THE IMPACT OF POINT OF PURCHASE ADVERTISING ON CONSUMER BUYING BEHAVIOUR

Uti Charles Amechi¹, Choi Sang long ²

¹ and ²Department of Management, Faculty of Management and Human Resource Development, Universiti Teknologi Malaysia (UTM) 81310 UTM Johor Bahru, Johor, Malaysia
Corresponding author: ¹

Abstract
Consumer buying behaviour in recent time is been driven by point of purchase advertising. Existing queries on marketing communications effectiveness initiates an increase in sales volume and brand building. This paper examines the queries bordered on advertising clutters, medium, message, method, timing and their implications on achieving tactical marketing and sales objectives. The cause and effect relationship between point of purchase (POP) advertising and consumer purchase behaviour was established through extensive review of relevant literature. The recommendations will aid corporate organisations to enhance their point of purchase (POP) advertising and marketing strategies towards increasing overall sales. To further enhance sales, future research should be geared towards product packaging.

Keywords: Point of Purchase, Advertising, Consumer, Behaviour, Buying.

1. Introduction
The point of purchase, according to Quelch (2006) is the most suitable place and period to communicate with consumers since it is where they make their brand choice decisions. It is the time and place at which all elements of sale (consumer, money, and product) come together. Fitzgerald (2006) believes that the consumer’s in-store behaviour has been described in the following terms that highlight the importance of point of purchase advertising; “shoppers are explorers. They are on safari, hunting for bargains, new products and different items to add excitement to their everyday lives. Three of every four are open to new experiences as they browse the aisles of supermarkets and search for bargains at drugstores and mass merchandisers”. This translates into an opportunity to make a measurable impact just when shoppers are most receptive to new product ideas and alternative brands. Savvy marketers realize that the in-store environment is the best chance to make a difference.

Although consumer-buying behaviour in recent time has been driven by point of purchase advertising. Existing queries on marketing communications effectiveness initiates an increase in sales volume and brand building. This paper examines the queries bordered on advertising clutters, medium message, method, timing and their implications on achieving tactical marketing and sales objectives. A detailed literature review will be carried out to examine the cause and effect relationship between point of purchase (POP) advertising and consumer purchase behaviour.

2. Background
It is important for us to reiterate that point of purchase or point of sale advertising is a sub element of the broad field of advertising. Advertising itself is an element of promotion, which is one of the basic marketing concepts or one of the basic elements of the marketing mix (that is promotion). Moe (2006) presents a broad view of the concept of advertising: He believes that we cannot fully understand the concept of advertising without seeing it from the communication and marketing perspectives. He says further that advertising touches on almost all aspects of modern society and human existence, its basic functions and roles are basically communication and marketing oriented. Advertising is an expression of modern culture. A critical assessment of advertising trends gives us an insight into the captures and communicates the needs and wants of the modern man. It expresses how humans have evolved from agrarian, basic existence/basic survival reality to a more sophisticated or advanced status. (Rojas-Méndez, et al., 2005).

Advertising expresses such aspects of modern culture which are hinged on lifestyles, fashion, attitudes, esteem, health, social acceptance, work, play, business, leisure, politics, and so on. Various authors have described advertising from both the communication and marketing perspectives, which reflect its dual roles or functions of
communication with the key aim of selling goods, services, ideas, persons, institutions and anything that is marketable (Alvarez, et al., 2005). The best of such definitions are those that clearly bring out this dual nature of advertising by emphasizing its communications and marketing dimensions. Essentially therefore advertising is a clear message (printed, spoken, graphical or pictorial) which is sent to a group of target consumers or audiences with the aim of turning/tuning their minds towards the purchase of a product, service or accepting an idea, individual or institution.

2.1. Advertising definitions and views

Winston (1979) defines it as the “dissemination of sales message through purchased time and space”. Bovee&Aren (1986) takes it further by defining it as a non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by an identified sponsor through the various media. One of the most widely accepted definitions of advertising is the one offered by the American Marketing Association, which is naturally marketing oriented and very insightful. The Association defines it as any form of paid, non-personal presentation of ideas, goods or services by an identified sponsor. The definition by the American Marketing Association (AMA) raises an important ethical point, i.e. the issue of neutrality. The definition proposed that advertising message must be non-personal, therefore removing the element of bias and consequently misinformation. These definitions further differentiate advertising from other elements of promotion like publicity & public relations. The key questions to ask in order to determine whether any piece of communication qualifies to be called advertising are as follows:

(a) Is the message paid for?
(b) Is the message presented personally or non-personally?
(c) Does the message have an identified sponsor, which can be a company, an individual, association or any organization?

