Chapter III

Research Methodology

Research methodology is a description of what the activity of research is, how to carry it on, how to measure its progress, and what constitutes its success. Research methodology is the study of the principles of methods, rules and postulates employed by a certain discipline (Kothari 2003).

This chapter enshrines the ‘research methodology’, which explains the research problem, objectives, significance of the study, scope, sampling, sources of data collection, statistical techniques used for data analysis, hypothesis, chapter scheme, etc. The purpose of this chapter is to communicate the nature of the problem and tools used to find the solutions of the problem.

3.01 Statement of the problem

With the tremendous growth of organized retail in India, the retail sector is under a transition phase. This has impacted not only the retailers but also the consumers. A lot of changes are taking place in this sector due to entry of big retail chains in last decade or so. The organized retailers have paved into the tier II and tier III cities and have changed the way Indians use to do shopping. Shopping has become an activity of fun and leisure today, instead a task. Display of the products in the retail store is the main differentiator in traditional retail and modern retail. Today a customer cannot only see the displayed product, but also touch, feel, check and even use in the store itself. The present research study examines “the impact of point of purchase display on buying behavior”. This research endeavor would help the retailers in understanding the importance of display as well as it will be helpful in understanding what their target audience expect from them.

3.02 Significance of the study

With a customer base of more than 1.21 billion people, India is one of the largest retail markets for any brand. Not only many major Indian business houses are entering into the retail business but the leading international players in this industry are keen to enter Indian market also. India has witnessed a dramatic change in the retail business
in last one decade or so. Organized retailers have started dominating the small stores while mom and pop shops have started adopting the business module of organized retailers. These small shops are giving a tough competition to the giant MNCs. The small retailers have started to shape their shops like modern retail outlets where customers visit and choose the displayed product without any intervention of the retailers.

This study is primarily focused on finding out the opportunities available to the retailers (both organized as well as unorganized) and the challenges being faced by these retailers. At the end of the report, the findings have clearly stated how important it would be for the retailers to understand what consumers want and deliver the same to them.

3.03 Objectives of the study

It is truly said that “Any work without objectives is like a plane without pilot”. In any area of research, the first and the foremost task is to decide and define the objectives of the research i.e. the reason why the research study should be conducted. A research study may have many objectives, but all these objectives revolve around one major objective, which is the focus of the study. As it is aptly evident from the title, the prime objective is to study the impact of point of purchase display on consumer buying behaviour.

In order to pursue the afore-mentioned prime objective, some allied objectives have also been identified which are as follows:-

i. To study whether respondents exhibit significant differences regarding different dimension of point-of-purchase display across different demographic variables.

ii. To study the scope of point-of-purchase display as a promotional tool.

iii. To study the importance of point-of-purchase display from customers’ view point.

iv. To make recommendations for retailers to improve point-of-purchase display.

3.04 Scope of the study

The scope of the study is to know the opportunities available to the retailers while using display as unique selling proposition as well as to know the challenges that have
to be faced while doing the same. For the purpose of this study, shoppers who shop on regular basis have been chosen for the collection of data. A structured questionnaire has been developed by the researcher for the data collection. The present study is also undertaken to study the trends and shifts in the retail sector from traditional mom and pop shop to large retail chain.

3.05 Research design

The present research is exploratory cum descriptive in nature and depends largely on the primary source of information. The data has been collected from the respondents with the help of a structured questionnaire. Interview technique has been used, in order to gather information about the present retail scenario.

3.06 Sample design

For the purpose of this study sampling has to be resorted to as obtaining data from the universe might not have been possible. To make the sample representative, the researcher has tried to select respondents from different walks of life. For the present study, simple random sampling technique has been resorted to obtain data from a sample of five hundred respondents. After going through and screening the filled-up questionnaires, as many as four hundred thirty three were found to be complete in all respects and hence fit for analysis. Due care has been taken to ensure that respondents of all ages, genders, education groups, occupation groups and income groups are included in the study.

3.07 Mode of data collection

If the data is not properly collected, the entire research effort may turn out to be a waste. To ensure the relevance of the data collected, care has been taken to minimize the error in the methods of data collection. A five-point Likert scale has been used to measure the intensity and direction of responses. The scale ranged from strongly disagree to strongly agree. For this study, primary as well as secondary data have been used. A structured questionnaire was designed containing a series of questions for the collection of primary data. The first hand data has been collected from the respondents who are shoppers. These respondents belong to different genders, age-groups, with different educational qualifications and different occupations. The demography-wise distribution of the respondents has been explained in details in the
fifth chapter which presents data analysis and interpretation. Secondary data has been collected using various articles, research papers, case studies, news papers etc. more than anything else internet has been used in a big way to find relevant literature. The information on all the literature gone through and referred to has been mentioned in the bibliography given at the end of the report.

3.08 The questionnaire

The review of literature helped the researcher in comprehending various issues related to the point of purchase display in retailing. Keeping in view the objectives of the study, a structured questionnaire was prepared to obtain responses from the sample unit. A pilot survey was conducted to find out if the questionnaire was adequately suitable for this study. Some newer issues came up during the discussion with the respondents and some problems in filling up the responses were also noticed. The questionnaire was divided into two sections- the first section contained 76 statements, responses to which were solicited on five-point Likert’s scale. The level of agreement of the respondents was elicited on five-point scale ranging from strongly agree to strongly disagree. The second part of the questionnaire was designed to know the demographic profile of the respondents in terms of their gender, age, educational qualifications and occupation.

