A study on the effectiveness of Point of Purchase (POP) advertisements & displays in the new generation supermarkets and the traditional Kirana stores

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Abstract: In the last 10-15 years several new generation supermarkets have emerged in India. Today consumers have wide range of choices in buying the grocery and other items. The growing tendency among today’s consumers is that they don’t want to waste their time by buying fruits and vegetables in Raithu Bazaars, provisions in general/ kirana stores and household items in some other shops. Rather they want to reduce the risk and time by purchasing all items under a single roof. From “Serviced Retailing”, where the costumer approaches the retailer and asks for specific item which the retailer fetches from behind the counter, the urban Indian consumers are slowly switching to “Self Service” models of retailing. At the same time, the traditional kirana stores are also trying their best to retain their customers by offering them merchandise of good quality at discount rates.

The present study was conducted in Guntur and Krishna districts of Andhra Pradesh. The study majorly aims at studying the effectiveness of Point Of Purchase (POP) Advertisements & Displays in organized and conventional retail stores. The study also aims at studying the relationship between the purpose of visiting new generation supermarkets and the demographic variables such as age and gender of the consumers. A sample of 500 respondents was selected by using Stratified Random Sampling Method and the data was collected with the help of a structured questionnaire. The findings of the study reveal that new generation supermarkets are more effective in maintaining the Point Of Purchase (POP) Advertisements & Displays as well as in communicating their offers and discounts through advertisements, hoardings, pamphlets and SMSs than the traditional kirana Stores.

Keywords: The purpose of visit, Point Of Purchase, Supermarkets & Kirana stores.

Introduction

Consumer Behaviour is defined as the behaviour that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. It focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. Consumer Behaviour is the study of how individuals, groups, and organisations select, buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and wants. The present study on consumer behaviour was conducted with reference to organized and unorganized retailing in India.
Retailers need to know the various influences that lead up to a purchase, not just the store where the purchase was made. This includes looking at a host of external and internal influences. The process starts with:

- Understanding how the need for a product/service was determined;
- Understanding how information was sought by the customer;
- The process of evaluation of various products and stores;
- The payment process; and
- The post purchase behaviour.

Retail Industry in India

India is one of the most desirable retail destinations in the world. India has emerged as the 5th most favourable destination for international retailers, outpacing UAE, Russia, Indonesia and Saudi Arabia, according to AT Kearney’s Global Retail Development Index (GRDI) 2012. “India remains a high potential market with accelerated retail growth of 15-20 percent expected over the next 5 years”, highlighted the report.

India has one of the largest numbers of outlets in the world. Of the 12 million retail outlets present in the country, nearly 5 million sell food and related products. Though the market has been dominated by unorganized players, the entry of domestic and international organized players is set to change the scenario. Around 7 percent of the population in India is engaged in retailing. In India the retail sector is divided into two broad sectors, unorganized retailing and organised retailing.

Unorganized Retailing in India

It refers to the traditional formats of low-cost retailing, for example the local kirana shops, owner manned general stores, pan/beedi shops, convenient stores, etc. Indian retail is dominated by a large number of small retailers consisting of the local kirana shops, footwear shops, apparel shops, pan/beedi shops, and hand-cart hawkers etc. which together make up the so called “unorganized retail” or traditional retail.

Most Indian shopping takes place in open markets or millions of small, independent grocery and retail shops. Shoppers typically stand outside the retail shop, ask for what they want, and cannot pick or examine a product from the shelf. Access to the shelf or product storage is limited. Once the shopper requests the food staple, or household product they are looking for, the shopkeeper goes to the container or shelf or to the back of the store, brings it out and offers it for sale to the shopper. Often the shopkeeper may substitute the product, claiming that it is similar or equivalent to the product the consumer is asking for. The product typically has no price label in these small retail shops; although some products do have a manufactured suggested Retail Price (MSRP) pre-printed.
on the packaging. The shopkeeper prices the food staple and household products arbitrarily, and two consumers may pay different prices for same product on the same day. Price is sometimes negotiated between the shopper and shopkeeper. The shoppers do not have time to examine the product label, and do not have a choice to make an informed decision between competitive products.

