

Point of Purchase Displays and Fixtures; Rationale for acceptance in Kenya Supermarkets

Beatrice Matiri Maisori and Dr. Mary Kinoti

Abstract:

A key challenge of many Kenyan supermarkets is competition in brands' visibility and availability which are two key aspects impacting probability of purchase. Marketers thus employ Point of Purchase (POP) advertising and signage and provide POP displays to enhance visibility and achieve communication. This study surveys the aspects impacting acceptance of Point of Purchase (POP) Displays and Fixtures by Supermarkets in Kenya. The findings of the study will benefit the fast moving consumer goods distribution supply chain, the academia as well as government tax departments. The study is a descriptive survey of 31 supermarkets in Kenya. Data was collected using a questionnaire and an observation was done of the POP Displays and Fixtures used in the supermarkets. The data collected was analyzed using descriptive techniques. The findings were presented using qualitative approaches. Three main aspects were identified; space constraints, willingness of the supermarket management to carry out the promotions and forms of displays availed. In addition, the supermarket owners valued good relationships with product owners, joint POP design and support in cash incentives. The study recommends studies to examine the extent these aspects affect acceptance as well as exploration of POP as a form of Sales Promotion, its effectiveness and what extent of their use will generate optimal sales.

Key words: Supermarkets, POP Displays and Fixtures, Acceptance, Sales Promotion

Beatrice Matiri Maisori (Corresponding author), Business School, University of International Business and Economics, Beijing, China.

Dr. Mary Kinoti, School of Business, University of Nairobi, Nairobi, Kenya.

DOI: <https://doi.org/10.5281/zenodo.1202085>

Introduction

The widespread belief is that many purchases are unplanned; managers thus invest considerable resources inside supermarket stores to influence purchase. A main objective of point of purchase promotion facing the marketers is how to get their brands at all probable consumption and purchase points in a cost effective manner (Agarwal, 2008). Achieving superior availability where products are available in a broad cross section of outlets such as restaurants, super markets, convenience stores, petrol mart, fast food outlets, canteens, highway motels, trains, and pubs is thus central to merchandising practice (ibid). Having products at optimal consumption and purchase points also calls for a deep understanding of the point of purchase outlets' managers' displays and fixtures accept or decline decision making process and how to influence the decision. This will ensure a marketers products are available at high traffic locations, impulse driving locations, where the shopper shops for the category/adjacent categories or at places where shoppers are likely to intercept them, including visibility not just on shelf but also in the form of POP displays (Agarwal, 2008). A close look at popular snacks in Kenya supermarkets, including chewing gums, sweets or chocolate brands such as Smints, Wrigley's and Cadburys' – they invest ideas and creativity in intercepting shoppers at checkouts or pay points to create impulse to these unplanned purchases; while a toothpaste brand like Colgate is well present within its category shelf and visible to shoppers and within reach; shoppers do not buy toothpaste out of impulse. Retail marketers aware of this impulse buying continually stimulate purchase through special displays, in store promotions, innovations in packaging and strategic placement of products such as proximity to checkouts or cash registers (Will, 2005). However some products stimulate greater impulse purchases than others (ibid). Growth in the number and diversity in ownership of supermarkets in Kenya, increase in the range/variety of products offered in supermarkets as a result of the growing consumer products manufacturing in the country and increased entrenchment of the proposition that the more the consumer is in touch with the products (accessibility) or sees them (visibility) the more likely he is to buy, necessitates marketers to deeply understanding the displays acceptance decision making process and use its insights to negotiate for space.

Motivations of the study

Retailing in Kenya has increasingly maintained a strong growth (Euromonitor, 2017). Though the informal routes to market remain relevant in Kenya, and some big modern retailers have reduced selling space, other Kenyan owned retail outlets have changed their modern retailing expansion strategy to adopt the franchise model concept, taking up smaller supermarket outlets and optimizing stock as they seek to manage costs as well as retain and grow the customer base and revenues. Optimism in the retail industry is driving well-known foreign retailers such as Walmart (through its South African subsidiary Massmart who own the Game Supermarket Brand), French Carrefour, Botswana multinational Choppies and recently South African Shoprite Group to expand their footprints in the country, expanding choice for local consumers who increasingly are exposed to, and discerning about, the wide array of international brands on offer. In the last 10 year there has been an unprecedented entry and growth in number, geographical reach and size of Kenyan owned supermarkets which currently are not less than 28 chains. Studies have found that a large percentage of consumers' purchasing decisions are made in the store or at Point-of-Purchase (POP). Current estimates of the percentage of decisions made in the store range from 40% (Neff, 2008) to two-thirds of store decisions (Inman, Winer, & Ferraro, 2008). Recent research also suggests that consumers have an instore slack for grocery trips; they leave room in their mental budgets to make unplanned purchases (Karen M. Stilley, 2010).

Increased advertising regulations for some product categories like tobacco and alcohol has also led to increased spend on POP displays which are not regulated in some countries. Increasingly stringent regulations regarding media advertising in many countries have limited advertising and promotions to the tobacco industry thus increasing the importance of retail promotion and incentives (Lavack & Toth, 2006). Tobacco companies pay financial incentives to encourage retailer cooperation in three major areas: posting Point-of Sale advertising and signage; providing Point-of-Sale product displays; and providing pricing and promotional incentives to Consumers (Bloom, 2001). Tobacco point of purchase advertising and point of sale product displays are however banned in Kenya. (Kenya Law, 2017) Kenya law prohibits virtually all forms of advertising and promotion of tobacco products. (Kamau, 2009) reports an emerging concept in in-store

marketing, a medium that has proved successful in getting new products, especially Fast Moving Consumer Goods (FMCG) to attract shoppers and ignite impulse buying. Owing to the growing Fast Moving Consumer Goods manufacturing from foreign Multinational Companies (MNCs) and Kenyan local companies, Kenya boasts considerable product availability and variety, leading marketers to compete on optimal positioning in outlets which drives their sales volume. Point of purchase promotion presents opportunities for foreign MNCs and local Kenyan companies introducing new products into the market to create demand. For example, anti-septic hand wash for use at home was uncommon only a few years ago, but is now ubiquitous, owing to in store demonstrations and promotions. New products in Kenya tend to gain traction best when consumers are guided on how to use them through in-store demonstrations or by offering ‘consultations’ with trusted customer service personnel, a strategy that leverages locals’ inclination towards word-of-mouth recommendations and preference for interactive retail experiences. As companies realign their budgets from traditional media, which is perceived as less effective because of the blanket nature of its coverage; blamed for alienating targeted and segmented audiences, marketing analysts are now tipping in-store marketing and advertising as among the media to benefit from traditional media’s budget cuts (Kamau, 2009).