3.09 Tools for analysis of data

After the collection of the relevant data through questionnaires and secondary sources, different types of statistical techniques have been used to analyze the data in this study. The data has been analyzed using Statistical Package of Social Sciences (SPSS 18.0).

The data has been presented and analyzed in the form of tables, charts, using the following statistical tools:

a. Analysis of variance (anova)
b. Cross tabulation
c. t-test

Chronbach alpha reliability test was applied to check the reliability of the questionnaire. Analysis of Variance (anova) was intended to analyze the differences between the group means and their associated procedures such as variation among and
between the groups, across age, educational qualifications and occupation. Cross tabulation analysis explains the variation in a dependent variable and one or more independent variables. To compare the mean between two groups, t-test has been applied. Data analysis has been presented using pie diagrams and tables. The interpretations have been extracted from the analysis of data.

3.10 Hypothesis

A hypothesis is a proposition which can be put to test to determine its validity. It is a tentative generalization drawn from the theory and when it has been tested and found correct, it becomes a part of theory itself. A null hypothesis refers to a general statement or default position that there is no relationship between two measured phenomena. Rejection of null hypothesis concludes that there are grounds for believing that there is a significant difference between different groups with respect to a particular variable.

The following null hypotheses were formed for the purpose of this study:

**H01:** There is no significant difference in the opinions of the respondents across the two gender groups regarding different dimensions of impact of point-of-purchase display on buying behaviour.

**H02:** There is no significant difference in the opinions of the respondents across the different age groups regarding different dimensions of impact of point-of-purchase display on buying behaviour.

**H03:** There is no significant difference in the opinions of the respondents across the different educational qualifications background regarding different dimensions of impact of point-of-purchase display on buying behaviour.

**H04:** There is no significant difference in the opinions of the respondents across the different occupational groups regarding different dimensions of impact of point-of-purchase display on buying behaviour.

**H05:** There is no significant difference in the opinions of the respondents across the different income groups regarding different dimensions of impact of point-of-purchase display on buying behaviour.
3.11 Operational definitions of the key terms

Some key terms have been used in this research work, which have been defined in different ways by different experts. The researcher has studied many of such definitions, and for the purpose of this study, has tried to work out operational definitions of all such key terms.

3.11.01 Point-of-purchase display

Marketing materials or advertising placed next to the merchandise it is promoting. These items are generally located at the checkout area or other location where the purchase decision is made (www.retail.about.com).

3.11.02 Point of sale display

Point-of-sale displays (POS) are a specialized form of sales promotion found near, on, or next to a checkout counter (the "point of sale"). They are intended to draw the customers' attention to products. These may be new products, a special offer, or may promote special events, such seasonal or holiday-time sales (www.boundless.com).

3.11.03 Retailing

Retailing consists of the sale of goods or merchandise, from a fixed location such as a department store, in small or individual lots for direct consumption by the purchaser. Purchasers can either be individuals or businesses (www.newworldencyclopedia.org).

3.11.04 Retail Marketing

Retail marketing is the range of activities undertaken by a retailer to promote awareness and sales of the company’s products. This is different from other types of marketing because of the components of the retail trade, such as selling finished goods in small quantities to the consumer or end user, usually from a fixed location (www.smallbusiness.chron.com).

3.11.05 Retail Design

Retail design is a creative and commercial discipline that combines several different areas of expertise together in the design and construction of retail space. Retail design is primarily a specialized practice of architecture and interior design; however it also
incorporates elements of interior decoration, industrial design, graphic design, ergonomics, and advertising (www.wikipedia.com).

3.11.06 Visual Merchandising

Visual merchandising is the activity and profession of developing the floor plans and three-dimensional displays in order to maximise sales. In visual merchandising, the products being sold are typically displayed in such a way as to attract consumers from the intended market by drawing attention to the product's best features and benefits (www.businessdictionary.com)

3.12 Limitations of the study

Though due care has been taken to make the sample the true representative of the universe, yet there might have been some discrepancies in choosing the sample unit. The occurrence of the sampling error may also be a limitation as the sample represents only a fraction of the universe. A larger sample would have been a better option for conducting this research study but the time, effort and cost involved restricted the researcher to a relatively smaller sample. Another limitation may be the biasness on the part of the respondents while filling up the questionnaires.

3.13 Chapter scheme

The research work is compiled in six chapters. These are:-

**Chapter-I: Introduction:** This chapter gives a preface to the origin of retailing, current state of economy and retail industry at a global perspective in general and Indian perspective is specific. The chapter also included the various characteristics of Indian retail sector, market segmentation of Indian retail, point of purchase display and benefits of display.

**Chapter-II: Review of literature:** This chapter gives a brief overview of the past researches undertaken in the related field, related to the marketing implications on the display in retail stores.

**Chapter-III: Research methodology:** This chapter deals with the providing information about statement of the problem, research objectives, hypothesis formulation, data sources, sampling, research approach and statistical tools used.
Chapter-IV: **Analysis and interpretation**: This chapter deals with the analysis and interpretation of the data collected by applying statistical tools.

Chapter-V: **Conclusion and suggestions**: This chapter aims to conclude the results and findings of the study drawn from the analysis of the data. This also embodies suggestions to help the retailers understand why they should and how they can design better display to ensure better footfall and possibly better profitability.