**Organized Retailing in India**

Organised retailing, in India, refers to trading activities undertaken by licensed retailers, that is, those who are recognized for sales tax, income tax, etc. These include the publicly traded supermarkets, corporate-backed hypermarkets and retail chains, and also the privately owned large retail business. The food and grocery, clothing, consumer durables and books and music sectors are the major retail sectors. However unorganized small outlets largely control the sector. Hence there is tremendous potential for the organized sector in various formats, such as hypermarkets, supermarkets, specialty stores, category killers and discount chains.

The lifestyle and profile of the Indian consumer is going through rapid transformation. The population of India is young, energetic and full of enthusiasm. 50 percent of the Indian population is under the age of 25. There has been a transition from price consideration to quality and design, as the focus of the customer has changed. The upper and middle-class population of today needs a feel good experience even if they have to spend a little more for that. People are moving towards luxury and want to experiment with fashion and technology. Hence the demand for organised retail stores is increasing day by day.

**Review of literature**

S. Ramesh Kumar, Rajeev Ravi, Jeevish Jain (2007), in their study conducted on “The Role of Point of Purchase in Shopping Behavior in An Emerging Market-The Indian Context” explored the relationship between Point of Purchase and Shopping Behavior and concluded that Point of Purchase (POP) materials are used both by Kirana shops and by organized supermarket retail outlets. The author feels that POP material has large impact on the purchase of FMCG purchases. Also the POP material makes consumer try the product and increases the consideration set of the consumers.

Karuppasamy Pandian.S.P., Elavarasi.R. and Arun Shankar G. (2012), in their study on “Consumer’s Perception towards Retail Hypermarkets in Tiruchirappalli City-Tamilnadu”, found that most of the shoppers were conscious about the close to residents, price, quality of the product, variety of the products, convenience shop timing, ample parking, hospitality, store ambience, product display and demo and high quality fruits and vegetables. Consumers are very much attracted by the store atmosphere and décor and also the convenient location of the store. They are recreational in their shopping.
Saurabh and Mahajan (2013), in their study conducted on “Consumers’ perception towards miraculous claims of brands/retail stores with aesthetic appeal”, provided a framework to work upon the marketing aspect of miraculous claims made by retailers that may be in congruence to the aesthetic appeal for managers and researchers. The study also showed that technical product specifications and evidence were most effective in enhancing customer beliefs, and this factor lead to a positive perception in the minds of the consumers about products/retail stores with an aesthetic appeal.

Chattopadhyay (2013), in his study conducted on “Consumer shopping behaviour in the new era of retailing: An empirical study on food and grocery and apparel purchase in East India.” concluded that for food and grocery purchase, location (nearness to home) was the prime consideration for the respondents of Kolkata and Bhubaneswar, while it was range for both – respondents from Patna and Ranchi. Ambience was the least important parameter for the respondent populations from the four state capitals (Kolkata, Bhubaneswar, Patna, and Ranchi). For apparel purchase, range or assortment was the most important parameter for the respondent populations from the four state capitals. The behavioural pattern of the respondents with respect to frequency of visit, preferred group size during shopping, and decision maker in choosing a shopping destination revealed a fairly uniform pattern across the state capital locations.

Rama Mohana Rao K., and Ratna Manikyam K. (2013) in their study conducted on consumer behaviour in small scale retail stores in the three regions viz., Coastal Andhra, Telangana and Rayalaseema concluded that customers were satisfied with the services, facilities merchandise goods, and the services of the sales personnel in small scale retail stores. Among the factors of ambience, most respondents were satisfied with lighting, orderly placement of the products and cleanliness maintained by the small scale retailers. Among the sales promotion techniques, display of the products, discounts offered and credit facility secured a high rating. Interestingly, the respondents rated small scale retailers better as compared to the big retailers in many factors that contributed to their satisfaction. The findings of the study do not lead to the conclusion that the small scale retailers can ignore the competition from the big retailers. On the other hand, it cautions the threat and makes them realize the opportunities to build a loyal customer base by continuously improving their marketing offers and interactions.