Okigbo (1992) focuses on advertising as part of the selling process. He captures advertising not just as an auxiliary function but a care element of the marketing process. Okigbo argues this position by saying that advertising is directed at segmented market target for the purpose of providing relevant information that can ultimately affect the behaviour of the members of the group in a manner desirable to the marketer or producer. Advertising is therefore a key factor not only in the marketing process but also in the economic behaviour of members of a society. Okigbo’s view that advertising is directed at segmented market target brings therefore the fact that advertising strategy, communication planning are integral parts of the general marketing strategy of only organizations that want to emerge as a category or market leader. Nwosu (1992) adopted the expanded perception and development oriented posture. He offered a definition of advertising that accommodates the type of social advertising and social marketing that are quite useful in the planning and execution of development projects in developing countries.

2.2. Perspectives on Advertising

Ozoh (1998) posits the view that advertising can be conceived from two broad perspectives. These two perspectives imply various approaches to advertising planning, management, execution and evaluation. The two perspectives also imply various functions that the advertiser wants the massages to perform. These Two broad perspectives are:

a. Advertising as a communication process
b. Advertising as a marketing tool

A. Advertising as a Communication Process

Advertising is a form of non-personal communication of information (Beckerman, 2002). Whatever function advertising wants to perform, it does it through communication. Advertising is basically communication. It is a communication process involving transference of message from the advertiser to the customer and a consequential feedback, which can assume a verity of forms. As a result of its internet communication nature, many commentators have tended to promote advertising as being purely and distinctly a communication function: Carrying with it many imperatives which are communication in character. Among these is the critical need for the advertising practitioner to comprehend the communication process, and those factors that lead to effective communication. An understanding of what communication is and the nature of the communication process is basically a communication. Doghuje (2007) provides us an insight. He posits that communication has always been interpreted as a sharing of meaning between people, playing interchangeable role of source and receiver. This simple explanation implies two essential activities in every incident of communication – a transition and interaction or exchange. Transmitting
entails the conveyance of information from one point to the other. An exchange of interaction implies acting or responding to the information such that the response gets to or is perceived by the initial transmitter.

There are many factors critical for the success or effectiveness of the twin activities of transmission and exchange involved in every act of communication. For instance, for transmission to be effective there is a presupposition of availability of a channel or channels that reach the participant in the communication act (Moon, et al., 2000). Extrapolating this to advertising, it implies the availability of media that could reach the target audience. Even though this may seem a simple requirement, the reality is that it is not always the case. Advertisers often resort to multimedia strategies to be able to reach definite target audience. In many countries with relatively weak media industry, it is not always possible to locate media with precision reach capabilities. Advertisers continue to use general media that cut across the population, including those not relevant to the advertiser (Muller 2005). The second limb of the activities, interaction or exchange, presupposes a sharing of meaning between the source and receiver. For this to be the case there must be what has been revered to as an “overlap in psychological field” (Engel, et al 1979).

Muller (2005) submits that every act of communication entails a certain cyclical pattern. There are therefore points along and through which the message moves. These points ordinary could be referred to as the elements of the communication process. Advertising message also flow in the same pattern.

![Source Message Channel Receiver Feedback](image)

Figure 1: A conceptual framework of the communication process

The source usually is the activator of the process. It is pertinent to point out that there are no constant sources and receiver. In every act of communication, the participant may vary roles several times, one moment being the source and the next transforming into the receiver. The source usually begins by articulating his intention into a message. The process of transforming intention into a message is known as encoding. Muller (2005) explains further, saying that in advertising, the advertiser usually has a need to advertise. The advertisement could be for such purposes as to generate awareness, but the basic advertisement represents the encoding of the advertisers intent or purpose into a message. This is normally performed by advertising agencies, where there are specially skilled professionals who plan, create and produce the advert messages. The advertiser and advertising agency often constitute the source. The second element, which is message, constitutes the subject matter of the communication. The encoding process develops the message, which the source intends to communicate. Messages can be in the form of symbols and signs. Many advertisers focus attention on semiotics, which involves the study of the nature of meaning and this, helps them to understand the meaning of the symbols. From a semiotic understanding, every marketing information has three elements such as object, symbol/sign and interpretant. The object is the product, which is the focus of the message, for example; Marlboro cigarette. The sign is the sensory imagery, which represents the expected meaning of the object, for example; Marlboro Cowboy. The interpretant is the understanding gained, for example; rugged, individualistic. As we had earlier indicated that advertisement constitutes the message (Reichert, 2003).