While in-store marketing, promotions and advertising is a relatively old concept, in the developed countries, it has been gaining prominence in the Kenya market in the recent past. Some of the recent developments include; Point of Sale promotions like the LG theatres and Nivea clinics in Nakumatt chains, interior wall branding, playing adverts on light emitting diode (LED) screens with motion and sound, mounted within shopping stores and shopper’s calculator (Kamau, 2009). The gadget, which is a solar powered calculator, is mounted on shopping trolleys with the intention of helping shoppers keep tabs of the worth of goods in their shopping basket and at the same time, sell space to advertisers. With the advent of the philosophy of ‘customer is the king’, manufacturers and distributors consider a supermarket retailer an important customer in the distribution channel. In the world of today marketer’s watch words are quality, service and value (Kotler, 2003). To be able to offer any one of these to the supermarket owners, the product manufacturers and/or distributors have to understand the rationale behind accept or decline of the promotional fixtures and integrate the cues and insights in their marketing mix.

Critical importance here is on the negotiation for placement of POP fixtures (POPs) for promotional purposes in the supermarkets; just as negotiation for a “best” price in the purchase of merchandise models is important. Prior studies identify discounts on sales stocks (Friedman 2000), space constraints (Beverage Industry, 2003), guidelines on the use of POPs (Croft 2005), “Push money” (Vorzimmer 1971), central management of retail shops (Croft 2005) as well as consumers’ response to various types of POPs (Matthew 2002) to be some of the aspects which may impact the acceptance of POPs in supermarkets. These studies contribute important cues, insights and ideas on the POPs displays and fixtures placement decision making in supermarkets. However, Socio – culture, economic, political legal, infrastructural and technological aspects in Kenya are different from those in developed countries where the studies have been done (Aosa, 1992). Hence the aspects that the international supermarket owners or managers consider while selecting the POPs and their relative importance may not be similar to those in Kenya. There are no similar or related studies that have been done in Kenya. This study sought to understand rationale for Kenyan supermarkets’ acceptance of POP displays and fixtures. The study identified the POP modules/fixtures used in the Kenyan supermarkets and the decision making criteria aspects that led the supermarket owners or managers in Kenya to decide what POPs to use in their outlets. The study answered the following questions;

- What are the POP displays and fixtures used in Kenyan supermarkets?
- What aspects does the supermarket owner consider in their decision making to accept POP displays and fixtures or not.

The objectives of this study were:

- To identify the various types of POP displays and fixtures used in Kenya supermarkets.
- To establish aspects considered in the choice and acceptance of POP displays and fixtures by Kenyan supermarkets.

The findings of this study will help the supermarket owners to set informed criteria for accepting POP fixtures as well as help the product owners to set the right pricing, promotional, distribution and Retail Merchandising mix that will make them more

effective than competitors. It is important that the product owners establish a working Promotion Partnership Program with the supermarket owners to ensure they offer POPs that drive sales; supermarket owners look up to them as experts in this area. This study provides insights and cues into some of the issues to be addressed in this partnership. The study sheds light on how to deter visual clutter both on the inside and outside supermarkets which leaves consumers confused and subsequently leads to low recall rate of message (Kamau, 2009). This will thus help advertising agencies, product owners and supermarket owners to make more informed Point of Purchase design and visibility decisions. It will also help policy makers such as the municipal and city council's urban planning department come up with anti visual pollution policies as well as policies to avoid limiting competitiveness as well as discouraging new investors.

Literature Review

The Concept of Point of Purchase Displays and Fixtures

A Point-of-Purchase (POP) display is a strategically placed visual display or product supply that informs prospective customers about a product or service. They mesmerize and tempt you to try a new product or make that last impulse purchase before you leave the store (Vence, 2007). POP displays and fixtures are a form of sales promotion and help to achieve marketing communication. This promotion involves posting of sales and advertising signage at the point of sale provision display fixtures. These sales and advertising signage including displays are collectively known as POP displays and fixtures. The function of placing and maintaining them in the supermarkets is also called Merchandising, Retail Promotion or Point of Sale Promotion. The Point of Purchase (frequently abbreviated as POP or POS) is believed to be the link between Consumer Sales Promotion and Trade Sales Promotion. POP displays come in many shapes and designs; for example those found at high traffic locations in store such as end cap displays or smart adjacencies for example potato chips being placed next to soft drinks. It also involves posting point of sale advertising or signage and provision of point of sale product displays. (Imber and Toffler 2000) define Point of Purchase advertising as 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. POPs make it easier for consumers to compare product alternatives. Reorganizing products by levels of a given attribute also influences purchase likelihoods, mainly when the attribute is otherwise low rather than high in salience and when brands have normally high rather than low purchase likelihoods.

According to (Friedman 2000) a POP display is a device promoting consumer purchases by providing consumer information and product advice. These devices are normally located at convenient retail locations and are attractive and creatively constructed. Generally, these displays are created and prepared by the product owners for distribution to wholesalers or retailers who sell the product owner's merchandise (ibid.) POP displays serve as a bridge connecting trade and consumer promotions. Trade promotions are targeted at the middlemen; those responsible for getting goods and services from a manufacturer into a trade establishment. Trade promotions "push" product into the store, onto the shelf or on display and are therefore termed push strategies. Consumer promotions, on the other hand, are those programs targeted at the end consumer or purchaser. Accordingly, consumer promotions are termed pull strategies since they literally motivate the consumer to "pull" the products off the shelf and out of the retail. When trade and consumer promotions work in tandem, the push and pull efforts reach a state of equilibrium. The trade incentives ensure that the right products are at the right place at the right time. The consumer incentives deliver motivated buyers to purchase the products. Together, these efforts ultimately deliver against the corporate objectives. Over the years POP displays have evolved from traditional, static forms, such as the freestanding signs and hanging posters that still are used to incorporate more sophisticated technology. They may have backlit light boxes or monochrome LED (light-emitting diode) boards or digital flat-panel displays. Today's POP displays work much like a computer and screen. Digital content is played back via cables or wireless to a display on a local area network. Technology today allows retailers and marketing firms to accurately and efficiently deliver content to a targeted demographic. This could be by geography, store or time slot. (Vence, 2007) The trend in POP displays is moving toward digital content delivered over a network with liquid crystal displays located anywhere in the world (Ibid). More and more, networks are becoming more interactive; rather than just pushing content out, customers can get involved. This includes having a profile in ones

