Chapter 2

Conceptual Framework
Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value. Marketing evolved to meet the stasis in developing new markets caused by mature markets and overcapacities in the last several centuries. The main concern of marketing is focused around what your valued customer has to say about your company and, more importantly, what your valued customer has to say to potential customers about your company.

Gaining market share is the main objective for companies implementing marketing strategies for their products. However, deciding on the right marketing strategies is challenging due to numerous factors influencing customer purchasing decisions. It is therefore important to understand the customer values and the major preferences, for instance the quality versus price, levels of services, brand loyalty, distribution channels.

**Marketing Defined**

According to the American Marketing Association, quoted by Kotler & Keller (2006, 6), marketing can be defined as “an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders”. In other words, marketing in a simplified meaning indicates that the product or service being marketed should meet the customers demand, needs and values. Furthermore, another simpler definition is presented as marketing “includes anticipating demand, managing demand, and satisfying demand” (Evans & Berman 1997, 7). Marketing could also be defined in a few words with “mutually satisfying exchange relationships” (Baker 2006, 4-5).

The marketing concept includes the whole marketing process. “An organization focuses all of its efforts on making products or providing services that satisfy its customers at a profit” as defined by Lindgren and Shimp (1996, 23). The whole marketing concepts includes three basic orientations toward maximizing the marketing success. The first one is customer orientation which focuses all of the company’s thinking and activities on the customer. Another element is to coordinate and integrate all of the different organizational departments to be able to reach a common goal, and the profit orientation focuses on maximizing customer satisfaction (Baker
The marketing concept is also defined as “the achievement of corporate goals through meeting and exceeding customer needs better than the competition”. (Jobber & Fahy 2003, 4)

Absence of marketing will give a negative result and may lead to an early exit from the industry. Out of 11000 new products introduced by 77 companies, only 56% are present 5 years later. Only 8% of new product concepts offered by 112 leading companies reached the market. Out of that 83% failed to survive competition due to improper marketing objectives. Marketing competence represents a bundle of skills that are not widely available in an industry.
The Four P’s of the Marketing Mix

The marketing mix is defined as “the specific combination of marketing elements used to achieve objectives and satisfy the target market. It encompasses decisions regarding four major variables: product, distribution, promotion, and price” (Evans & Berman 1997, 20). The distributions factor refers to place in the marketing mix and therefore stands for the fourth P. The four P’s was a concept introduced by Eugene McCarthy in the 1960s and make the outline for the marketing mix (See Figure 3). They are the basic factors a company should consider when planning their marketing approach towards the target market. The whole marketing mix is defined as “the set of controllable of controllable tactical marketing tools – product, price, place, and promotion – that the firm blends to produce the response it wants in the target market”. (Kotler & Armstrong, 2004, 56)
A product can be referred to as any thing that is produced or manufactured that satisfies the desires or wants of a customer. A product is defined “a good or service offered or performed by an organization or individual, which is capable of satisfying customer needs” (Jobber & Fahy 2003, 330). The product part of the marketing mix includes the preferences of the customer compared to the actual features of the product including brand, looks, and differentiating qualities. For what purposes the product is about to be purchased and how it will meet the consumer’s needs are also significant questions the consumer tries to answer during the purchasing process. The product strategies can be summarized as “developing new products, repositioning or re-launching existing ones, scrapping old ones; adding new features and benefits; balancing product portfolios; changing the design or packaging” (Mercer 1999, 214).
Place

The place part of the marketing mix refers to how the customer purchases the product. This includes the place from where it is purchased as well as the distribution channels. Place is defined as “the distribution channels to be used, outlet locations, methods of transportation” (Jobber & Fahy 2003, 331) or by Baker (2006, 744) as taking “into account all those activities involved in making products available to customers. The production process involves observing the manufacturing and other activities of the distribution process. This can also be referred to as the value chain which is “the set of the firm’s activities that are conducted to design, manufacture, market, distribute and service its products” (Jobber & Fahy 2003, 333).

