

# THE EFFECTIVENESS OF POINT OF SALES (POS) DISPLAYS IN THE BUYING BEHAVIOUR OF CONSUMERS - A STUDY

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**ABSTRACT-** In the present scenario of the competitive market, companies are competing to maximize their market share by penetrating existing market. Marketing communication is therefore a very crucial and necessary tool that enables companies to get to their customers and increases brand awareness and loyalty. The project attempted to know the effectiveness of POS and to find how displays plays role in purchasing decision, which mode of POS or displays can highly influence people. The objectives of the study is to identify the effectiveness of POS display and the influence of POS in buying Behaviour of customers and retailers in soft drinks. The impact of POS in sales in the Modern trade shops and analyze the effectiveness of POS at present in modern trade shops. The major findings are customer seeks knowledge of the product through Media and advertisement of the respective product. Customers really don't have time enough to experiment the quality of the product since they find in shop branding to time saving to choose and finalize the product to buy. Customers are said to be more attracted to be in discount offers and second most to the attractive displays. Finally it is recommended that the branding should create the positive feeling about the product and the quality should convince the customer needs. There should be promotion of discount offers & attractive displays by the retailers. The Pepsi should be able to provide more accuracy in sales promotion where it cannot deviate from the performance by competing Coca cola

**Keywords:** Point-of-sales, Modern trade shops, Retailers

## I. INTRODUCTION

Now a day, there are so many companies that manufacture goods that can satisfy a determinate need of the customers. When someone wants to satisfy a primary necessity, for example hunger or thirst, they have a demanding when they go to buy something. For this reason when a company wants to introduce a new product in an existing market and reach a market share. According to the project title "Effectiveness of POS displays in the buying BEHAVIOUR of consumers and retailers in modern trade shops" which focuses how effective is the companies POS is. The study focuses mainly three important factors that clubbing together to reveal the study about effectiveness of displays in coke. In the present scenario of the competitive market, companies are competing to maximize their market share by penetrating existing market. Marketing communication is therefore a very crucial and necessary tool that enables companies to get to their customers and increases brand awareness and loyalty. The project attempted to know the effectiveness of POS and to find how displays plays role in purchasing decision, which

mode of POS or displays can highly influence people. It is clear that POS can play a crucial role in the buying decision of customers and retailers in modern trade.

## II. SCOPE OF THE STUDY

As it is often exhorted the major task of business is to create and sustain customers. A business exists only because of its customers. Organisations may have different categories of consumers. Monitoring the consumers' sensitivity is a pre-requisite for the business success. For monitoring them a firm constants in contacts with their customers and the features of the organisation should be conveyed through advertisement and sales promotion activities. In this study it is mainly focused to identify the impact of POS displays in Modern Trade Shops and will it monitor to help the company to improve sales and compare with their competitors. And to find out what kind of offers attract customers more. This study will help the organisation to gain valuable opinion for the betterment of sales. It will also help to focus on areas that need more attention than the present in future.

## III. OBJECTIVES OF THE STUDY

- To identify the effectiveness of POS displays.
- To identify the influence of POS in buying Behaviour of customers and retailers in soft drinks.
- To identify the impact of POS in sales in the Modern trade shops and analyze the effectiveness of POS at present in modern trade shops.
- Impact of displays and discount offers and which influence more in buying.
- Impact of coolers in sales of soft drinks and purchasing in modern trade.
- Satisfaction levels of different POS displays of the company in comparison with competitors.

## IV. LIMITATIONS OF THE STUDY

- The study is limited to the capacity and willingness of retailers as well as customers to appropriately answer the question put forward to them.
- This study is with special reference to Coca Cola company
- Resistance from the respondents (customers) side when are approached due to their busy schedule.
- Sample size expected to collect from Modern trade retailers were 50 - 60. Unfortunately the strict

resistance from their head forced to limit the sample to 25, after approaching almost 54 stores.

- Absence of enough secondary data based the project topic wasn't possible. So it affected the study.
- Lack of deep knowledge, exposure and experience of the researcher on the subject.

## V. TYPE OF RESEARCH

### A. Exploratory Research

Since the research is meant for finding out certain objectives which has been settled, the type of research is an exploratory one. The research is meant to explore certain conclusions from among some of the alternatives that have been considered. In this research the purpose is merely to find and to evaluate possible actions.

### B. Research Design & Research Methodology

#### • Research Methodology

Methodology is the systematic procedure involved in conducting a research process; it deals with research design, data collection methods, various statistical tools.