mobile device that triggers a certain ad or content to appear or light up when one walks by it (Vence, 2007). (Tullio, 2014) puts across five vibrant trends that are driving changes in Point of Purchase; Firstly, Supermarkets stake out a unique brand position with consumers. More than ever, consumers are defining themselves by the brands they consume and with which they are associated; people want to surround themselves with brands that reinforce their own self-image. Every element of store design, including fixtures and displays, must therefore reinforce the image and positioning the store is trying to promote. Secondly, design is one of the last points of differentiation left for brands and supermarket owners. When perceived differences in quality, technology and service are negligible to consumers, design becomes paramount in differentiating brands and winning loyal customers. The sleek, cutting-edge design that Apple applied in creating the iPod, for example, allowed it to gain a substantial competitive advantage over its competitors in that market and has created a "must have" device for consumers, allowing Apple to realize a premium. The designs of the POP fixtures are thus paramount in ensuring differentiation of the manufacturers' brands. Thirdly, experiential marketing will create new, unique retail formats. Brands and Supermarket owners are challenged to create marketing programs and experiences that immerse their consumers with the characteristics that they want associated with their brands. The POP fixtures must thus enhance and promote these experiences. An example is the Nivea clinics done in the Nakumatt Supermarkets; consultancy and testing of skin types and advice on what Nivea products to use is also done. Fourthly, competitive brands are being forced to cooperate. Declining floor space is forcing competitive brands to work together to create multi-brand fixtures and displays. For example The Wrigley Company has front end display units in Nakumatt, Uchumi and Tuskys supermarkets that can accommodate all confectionary; even their own competitors. This phenomenon promises to accelerate as supermarket owners move to gain greater control of their floor space. Fifthly, professional buying is here to stay; POP fixtures design and acquisition decision making, once exclusively the realm of departments in charge of Marketing, Merchandising or Store Planning, is now including finance and procurement. This shift is a permanent change in the purchasing process. Companies will continue moving to online auctions, bids and other more formalized procurement practices, creating a need to find cost-efficient manufacturing options to compete. Finally, retailers are evaluating POP against its profitability. Achievement of a constructive

attitude toward POP displays depends upon product owners considering the supermarket owners' interests as being vital to their own. While brands obviously want their in-store marketing material to be prominently displayed; supermarket managers have a better understanding of which promotions work best in their Supermarkets, and when promotions have the most impact (Roberts, 2007). The POP adopted must thus be both beneficial to the Manufacturer as well as the Supermarket Owner (Vorzimmer, 1971)

A Point-of-Purchase display may be a computer-driven device providing textual and graphical descriptions of products and giving specific advice when queried (Friedman 2000). They may be temporary or permanent pieces. There are various types of Point-of-Purchase displays, including window displays, counter displays, floor stands, display bins, peg displays, ice coolers, beverage coolers, and materials such as posters, wobblers, tent cards, sign holders, talking floor graphics which are activated on touch, stickers, window clings, banners of any kind, and all types of open and closed display cases. Statistics from Alexandria, Va.-based point-of-purchase Advertising International [POPAI], the global association for marketing at retail, indicate that 70% of purchase decisions are made in the store, and that POP displays used at supermarkets encourage, on average, a 1.2% to 19.6% lift in brand sales depending on the product and type of display (Vence, 2007). The main benefit of POPs is thus to influence sales. Many Marketers are spending more on POPs for the following reasons; first, they often prove more productive than advertising and promotion expenditures. Second, the decline in sales support at the store level is stimulating interest among Supermarket owners in Manufacturers' POP programs. Third, changes in consumers' shopping patterns and expectations, along with an upsurge in impulse buying, mean that the point of purchase is playing a more important role in consumers' decision making than ever before (Quelch and Cannon, 1983). These reasons also explain why Supermarket owners are becoming increasingly receptive to manufacturers' offers of POP merchandising programs. Marketers are carefully examining alternatives and supplements to media advertising, which has roughly tripled in cost since 1968 (Quelch and Cannon, 1983). POP programs cannot substitute for media advertising, nor are they as easily controlled in the store since they are implemented on someone else's turf (ibid). They can, however, reinforce and remind consumers about the advertising messages they have seen before entering the store (Beverage Industry, 2003). (Quelch and Cannon, 1983) discusses the following ways in which POPs help improve productivity in

Supermarkets: Low cost – POPs cost much lower than TV adverts to produce and install and the same POP materials are seen repeatedly by consumers whereas TV adverts costs more with the increase in exposure. If the communication message changes a few changes on the POP may be done but an advertising message has to be redone fully which is very costly. Consumer focus - POP displays focus on the consumer but also provide a service to the trade. Because they help move products off the shelves into consumers' hands, POP expenditures are often more productive than off-invoice price reductions to the trade, which risk being pocketed and therefore withheld from the consumer. Precise target marketing - POP displays can be easily tailored to the needs of local markets or classes of trade in response to marketers' increasing emphasis on region-by-region marketing programs and on account management of key Supermarket customers. In addition, particular consumer segments can be precisely targeted. The targeting approach may not be undertaken efficiently via media advertising alone. Easy evaluation - Alternative POP programs can be inexpensively presented in split samples of stores. Stores equipped with check-out scanner systems can quickly provide the sales data needed to evaluate the impact of POP displays for the benefit of both manufacturer and retailer. Above all well designed displays; attract consumer attention, facilitate product inspection and selection, allow the access of several shoppers at once, inform and entertain, and stimulate unplanned expenditures. Additional display space can expand sales without any change in retail price. Well-designed displays respond to the needs of both the Supermarket owner and the consumer. They reduce store labor costs by facilitating shelf stocking and inventory control, minimizing out-of-stock items, and lowering the required level of back-room inventory. For example, automatic feed displays such as Coke single-can dispensers eliminate the need for store clerks to realign shelf stock. Previous research in Marketing, Economics, Sociology and Organization Theory suggests that the retailer agreement to participate in point of purchase programs is influenced by two variables; the first factor is the nature of interpersonal relationship that exists between the boundary personnel in the Supermarket and manufacturers firms. (Vorzimmer,1971) argues that unlike big Supermarket owners, small supermarket owners seldom tries to evaluate the use of POP displays within a store profitability framework, but often agrees to their use either on the basis of friendship with the salesman or because he "just likes the display". Other than the relationship between the company and the retailer, the second factor is the incentive