There are numerous different types of distributors but the more common ones include wholesalers, retailers, factors, and other types of intermediaries. The distribution channel includes the seller, who could be a wholesaler, who distributes to the retailer, or a retailer itself who sells to the end consumer. A definition for the channel of distribution is “the arrangement of businesses that are involved in performing marketing functions and transferring goods and services and their ownership to end-users” (Lindgren & Shimp 1996, 612). Different purchasing methods are also included in the marketing mix. A customer can consider several purchasing approaches, for instance from the shop, by telephone, via the suppliers web page, or even directly from the warehouse. Distribution strategy involves getting the right kind of product to the right place where the customer desires it. Management of the channel includes “the management of the tasks involved in progressing the transfer of goods and service between seller and buyer” (Baker 2006, 729).

Price

Price “represents the value of a good or service for both the seller and the buyer” (Evans & Berman 1997, 586). The price of a product or service is what the customer pays for obtaining it. When determining the price, the company should take into consideration what the actual value of the product or service is to the customer. Value can be determined in how time consuming the actual acquiring of the product or service is for instance, or any factor that can be included in the exchange for the product or service. Price is also defined as “the agreed value placed on the
exchange by a buyer and seller” (Jobber & Fahy 2003, 331). Pricing is generally based on what the cost of the actual product is to the supplier.

**Promotion**

Promotion refers to the motivational methods of getting the consumer to purchase the product. Promotion is referred to as “any communication used to inform, persuade, and/or re-mind people about an organization’s or individual’s goods, Services, image, ideas, community involvement, or impact on society” (Evans & Berman 1997, 501). Promotion (also referred to as Integrated Marketing Communication (IMC)) mainly consists of messages and related media that are used to communicate with the market. IMC is defined as “a marketing communications strategy which requires that a company adopts strategies that coordinate different pro-motional elements and that these promotional activities are integrated with other marketing activities that communicate with customers” (Baker 2006, 737). The basics of promotional strategy involve delivering the communicational message from the producer to the consumer.

Advertising is a form of communication intended to persuade viewers, readers or listeners to purchase or take some action upon products, ideals, or services. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These brands are usually paid for or identified through sponsors and viewed via various media.

Advertising media can include wall paintings, billboards, radio, cinema and television adverts, web banners, mobile telephone screens, shopping carts, web popup, bus stop benches, magazines, newspapers, sides of buses, banners attached to or sides of airplanes, in-flight advertisements on, doors of fresh room, stickers in supermarkets & shopping cart handles. Any place an "identified" sponsor pays to deliver their message through a medium is advertising.

In-store advertising is any advertisement placed in a retail store. It includes placement of a product in visible locations in a store, such as at eye level, at the ends of aisles and near checkout counters, eye-catching displays promoting a specific product, and advertisements in such places as shopping carts and in-store video displays.
HISTORY OF CONSUMER RESEARCH

The field of consumer behavior is rooted in the marketing concept, a business orientation that evolved in the 1950s through several alternative approaches toward doing business referred to respectively as the production concept, the product concept, and the selling concept.

The production concept assumes that consumers are mostly interested in product availability at low prices; its implicit marketing objectives are cheap efficient production and intensive distribution. This orientation makes sense when consumers are more interested in obtaining the product than they are in specific features and will buy what’s available rather than wait for what they really want. Today using this orientation makes sense in developing countries or in other situations in which the main objective is to expand the market.

The product concept assumes that consumers will buy the product that offers them the highest quality the best performance, and the most features. A product orientation leads the company to strive constantly to improve the quality of its product and to add new features that are technically feasible without finding out first whether or not consumers really want these features. A product orientation often leads to “marketing myopia” that is, a focus on the product rather than on the consumer needs it presumes to satisfy. Marketing myopia may cause a company to ignore crucial changes in the market place because it causes marketers to look in the mirror rather than through the window. A natural evolution from both the production concept and the product concept is the selling concept, in which a marketer’s primary focus is selling the product that it has unilaterally decided to produce. The assumption of the selling concept is that consumers are unlikely to buy the product unless they are aggressively persuaded to do so- mostly through the “hard sell” approach. The problem with this approach is that it fails to consider customer satisfaction. When consumers are induced to buy products they do not want or need, they will not buy them again.

