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Point of purchase and consumer purchase process for agriculture based products: A study of Chandigarh and Shimla

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Abstract

The study was designed with the key objective to know if the point-of-purchase display (POP) advertisements actually trigger impulse purchase in case of agriculture based, as they are designed to in the retail environment. Present research work is predicated upon the 6 stages of buying decision process as given in Kotler & Keller (2006). Five point Likert type scale was used to rate how frequently POP influenced different stages of the purchase process. Sample of two hundred respondents (200) was selected by quota sampling from Shimla and Chandigarh. The results revealed that food and beverages purchase buying decision process was substantially influenced by point of purchase (POP). Respondents used the POP the most for post purchase evaluation of food & beverages. The recognition of needs, search for information, evaluation of choices available and purchase decision were partially but substantially influenced by POP for foods and beverages.

Keywords: Stages in consumer purchase process, impulse buying, point -of -purchase (pop), agriculture based products

1. Introduction

To inform, persuade or convince the consumer to purchase a certain product/ service, is the only mantra of success for today's hypercompetitive marketplace. Liljenwall (2004) [4] further reported that up to 70% of retail purchases are unplanned and so are to be influenced by the factors present within the retail environment itself, which highlights the importance of Point-of-Purchase advertisements. Zhou and Wong (2003) (as cited in cited in Bhakat, Ravi and Muruganatham, G. (2013)) [2] from their research observed that POP and other retail store environment result in impulse buying. From the wider review of literature POP seems to be positioned to play these roles in influencing consumer purchase behaviour.

It is seen that though quite a bit of literature supports the conjecture that POP influences buying behaviour, there are some research articles to the contrary. Further, there is dearth of literature on the role of POP in purchases of agriculture based products like food and beverages, which is prima-facie` more prone to impulse buying due to low-purchase-involvement of the consumers with this product category. Hence, a study was designed to know how frequently point of purchase (POP) influences the purchase of consumers in case of food and beverages with the following objective:

1. To know the influence of POP on different stages of the food and beverages purchase.

In light of the discussion above the following hypothesis were formulated to address the research objectives.

H1: There is a significant difference in POP's influence on different stages of purchase process of food and beverages purchase.

2. Materials and Methods

The study has been carried out in Chandigarh and Shimla cities. Quota sampling was used to select 200 respondents.

The study used primary data and a questionnaire used for collection of data which consisted of three parts. The operative part sought to measure the frequency with which POP influenced each of the 6 purchase process stage in case of agriculture based products like (A) foods and beverages (B) cigarettes and alcoholic beverages.

The analysis of the data was done by using percentage, mean, standard deviation Cronbach Alpha and Chi-Square test of hypothesis. Chi-square test was used as it is a non-parametric test and it deals with the nominal data.

Though the data collected was ordinal, it was treated as nominal to facilitate application of Chi-Square test to address the testing of hypothesis.

3. Results and Discussions

Cronbach Alpha was found to be 0.818 for the sets of questions relating to influence of POP on food and beverages. All the Cronbach Alpha values are above 0.7 indicating that the measures for the product category as used in this study are highly reliable.

The table-1 highlighted the influence of POP on different stages of purchase process of food and beverages purchase. The calculated chi-square value was 48.7975 was greater than the tabulated.

Chi-square Value i.e. 26.30 for 16 degree of freedom at 0.05 levels of significance, with a p-value of 0.000036, so null hypothesis has not been accepted. Hence, a significant difference was found in the POP's influence on different stages of purchase process of food and beverages purchase. It is evident from the data above, that more than (25%) respondents reported being influenced by POP 'sometimes' and 'most of the time' in most of the stages of the purchase process. Using response rate above (20%) to categories data, it was found that post purchase evaluation stage was more influenced by POP as (30%) of respondents were 'always' effected by POP which is more than the other stages of purchase behavior that are influenced by POP only 'sometimes' and 'most of the times'.

Thus we see that in case of food and beverages purchase POP has slightly more influential on the 'post purchase evaluation' stage as compared to other stages. This means that in POP is most effective in reducing post-purchase dissonance and has

least role in 'recognition of needs' amongst the stages of purchase process, though POP does influence all the stages. From the mean values given in the table it can also be inferred that POP influences the purchase of food and beverages 'sometimes' ($\bar{x}=60.4$) or 'most of the times' ($\bar{x}=53.2$), which indicates partial but substantial influence of POP on the purchase of foods and beverages.