premiums or promotional allowances offered to encourage participation (Murry and Heide, 1998). Often, a manufacturer will discount the cost of merchandise or in some other way compensate the Supermarket Owner for using a Point-of-Purchase display (Friedman 2000). (Vorzimmer 1971) adds that some small retailers receive "push money"; a premium or discount for using a manufacturer's display. Recent studies show two-thirds of all displays produced never find their way into stores at the Point-of-Purchase. There are various reasons for this, one of the most important of which is the lack of available display space. Competition for the limited space has led manufacturers and wholesalers to push hard for the installation of POP displays in all retail stores, regardless of size, (Beverage Industry, 2003). (Croft 2005) reports that retailers are no longer content to give brand owners - and their marketing and design agencies - a free hand with their Point-of-Purchase Material. In a recent survey of top retailers, conducted on behalf of POP design specialist Bezier in UK, 69 per cent of the store groups that responded said their POP was now managed centrally. The last time the survey was conducted, in 2000, the figure was 55 per cent. There are a number of reasons retailers want to exert greater control over POP material in store, according to Bezier managing director Gary Knight. One is that unrestricted deployment of POP displays and advertising makes stores look untidy, and can confuse consumers and put them off their purchasing stride (ibid). Many stores have now instituted strict guidelines to avoid such visual clutter problems. POP deployed by Supermarket is created in house by their creative agency and the materials printed by their printers. For example Asda and Comet who admits that they work with brand owners to translate their POP into Comet house style through a collaborative effort. In a bid to reduce physical clutter, many stores also have a 'clean floor' policy which can significantly restrict POP designers in terms of creating new and exciting displays.

Tony Walton, Managing Director of agency Brand Design, says: "Responsible POP Designers and Manufacturers make sure store staff get all the help they need in implementing POP fixtures. This can take the form of a simple instruction sheet or a friendly voice on the end of a phone. Third-party experts, who will respect retailers' shop floor and customers, are best placed to install the really complex initiatives. The easier it is to put fixtures in place, the more likely it is that stores will build the display as the designer intended, and see the full benefit of the campaign." (Croft, 2005) According to

(Croft, 2005), another reason supermarkets are centralizing POP control is money. Research suggests that roughly three-quarters of buying decisions are made in store, at the point of purchase. Yet only about five per cent of marketing spend goes on in-store advertising and promotions. (Vorzimmer, 1971) also points out that retailers have become aware that they own a very valuable media space, which could generate significant income if handled correctly. (Croft, 2005) stresses that while brands and agencies know plenty about boosting their own sales, and are brimming with creative POPs ideas, the retailer themselves are the real experts when it comes to in store environment. He adds that retailers' strict guidelines might seem onerous at times but their advice is worth heeding; they too want to sell more of the Manufacturers' product. It is quite a challenge getting Supermarket owners to use the POP fixtures produced by the manufacturers. According to (Beverage Industry, 2003), Dick Blatt, the president and Chief Executive officer at POPAI says 20 to 80 percent of POP advertising materials are not placed in stores or are not used as intended, resulting in a loss of about \$6 billion. The marketers have thus to incur additional expense in monitoring to ensure the displays and fixtures are in place in the intended format for the intended period of time. Acceptability by small Supermarkets of POP displays without any evaluation criteria such as its contribution to store profitability leads to clutter both of visual messages to consumers as well as number of displays occupying the floor space, (Vorzimmer, 1971). Supermarket owners are getting more cognizant of store brands rather than just branded products. "Retailer branding is getting more and more important" says Mark Hanson a Director of Marketing at Cannon Equipment a UK manufacturer of POP displays. Retailers are thus increasingly using POP marketing for their private label and not that of Manufacturers' brands and they like the ability to move displays from one part of the store to another (Beverage Industry, 2003) POP fixtures are getting more costly to make and more expensive to place, label and distribute (Murry and Heide, 1998). He further explains that Manufacturers have another obstacle to deal with: Record stores are allotting less space to promotional fixtures at very high premiums. Despite the growing importance of Point-of-Purchase displays, relatively little is known about this medium. Findings are surprisingly meager when compared with the data available in other areas of marketing like Advertising. According to (Matthew, 2002), studies have been done on the response to various types of POP and their placement which is beneficial in launching a new promotion or campaign. A study done

by Point of Purchase Advertising International (POPAI) measures the effectiveness of different types of POP advertisements based on how well customers could recall certain ads, and how much those ads affected purchase decisions. It was generated through 1,235 customer intercept interviews across five retail operations. They found out that the POP fixtures that communicated savings were more effective than those that only communicated price; so a sign that reads “60 shillings off” performs better than one that simply displays a marked-down price. Special offers also enjoyed high customer-recall levels, while themed messages performed very poorly. Overall, though, customers had a 40 percent average recall of on-site advertising, which compares well against an average 8 to 12-percent recall for TV and radio, (Matthew, 2002) adds. The study also found that response to POP signage at the register and on outside windows was much better than pump toppers or aisle displays. This finding will likely come as little surprise to most retailers, but it does illustrate that companies need to carefully tailor the format and placement of POP when launching a new promotion or campaign (Matthew, 2002) explains. (Murry and Heide, 1998), accounts additional studies done on managing promotion programs participation within manufacturer/retailer relationships. The studies on independent and joint effects of the nature of interpersonal relationship that exists between the boundary personnel in both manufacturer and retailer firms and various organizational variables including incentive premiums on retailer participation in POP programs. The findings were that the presence of a strong interpersonal relationship does not diminish the importance of other variables such as incentives but also interpersonal relationships are less important determinants of participation than economic incentives.

