



## Changing purchasing habits through non-monetary point of sale strategies: The case of Australian oysters



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### ABSTRACT

In Australia, oysters are perceived as luxury products or are reserved for special occasions, making their consumption infrequent. Point of sale (POS) strategies can encourage consumers to increase purchase frequency. This paper reports the results of a field trial conducted for the Australian oyster industry to increase oyster purchase frequency. Five non-monetary POS strategies were trialled over 16 weeks in seven specialty seafood stores. While issues with store POS strategy compliance made evaluation difficult, sales increased by 15–20%; the most effective strategy was in-store sampling. Management and staff commitment to the POS campaign positively impacted results.

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### 1. Introduction

Food consumption patterns are highly habituated (Honkanen et al., 2005; Verbeke and Vackier, 2005) with consumers tending to buy the same foods from the same places for the same consumption occasions. This makes it difficult for food marketers of new and unfamiliar products to break into the consumption cycle or increase the purchase frequency of products associated with limited consumption occasions (Birch and Lawley, 2014). For example, in Australia, oysters (despite being a popular seafood product) are bought and consumed infrequently by many oyster lovers. The challenge for the oyster industry is to encourage oyster eaters to purchase oysters more frequently and consider a broader range of consumption occasions (Liu, et al., 2006). Barriers to greater oyster consumption include: (i) the perception that oysters are a luxury food to be eaten only on special occasions; (ii) concerns about freshness and safety; and (iii) a lack of knowledge of sourcing, storing and serving oysters (Danenberg and Mueller, 2011).

Point of sale (POS) strategies can be used to overcome these barriers and increase consumption (Point of Purchase Advertising International, 2012). Such strategies have influenced behavioural change of consumers and interrupt routine behaviour and thought

patterns at the POS (Ogawa et al., 2011; Nikolova and Inman, 2015).

While POS strategies have traditionally been designed to expedite the selling process and maximise sales volume (Belch and Belch, 2007), longer term goals include building brand knowledge and improving brand image (Glanz and Yaroch, 2004). POS strategies have emerged as an area of research interest in the last decade, with limited research prior to 2000 (d'Astous and Landreville, 2003). Much of the focus of POS research has been on the use of monetary strategies, such as price discounts and coupons (Hardesty and Bearden, 2003; Laroche et al., 2001; Palazón and Delgado, 2009; Phillips et al., 2015). However, concerns regarding the negative impacts of these approaches, including increased price sensitivity and dilution of brand equity (Chandon et al., 2000; Montaner et al., 2011; Mela et al., 1997), have led to a greater focus on non-monetary POS strategies. Investigations into the use of non-monetary POS strategies have included: the impact of in-store displays on trial and re-purchase (Ndubisi and Moi, 2005; Jansson et al., 2002); the use of in-store sampling (Heiman et al., 2001; Bawa and Shoemaker, 2004; Heilman et al., 2011; Nordfält and Lange, 2013); the impact of in-store events (Sands et al., 2009); the use of gift promotions (Montaner et al., 2011); and the use of in-store promotional videos (Russell, 2008).

Several gaps remain in the POS literature. While research has typically evaluated the impact of single POS tactics, few investigations have considered the overall design and implementation of POS strategies. This is particularly the case with regard to:

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(i) which POS items are more effective; (ii) how many items are needed; and (iii) how retailers contribute to the overall design and implementation of the strategy. Within the context of food, much of the existing research has been conducted in supermarkets (Gittelsohn et al., 2009) or convenience stores (Russell, 2008), with no research evident in the specialty store context. Moreover, most POS research focusses on consumer attitudes and behaviours with little research considering the retailer's perspective (Fam et al., 2011).

This study addresses the research question of 'How can non-monetary POS strategies be implemented to increase consumption frequency of Australian oysters?'. Specifically, we explore the implementation of a holistic non-monetary POS strategy in speciality seafood stores and attempt to identify which strategies are most effective and to determine the impact that management and staff have on results of the POS campaign.

## 2. Theoretical framework

Traditionally, POS promotions have focussed on short term goals, including maximising sales through stimulating impulse buying, purchasing a larger quantity than planned, or reducing the time between purchases (Laroche et al., 2001), with these goals achieved predominantly through monetary-based POS tactics. Consequently, POS studies have focussed on the impact of monetary-based tactics on immediate sales. Monetary-based POS tactics are considered to provide primarily utilitarian benefits, such as cost savings and increased convenience, resulting from reduced customer search time and effort (Banerjee, 2009). However, monetary based incentives are less likely to be persuasive in the specialty store setting, where consumers are more highly involved and shopping motivations are more aligned with acquiring specific product attributes and a willingness to pay a premium for quality (Moore, 2010).