**Research objectives**

The present study was undertaken with the following objectives.

1. To study the Effectiveness of Point Of Purchase (POP) Advertisements & Displays in Supermarkets and Kirana Stores.
2. To study the relationship between the purpose of visiting new generation supermarkets and the demographic variables such as age and gender of the consumers.
Hypothesis of the study

1. \( H_0 \): There is no significant difference in the Effectiveness of Point Of Purchase (POP) Advertisements & Displays in Supermarkets and Kirana Retail Stores.
   \( H_a \): There is no significant difference in the Effectiveness of Point Of Purchase (POP) Advertisements & Displays in Supermarkets and Kirana Retail Stores.

2. \( H_0 \): There is no significant relationship between the purpose of visiting new generation supermarkets and the demographic variables such as age and gender of the consumers.
   \( H_a \): There is significant relationship between the purpose of visiting new generation supermarkets and the demographic variables such as age and gender of the consumers.

Methodology of the study
The following methodology was adopted for carrying out the research study.

- **Time Frame of the Study:** The data was collected in the urban areas of Guntur and Krishna districts during the time period from February 2014-February 2015.

- **Sample Size & Sampling Method:** A sample size of 500 respondents were selected by following Stratified Random Sampling Method in Guntur and Krishna districts of Andhra Pradesh State. The population was stratified on the basis of geographical areas. The total sample distribution is mentioned in the table given below.

- **Sample Description:** The selected sample respondents are the urban consumers shopping at different retail stores. The individuals and families regularly visiting the new generation supermarkets and the traditional kirana stores for purchase were considered as a sampling unit.

### Demographic Characteristics of the Sample Respondents (N= 500)

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Sub categories</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>Below 20 years</td>
<td>28</td>
<td>5.6</td>
</tr>
<tr>
<td></td>
<td>20- 30 years</td>
<td>214</td>
<td>42.8</td>
</tr>
<tr>
<td></td>
<td>30- 40 years</td>
<td>145</td>
<td>29.0</td>
</tr>
<tr>
<td></td>
<td>40- 50 years</td>
<td>93</td>
<td>18.6</td>
</tr>
<tr>
<td></td>
<td>50 years and above</td>
<td>20</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>500</td>
<td>100</td>
</tr>
</tbody>
</table>

|               | Male               | 314    | 62.8       |
|               | Female             | 186    | 37.2       |
The study was predominantly based on the primary data. In addition to that secondary data were also collected from different data sources.

**Primary Data:**
Primary data was collected from consumers who were shopping at the new generation supermarkets and the traditional kirana stores with the help of a well structured questionnaire. The questionnaire has totally 4 sections. The questionnaire mostly consisted of closed ended questions. The responses were recorded and measured by using Likert Scale. The needed data was also collected through personal interviews, interactions and observation method. Majority of the respondents were approached personally and the questionnaire was...
administered to them. Contacts of friends, relatives and colleagues were also used to administer the instrument.

Secondary Data:
In addition to the primary data the required secondary data was collected from various secondary sources like books, journals, magazines, internet, etc.

Data Analysis:
The following statistical tools were employed to analyse the collected data.
- Z Test was done in order to study the Effectiveness of Point Of Purchase (POP) Advertisements & Displays in Organized and Conventional Retail Stores.
- Chi-Square Test was used in order to examine the association between Purpose of Visiting the Supermarkets the demographic variables of the consumers such as age and gender.

Data analysis & interpretation
Analysis of data was done on the basis of objectives mentioned in the study.