The following are reasons why supermarket owners/managers do not put up POP according to retailers queried in a survey compiled exclusively for In-Store by Bezier, a POP specialist in UK, 38 per cent of respondents claimed that not having enough room was the most common factor for not putting up POP, Fifteen per cent of retailers said receiving too much POP was the biggest factor, followed by lack of stock availability (11 per cent), damaged or incorrect units (11 per cent), inappropriate POP for implementation in-store (7 per cent), the wrong size units for a store (7 per cent), and lack of time (3 per cent). A further 7 per cent cited other reasons; while 3 per cent said they used everything

delivered to them, (www.accessmylibrary.com, 2006). In another survey of top retailers conducted in UK on behalf of Bezier, 69% of the store groups that responded said that their POP was managed centrally. This meant that the retailers had strict guidelines over the use of POP displays in their outlets (Croft 2005). Interviews done on the promotion of cigarettes and alcohol in Supermarkets confirms that they had very well managed tobacco incentive programs which were more reason why retailers participated (Feighery and Ribisl, 2003). Studies done on consumer perceptions of sales promotion activities found out that as the retailers interacts and observes consumers more frequently and closely than the manufacturer, it would be useful for the companies to incorporate the retailers' perceptions while planning sales promotion strategies (Vorzimmer, 1971)

Supermarkets

Appel (1992) defines a Supermarket as a store with at least 2000 square feet sales area with three or more checkouts and operated mainly on a self-service basis, which range of merchandise comprises of food groups, basic household requirements and cleaning materials. (Futrell and Stanton, 1987) define a Supermarket as a large departmental retailing institution offering a variety of merchandise and operate on a self – service basis with a minimum of customer service. (Kibera and Waruinge 1998) say that it is large retailing institution with several departments operating primarily on a self-service basis. Supermarkets is a term used broadly for all self-service retail outlets meeting minimum size criteria of 150 meter squared in the case of Kenya (Neven and Reardon, 2005). The growth and development of supermarkets in Kenya is an important aspect of the country's socioeconomic development as it is positively correlated with the welfare of the residents, the success of the retail sector and levels of employment in the country. Supermarket development in Kenya is currently in an early formative stage where changes are taking place fast (Neven and Reardon, 2005). This study thus allows us to capture these fleeting moments and provide a benchmark for future studies on urban food retailing, sales promotion and instore marketing in Kenya (Neven & Reardon, 2005). The number of supermarkets has grown from a tiny niche at the start of the 1990s to 40% of the urban food retail sector in 2012, with existing ones like Nakumatt, Tuskys, Uchumi and Naivas opening branches country wide and new ones entering the market (Euromonitor, 2009).

The following is a list of local of foreign MNCs supermarkets in Kenya;

- | | | |
|------------------------------|---------------------------------|---|
| 1. Budget Supermarkets | 12. Naivas Limited | 22. Thika Tex Supermarkets |
| 2. Chandarana Supermarkets | 13. Nakumatt | 23. Tumaini Supermarkets |
| 3. Cleanshelf Supermarkets | 14. Ng'ororgaa Supermarkets | 24. Tuskys |
| 4. Eastmatt Supermarkets | 15. PakMatt Supermarket | 25. Uchumi Supermarkets |
| 5. G-Mart Supermarkets | 16. Quick Mart Supermarkets | 26. Ukwala Supermarkets |
| 6. Jaharis Supermarkets | 17. Rikana Supermarkets | 27. Department of Defence -DEFCO supermarkets |
| 7. JD's Supermarket | 18. Selfridges Supermarkets | 28. Carrefour |
| 8. Karrymatt Supermarkets | 19. Society Stores Supermarkets | 29. Choppies Enterprises Kenya |
| 9. Kassmart Supermarkets | 20. StageMatt Supermarket | 30. Game Stores |
| 10. Maathai Supermarkets | 21. Suntec Supermarkets | 31. Shoprite Kenya |
| 11. Maguna Andu Supermarkets | | |

Research Methodology and Research Design

A valuable aspect of this study was to identify the various types of POP displays and fixtures used in Kenyan supermarkets and to establish aspects considered in the choice and acceptance of POP displays and fixtures by Kenyan supermarkets. The prior section reviews studies done on why supermarket owners/managers accept or reject POP and identified a gap in existing local research. This section provides the details of the Research Design adopted, together with the means of collecting data for analysis. A Census Descriptive Survey of the Supermarkets in Kenya was done. The Descriptive Survey Design is most frequently used to answer who, what, where, how much and how of a phenomenon (Saunders et al 2007). The target population included all the 31 supermarket chains in Kenya, both local and foreign MNCs as identified by the Kenya National Chamber of Commerce. The study was a Census Survey of all the 31 supermarkets each having several branches across the country. Because of the desired uniformity in each

chain's outlets in terms of POP displays, fixtures and modules placement, we interviewed the persons in charge of countrywide merchandising. Appel (1992) defines a supermarket as a store with at least 2000square feet sales area with three or more checkouts and operated mainly on a self service basis, whose range of merchandise comprise of food groups, basic household requirements and cleaning. The number of supermarkets that fitted this description within Kenya was very few and thus no sampling procedure was done. The Supermarkets studied however were not limited to the area they cover; the definition borrowed is the number of checkouts; a minimum of three checkouts. The rationale was to increase the count of Supermarkets studied. Two data collection instruments were used; namely a semi - structured questionnaire with both closed and open- ended questions and non-participant structured observation through the use of an observation schedule. The questionnaire was administered on a drop and pick later method to allow the respondents ample time to complete it. The respondent in each of the supermarkets was the merchandising or promotions manager/supervisor. The questionnaire mainly sought to understand the aspects considered in the decision made to accept or decline placement of POPs in the supermarket. The researcher filled the observation schedule as the questionnaire was physically administered. This was done within 3 weeks in the morning hours when the shoppers' traffic to the supermarkets was minimal. The observation identified the nature and types of POPs used in the supermarkets. After data was collected, it was checked for completeness and consistency. Content qualitative data analysis techniques were used to analyze data collected from the questionnaire and the observation schedule. Content Analysis is a research technique for making replicable and valid inferences from texts to the contexts of their use (Krippendorff, 2004). Content Analysis enables researchers to sift through large volumes of data with relative ease in a systematic fashion (GAO, 1996). (Krippendorff, 2004) notes that Content Analysis is motivated by the research for techniques to infer from symbolic data what would be either too costly, no longer possible, or too obtrusive by the use of other techniques. The data was organized into meaningful related parts or categories. This allowed one to explore and recognize any relationships which were then used to create a picture or an understanding of the data and thereafter deduce whether the aspects discussed in the literature review did actually affect the decision to accept or decline POP displays and fixtures in supermarkets. The observation data collected was

used to qualify the parts of the data collected by the use of the questionnaire especially on the types of displays used. (Saunders et al, 2007) explains that use of two or more data collection methods ensures triangulation.