In addition to increasing sales, an emerging use of POS is one that increases awareness and knowledge through non-monetary tactics as a pathway to longer term behavioural change (Glanz and Yaroch, 2004). Trials in supermarkets have indicated that non-monetary POS can improve consumer knowledge, purchase, and consumption frequency of foods (Gittelsohn et al., 2009). Non-monetary POS tactics also deliver hedonistic benefits such as improved self-expression, added stimulation and variety, and entertainment value (Palazón-Vidal and Delgado-Ballester, 2005; Chandon et al., 2000). In addition, non-monetary approaches are deemed to facilitate customer franchise and brand building, as they focus on issues other than price (Palazón-Vidal and Delgado-Ballester, 2005).

Non-monetary promotional tactics that focus on behavioural change are appropriate to use with products such as oysters which are usually associated with hedonistic motivations and special occasions (Danenberg and Mueller, 2011). As a consequence, the goal of any POS strategy aimed at a prolonged increased demand for oysters would be twofold: first, interrupt current purchase behaviour, and second, improve knowledge and awareness to positively influence attitudes and behaviours, thus stimulating more frequent purchase and longer term behavioural change.

This leads to our first proposition that: *Non-monetary POS strategies will have a positive impact on both immediate sales and longer term likelihood to purchase.*

Non-monetary POS strategies encompass a wide of tactics including signage, brochures, displays, and in-store sampling to inform consumers and highlight different product features and attributes (Palazón-Vidal and Delgado-Ballester, 2005). These approaches impact consumer behaviour with Nikolova and Inman

(2015) finding that the introduction of an easy to process nutrition scoring system at POS led to healthier food choices, as consumers became more sensitive to the promotion and less sensitive to price. Likewise, in a controlled experiment across two supermarkets, Ogawa et al. (2011) found that health-related information for vegetables led to an 18.7% increase in sales.

Limited research has been conducted comparing various non-monetary POS tactics and their impact on consumer behaviour. A study on the retailing of health foods, in which print materials were implemented at POS in both supermarkets and corner stores, found that posters and signage were more effective than shelf labels (Gittelsohn et al., 2009). In relation to seafood, a study conducted in the Netherlands on how seafood could be made more mentally accessible to consumers revealed that easy access to inspiring recipes encouraged people to prepare high-quality dishes at home (Blank, 2012). POS is largely a visual medium, but given the competition for consumer attention in stores, a single POS tactic may not be noticed. However, previous studies have neither considered the number or combination of POS tactics which are optimal to meet the goals of both awareness and knowledge. The research on POS for food has not compared the impact of 'fixed' POS materials, such as posters and displays, with information-rich collateral such as information brochures and recipe cards, which consumers can take away and peruse at their leisure.

POS collateral increasingly appeals to more than just the visual sense, with the use of aural POS strategies (in-store radio or television) and kinaesthetic approaches (touch screen technology) becoming more prevalent in addition to hands-on demonstrations and product sampling/tasting. Studies in the popular press strongly support in-store sampling as one of the most effective POS techniques in generating trial and purchase (Marketing Week, 2007; Brandweek, 1995). This is confirmed by academic research which reports that sampling can be a powerful POS tool on immediate consumers, although its long term effectiveness is unknown (Heiman et al., 2001; Lammers, 1991; Brandweek, 1995; Heilman et al., 2011; Nordfält and Lange, 2013). In-store sampling has been hypothesised to have three potential impacts on sales: acceleration, cannibalisation, and expansion (Bawa and Shoemaker, 2004). Our study predicts an 'acceleration effect', which occurs when existing consumers who purchase oysters occasionally may purchase oysters in addition to their planned seafood species after receiving a free sample. A significant 'expansion effect', occurring where there is an increase in eventual buyers, but would not have tried the product without the availability of a free sample, is deemed as less likely, as oysters are already widely consumed, with research indicating those who do not already eat oysters are unlikely to try them (Danenberg and Mueller, 2011). A 'cannibalisation effect', where consumers who purchase oysters occasionally may purchase oysters instead of other seafood species is not considered likely, as oysters are typically purchased as a supplement to the main meal.

The effectiveness of in-store sampling has been shown to be dependent on the extent to which the retailer supports the sampling with other POS collateral (Nordfält and Lange, 2013). However, there is no indication of the amount, forms, or combinations of collateral necessary for a POS strategy to be effective. Moreover, the efficacy with which the sales person or demonstrator undertaking the sampling conveys compelling arguments, exhibits good selling skills and product knowledge is critical for success (Nordfält and Lange, 2013).

Our second proposition is: *Individual non-monetary POS strategies will differ in effectiveness, with in-store sampling predicted to have the greatest impact on sales.*

Producers/manufacturers and retailers play different roles in POS and may have differing objectives. The producer is likely to

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