The field of consumer behavior is rooted in a marketing strategy that evolved in the late 1950s, when some marketers began to realize that they could sell more goods, more easily, if they produced only those goods they had already determined that consumers would buy. Instead of trying to persuade customers to buy what the firm had already produced, marketing –oriented firms found that it was a lot easier to produce only products they had first confirmed, through
research, that consumers wanted. Consumer needs and wants became the firm’s primary focus. This consumer-oriented marketing philosophy came to be known as the marketing concept. The key assumption underlying the marketing concept is that, to be successful, a company must determine the needs and wants of specific target markets and deliver the desired satisfactions better than the competition. The marketing concept is based on the premise that a marketer should make what it can sell, instead of trying to sell what it has made. Whereas the selling concept focuses on the needs of the sellers and on existing products, the marketing concept focuses on the needs of the buyer and customer satisfaction. The widespread adoption of the marketing concept by American business provided the impetus for the study of consumer behavior. To identify unsatisfied consumer needs, companies had to engage in extensive marketing research. In so doing, they discovered that consumers were highly complex individuals, subject to a variety of psychological and social needs quite apart from their survival needs. They discovered that the needs had priorities of different consumer segments differed dramatically, and in order to design new products and marketing strategies that would fulfill consumer needs, they had to study consumers and their consumption behavior in depth. Thus, the marketing concept underscored the importance of consumer research and laid the ground work for the application of consumer behavior principles to marketing strategy. (Schiffman and Kanuk 2003;pg.9-11)

**DEFINITION OF CONSUMER BEHAVIOR**

The term consumer behavior is defined as the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase and the impact of such evaluations on future purchases, and how they dispose of it. One of the most important constants among all of us, despite our differences, is that above all we are consumers. We use or consume on a regular basis food, clothing, shelter, transportation, education, equipment, vacations, necessities, luxuries, services and even ideas. As consumers we play a vital role in the health of the economy-local,
national, and international. The purchase decisions we make affect the demand for basic raw materials, for transportation, for production, for banking; They affect the employment of workers and the employment of resources, the success of some industries and the failure of others. In order to succeed in any business, and especially in today’s dynamic and rapidly evolving market place, marketers need to know everything they can about consumers what they want, what they think, how they work, how they spend their leisure time. They need to understand the personal and group influences that affect consumer decisions and how these decisions are made. (Schiffman and Kanuk 2003; pg. 8)

SCOPE OF CONSUMER BEHAVIOR

The term consumer behavior describes two different kinds of consuming entities:

1. The personal consumers

2. The organizational consumer

The personal consumer buys goods and services for his or her own use, for the use of the household or as a gift for a friend. In each of these contexts, the products are bought for final use by individuals who are referred to as end users or ultimate consumers. The second category of consumer- the organizational consumer–includes profit and not profit businesses, government agencies (local, state, and national), and institutions (e.g. schools, hospitals, and prisons), all of which must buy products, equipment, and services in order to run their organizations. (Schiffman and Kanuk 2003;9).

APPROACHES TO STUDYING CONSUMER BEHAVIOR

There are two broad approaches to the study of consumer behavior:

1. A Managerial Approach

2. A Holistic Approach

A managerial approach views consumer behavior as an applied social science. It is studied as an adjunct to and a basis for developing marketing strategies. A holistic approach views consumer
behavior as a pure rather than applied social science. In this view, consumer behavior is a legitimate focus of inquiry in and of itself without necessarily being applied to marketing.

Although it may appear that the first view has the most credence for marketers, in reality, a holistic approach also provides a useful perspective to strategy in many cases.