Data Analysis and Interpretations

Data was collected by administering the questionnaire and making an observation of the POP displays and fixtures used in the supermarkets. It is worth noting that out of the 31 respondents who were given the questionnaire, 28 responded to all questions raised and 3 responded to only a few of the questions. However, the number of respondents being small, personal contact was used to ensure the remaining questions had been filled, thus increasing the response rate. The response rate was thus raised to a valid 99% with a non response error of 1%.

Supermarket Ownership

The respondents were asked to indicate whether the Supermarket was locally owned, foreign owned or both locally and foreign owned. The findings were as represented by Table 1

Table1. Supermarket Ownership

Type	Number	Percentage
Locally Owned	27	87.1
Foreign Owned	4	12.9
Locally and Foreign Owned	0	0
TOTAL	31	100

The findings were that 87% of the Supermarkets in Kenya are locally owned.

Categories of Products Stocked

The respondents were asked to choose from a list of product categories found in Kenya supermarkets what categories were stocked in their supermarket chain. This was necessary in understanding whether the supermarkets stocked generally the same kind of product categories. The table 2 shows the Product categories stocked and the percentages of respondents that stocked the particular category.

Table 2. Categories of products stocked

Category	Number	Percentage
Beverages	31	92
Chemical	11	42
Confectionary	31	83
Food	31	100
Health Care	22	83
Household	21	83
Clothing	12	67
Stationery	22	92
Tobacco	26	50
Furniture	13	50
Electronic	15	58
Other	2	17

The findings were all Supermarkets stocked Food, Beverages, Confectionery products, the majority stocked Healthcare, Household, stationery and tobacco products. Several stocked clothing products, Electronic products, Furniture and Tobacco Products and few stocked chemicals. Other product categories stocked by Supermarkets in Kenya that were not listed included jewellery, opticals, Perfumes and cooking gas.

Ranking of aspects considered in selecting products to stock in supermarkets

The respondents were asked to rank from a list of customer demand, profit margin and supplier support the factor they consider most important in choosing products to stock in their supermarkets. The table 3 shows the mean scores of the choices made and the rankings of the aspects in order of importance.

Table3. Ranking of aspects considered in selecting products to stock in supermarkets

Aspects considered	Mean Scores	Rank in order of Importance
Customer Demand	1.17	1

Profit Margin	2.08	2
Supplier Support	2.75	3

Most respondents considered Customer Demand; with a mean score of 1.17, most important in the choice of products to stock in their stores, Profit Margin was second with a mean score of 2.08 and Supplier Support with a mean score of 2.75 was the least considered.

Types of In Store Promotions used by supermarkets

The respondents were asked to choose from a list of in store promotions those that they use in their supermarket. The choice of In Store promotions that they use are as shown in Table 4

Table4. Types of In Store Promotions used by Supermarkets

Type of Promotion	Number	Percentage
Push Girl/Merchandisers	31	100
POP Displays	29	93.55
Price Discounts	16	51.6
Free Samples	14	45.16
Offers	30	96.77
Technical Support	9	29.03

93.55% of the respondents use POP displays. All the respondents used merchandisers or push girls mainly provided by manufacturers and distributors. 96.77% of the respondents also gave offers on products among other promotional methods used. It is important to note that even though the respondents considered the Customer Demand, Profit Margin and Supplier Support in that order in their choice of products to stock as shown in table 4 above, they did value Supplier Support to a great extent. This is explained by the high percentage of respondents that use merchandisers/push girls and Product Offers which are mainly financed by product manufacturers or Distributors.

Circumstances in which POPs are used

The respondents were asked to choose from a list of circumstances in which they allow use of POPs. Table 5 lists circumstances in which POPs are used and the percentage of respondents that use them in the given circumstances

Table5. Circumstances in which POPs are used

Situation	Number	Percentage
New Products	30	96.77
Slow Moving Products	26	83.87
Technical Knowledge	22	70.97
Near Expiry Products	18	58.06
Other Circumstances (Seasonal offer like Christmas)	1	3.2

96.77% of the supermarkets used POPs on new products to entice consumers to try them and 83.87% used POPs to push their slow moving products. These two were the main circumstances in which POPs were used.

Types of POPs used in Supermarkets.

The respondents were asked to list the type of POP displays used in the supermarkets. Some of the ones listed include Floor standing displays, branded shelf displays or gondolas, coolers, Wobblers, fliers, screens with motion and sound, trolley or shopping basket displays, hanging pegs, posters, push girls or merchandisers or promoters.

Ranking of POPs Preference

The respondents were asked to rank an array of POPs used in supermarkets according to their order of preference. Table 6 lists the mean scores and the order of preference for the POPs.

Table6. Ranking of POPs Preference

Types of POP	Averaging Ranking	Ranking in order of Importance
Shelf displays	1.8	1
Floor standing displays	3.7	2
Posters	4.6	3
Aisle end displays	4.8	4
Wobblers	5.8	5
Screens with motion and sound	6.1	6
Front end displays	6.6	7
Beverage coolers	6.75	8
Ice coolers	7.8	9
Temporary (made of paper or plastic material)	7.9	10
Window clings/displays	8.4	11
Shopping basket displays	8.8	12
Sign holders	9	13
Permanent (made of metallic or wire material)	9.6	14

Most of the supermarkets preferred to use branded shelf displays also called gondolas and floor displays. From the observations done these are the commonly used POPs in the supermarkets. Some of the other highly preferred POPs include; posters and wobblers which can be changed from time to time depending on the communication message and are cheaper to make than most POPs and aisle end display which cling on the main shelves and thus take up less space. The above findings are also supported by the findings from the observation done. Most of the product manufacturers and distributors had branded shelf displays and used more posters and wobblers more than any other POPs. Any additional POP fixtures were also used at the shelf display to brand it and increase its visibility. Permanent displays were ranked 14 indicating that supermarkets did not prefer

displays that are permanent in nature. This explains why they would use POPs mainly for the introduction of new products and once the product is well known they could give the constrained space to a newer product. However from the observation made quite a number of manufacturers and distributors use metallic wire display in the Supermarkets probably because they are durable. It is important to note that the preference for screens with motion and sound was ranked 6th which could indicate that the use of Technology in POPs is an accepted and embraced concept in supermarkets in Kenya.