The source usually is the activator of the process. It is pertinent to point out that there are no constant sources and receiver. In every act of communication, the participant may vary roles several times, one moment being the source and the next transforming into the receiver. The source usually begins by articulating his intention into a message. The process of transforming intention into a message is known as encoding. Muller (2005) explains further, saying that in advertising, the advertiser usually has a need to advertise. The advertisement could be for such purposes as to generate awareness, but the basic advertisement represents the encoding of the advertisers intent or purpose into a message. This is normally performed by advertising agencies, where there are specially skilled professionals who plan, create and produce the advert messages. The advertiser and advertising agency often constitute the source. The second element, which is message, constitutes the subject matter of the communication. The encoding process develops the message, which the source intends to communicate. Messages can be in the form of symbols and signs. Many advertisers focus attention on semiotics, which involves the study of the nature of meaning and this, helps them to understand the meaning of the symbols. From a semiotic understanding, every marketing information has three elements such as object, symbol/sign and interpretant. The object is the product, which is the focus of the message; for example; Marlboro cigarette. The sign is the sensory imagery, which represents the expected meaning of the object; for example; Marlboro Cowboy. The interpretant is the understanding gained, for example; rugged, individualistic. As we had earlier indicated that advertisement constitutes the message (Reichert, 2003).

The channel represents the medium or media through which the message is transmitted to the receiver. It is the vehicle that carries the message, picking it up from the source and then dropping it on the receiver;

1. Radio
2. Television
3. Newspapers, magazines (print media)
4. Billboard (out of home – OOH)

Macy, et al., (2010) classifies the media types listed above as above the line media (ATL), while other media are classified as below the line (BTL) which include:

1. Point of purchase advertising (POP)
2. Event marketing
3. Direct marketing/ data marketing
4. Road shows
The receiver is the recipient of the message. As it is evident, the target audiences of an advertisement constitute the receiver. The target audiences are those for whom the advertisement is primarily intended. When the message or advertisement reaches the target audience and is understood by them, we say that communication has occurred. When the receiver responds or exhibits a desired behaviour as a result of the message he received, we say that communication has completed its life cycle or that communication is effective. This response or feedback from target audiences who receive various advertising messages often implies purchase decisions. Herein we see how advertising (a sub element of promotions) plays an important role in triggering purchase decisions and therefore an integral part of the marketing mix. However it is pertinent to point out that while in certain cases, feedback may be instantaneous, in advertising this is not the case. Advertising effects tend to be cumulative, in other words, it is built overtime; hence feedback tends to be delayed (Reichert, 2003).

B. Advertising as a marketing tool

In the definition of advertising that was presented in the preceding section there has always been that subtle emphasis on sales. The definition given by Fletcher (1929) for instance states that “advertising is the dissemination of sales message …” This is very direct and unequivocal about the inherent selling role of advertisements. Over the years, the preponderant management perception of advertising has been as an aid to sales. Even within the particular context of its communication function, advertising has been looked upon to communicate the right message at the right time that will predispose its audience towards the brand. Advertising consequently has always been seen as a marketing tool. The statement above can be appreciated better especially if it is discussed within the context of the elements of the marketing mix. Christine (1996) is of the view that the marketing mix encapsulates the disparate elements that must be organized and synthesized for the marketing drive to succeed. There must be a proper mix of these elements in any given effort at marketing a brand if a successful effort is desired. These elements are product, price, place and promotion.

The product refers to the brand that is yet to be sold, in other words the object of the marketing effort. Not only must it be of good quality, it’s packaging and total presentation must be superior. These days every single product category is characterized by several brands. It thus increases the pressure on every brand to ensure that its quality is highly competitive. The quality of a malt drink for instance could be indicated by such criteria as taste, aroma, foam head, gas content, label design etc. Each brand must endeavour to ensure that it is superior on all these indicators. If the quality and packaging of a brand is inferior, the result is that the brand may not appeal to the target market. They will soon abandon it for the good or better quality brands. Obviously, for any successful marketing effort to occur, the quality of the brand must be good (Muller, 2005). The brand must be priced appropriately. There are several pricing strategies that a brand could adapt, but the key requirement is that the price, given the circumstances of the brand must be right. If it is not, then a successful marketing effort may not ensue. Place (distribution) implies the availability of the brand at the different points where the consumer makes his purchase. Many people have had the experiences where they seek in vain for the brands they wish to buy. The marketing implication of this requirement is that an effective distribution system must be put in place such that the brand is always available at all points of purchase(Fitzgerald, 2006).