#### • Research Design

According to Bearden, "Research design is the plan structure and strategy of investigation conceived so as to obtain answer to research questions and control variance". This definition consists of three important term plan, strategy and structure. The plan is an outline of the research scheme on which research is to work. The structure of the research is more specific outline or the scheme and the strategy shows how the research will be carried out, specifying the methods to be used in the collection and analysis of data.

#### • Places selected for the study

The study has been carried out in Chennai city; samples have been selected from consumers and collected different shopping malls. For retailers data was collected from different Modern Trade Shops like Reliance Fresh, Wet Rose from London, Spencer's Retail, Nilgiri's etc. The samples collected were (100 consumers and 20 retailers) from different regions in Chennai.

#### • Type of data required

Two types of data involved in the study are primary data and secondary data, of which primary data is more important.

#### • Primary data

Primary data was collected afresh and for the first time, and this is original in character. Primary data during the course of survey was collected in two ways, (i) Personal interview (ii) questionnaire.

### C. Methods Adopted for Data Collection

#### • Personal interview method

This method of collecting data involves presentation of oral - verbal stimuli and relies in terms of oral - verbal responses. The method of collecting information through personal interview is usually carried out in structured way. As such we can call this interview as structured interview. For piling out required information from the data sources certain predetermined and structured questions are used.

#### • Questionnaire method

This is also a very popular method of data collection. In this method questionnaire are supplied to the randomly selected samples and they are allowed them to answer it. Most

of the business and economic surveys resort to this type of data collection.

#### • Secondary data

Secondary data means that are already available, it refers to data that has been collected and analysed by someone else. Certain types of secondary data such a product details of the company, main aspects of the research, data about the marketing of new products, essentials of advertisements in marketing etc. Has been referred to make the questionnaire.

## VI. REVIEW OF LITERATURE

Aaker, J.L. (1997) noted that the new product would need to be differentiated by improving the sensory characteristics and they added the methodology of a qualitative screening associated to a conjoint analysis on relevant sensory attributes has shown good performances to fit consumers' expectation: it has now to be reproduced, as every brand, concept and product is a unique combination designed for a specific consumer group, concluded the researchers.

Ahmad, J. and Kamal, N., (2002) examined the relative contributions of taste and health considerations on consumer liking and purchase intent of cola drinks. Eight types of commercial cola drinks were evaluated by 305 adult consumers who also completed a brief questionnaire on food habits. Data were analyzed using factor analysis. Results revealed that purchase intent of cola drinks was strongly related to degree of liking and to several key sensory attributes including saltiness, drinks flavor and greasiness. These variables emerged as the first factor in the analysis, suggesting that consumers perceive these characteristics as being most important in their choice of cola drinks.

Anderson, E.W., Fornell, C. and Lehmann, D.R. (1994) performed for varieties of cola drinks, orange juices and using three response protocols: the traditional paired preference test with the "no preference" option, a 9- point hedonic scale and a 6-point hybrid hedonic/purchase intent scale. The different stimuli to be assessed were presented in pairs, but putatively identical stimuli were also presented as a "placebo" pair. Performance on the placebo pair with identical stimuli provided a measure of the hidden demand characteristics of the test protocol. The presentation of the different pairs provided a measure of preference accompanied by such hidden demand effects.

## VII. DATA ANALYSIS AND INTERPRETATION

### A. Chi-Square Test

Gender wise respondent attracts to shop branding materials to buy in huge numbers.

**Table: 1**

Contents	Male	Female	Total
Discount offers	72	26	98
Attractive display	26	13	39
Banded display	12	2	14
Mass display	18	3	21
Total	128	44	172

To find out the gender wise respondents attracts the shop branding materials to buy in a lot in modern trade shop.

**H0:** A Gender wise respondent attracted to shop branding materials to buy in huge numbers.

**H1:** A Gender wise respondent not attracted to shop branding materials to buy in huge numbers.

**Table: 2**

Observed Value (O)	Expected Value (E)	O-E	(O-E) <sup>2</sup> / E`
72	72.93	-0.93	0.0118593
26	29.02	-3.02	0.3142798
12	10.41	1.59	0.242853
18	15.62	2.38	0.3626376
26	25.06	0.94	0.0352594
13	9.97	3.03	0.9208526
2	3.58	-1.58	0.6973184
3	5.37	-2.37	1.0459777
<b>Total</b>			3.6310378

The expected value has been found out by multiplying the corresponding total values in row and column, and then divides the same by the grand total value. For example, for the observed value 72, the column total is 128 and the row total is 98. The calculation can be made like (128\*98)/172. The answer is 79.23, and the same can be treated as expected value.

By using the above calculation for all the observed values, the value of (O-E) <sup>2</sup>/E could be find out and the total has come as 3.63.