Whether Supermarkets have declined to use POPs

The respondents were asked to respond positively or negatively to whether they have ever declined to use POPs offered by manufacturers or distributors. Table 7 shows their response.

Table7. Whether Supermarkets have declined to use POPs

Response	Number	Percentage
Yes	23	74.19
No	8	25.8

74% of the response showed that the respondents one time or another have declined to use POPs provided by the manufacturer against 25% response that they have not declined. This clearly shows there is control over the use of POPs in the Supermarket; not every offer that is made by the product owners is accepted. These results also show a greater push from the product manufacturers to accept the displays.

Ranking of aspects affecting POPs acceptance

The respondents were asked to rank in order of importance from a list of aspects discussed in the Literature review as known to affect the acceptance of supermarkets to use POPs. Table 8 lists mean score of each factor and the ranking in order of importance.

Table8. Ranking of Aspects affecting POPs acceptance

Factor	Averaging Ranking	Ranking in order of Importance
Space availability	1.7	1
Supermarket Intentions to carry out in store promotions	2.25	2
Type of display	3.14	3
Cash incentive or payment from manufacturer or distributor	3.43	4
Good relationship with Company sales representative.	4.1	5
Displays used by competing supermarkets	4.7	6
If other branches are using displays	5.42	7

The findings of the study were that the leading aspects affecting acceptance of POPs are space availability, supermarket intentions to carry out in store promotions and type of display offered in that order. Cash incentives given by manufacturers and the good relationship the supermarket had with the sales representatives were also shown to influence acceptance.

Have Supermarkets has discontinued use of POPs?

The respondent was asked to respond positively or negatively to whether they have discontinued POPs in use from their Supermarkets. Table 4.1.10 shows their response.

Table9. Have Supermarkets has discontinued use of POPs

Response	Number	Percentage
Yes	18	58.06
No	13	41.93

The findings were that there was no distinct disparity between those that discontinued and those that never discontinued the use of POPs in their supermarkets. The general trend was however discontinuation of POPs had taken place more in the Big Chain Supermarkets like Nakumatt, Uchumi and Tuskys. Some of the reasons given for the discontinuation of the use of POPs include; continuous unavailability of products; the Supermarket can thus not promote products that are not sufficiently available on the displays, errors in communication for example where the manufacturer or distributor communicated a different price or offer from what the supermarket did, fights among manufacturer or Distributors representatives over space; most of them are those selling competing products, dissatisfied customers, for example when the customers' feel they have to spend too much in terms of money and time, to benefit from the promotion, high levels of expired products encountered in the stocks of the given company supplying the POPs and failure by the supplier to meet the requirements of the agreement; for example the monetary consideration or the type of displays to be supplied.

Conclusion

All the 31 Supermarkets surveyed agreed that their supermarket retail policies encouraged promotions. The findings show that supermarket owners or managers do value manufacturer and distributor's support and thus the preferential use of In Store promotions such as POPs, merchandisers or push girls and product offers which are all mainly financed by the manufacturers and/or distributors. The POPs that were found to be used by supermarkets include floor standing displays, branded shelf displays or gondolas, coolers, wobblers, fliers, screens with motion and sound, Trolley or shopping basket displays, hanging pegs, posters, push girls or merchandisers or promoters. The Supermarkets encourage the use of POPs but mainly in the introduction of new products and in the push of near expiry ones. They however would rather exercise control over the use of POPs to avoid both physical and visual clutter because the space available in supermarkets is limited.

Other than space which was found to be the main factor affecting the supermarkets owner's acceptance of POP's, supermarket intentions to carry out in store promotions,

Types of displays offered, cash incentives given by manufacturers and the good relationship the supermarket had with the sales representatives were also shown to influence the acceptance in that order. Supermarkets make profits not from only one manufacturer's products but from many categories of products and that is why they stocked quite a wide category with the main aim of meeting customer demand and profitability. Much as they value Manufacturer or distributor Support especially in the choice and placement of POPs, their willingness to carry out the promotion is very important and thus their views in choice, design and implementation of POPs need to be appreciated.

Recommendations

The summaries of major findings and conclusions have necessitated the making of the following recommendations: Product owners should work more closely with the supermarket owner to ensure they make displays whose designs meet supermarket space constraints. The trends in the market are use of displays that can accommodate even competing products but with a certain share of the display reserved for the suppliers' products. The understanding developed through partnership will also ensure they do not tie their money on POP fixtures which would never be used by the Supermarket. The features desired by the Supermarket owners for examples size, fixtures made from, area where Points of Purchase displays will be used should all be considered before the display is made. Not all respondents were clear about their Supermarket Policy about the use POP displays and other promotional fixtures. This study highlights some of the prevailing issues and can help Supermarkets come up with their promotion policy.

The researcher however, encountered some problems on the course of undertaking this research study. There were inevitable challenges the researcher experienced. These were however, tackled effectively and their impact significantly reduced to have any major effect on the research findings. The following are areas where challenges arose:- Cooperation by respondents - Some of respondents felt hesitant to release some information being unsure as which information was confidential and which was not. Some other respondents were hesitant to give information for fear of victimization by their

employer or manager. This was overcome by seeking permission or clarification before the respondents could respond to the questionnaire. In addition, the questionnaire had a statement that assured respondents that the purpose of the study was academic and that personal data would not be published unless with their express permissions.

Time Constraints - Due to circumstances beyond the researcher's control, the time frame for the research was short to exhaustively carry out the study. However the researcher made use of research assistant to facilitate the coverage.