1. **Objective 1**: Effectiveness of Point Of Purchase (POP) Advertisements & Displays in the new generation supermarkets and the traditional kirana stores.

Z Test was done in order to study the Effectiveness of Point Of Purchase (POP) Advertisements & Displays in the new generation supermarkets and the traditional kirana stores.

<table>
<thead>
<tr>
<th>Attractiveness of the stores' Point Of Purchase (POP) Advertisements and Displays</th>
<th>Mean</th>
<th>Variance</th>
<th>Z Calculated</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>The new generation Supermarkets</td>
<td>3.88</td>
<td>1.22</td>
<td>23.47</td>
<td>0&lt;0.05</td>
</tr>
<tr>
<td>Traditional Kirana Stores</td>
<td>2.28</td>
<td>1.09</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores' communication about the offers &amp; discounts through ads, hoardings, pamphlets and SMS</td>
<td></td>
<td></td>
<td>15.4</td>
<td>0&lt;0.05</td>
</tr>
</tbody>
</table>

Table 1.1: Z-Test to study the Effectiveness of Point Of Purchase (POP) Advertisements and Displays at Organized Retail Stores and Conventional Retail Stores
Table 1.2 Z-Test: Two Sample for Means

<table>
<thead>
<tr>
<th></th>
<th>The new generation Supermarkets</th>
<th>Traditional Kirana Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.876</td>
<td>2.284</td>
</tr>
<tr>
<td>Known Variance</td>
<td>1.22</td>
<td>1.08</td>
</tr>
<tr>
<td>Observations</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>Hypothesized Mean Difference</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>z</td>
<td>23.47276</td>
<td></td>
</tr>
<tr>
<td>P(Z&lt;=z) one-tail</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>z Critical one-tail</td>
<td>1.644854</td>
<td></td>
</tr>
<tr>
<td>P(Z&lt;=z) two-tail</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>z Critical two-tail</td>
<td>1.959964</td>
<td></td>
</tr>
</tbody>
</table>

Interpretation:

The new age supermarkets Average Score on Perception of the Consumers in Point Of Purchase (POP) Advertisements and Displays is significantly higher than the traditional kirana stores Average Score of the same perception. And also the new age supermarkets Average Score on the Perception of the Consumers in the area of Communication of Offers and Discounts through Advertisements, Hoardings, Pamphlets, SMS etc., is significantly higher than the traditional kirana stores Average Score of the same perception. Hence the null hypothesis is rejected and the alternate hypothesis is accepted. Hence it can be concluded from the above analysis that the new age supermarkets are more effective in maintaining POP Advertisements and displays than the traditional kirana stores.

2. Objective 2: Relationship between the Purpose of Visiting the new generation supermarkets and the demographic variables such as age and gender of the consumers.

Chi-Square Test was used in order to examine the association between Purpose of Visiting the Supermarkets the demographic variables of the consumers such as age and gender.

2.1 Relationship between the Age of customers and their Purpose of visiting the new generation supermarkets.

Chi-Square Test was used in order to examine the association between the Age of customers and their Purpose of Visiting the new generation supermarkets.
The following hypothesis was framed for the study.

\( H_0: \) There is no significant association between the age of customers and their purpose visiting the new generation supermarkets.

\( H_1: \) There is significant association between the age of customers and their purpose visiting the new generation supermarkets.

Table 2.1  Relationship between the Age of customers and their Purpose of visiting the new generation supermarkets

<table>
<thead>
<tr>
<th>Age (yrs)</th>
<th>Purpose of visiting the new generation supermarkets</th>
<th>Chi- Square Tests</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shopping</td>
<td>Window shopping/ hang out</td>
</tr>
<tr>
<td>&gt;20</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>20-30</td>
<td>125</td>
<td>9</td>
</tr>
<tr>
<td>30-40</td>
<td>104</td>
<td>38</td>
</tr>
<tr>
<td>40-50</td>
<td>65</td>
<td>1</td>
</tr>
<tr>
<td>50 &amp; above</td>
<td>17</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>327</td>
<td>12</td>
</tr>
</tbody>
</table>

From the results of the above table, it was found that there was a significant association between the age of customers and their purpose of visiting the new generation supermarkets as the \( \chi^2_{\text{cal}} \) value 24.12, with 12 degrees of freedom was greater than the \( \chi^2_{\text{cri}} \) value i.e. 21.03. Hence there was enough evidence to reject the null hypothesis.