Engel et al (1979) explains promotion to us thus; promotion entails making the prospects or target market aware of the availability of the brand and inducing them to buy. In simple terms, it means promoting the brand to them. A brand maybe of very good quality, it may be available and at right price, yet may not sell as it should, because consumers are not aware of it or that is has not been promoted to them, so that they can become disposed towards it. It is not therefore simply a matter of having rightly priced. It is sometimes more a matter of promoting the product to the right consumer. A better mousetrap may not make everyone beat the path to your home after all! A lower quality option that is attractively promoted could sell more.Muller (2005) emphasizes that the elements of marketing as a “mix of vital ingredients” which must be carefully, tactically and proportionately applied. For a successful marketing drive therefore, there must be a proper mix of the four elements. Each one must be of the right proportion and blend very well with the appropriate proportion of the other elements.

Doven (2007a) is very resolute in his proposition. He says that advertising is a promotional tool and it is within that context that it performs marketing functions. Like other promotional tools, advertising is used primarily to promote the brand to the market. It is by far the most significant of all the promotional tools. It is so because even though data are not readily available, firms spend more money on it than on the other tools. Furthermore, you are more
likely to find a distinct advertising functional unit within most marketing departments, unlike the others which maybe subsumed into other general marketing functions. Again, perhaps more than the other tools, advertising has sprouted into a distinct industry and profession of its own. The total billings of advertising agencies alone are a testament of the development of the industry (Doven, 2007b). Advertising considerably accounts for the survival and development of the mass media as well as some other ancillary industries such as printing, radio- TV production, modelling, entertainment, etc. Advertising has evolved to become a profession of its own licensed in some countries such as Nigeria. Advertising is thus a major marketing tool.

2.3. The Concept of Point of Purchase Advertising
From the marketing mix elements perspective, point of purchase advertising presents the closest link between promotion and place (distribution). It provides direct promotional prorating of consumers at retail touch point. What makes point of purchase advertising so critical is that it is probably the only advertising option that creates a strong promotional persuasion for the consumer in an environment where all the other marketing mix elements (place, product & price) are present. Arens et al., (2008) defines point of purchase advertising as “materials set up at a retail location to build traffic, advertise the product, and promote impulse buying. Materials may include window displays, counter displays, floor and wall display, streamers and posters.”

Some key points to draw from Arens’ definition are;
(i) Point of purchase advertising is located at retail points: This proposes therefore that point of purchase advertising is very common at the retail end of the distribution channel. He didn’t say however that this is the only place where this form of advertising is visible (or is it?)
(ii) The purpose of POP is to promote impulse buying, build traffic and advertise the product. This therefore implies that pop is not only appropriate for fast moving consumer goods (F.M.C.Gs) in grocery stores; it is also useful for non-impulse based product and service. Therefore contrary to the view of sales oriented people, pop can also be put to use for building traffic and to advertise non-impulse based product like gadgets, home appliances, car and even services.

Shimp (2007) views P.O.P from a different angle; He explains; the point of purchase enables brand marketers to effectively influence consumers buying behaviour. It is the most suitable place and period to communicate with consumers since it is where they make their brand choice decisions. It is the time and place at which all element of the sale (consumer money, and product) come together.

Shimp’s view places emphasis on the following key points:
(i) Point of purchase advertising is communication that affects consumer behaviour where it matters most. Therefore his view about the effectively of pop is seen in terms of how far it can interrupt consumers initial dispositions and cause them to display behaviours (often as purchase) which they wouldn’t have displayed if the pop was not there. We may conclude therefore that the general function of advertising to influence consumer behaviour in ways favourable to marketing purpose is effectively deployed through point of purchase advertising. Essentially POP is a brand communication that delivers marketing and sales value.
(ii) A second and equally interesting view of point of purchase advertising advanced by Shimp is that it provides a platform where all the elements of sales consumer willingness, money (ability to buy), and product come together in time and space (or place). POP is therefore a below the lines (BTL) advertising method that delivers instant and measurable sales value than the traditional above the line (ATL) methods (TV, radio, OOH, press) which are usually long term result delivery in nature. The ATL advertising method delivers the “Pull” experience to consumers and prospects, while POP delivers the “Push” experience.

2.4. Factors that led to the proliferation of POP Advertising
Arens et al (2008) believe that the trend toward self-service retailing has increased the importance of POP advertising. With fewer and less knowledgeable sales people available to help them, customers are forced to make purchasing decisions on their own. Eye - catching, informative displays can give them the nudge they need. Even in well-staffed stores, or small shops that do not need sales people, display materials offer extra selling information and make the product stand out from the competition. POP advertising in most cases represents the derivatives of a well packaged programme at the points of sale. The consumers benefit from the promotion offer as they reflect on
previous advertisements. In some literature POP is classified under sales promotion while in most others it is classified under advertising.