A MANAGERIAL APPROACH

A managerial approach to consumer behavior tends to be more micro and cognitive in nature. It is micro in emphasizing the individual consumer: his or her attitudes, perceptions, and lifestyle and demographic characteristics. Environmental effects - reference groups, the family, culture - are studied in the context of how they influence the individual consumer. In being more micro, a managerial orientation is also more cognitive; that is, it emphasizes the thought processes of individual consumers and the factors that go into influencing their decisions. Marketing managers find such a focus on the individual only natural. The goal of all marketing strategy should be to satisfy the needs of individual consumers in a socially responsible manner. Information is collected on the consumer’s needs (desired product benefit), thought processes (attitudes and perceptions), and characteristics (lifestyles and demographics). This information is then aggregated to define segments of consumers that can be targeted with the company’s offerings. Thus, a more affluent, older baby boom segment might be identified that likes casual wear and emphasizes performance over status. Identification of such a segment would have implications for marketers of everything from clothes to home computers and from yogurt to cars. But there are risks in taking too rigid a managerial perspective. First, it might overemphasize the rationality of consumers. The cognitive view is that consumers search for and process information in some systematic manner in an attempt to meet their needs. But in many cases, such systematic processing may not occur, as when consumers buy products for their symbolic value, on impulse, or on an addictive basis. Using a strictly approach may not reveal the underlying nature of the consumer’s decision in these cases. Second, a micro view might overlook the dynamics of environmental factors independent of the individual. For example, a perspective on gift giving in the context of ritual behavior would be culturally derived and might be insightful for many marketers. Yet such a perspective might be over looked if the focus is primarily on individual consumers. Third, a managerial perspective tends to focus more on
purchase than on consumption. This is only natural since marketing managers emphasize sales results as represented by purchasing behavior. But, recently, the focus has increasingly shifted to what happens after the purchase. Satisfaction is generally defined by the consumption, not the purchase experience. A whole new area in marketing called relationship marketing recognizes that marketers must maintain a relationship with their customers after the purchase. And to a large degree, this relationship will depend on the consumption experience.

A HOLISTIC APPROACH

A holistic approach is more macro in its orientation. It tends to focus more on the nature of consumption experience than on the purchasing process because it stresses the broader, culturally derived context of consumption. Consumption is seen as being symbolic as well as functional, antisocial as well as social, and idiosyncratic as well as normative. Purchase behavior is of little inherent interest outside of its impact on the consumption experience. When it is studied, it is in the context of shopping rather than decision making because shopping is frequently culturally derived. Where as a managerial orientation is more interested in predicting what the consumer might do in the future, the holistic approach is more interested in understanding the environmental context of the consumer’s action. A holistic approach also has its draw backs. The most important is that findings regarding the culturally derived meaning of consumer acts and consumption experiences may not be actionable from a marketer’s perspective. This need not bother those who study consumer behavior for its own sake, but findings from consumer behavior should be actionable for marketing strategies in a business context. Second, a holistic approach does not put sufficient emphasis on purchase decisions. Marketers must understand how consumers reach decisions if they are to influence them. Third, although many consumer decisions are not made through a process of systematic processing, many are. Some understanding of such cognitive processes is necessary if marketers are to attempt to meet consumer needs.(Assael 2001; 21-22).

CURRENT TRENDS IN CONSUMER BEHAVIOR

A historical perspective shows that a consumer orientation developed out of economic necessity in the 1950s. With the advent of a buyer’s market, marketing managers began to identify
consumer needs in a competitive environment and to gear marketing strategies accordingly. A better understanding of consumer needs, perceptions, attitudes and intentions became necessary. Current trends suggest that marketers must continue to be sensitive to changes in consumer needs, demographic characteristics, and lifestyles in order to develop effective marketing strategies. Three changes in particular are likely to have an impact on marketers:

1. A greater value orientation on the part of consumers

2. Greater interest in and access to information on products and services.

3. The desire for more customized products.

Marketing firms need some systematic basis for collecting information. Most have a marketing information system designed to provide data on what consumers do and why? Such information systems are designed to collect both secondary data (existing data from published sources or company records) and primary data (data collected by the company to answer its research questions.) (Assael 2001; 26)

Shopping – A Information Search Process

Shopping has been defined as the act of identifying the store and purchasing from it. A shopper goes through a process of ‘see-touch-sense-select’ in order to buy a product. The degree to which the consumer follows the whole or part of this process varies with brand, product category and other elements of the marketing mix and the shoppers could become ‘blinkered’, 'magpie’ or 'browser' (Connolly and Firth 1999). Sinha and Uniyal (2005) found that shoppers changed their information search process according to stores, even when the same product and in some cases the same brand was being bought. Shoppers would ask for a brand in a Kirana store and resist a change in many cases. But in a self-service store, they would look at more than one brand before deciding.