It is seen in the present study that there was a significant association between the age of customers and their purpose of visiting the new generation supermarkets. The results are in accordance with the studies conducted by Ashokan C. (2008) on “Profile and Perception of Retail Consumers”. The study revealed a significant association between the age of the customers and their purpose of visiting the new generation supermarkets. The study highlighted that young shoppers,
who were in the age group of 20-30 years visit organized retail stores as a group with their colleagues, friends and relatives hang around, meet friends, do window- shopping and spend time leisurely mostly apart from shopping. Whereas the consumers of other age group (30-50 years) had majorly the shopping motive with less window shopping.

In another study conducted by Amardeep Kaur (2013) on “Shopping Malls: The Changing Face of Indian Retailing- An Empirical Study of cities of Ludhiana and Chandigarh, it was found that a particular age group of customers had a bearing on their purpose of visiting the new generation supermarkets.

2.2 Relationship between Gender of customers and their Purpose of Visiting the new generation supermarkets

Chi-Square Test was done in order to examine the relationship between Gender of customers and their Purpose of Visiting the new generation supermarkets.

The following hypothesis was framed for the study.

$H_0$: There is no significant association between the gender of customers and their purpose of visiting the new generation supermarkets.

$H_a$: There is a significant association between the gender of customers and their purpose of visiting the new generation supermarkets.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Purpose of visiting the new generation supermarkets</th>
<th>Chi-Square Tests</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Shopping</td>
<td>Window Shopping/ hang out</td>
</tr>
<tr>
<td>Male</td>
<td>203</td>
<td>10</td>
</tr>
<tr>
<td>Female</td>
<td>124</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>327</td>
<td>12</td>
</tr>
</tbody>
</table>

From the results of the above table, it was found that there was no significant association between the gender of customers and their purpose of visiting the organised retail stores as $\chi^2_{cal}$ value...
2.53, with 3 degrees of freedom was less than the \( \chi^2_{\text{crit}} \) value i.e. 7.82. Hence the null hypothesis was accepted, as there was enough evidence to prove it.

It is seen in the present study that there was no significant association between the gender of customers and their purpose of visiting the new generation supermarkets. The results are in accordance with the studies conducted by Ali, Kapoor and Moorthy (2010) on “Consumer Behaviour in the Organised Retailing”. The study revealed that gender had no significant impact on the consumers’ buying/shopping motives in case of the new generation supermarkets.

**Conclusion**

It can be concluded from the study that the new age supermarkets are more effective in maintaining Point Of Purchase Advertisements and Displays than the traditional kirana stores. It can also be concluded from the study that there was a significant association between the age of customers and their purpose of visiting the new generation supermarkets. It can further be concluded from the study that there was no significant association between the gender of customers and their purpose of visiting the new generation supermarkets.

**Limitations of the study and scope for further research**

The scope of the study is limited to the respondents of Guntur and Krishna districts only. As the research was restricted to Guntur and Krishna districts, similar research studies can be carried out in other districts or states of India to understand the consumer behaviour in organized and conventional retail stores. Studies can also focus on specific product categories such as apparels, cosmetics, and gadgets. Online purchase behaviour of customers can be another interesting area of study. Services retail is another major area in which there is a lot of scope for further study. This paper deals with the effectiveness of point of purchase (pop) advertisements & displays in supermarkets and traditional kirana stores.

**References**