2.5. The Spectrum of POP Materials
Shimp (2007) provides us with the model that POP materials involves different kinds of signs, plaques, banners, checkout units, mobiles, shelf ads, mirrors, mechanical mannequins, posters, lightens, plastic products, full line merchandisers, different kinds of product displays, in-store radio and TV ads, floor ads, and electronic billboard ads. P.O.P materials can be classified into four categories:
1. Permanent displays
   These are displays intended for use for six months or more. (Note that the six –months dividing lines is an arbitrary convention established by point-of purchase Advertising international, which is known by the abbreviation, P.O.P.A.I).
2. Semi-permanent displays
   These displays have an intended life span of less than six but more than two months.
3. Temporary displays
   These are displays that are designed for fewer than two-month usage.
4. In-store media
   In-store media include advertising and promotion materials such as in-store radio & TV advertising, shopping cart advertisement, shelf advertisements (called shelf talkers), floor graphics (advertisements placed on store floors), coupon dispensers and other in-store materials. A third-party company (i.e., company other than the brand manufacture or retailer) executes these in-store media(Fitzgerald, 2004). Act media for instance is a well-known company in the U.S which specializes in providing a variety of in-stores services, including in-store radio program that carry commercials in thousands of stores nationwide. Brands marketers pay Act media advertising rates to secure in-store radio time or shopping-cart and shelf-talker space on a nationwide basis or in specific markets.

2.6. What POP Accomplishes
Fitzgerald (2004) in a widely published research has shown that P.O.P reinforces a brand’s advertising message, the increase in sales volume can average more than 100% compared to advertising alone. According to the research findings, P.O.P advertising expenditures in the United States exceeds $17 billion dollars annually. This investment is justified inasmuch as in-store materials provide useful service for all participants in the marketing process such as manufacturers, retailers, wholesalers & consumers:
1. Accomplishment for Manufacturers
   For manufacturers, Point of Purchase advertising sustains the company and brand name with the consumers and helps in the reinforcement of the brand image that has been built via previous advertisements. Point of purchase signage and display further enhances sales promotion as well as stimulates buying on impulse.
2. Service to Retailers
   Point of Purchase advertising renders service to retailers by drawing attention of consumers, growing their interest and extending the length of time they spend shopping. All these culminate to enhance retail profit. In addition, POP materials perform a critical merchandising function in aiding retailers in using available space to the best advantage.
3. Value to Consumers
   Consumers are served by point of purchase (POP) units that deliver useful information and simplify the shopping process. Permanent, semi-permanent and temporary POP units provide this value to consumers by setting particular brands apart from similar items and simplifying the selection process. In-store radio and TV advertisements serve to inform consumers of new products and brands. There is however a downside to the fast growing uses of in-store displays and advertising materials: consumers sometimes are overwhelmed with excessive POP stimuli. Some marketing experts have compared the widespread usage of in-store advertising materials with online spam. In other words, like all advertisement media, the in-store environment suffers from ad clutter, which can irritate consumers, and reduce the effectiveness of brand marketers advertising efforts. In addition to benefiting all participants in the marketing process, point of purchase plays another important role. It serves as the capstone for an IMC program. POP by itself may have limited impact, but when used in conjunction with mass media advertisements and promotions, POP can create a synergistic effect. Guinness Nigeria for instance has a very strong in-bar promotion/communication strategy for all its brands, aimed at prompting consumers within clubs, pub environments to buy and drink. This extensive in-bar communication of their brands is aside from their close to N1 billion annual budgets, devoted to media/ATL activities nationwide.
3. Contribution to Knowledge
Point of purchase advertising or in-store displays has been proven to be very effective as reminder messages, prompters for immediate action, driving sales, impulse purchases. This paper has clearly established the fact that POP is particularly effective because these advertising messages are often found in places where consumers are most willing to buy, most able to buy (availability of cash) and where the product is mostly available. Every brand, particularly fast moving consumer goods, alcoholic and non-alcoholic beverages that must survive at the market place and outperform competition must have strong and sustained POP tactics as part of their overall promotional strategies.

4. Conclusion
In conclusion, advertising has been proven to facilitate consumer choice; it enables consumers to purchase goods as per their budget requirement and choice. Right choice makes consumer happy and satisfied. Point of purchase advertising therefore is a veritable tool that must play an important role in the marketing process. Money spent on advertising in general and this form of advertising in particular should no longer be seen as “expenditure”, it is part of the “investment” required for successful business execution which should have measurable returns on investment (ROI), as it promotes the sale of goods and services by informing and persuading consumers to buy.
References


Beckerman, M. (2002), Key note address to the 2002 Ad Rodeo conference, Calgary, Alberta, Canada.