Finance - The researcher had limited financial resources at hand for the researcher. However, financing arrangements were made to borrow from friends and family to cater for the deficits anticipated.

The aspects identified; Space Constraints, Supermarket Intentions to carry out promotions, Types of Display, Cash Incentive, and Relationship with company representative have been found to affect the Acceptance of Point of Purchase. It would be however important to know to what extent they do affect the acceptance. Not many studies have been done in Kenya on the area of POP displays and fixtures as a form of sales promotion. It is therefore, recommended that studies on their effectiveness in communications, the cost implications given their benefits would be valued information in developing this form of communication.

References

1. (February, 10, 2006) 'No Room for POP' says Retailers. Retrieved from www.acesmylibrary.com
2. Agarwal, A. (December 24, 2008). First Moment of Truth; Winning the Point of Purchase. *Digital Inspiration Blog*. Retrived on 30/7/2009 from <http://www.labnol.org/india/first-moment-of-truth/6232/>
3. Aosa, E. (1992). *An Empirical Investigation of aspects of formulation and implementation within large, Private Manufacturing Companies in Kenya*, Unpublished PhD Research Project, University of Strathclyde, Glasgow.
4. Beverage Industry (May, 2003). Putting the Pop in POP. *Master File Premier*, Vol 94, Issue 5, Pg 15-16
5. Biggam, J. (2008). *Succeeding with your Masters Dissertation. A Step by Step Handbook*.
6. Bloom, P.N. (2001). Role of Slotting Fees and Trade Promotions in shaping how Tobacco is marketed in Retail Stores. *Tobacco Control*, Vol 10, P340–4.
7. Croft, M., (2005). Setting Great Store Rules, *Marketing Week* – 01419285, Vol 8 Issue 23, P35 – 36.
8. Croft, M., (2007). The Evolution of POP, *Marketing Week* – 01419285, Vol 30 Issue 6, P29 – 30.
9. Euromonitor, (13th March, 2009). Supermarkets in Kenya. *Daily Nation*.
10. Euromonitor. (2017). Retailing in Kenya. <http://www.euromonitor.com/retailing-in-kenya/report>.
11. Feighery, E.C, Ribisl, K.M., & Achabal, D.D (October, 1999). Retail trade incentives: How tobacco industry practices compare with those of other industries. *Public Health*, Pg 18 – 22.
12. Futrell, C., & Stanton, W. J., (1987). *Fundamentals of Marketing*, 8th Edition, Mc Graw - hill International.
13. Imber, J & Toffler B.A (2000). *Dictionary of Marketing Terms*. Barron's Educational Series.
14. Inman, J.J, Russell S. W., & Ferraro, R. (2008), *The Interplay Between Category Characteristics, Customer Characteristics, and Customer Activities on In- Store Decision Making*, Working Paper, Stern School of Business.

15. Kamau, M (August 11, 2009). Advertisers turn to Supermarkets in scramble for New Customers. *Standard Media Group*.
16. Karen M. Stilley, J. J. (2010). Spending on the Fly: Mental Budgets, Promotions, and spending behaviour. *Journal of Marketing*, 74, 34 - 47.
17. Kibera, F & Waruingi B.C (1998). *Fundamentals of Marketing, an African Perspective*, Kenya Literature Bureau, Nairobi.
18. Kotler, P. (2003). *Marketing Management*, Prentice Hall. 11th Edition, New Jersey.
19. Krippendorff Klaus (2004). *Content Analysis; an Introduction to Its methodology*. Sage Publications, UK 2nd Edition.
20. Lavack, A.M., & Toth, G., (2006) Tobacco Point of Purchase Promotion: Examining Tobacco Industry Documents. *Tobacco Control*. Vol 15 P377 - 384.
21. Law, T. C. (2017). *Tobacco Control Policy Fact Sheet Kenya: Advertising, Promotion & Sponsorship*. Kenya.
22. Matthew, E., (2002) Maximizing Point of Purchase Advertising, Convenience Store News, *Business Source Premier*, Vol 38 Issue 15.
23. Murry, J.P & Heide, J.B (1998). Managing Promotion Program Participation within Manufacturer Retailer relationships. *Journal of Marketing*, Vol 62, P58 – 68.
24. Neff, J. (July, 2008), “Wal-Mart Preps Next Phase of In-Store TV,” *Advertising Age*, P31.
25. Neven, D. & Reardon, T (2004). The Rise of Kenyan Supermarkets and the Evolution of the Horticulture Product Procurement Systems. *Development Policy Review*, P669 – 699.
26. Peck, J. & Wiggins, J, (2006) It Just Feels Good: Customers’ Affective Response to Touch and Its Influence on Persuasion. *Journal of Marketing*, Vol 70, issue 4, P56 – 69.
27. Quelch, J.A & Cannon, B.K (1983). Better Marketing at the Point of Purchase. *Harvard Business Review*, Vol 61 Issue 6, P162 – 169.
28. Roberts, J. (2007). Measure for Measure. *In Store*, P33 – 35. Business Source Premier.
29. Saunders, M., Lewis, P. & Thornhill, A. (2007). *Research for Business Students*. 4th Edition. Prentice Hall.
30. Tullio, M. (2004). 5 Vibrant trends in Point-of-Purchase. *Display & Design Ideas*; Vol. 16 Issue 9, P47- 48
31. US Government Accountability Office (1996). *Content Analysis; A methodology for Structuring and analyzing written material*. Program Evaluation and Methodology Division.

32. Vence, D.L. (2007) Point of Purchase displays, *Marketing News*, Vol 41, Issue 18.
33. Vorzimer, L.H. (1971) what every small retailer should know about Point of Purchase displays and doesn't. *Journal of Small Business Management*. Vol 9. Issue 4.
34. Will, C. (May, 2005). 'Together We Comply'. *In store*, P33 – 34.

Cite this article:

Matiri-Maisori, B., & Kinoti, D. M. (2018). **Point of Purchase Displays and Fixtures; Rationale for acceptance in Kenya Supermarkets.** *International Journal of Science and Business*, 2(2), 153-181. doi: <https://doi.org/10.5281/zenodo.1202085>

Retrieved from <http://ijsab.com/wp-content/uploads/225.pdf>

Published by