POP (POINT-OF-PURCHASE) ADVERTISING

In the retail world, "POP” is used to refer to point-of-purchase advertising displays. POP displays can take various forms, including shelf-mounted signs, hanging posters, and more. Effective POP displays can have a dramatic impact on sales for a particular product category or brand.
Advertising that is built around impulse purchasing and that utilizes display designed to catch a shopper's eye particularly at the place where payment is made, such as a checkout counter. There are various types of point-of-purchase displays, including window displays, counter displays; floor stands display bins, banners of any kind, and all types of open and closed display cases. Generally, these displays are created and prepared by the manufacturer for distribution to wholesalers or retailers who sell the manufacturer's merchandise. Often, a manufacturer will discount the cost of merchandise or in some other way compensate the retailer for using a point-of-purchase display.

The purpose of POP marketing is to get the customer to make an impulse buy. So you should look for opportunities to present merchandise that is complementary to your main product line. For instance, at a cosmetics counter, strategically place attractive cosmetics cases to hold the products; at the bead shop, run specials on the must-have tools of the trade; at a restaurant, tempt with daily specials or desserts on a tabletop display; at a tavern, print seasonal drink ideas on cocktail napkins or coasters, or post images of tasty snacks to accompany the beverages on the drink menu. Reinforce all of these POP efforts by coaching staff to suggest to the customer to buy the products you are trying to move.

Point of Purchase (PoP) is the place where a customer is about to buy the product. This is the crucial point where the exchange takes place. It offers us a last chance to remind or attract customers. In spite of a considerable expenditure on point of purchase material by companies, there is a lack of an established method of measuring the effectiveness of communication at the retail outlet.

Retailers perform many functions. Louis P. Bucklin (1966) described them as distribution service outputs and classified them into four main categories: ‘decentralisation’, ‘waiting time’, ‘lot size’ and ‘variety’. Retail Communication helps the retailers generate sales by using any one or a mix of these outputs and inform, persuade and remind customers about the retailer and its offers. At a broad level the various elements of retail communication can be segregated into two groups (Sinha and Uniyal, 2007). External or Divergent communication is the aspect of retail communication that the retailer uses to attract customers to the store and generate store traffic by using mass media vehicles such as television, newspapers and radio. It is also used to build and
manage the store image so that it becomes a destination for its customers. The internal or convergent communication reinforces the store promise by achieving synchronisation in the mind of the customers. Stores use tools such as visual merchandising, signage and graphics, and other forms of point-of-purchase communication (PoP) to achieve a combined effect of these two sets of communication for an effective strategy (Allenby and Ginter, 1995). It has been found that American retailers, when compared to British retailers, tend to use more of newspaper, flyers, direct mail and television than window displays (Bardy, Mills and Medenhall, 1989).

POP acts as a surrogate salesperson. It has been found that a high level of brand awareness does not always translate into sales. Shoppers do take into consideration the information they acquire in stores, in addition to relying on out of store communication (Underhill P, 1998). Advertising attracts; but the success of all communication efforts in many cases depends on the last 5% of the effort which manifests itself at the POP just before the consumer chooses to buy, rather than the 95% that preceded it (Quelch J and Cannon-Bonventre K, 1983). It has been found that information recall is enhanced when the context in which people attempt to retrieve information is the same as the context in which they originally coded the information (Connolly A and Firth D, 1999). Such information activates consumers’ memories pertaining to brand and its features and helps the consumer to make a purchase decision in favour of the displayed brand. POP communication also induces shoppers to stay at the retail outlet for a longer duration leading to increased spending (Donover, Rossiter, Marcollin and Nesdale, 1994).