The value is called Calculated Value. The expected Value can be found out with the help of degrees of freedom and level of significance. The degrees of freedom are the product of (row-1) \* (Column-1). The level significance is 5%.

**Table: 3**

Df	0.5	0.1	0.05	0.02	0.01	0
1	0.46	2.71	3.84	5.41	6.64	10.8
2	1.39	4.61	5.99	7.82	9.21	13.8
3	2.37	6.25	7.82	9.84	11.3	16.3
4	3.36	7.78	9.49	11.7	13.3	18.5
5	4.35	9.24	11.1	13.4	15.1	20.5

This is below the conventionally accepted significance level of 0.05 or 5%, so the null hypothesis that the two distributions are the same is verified. In other words, when the computed x<sup>2</sup> statistic exceeds the critical value in the table for a 0.05 probability level, then we can reject the null hypothesis of equal distributions. Since our x<sup>2</sup> statistic (3.63) did not exceed the critical value for 0.05 probability level (7.82) we can accept the null hypothesis that the Gender wise respondent attracted to shop branding materials to buy in huge numbers.

**B. Completely Randomized Design: (One way classification)**

**Table: 4**

CONTENTS	MALE	FEMALE
Discount offers	72	26
Attractive offers	26	13
Banded display	12	2
Mass display	18	3
Total	128	44

Let us consider,

H01: There is no significant difference between the gender wise purchase Behaviours

Calculation:

$$G = 128+44 \quad N = 8$$

$$\text{Correction factor} = G^2/N$$

$$= 128^2/8$$

$$= 3698$$

Total sum of squares:

$$SST = \sum_i \sum_j y^2_{ij} - G^2/N \quad (72)$$

$$=$$

$$128^2 + (26)^2 + (12)^2 + (18)^2 + (26)^2 + (13)^2 + (2)^2 + (3)^2 - 3698$$

$$= 7186 - 3698$$

$$= 3488$$

Between column sum of squares:

$$K$$

$$SSB = \sum_{i=1}^K T_i^2/r_i - G^2/N$$

$$= (128)^2/4 + (44)^2/4 - 3698$$

$$= 4096 + 484 - 3698$$

$$= 882$$

Error sun of squares:

$$SSW = SST - R1$$

$$= 3488 - 882$$

$$= 2606$$

**C. Analysis Of Variance (ANOVA)**

**Table: 5**

Source of Variation	Degrees of Freedom	Sum of Square	Mean Square	F ratio
Between Gender	(2-1)=1	882	882	
				F=2.03
ERROR	(8-2)= 6	2606	434.3	

The table value for F (1, 6) at 5% level of significance is 5.99 Since F < F (1, 6) the null hypothesis is accepted, Hence there is no significant difference between gender wise purchase BEHAVIOUR.

**D. Randomized Block Design: (Two way classification)**

**Table: 6**

CONTENTS	MALE	FEMALE	Total
Discount offers	72	26	98
Attractive offers	26	13	39
Banded display	12	2	14
Mass display	18	3	21
Total	128	44	172

Let us consider,

H01: There is influence of purchase BEHAVIOUR in the retail offers & displays

H02: There is no variation in gender wise purchase BEHAVIOUR.

Calculation:

$$G = 128+44 \quad N = 8$$

$$\begin{aligned} \text{Correction factor} &= G^2/N \\ &= 128^2/8 \\ &= 3698 \end{aligned}$$

Total sum of squares:

$$\begin{aligned} SST &= \sum_i \sum_j y^2_{ij} - G^2/N \\ &= \dots \dots \dots (72) \\ &= 7186-3698 \\ &= 3488 \end{aligned}$$

Between offers & displays sum of square:

$$\begin{aligned} R1 &= (98)^2/4 + (39)^2/4 + (14)^2/4 + (21)^2/4 - 172 \\ &= 2401 + 380.25 + 49 + 110.25 - 172 \\ &= 2768 \end{aligned}$$

Between genders sum of square:

$$\begin{aligned} R2 &= (128)^2/4 + (44)^2/4 - 172 \\ &= 4096 + 484 - 172 \\ &= 4408 \end{aligned}$$

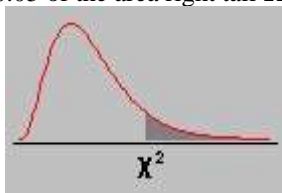
$$\begin{aligned} \text{ERROR} &= R2 - R1 \\ &= 4408 - 2768 \\ &= 1640 \end{aligned}$$

