of-purchase display derives its power out of this phenomenon. The point-of-

purchase display not only presents the last minute reminder but also invites the customers to buy it. Effective display backed by recommendation of the retailer can do wonders to a brand. The underlying assumption is “*jo dikhta hai vo bikta hai*”.

Review of literature:

Point of purchase displays are specially designed materials intended for placement in retail stores. These allow products to be prominently presented, often in high traffic areas, and thereby increase the probability the product will stand out. Point of purchase displays can lead to significant increase in sales as compared to sales levels in a normal shelf position (www.knowthis.com, 2014)

A salesperson's behaviour and action can influence customer satisfaction up to a large extent (**Oliver and Swan, 1989**). Store environment had a much higher effect on impulse buying than the personality variables and it was found that among all the display, store environment elements and layout had the highest effect on impulsive buying.

Mower M. J. et al (2012) provided useful information to small store retailers by investigating the influence of external atmospheric variables, specifically window displays and landscaping (i.e., accessory vegetation), on customers' responses. Store exteriors are what customers first encounter as they engage in shopping behavior and thus are an important opportunity for stores to build positive impressions. The study describes that store exterior includes display windows storefront, entrances, physical characteristics of the building (height, size, and color of buildings), parking, location (congestion and traffic), surrounding area and nearby stores. The study resulted that when customers liked the exterior retail environment, they experienced higher pleasure and arousal which resulted in higher patronage intentions. The study concluded that small retailers have an opportunity to differentiate themselves from corporate retailers by focusing on the fact that they can give shoppers a unique shopping experience that starts with the store exterior. Exterior display has an important role in increasing the footfall for small retailers.

Efficient shelf space allocation leads to a better display of the product and make the store environment more pleasant. This is one of key determinants to gain an edge in the highly competitive retail industry. Several models are developed for allocation of shelf space to a large number of products to optimize retailer's objective under certain operating conditions within a

store. Growing number of products has posed a challenge to the retailers in allocating available shelf space to them efficiently. If retailers can manage space allocation in an efficient manner it can be helpful in increasing their bottom line (Gajjar H. K., Adil G. K., 2011).

Research Methodology:

The present research is exploratory cum descriptive in nature and depends largely upon the primary source of information. Data has been collected from 100 respondents in NCR & Delhi with the help of a structured questionnaire. Interview technique has been used when and where necessary, in order to gather information about the present retail scenario. Data has been analyzed with the help of SPSS using 't' test and One way ANOVA. The objectives of the study are:

- i. To study the impact of point of purchase display on consumer decision making.
- ii. To study whether significant difference occurs among the opinions of people across different demographic profile with respect to point of purchase display.
- iii. To study the scope of display as a promotional tool.

Data Analysis (Demographic)

Table 1 – distribution of respondents – gender wise

GENDER	Frequency	Percent	Cumulative Percent
Male	52	52	52
Female	48	48	100
Total	100	100	

(Source – Primary data)

Male and female both are equally engaged in shopping activities. The above table depicts that a mixture of both genders has been taken in order to gain maximum insight.

Table 2 distribution of respondents – age wise

AGE	Frequency	Percent	Cumulative Percent
Less than 20	5	5	5
21 - 40	59	59	64
41-60	12	12	76
61 & above	24	24	100
Total	100	100	

(Source – Primary data)

The data has been collected from the various shoppers and the table indicates that maximum respondents belong to 21 – 40 age group. The reason observed behind this is that most of the shoppers today are young customers and same is being reflected in this table too.

Table 3 – distribution of respondents – education wise

EDUCATION	Frequency	Percent	Cumulative Percent
upto 10th	4	4	4
upto graduation	47	47	51
pg & above	49	49	100
Total	100	100	

(Source – Primary Data)

The above table indicates that most of the respondents belong to either 2nd group or 3rd group. Only 4% respondents belong to 1st group i.e. upto matric. This trend show most of the customer visiting retail stores in NCR are highly educated.

Table 4 – distribution of respondents – occupation wise**Table 5 – distribution of respondents – income wise**

INCOME	Frequency	Percent	Cumulative Percent
less than 10000	42	42	42
10000 - 20000	11	11	53
20000 - 30000	5	5	58
30000 - 40000	16	16	74
40000 & above	26	26	100
Total	100	100	

(Source – Primary Data)

The table depicts that the respondents are divided in 5 categories on the basis of income. Most of the respondents belong to income less than 10,000/- per month. These are the respondents mainly belonging to others category in occupation group which comprises of housewives, students and retired persons. Around 1/4th of the respondents belong to highest income group i.e. Rs. 40,000 & more per month.