Although very limited, studies indicate that PoP impact purchase and this effect changes when combined with other communication tools (POPAI, 1995a). It is also found that retail communication needs to take into consideration not only the shoppers but also the accompanying person (Anuradha, Sinha and Krishna, 2003). It has been found that the cash counter products account for the highest in-store decisions (POPAI, 1995b). A study in India on the impact of POP from the perspective from consumers, retailers and distributors brought out very mixed results (Sinha and Uniyal, 2000). This study is aimed at understanding the phenomenon and develops a method to measure the usage of PoP communication by consumer while shopping in the store.
PoP Communication – A Conceptual Model

An exploratory study had indicated that customers, on the whole, did not seem to use much POP communication while making purchase decisions at the store (Sinha and Uniyal, 2000). More importantly, the extent of use was found to differ with the familiarity of the store. It was found that with increase in the frequency of visits to the store, the use of POP decreased and frequent buyers did not find POP helpful in their buying decisions. On the other hand, occasional buyers and inquirers found POP helpful. First timers to the store relied more on the sales personnel for their information search. Customers found POP more helpful in case of consumer durable, lifestyle and hi-tech products. A study by POP (1995) indicated that PoP communication seem to influence impulse purchase more as compared to planned purchase. The rate of unplanned purchasing tends to depend on the type of stimulation technique, the product that is being promoted and the customer who selectively exposes himself to, and selectively perceives the promotional stimuli (Kollat and Willet, 1967; Swinyard, 1993).

It was therefore envisaged that the extent of the use of PoP communication would depend on (a) the extent of information required by the shoppers and (b) the type of store visited. Also this process would be mediated by involvement. Studies on store choice show that the major values sought by shoppers were convenience, merchandise variety, price, service and ambience. It was also found that while setting store perceptions, price was not considered by customers (Sinha, Banerjee and Uniyal, 2002; Sinha and Banerjee, 2004). Hence the stores were classified as convenience, variety and experience.

UTILITY OF POP

POP advertising is used to guide customers to purchase accessories: batteries for a new toy or flashlight; hair accessories with a new comb and brush; free dessert with an entree. Some may be able to obtain point-of-sale materials from manufacturers or promotional items that you can give away with purchase. You must mix up your merchandise, freshen up your approach, and constantly consider new ways to market your merchandise. If a client sees the same promotion for more than a few weeks, it won’t create the same feeling of excitement it did the first time around.
The POP effort must use a clear message to urge customers to buy. When creating POP materials for your marketing effort, use bright colors, engaging graphics, and simple messages. Try unusual shapes, whimsical notions. Let your creativity and cleverness take hold; the more fun the better. This material has one purpose: to get people to look. It’s worth your time and effort to create an eye-appealing design and a targeted offer. Prompting customers to make an additional purchase not only increases sales for that day but could bring clients back to look for another exciting promotion.

Where you put POP material is critical, too, whether on shelves, at the checkout stand, on a table, or on a menu marquee. POP material needs to be seen. To be most effective it must contain an easy-to-read, simple-to-understand message that is delivered to customers when they are making purchasing decisions. POP material works best at eye level.

**POP DISPLAYS ARE VISIBLE AT:**

- Containers
- Packaging
- Blister/skin cards
- Display trays, plates & glasses
- Counters
- Caps, shirts & trousers of employees
- Boxes & folding cartons
- Entry & exit passage
- Inside the wash rooms
Classifying Stores Based on PoP Communication Usage by Shoppers

The study has brought out that the usage of PoP Communication is a function of several variables. Different combinations of these variables create different shopping situation and consumers tend to differ in their information usage behaviour. This leads to classifying stores based on the information requirements of the shopper.

1. Low Involvement Shopping at Convenient Stores

In the proposed Model, the first box depicts a buying situation where the involvement of the shopper is very low and the effort they expend is also low. The shopper comes to the store asking for the product by the category name. The choice of store is based on the convenience of location. The POP communication in such a situation is very helpful in affecting brand switch. Packaging would be the most potent communication tool. A prominent display of the product would give the ‘touch and feel’ confidence. The retailer would keep the product at eye level and near the counter. Posters, danglers and attractive packaging would be the POP tools to grab the attention of shoppers.