Cronbach Alpha was found to be 0.908 for the sets of questions relating to influence of POP on purchase of cigarettes and alcoholic beverages purchase. All the Cronbach Alpha values are above 0.7 indicating that the measures for the product category as used in this study are highly reliable.

The above table-2 has shown that only 162 out of 200 respondents have responded for influence of POP on cigarettes and alcoholic beverages purchase. The calculated chi-square value i.e. 43.1 was greater than the tabulated Chi-square Value i.e. 26.30 for 16 degree of freedom at 0.05 levels of significance, with a p-value of 0.000, so null hypothesis has not been rejected while alternate hypothesis been accepted. According to the displayed data above most of the respondents denied influence of POP on all the purchase process stages of cigarettes and alcoholic beverages purchase except for evaluation of choices where (33.33%) said that POP has influenced them evaluate the choices 'sometimes'. Post purchase evaluation had got the highest frequency of (41.36%) and recognition of needs second highest i.e. (35.8%) as POP having 'never' influenced these stages in purchase of cigarettes and alcoholic beverages. Further it was found that search for information and purchase decisions had never been influenced by POP for (34.7%) and (30.86%) respondents too. The mean and standard deviation values i.e. ($\bar{x}=55.8$), (7.50) respectively further buttresses the above results.

Table 1: POP & Food and Beverages Purchase

Purchase process stages	Influence of POP on Food and Beverages purchase					Total
	Never (0)	Rarely (1)	Sometimes (2)	Most of time (3)	Always (4)	
Recognizing of needs	29 (14.5%)	40 (20%)	52 (26%)	47 (23.5%)	32 (16%)	200
Search for information	14 (7%)	32 (16%)	70 (35%)	57 (28.5%)	27 (13.5%)	200
Evaluation of choices available	19 (9.5%)	22 (11%)	62 (31%)	59 (29.5%)	38 (19%)	200
Purchase decision	13 (6.5%)	24 (12%)	66 (33%)	66 (33%)	31 (15.5%)	200
Post purchase evaluation	24 (12%)	27 (13.5%)	52 (26%)	37 (18.5%)	60 (30%)	200
Total	99	145	302	266	188	
Mean	19.6	28.8	60.4	53.2	38	
SD	6.76	7.21	8.17	11.32	13.13	

Table 2: Cigarettes and Alcoholic Beverages Purchase

Purchase process stages	Influence of POP on cigarettes and alcoholic beverages purchase					Total
	Never (0)	Rarely (1)	Sometimes (2)	Most of time (3)	Always (4)	
Recognizing of needs	58 (35.8%)	19 (11.73%)	53 (32.72%)	20 (12.35%)	12 (7.4%)	162
Search for information	56 (34.7%)	17 (10.49%)	33 (20.37%)	48 (29.63%)	8 (4.9%)	162
Evaluation of choices available	48 (29.63%)	13 (8.02%)	54 (33.33%)	32 (19.75%)	15 (9.26%)	162
Purchase decision	50 (30.86%)	17 (10.49%)	34 (21%)	39 (24.07%)	22 (13.58%)	162
Post purchase evaluation	67 (41.36%)	16 (9.88%)	29 (17.9%)	27 (16.67%)	23 (14.2%)	162
Mean	55.8	16.4	40.6	33.2	16.2	
SD	7.50	2.19	11.93	10.80	6.30	

4. Conclusion and Suggestions

Thus, on the basis of above analysis and discussion, a partial but substantial positive influence of POP was found on the respondents during purchase of foods & beverages. The results further clarified that the respondents used the POP the most for post purchase evaluation of food & beverages.

In case of cigarettes and alcoholic beverages POP does not influence the recognition of needs, search for information, purchase decision and post purchase evaluation for most of the respondents but it sometimes helped the respondents for

evaluation of choices available, possibly this is limited to reading the packaging of cigarettes and alcoholic beverages. This result is contrary to the findings of Siahpush M *et al.* (2016) [6], who reported that POS exposure to the cigarette brand that the consumer buys regularly or to any other cigarette brand resulted in urges to buy and impulse purchases of cigarettes. This finding is also opposite to Annice *et al.* (2014) [11] who concluded that POS tobacco displays influence purchase behavior. The difference may be attributed to the

stringent restrictions on promotion of cigarettes and alcoholic beverages that prevail in India.

The overall finding about the POP having substantial influence on the buying decision process of food & beverages resonates Carter *et al.* (2009)^[3] who reported that POS acted as a form of advertising even when the advertising materials were absent.

5. References

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