These statements used in questionnaire are:

OCCUPATION	Frequency	Percent	Cumulative Percent
Business	9	9	9
Service	45	45	54
Others	46	46	100
Total	100	100	

(Source – Primary Data)

The above table indicates the occupation of the respondents. For this three categories viz. business, service and others had been taken. Other included students, house wives and retired persons (who do not have a direct source of income). The data indicates that around 50% respondents belong to first two categories and rest belongs to 3rd category.

S1	Display creates opportunity to compare the prices & helps in calculating the cost
S2	Display helps me in comparing various brands
S3	Display helps me in making final decisions
S4	I purchase the displayed products more as compared to non displayed product
S5	I feel that display bound me to choose from the available options only
S6	Display helps me in comparing the packaging quality of various products
S7	Display helps me evaluating various usages of a product
S8	Display made me aware about the usage of a product, which I was not aware earlier
S9	Display helps me in changing my style & fashion

The above statements have been analyzed using anova. The analysis of each statement with various demographic factors can be explained as:

(Analysis of data using Anova across age)

		N	Mean	Std. Deviation	F	Sig.
S1	<20	5	3.83	1.31	0.84	0.47
	21-40	59	3.97	1.05		
	41-60	12	3.88	1.18		
	61 & Above	24	3.89	0.89		
	TOTAL	100	3.74	1.16		
S2	<20	5	3.46	1.18	0.24	0.99
	21-40	59	3.42	0.94		
	41-60	12	3.44	1.08		
	61 & Above	24	3.51	1.06		
	TOTAL	100	3.49	1.01		
S3	<20	5	3.09	1.04	6.46	0.00
	21-40	59	3.91	1.03		
	41-60	12	3.20	1.18		
	61 & Above	24	3.64	0.93		
	TOTAL	100	3.79	1.01		
S4	<20	5	2.93	1.05	3.07	0.03
	21-40	59	3.12	1.01		
	41-60	12	3.27	1.18		

	61 & Above	24	3.33	1.14		
	TOTAL	100	3.29	1.13		
S5	<20	5	3.05	1.43		
	21-40	59	3.25	1.27		
	41-60	12	2.73	1.29	6.48	0.01
	61 & Above	24	3.61	1.35		
	TOTAL	100	3.29	1.28		
S6	<20	5	2.54	1.44		
	21-40	59	3.81	1.19		
	41-60	12	2.29	1.53	12.23	1.10
	61 & Above	24	3.48	1.57		
	TOTAL	100	3.93	1.43		
S7	<20	5	3.22	1.27		
	21-40	59	3.88	1.00		
	41-60	12	3.14	1.11	1.39	0.25
	61 & Above	24	3.80	1.09		
	TOTAL	100	3.08	1.08		
S8	<20	5	2.82	1.19		
	21-40	59	3.14	1.11		
	41-60	12	3.25	1.07	5.17	0.02
	61 & Above	24	3.18	1.09		
	TOTAL	100	3.07	1.13		
S9	<20	5	2.83	1.18		
	21-40	59	3.08	1.19		
	41-60	12	2.85	1.12	2.14	0.10
	61 & Above	24	3.21	1.14		
	TOTAL	100	3.23	1.16		
TOTAL	<20	5	3.09	0.72		
	21-40	59	3.37	0.58		
	41-60	12	3.49	0.62	10.58	0.04
	61 & Above	24	3.68	0.60		
	TOTAL	100	3.31	0.63		

(Source – Primary Data)

Hypothesis:

H_{01} : There is no significant difference in the opinions of the respondents across the different age groups regarding different dimension of impact of display on buying behaviour.

The above table depicts the results of anova that was intended to analyse whether there is any significant difference in the opinions of the respondents across the different age groups viz. less than 20 years, 21 -40, 41- 60 and 60 years and above regarding different dimension of impact of display on buying behavior. It can be interpreted that the opinion of respondents for statements 3,4,5 & 8 were found significantly different while for rest of the statement there is no significant difference in the opinion of respondents belonging to different age group. For the overall statements, the data shows a significant difference in the opinion of respondents belonging to different age group, which on the whole rejects the null hypothesis H_{01} .