2. Low Involvement Shopping at Variety Stores

In this case, although the shopper’s involvement is low, the store provides variety. The shopper wants to have more variety and thus looks for a store that provides more options and is also conveniently located. In this situation the shopper asks for a brand but does not mind switching if the preferred brand is not available. The idea is to buy from the same store and not to take the trouble to go to other stores. Only after the brand set is exhausted, would the shopper think of another store. The retailer has to rise above the clutter and stand out among stores selling similar products. Since involvement is low, it is a challenge for the retailer to differentiate sufficiently to attract shopper’s attention. Store location, better frontage and glow signboards, kiosks and window dressing play a major role in attracting shoppers and inducing them to come inside the store.
3. Low Involvement Shopping at Experience Stores

In this situation, the shopper is store-loyal and due to low involvement with the product he does not want to exert any extra effort to buy a brand. Such shoppers are more prone to impulse buying and with little persuasion will buy more products. The shoppers in such stores seek benefits such as store association, easy purchase process, familiarity with the place and friendly sales people. The retailer must stimulate shoppers to try more products. The shopper has to be given information about new products through sales people and interactive kiosks to effectively communicate about store brands, new schemes and bargains. The retailer should try to retain the shopper for the longest possible time for increased purchases.

4. Medium Involvement Shopping at Convenient Stores

In this case, the shopper is more involved than in the previous case, but would prefer to buy from a store that is conveniently located. The shopper seeks variety and thus apart from store location, assortment of products also becomes important. The shopper wants optimisation of shopping time and effort. Thus, as a retailer, one has to help the shopper choose a brand through eye-catching posters and attractive packaging. Apart from the convenient location of the store, the retailer must plan the product assortment as per the requirements of local customers.
5. Medium Involvement Shopping at Variety Stores

The shopper has a medium level of involvement in buying and is looking for options in terms of benefits derived from the store. The basic behaviour is variety-seeking. The shopper seeks variety not just in products but also amongst stores. Store location is of importance and so is the external appearance of the store. The retailer must induce the shopper to come inside the store and look around for various options. Apart from that, the retailer has to make sure that the shopper is engaged. The shopper would prefer a brand that offers a better bargain. Since the shopper is in a comparison mode any communication in this line such as leaflets that provide necessary information will be sought. The challenge is to get the mind as well as wallet share by leveraging on tangible benefits such as schemes and price discounts. Category management is an important function in such stores.

6. Medium Involvement Shopping at Experience Stores

In this case, the shopper has already decided upon the store and would aim to seek variety within the chosen store. The communication challenge is to provide the required information and reduce dissonance by making the buying process more personal and involving. The shopper will spend more time in the store. Shopping in such cases is a planned process and not just an activity. This provides the retailer an opportunity to push his own retail brands. The strategy here is to offer better service and provide add-on intangible benefits.

7. High Involvement Shopping at Convenient Stores

In this type of shopping, the shopper is seeking a particular brand and is also ready to expend effort to buy it. A store that is conveniently located and stocks the required brand will gain the patronage of such shoppers. Stores near or on the way to workplace would often fall in this category. Due to easy availability and high visibility, the communication at the shop reinforces the shopper’s belief in the brand and enhances brand salience.

8. High Involvement Shopping at Variety Stores

Shoppers visiting such stores have already decided on the brand that they wish to buy. However, they would like to reassure themselves by collecting information about competing brands. Thus
the retailer has to provide information for comparison and let the shopper re-evaluate the decision. In this case, if the shopper gets more value for the same price, he will switch; otherwise he will stick to the original brand choice, even when other brands are offering the same features at a lower price. The strategy would be to provide tangible information to project strengths through the salesperson, product demonstrations, information brochures and interactive kiosks. 

Stores dealing in premium cosmetics, high-end durable goods and lifestyle stores dealing in branded products would come in this category.

**9. High Involvement Shopping at Experience Stores**

Here, both the store and brand are pre-decided and there is high loyalty towards them. The shopper prefers stores that give the best identification with the self-image of the shopper. Exclusive branded showrooms would fall in this category. Here the retailer has to project the store as a destination. Shopping at such stores has greater entertainment and social value. The communication challenge would be to make shopping more enjoyable and memorable. The retailer should give personal attention to shoppers and should know the likes and dislikes of an individual shopper. Atmospherics, spatial visual and merchandising should be used to induce longer stays by shoppers.

**ISSUES IN PoP:**

**1) Diversity:** When you define your promotion strategy, the words "positioning" and "image" are the key elements. Positioning is finding your place in the market against your competitors. How do you create a difference between your product offer and the one your competitor is offering the consumer " Is it price or is it added value " This decision will also affect the image of your product and the image of your company. If you use both elements indifferently in creating your purchase point, the position of your product will be less clear and you are not creating a clear image to your product.