E. Analysis Of Variance (ANOVA)

Table: 7

Source of Variation	Degrees of Freedom	Sum of Square	Mean Square	F ratio
Offers & Displays	(4-1)=3	2768	922.66	F=1.68
Genders	(2-1)= 1	4408	4408	F=8.06
ERRORS	(4-1)*((2-1) = 3	1640	546.66	

The table value for F (3, 3) at 5% level of significance is 9.28 Since  $F < F(3, 3)$  the null hypothesis is accepted, There is influence of purchase behaviour in the retail offers & displays. The table value for F (1, 3) at 5% level of significance is 10.1 Since  $F < F(1, 3)$  the null hypothesis is accepted, There is no variation in gender wise purchase behaviour. Value of F for F distribution with 0.05 of the area right tail **Right tail area**



VIII. FINDINGS

The customers not novice in shop branding they are expertise through various samples and tryouts and come to conclusion of one brand. Customer always go for the deal for win-lose from the retailers and the second most window display in which psychologically influences the person to buy the product. Customer’s purchase behavior is influenced by the quantity and mass production according to them more the

quantity lesser the retailer cost. Customer seeks knowledge of the product through Media and advertisement of the respective product. Customers really don’t have time enough to experiment the quality of the product since they find in shop branding to time saving to choose and finalize the product to buy. Customers are said to be more attracted to be in discount offers and second most to the attractive displays. Coca Cola & Pepsi tends to more competitive in market these two soft drink tycoons providing more exposure to in shop branding. Out of total data about 76% influenced by discount offers but the remaining tend to be not attracted because of sense of quality. Sales of soft drinks also promoting influence of refrigerators. Lot more of customers find refrigerators as the cooling purpose of the soft drinks.

In the point of sales materials customers tend to be more attracted by discount offers, mass display, and counter display. Window display tends to more attractive for the customers who are meeting the shop. For optimum display of the product the retailers are find posters are enough to cover up the potential customers. The retailers tend to change the display in every month weekly changes are not really encouraged in point of sales. It is seen that the promotion of soft drinks requires refrigerators to serve the cool drinks with cold. From analyzing the data it is seen that the retailer itself point of sales also recommend promotion of product. Company offers more on customers than retailers in which the retailers may not be happy with the situation. Retailer’s point of view the display and attractive display influences the buying attitude of the customer, which promotes product mobility. Most of the company provides commission and period of payment is of monthly and the sales of coca cola are more than Pepsi. The attractiveness to company is seen most of the retailers sign deal for more schemes more discount, more display. The retailers expect benefits from the company for putting point of sales and are studied whether they are satisfied by the company’s current sales.

IX. RECOMMENDATIONS

The only way to tackle those customers the product should be designed in such a way so that it is attracted by customers at the first impression. The product should be attracting the customers such as cost and quantity. The product which is providing offers are displayed through window. It is essential for a firm to produce the product at good numbers and stock it for the future consumption. The product promotion should be designed it convinces the message of the product and influences the customers to buy the product.

The branding should create the positive feeling about the product and the quality should convince the customer needs. There should be promotion of discount offers & attractive displays by the retailers. The Pepsi should be able to provide more accuracy in sales promotion where it cannot deviate from the performance by competing Coca cola. The retailer should convince the customers the product would not deviate from its efficiency even at discount offers. The refrigerators should be applicable enough to get into the hands of retailers. There should be compulsory requirement of refrigerators and other cooling devices to promote soft drinks. The in shops brandings should convince the customers who are lot more pessimists in the attitude. The wholesalers and retailers should

join as allies to work on the increase of sales there should be exquisite usage of in shop branding all over to coverage of more number of potential customers.

The counter display should be encouraged among retailers where most of the customer has probability to see the product. The construction and ambience of the market should encourage the window display. The posters are tending to be the influence tool for the buying behaviour of the customers; hence the company must segregate an extra cost for posters. There should be weekly change of display in order to cover and attract the potential customers. The Company should sponsor the refrigerator along with dispatching of products to the retailers. The point of sales is encouraged for the promotion product in which it is conventional way of attracting customers. It is recommended the company should provide more schemes for the retailers to promote the product and the company should provide more attractive schemes for the retailers and should satisfy by the company point of sales.

#### X. CONCLUSION

The researcher hopes that suggestions and recommendations will be useful to the Company. In today's world there is no service or business without competition. Customer is a king and he plays a vital role. Customer Awareness and satisfaction is important for the company. As for the project is concerned most of the customer is aware of Soft Drinks and perceives good about Coca Cola brand. This project has been undertaken in Soft Drinks. This study besides throwing up pointer and in sights has resulted it certain valuable suggestions. The suggestion if implemented can go a long way towards insuring increased growth.

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