(Analysis of data using Anova across education)

		N	Mean	Std. Deviation	F	Sig.
S1	Upto Matric	4	3.79	1.33	1.86	0.16
	Upto Graduation	47	3.89	1.32		
	PG & Above	49	4.93	0.96		
	Total	100	3.04	1.03		
S2	Upto Matric	4	3.60	0.93	1.65	0.01
	Upto Graduation	47	3.98	1.02		
	PG & Above	49	3.56	0.35		
	Total	100	3.40	1.07		
S3	Upto Matric	4	3.20	1.03	8.90	0.02
	Upto Graduation	47	3.34	1.22		
	PG & Above	49	3.87	0.64		
	Total	100	3.49	1.13		
S4	Upto Matric	4	3.15	1.02	4.98	0.04
	Upto Graduation	47	3.27	1.12		
	PG & Above	49	3.47	1.32		
	Total	100	3.39	1.61		
S5	Upto Matric	4	2.27	1.47	11.21	0.03
	Upto Graduation	47	3.31	1.25		
	PG & Above	49	3.24	1.16		
	Total	100	3.55	1.23		
S6	Upto Matric	4	2.21	1.40	23.22	0.04
	Upto Graduation	47	3.50	1.26		
	PG & Above	49	3.26	1.76		
	Total	100	3.56	1.23		
S7	Upto Matric	4	3.64	1.16	6.25	0.09
	Upto Graduation	47	3.53	1.65		

	PG & Above	49	3.68	0.86		
	Total	100	3.87	1.47		
S8	Upto Matric	4	2.35	1.28		
	Upto Graduation	47	3.12	1.47	14.54	0.02
	PG & Above	49	3.23	1.76		
	Total	100	3.05	1.18		
S9	Upto Matric	4	2.97	1.83		
	Upto Graduation	47	2.63	1.80	0.98	0.38
	PG & Above	49	3.11	1.78		
	Total	100	3.36	1.84		
TOTAL	Upto Matric	4	3.03	0.73		
	Upto Graduation	47	3.33	0.15	17.65	0.00
	PG & Above	49	3.56	0.87		
	Total	100	3.36	0.78		

(Source – Primary Data)

H_{02} : There is no significant difference in the opinions of the respondents across the different educational groups regarding different dimension of impact of display on buying behaviour.

Analyzing the above table shows the result of anova from the perspective of different education groups of the respondents which further reveals that opinion of respondents over S2, S3, S4, S5, S6 & S8 were found significantly different as the significant level of these statements are less than 0.05. While for other statements the opinion was not significantly different. . For the overall statements, the data shows a significant difference in the opinion of respondents belonging to different age group, which on the whole rejects the null hypothesis H_{02} .

(Analysis of data using Anova across occupation)

		N	Mean	Std. Deviation	F	Sig.
S1	Business	9	3.00	0.89	0.57	0.59
	Service	45	4.92	0.96		
	Others	46	3.88	1.16		
	Total	100	3.52	1.36		
S2	Business	9	3.27	1.03	1.09	0.21
	Service	45	3.84	0.96		
	Others	46	3.44	1.02		
	Total	100	3.49	1.00		
S3	Business	9	3.58	1.13	2.34	0.15
	Service	45	3.78	1.04		
	Others	46	3.59	1.13		
	Total	100	3.49	1.10		

S4	Business	9	3.38	1.14	11.71	0.00
	Service	45	3.54	1.05		
	Others	46	3.14	1.10		
	Total	100	3.57	1.11		
S5	Business	9	3.11	1.18	8.01	0.07
	Service	45	3.42	1.13		
	Others	46	3.88	1.36		
	Total	100	3.65	1.26		
S6	Business	9	2.08	1.32	5.07	0.04
	Service	45	3.56	1.14		
	Others	46	3.17	1.31		
	Total	100	3.13	1.26		
S7	Business	9	3.88	0.90	0.98	0.37
	Service	45	3.84	1.07		
	Others	46	3.74	1.13		
	Total	100	3.58	1.08		
S8	Business	9	3.08	1.20	8.07	0.02
	Service	45	3.13	0.98		
	Others	46	2.88	1.19		
	Total	100	3.08	1.13		
S9	Business	9	2.87	1.13	1.49	0.24
	Service	45	3.17	1.15		
	Others	46	3.01	1.17		
	Total	100	3.01	1.16		
TOTAL	Business	9	3.02	0.59	10.18	0.06
	Service	45	3.59	0.62		
	Others	46	3.31	0.62		
	Total	100	3.43	0.61		

(Source – Primary Data)

H₀₃: There is no significant difference in the opinions of the respondents across the different occupational groups regarding different dimension of impact of display on buying behaviour.

The table depicts the result of anova that was intended to analyze whether there is any significant difference in the opinion of the occupation groups – business, service and others over different statements. It can be interpreted that for S4, S6 & S8 only the significance level was found to be less than 0.05 thus opinion of respondents was found significantly different for these statements. But for all other statement, including overall analysis the significance level was found more than 0.05. overall it can be concluded that there is no significant difference in the opinions of the

respondents across the different occupational groups regarding different dimension of impact of display on buying behavior and null hypothesis is accepted.