**2) PoP clutter:** A customer face lots of ads during the shopping. His decisions are affected by lot of purchase point advertisements which make a clutter of PoP. The result of PoP will be very uncertain when there are same category products displaying different brands.
3) **Use of colours:** The decision of use of colours in PoP ads is very critical decision. The customer is never searching for such ad; they come across such ads by observation. Eye-catching and loud colours are found effective in grabbing customers’ attention.

4) **Uncertain results:** Even after creating PoP and placing at right place, it does not give a surety of right results. The results will depend on final purchase decision which is depended on a lot of factors other than PoP.

5) **Huge costs:** Pushing your sales through other trade channels is a far more effective way than trying to capture the consumer market by addressing PoP for the end user. As said before, PoP is only effective if you have a precise idea on your target markets or market segments. It is therefore advisable to spend your time and money on sales promotion within the trade channels; i.e. directed to your trade partners.
6) Short-term orientation: A typical element of creating point of purchase is its temporary character. There should be a clear beginning and a clear end to the action. Once you decide to start a specific sales action for your product, it is good to define also when it will stop. If the sales volume of your product is affected by seasonal influences, you may decide to lower the price for a certain period.

7) In-house Ad: The purchase point ads are in-house ads. This ads will also face limitations of in-house ads like, observations, lost in clutter, not effective in inducing decisions, not good for purchases other than impulse purchases, etc.

FACTORS TO MEASURE CUSTOMER SATISFACTION IN ORGANIZED RETAIL INDUSTRY

To contextually fit the retail industry, Dabholkar developed Retail Service Quality Scale (RSQS). Based on SERVPERF, RSQS includes 28 item scale, of which 17 items are from SERVPERF and 11 items are developed by qualitative research. It composes of 5 factors, namely (1) Physical aspects (2) Reliability (3) Personnel interaction (4) Problem solving (5) Policy.

In this research we include 8 factors based on RSQS and suggestions received from customers while conducting a pilot survey to examine the customer satisfaction with organized retail industry.

(1) Merchandise

One of the main elements of retail marketing mix is the products that the store offers to the customers. Products are also termed as merchandise. To examine the customer satisfaction with merchandises offered by different organized retail outlets, six variables are explored: quality of products, good value for money, variety of products, unique and trendy products, branded products, good packaging.
(2) Price

Price is the amount that a person has to pay for the products/services, he purchased. Regarding the price, one variable is explored: reasonable price when compared with the product quality and quantity to examine the customer satisfaction.

(3) Physical Surroundings

Physical surrounding is the most readily apparent feature of a situation. Store atmosphere does influence purchasing behavior in such a way that pleasant store atmosphere stimulates approach behavior, extra time spent inside the store and unplanned purchasing, while unpleasant store atmosphere leads to avoidance behavior. To examine the customer satisfaction with physical aspects six variables are explored: location, parking space, atmosphere and decoration, lighting arrangement, shelf system, product information indicators.

(4) Promotional Schemes

Customer all over the world love promotions as they share a general feeling that they get more value for money during such promotions. Customers thus make it a point to specially visit to a particular outlet. To examine the customer satisfaction with promotional schemes following variables: free gifts, special discount, effective advertisement and special event are explored.

(5) Employees Interaction

The people who work at the front-end of a retail organization are very important, as they are the face of the organization for the customers. Their attitude, behavior, manners and product knowledge plays a very important role in building long term relations with the customers. The employees interaction includes knowledge of store policies, willing to respond to customer’s request, etiquetted staff, helpfulness of staff, individual attention to customers, providing prompt services and sound knowledge of merchandise.

(6) After Sales Services

After sale services are gaining very crucial importance in these days. To differentiate themselves and to build brand image organized retailers provide after sale services. It includes

(7) Service Support

The service support that organized retailers offer, have become very important today. It includes special order, free gift wrapping facilities, honouring credit cards, demonstration of merchandise, have sufficient stock and easy billing system.

(8) Other miscellaneous factors

These factors include toll free number, entertainment means, child care facilities, alteration of merchandise and security arrangement.