(Analysis of data using Anova across income)

		N	Mean	Std. Deviation	F	Sig.
S1	Upto 10,000	42	3.85	1.08	2.16	0.07
	10,001 - 20,000	11	3.79	1.28		
	20,001 - 30,000	5	3.60	1.99		
	30,001 - 40,000	16	3.69	0.68		
	40,001 & above	26	4.84	0.96		
	Total	100	3.87	1.08		
S2	Upto 10,000	42	3.48	1.04	3.19	0.01
	10,001 - 20,000	11	3.72	0.69		
	20,001 - 30,000	5	3.63	1.07		
	30,001 - 40,000	16	3.12	0.97		
	40,001 & above	26	3.33	0.94		
	Total	100	3.45	1.00		
S3	Upto 10,000	42	3.54	1.12	4.28	0.00
	10,001 - 20,000	11	3.38	1.24		
	20,001 - 30,000	5	3.24	1.24		
	30,001 - 40,000	16	3.88	0.87		
	40,001 & above	26	3.82	0.94		
	Total	100	3.59	1.10		
S4	Upto 10,000	42	3.13	1.10	5.98	0.01
	10,001 - 20,000	11	3.02	1.12		
	20,001 - 30,000	5	3.22	1.08		
	30,001 - 40,000	16	3.84	0.84		
	40,001 & above	26	3.49	1.15		
	Total	100	3.29	1.11		
S5	Upto 10,000	42	3.09	1.38	5.30	0.02
	10,001 - 20,000	11	3.25	0.92		
	20,001 - 30,000	5	2.83	1.30		
	30,001 - 40,000	16	3.80	1.03		
	40,001 & above	26	3.49	1.16		
	Total	100	3.25	1.26		
S6	Upto 10,000	42	3.17	1.32	8.33	0.00
	10,001 - 20,000	11	2.87	1.16		
	20,001 - 30,000	5	2.59	1.43		
	30,001 - 40,000	16	3.60	0.86		
	40,001 & above	26	3.66	1.07		
	Total	100	3.23	1.26		
S7	Upto 10,000	42	3.79	1.10	2.40	0.04
	10,001 - 20,000	11	3.60	1.21		
	20,001 - 30,000	5	3.57	1.14		
	30,001 - 40,000	16	4.08	0.80		

	40,001 & above	26	3.98	1.01		
	Total	100	3.82	1.08		
S8	Upto 10,000	42	2.88	1.21		
	10,001 - 20,000	11	3.17	0.89		
	20,001 - 30,000	5	3.15	1.16	3.19	0.01
	30,001 - 40,000	16	3.08	1.07		
	40,001 & above	26	3.37	1.05		
	Total	100	3.09	1.13		
S9	Upto 10,000	42	3.07	1.20		
	10,001 - 20,000	11	2.81	1.06		
	20,001 - 30,000	5	2.78	1.28	1.69	0.15
	30,001 - 40,000	16	3.24	1.15		
	40,001 & above	26	3.10	1.07		
	Total	100	3.03	1.16		
TOTAL	Upto 10,000	42	3.35	0.64		
	10,001 - 20,000	11	3.28	0.61		
	20,001 - 30,000	5	3.19	0.62	5.29	0.00
	30,001 - 40,000	16	3.62	0.61		
	40,001 & above	26	3.60	0.56		
	Total	100	3.41	0.63		

(Source – Primary Data)

H₀₄: There is no significant difference in the opinions of the respondents across the different income groups regarding different dimension of impact of display on buying behaviour.

Analyzing the above table shows the result of anova from the perspective of different education groups of the respondents which further reveals that opinion of respondents over S2, S3, S4, S5, S6, S7 and S8 were found significantly different as the significant level of these statements are less than 0.05. While only for S1 and S9 the opinion was not significantly different. . For the overall statements, the data shows a significant difference in the opinion of respondents belonging to different age group, which on the whole rejects the null hypothesis H₀₄.

Findings & Recommendations

After analyzing the data it was found that for most of the statements the opinion of various groups of respondents significantly differs. For statements like display helps me in making final decision, I purchase the displayed products more as compared to non displayed product, I feel that display bound me to choose from the available options only and Display made me aware about the usage of a product, which I was not aware earlier, the opinion of the respondents over

various demographic groups was found significantly differ. It was found that point of purchase display have an impact on the final decisions of the customers. It was also found that customers purchase from the displayed product more and display is helpful to the customers about the usage of the product.

Conclusion

To conclude we can say that point of purchase display has an impact on the final purchase decision of the customers. The customers buy more of the displayed products and customers feel that display bounded them in choosing from the displayed products only. Overall we can say that display has an impact on customers' decision making.

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