



## The Path to Purchase during Shopping

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## **The Path to Purchase During Shopping**

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### **Synopsis**

The proposed study aims to identify and analyse the path to purchase for shoppers. In particular the research addresses the following questions. It also suggests a research design for the study.

- What is the consumer's path to purchase while shopping in the case of high level of marketing spends and evolving store formats?
- Do the AIDA or such models or purchase funnel still work?
- What are the implications of the findings on in-store communication?
- How does in-store communication need to be tailored to suit different categories of products, shoppers and retail formats?

### **Introduction**

Increasingly shopping behaviour is being seen from the holistic perspective of the entire shopping experience. The experiential view of shopping takes a far more holistic approach to the consumption process, right from involvement to post purchase usage. The decision making process and value perceptions could vary depending on individual shopping orientations, the cultural orientations as well as the economic and competitive environment in which the consumer shops (Woodruffe, Eccles and Elliott, 2002). This study will attempt to understand the impact of the major factors on the purchase behaviour of shoppers by examining purchase paths across different product categories signifying different shopping orientations; across culturally distinct regions; and across different stages of retail evolution.

## **Theory of Shopping**

The concept of shopping can be examined according to three different dimensions in order to develop provide a holistic view of shopping and shopping behaviour: the shopping environment, the socio-cultural context and the individual motivations (Woodruffe, Eccles and Elliott, 2002). The Shopping environment refers to the landscape of shopping, changing as it did from the first departmental store to present-day malls to virtual shopping through the Internet. It has been found that shoppers behave differently depending on the type of shopping situations (Sinha and Uniyal, 2005).

A fairly extensive amount of research examining individual shopping orientations indicates that orientations impact shopping behaviour including store choice based on several factors such as consumer demographics and psychographics (Cheng, Yee-Man and Hui, 2002; Darden and Ashton, 1974; Hansen and Deutscher, 1977), usage situation (Moye and Kincade, 2002); price sensitivity (Magi, 2003); social referents (Evans, Christiansen and Gill, 1996), involvement (Williams, Nicholas and Painter, 1978), segmentation (Sinha, 2003) and need recognition (Bruner, 1986). Product category differences are also known to impact shopping orientations though studies in this area have been primarily limited to online purchase behaviour (Vijayarathy and Jones, 2000).

### **The Point of Purchase Communication:**

Retailers perform many functions. Louis P. Bucklin (1966) described them as distribution service outputs and classified them into four main categories: 'decentralisation', 'waiting time', 'lot size' and 'variety'. Retailers use a mix of tools to inform, persuade and remind customers about the retailer. At a broad level the various elements of retail communication can be segregated into two groups: External or Divergent Communication and Internal or Convergent Communication. External or Divergent communication is the aspect of retail communication that the retailer uses to attract customers to the store and generate store traffic by using mass media vehicles such as television, newspapers and radio. It is also used to build and manage the store image so that it becomes a destination for its customers. The internal communication reinforces the store image by ensuring that there is no dissonance in the mind of the customers. Stores use tools such as visual merchandising, signage and graphics, and other forms of point-of-purchase communication (PoP). The combined effect of these two sets of communication creates an effective strategy (Allenby and Ginter, 1995). American retailers, when compared to British retailers, have shown

an inclination toward using newspaper, flyers, direct mail and television than advertising through window displays (Bardy et al, 1989).

In-store or PoP communication is the aspect of retail communication that comes into play once the customer is within the precincts of the store. It plays a very important role in influencing the consumer decision-making process. For the retailer, with the increasing decline in sales support at the retail outlet, the POP acts as a surrogate salesperson. It has been found that a high level of brand awareness does not always translate into sales. Shoppers do take into consideration the information they acquire in stores, in addition to relying on out of store communication (Underhill P, 1998). Advertising attracts; but the success of all communication efforts in many cases depends on the last 5% of the effort which manifests itself at the POP just before the consumer chooses to buy, rather than the 95% that preceded it (Quelch J and Cannon-Bonventre K, 1983).

POP provides the marketer the last opportunity to communicate with the shopper before a purchase is made. This communication at the shop can play several roles of informing, reminding, encouraging, creating excitement or interactivity and building store image. It has been found that information recall is enhanced when the context in which people attempt to retrieve information is the same as the context in which they originally coded the information (Connolly A and Firth D, 1999). Such information activates consumers' memories pertaining to brand and its features and helps the consumer to make a purchase decision in favour of the displayed brand. POP communication also induces shoppers to stay at the retail outlet for a longer duration leading to increased spending (Donover, Rossiter, Marcollin and Nesdale, 1994). In some cases it is found to lead to patronising the shop (Wakefield and Baker, 1988). A higher store loyalty is shown by shoppers who perceive congruence between their self-image and the image of the store (Bellenger, Steinberg and Stanton, 1976).

Shoppers find that displays and layout have a more significant role in high-fashion appeal than in a broad appeal store (Rich S and Portis, 1964). A lifestyle store tends to use POP more extensively (Sinha and Uniyal, 2000). Besides quality and assortment of merchandise and sales persons, store atmosphere helps in building store image (Berry 1969). In the field of retail communication, there is limited work on the studied impact of the influence of POP and packaging on consumer behaviour. PoP also shows different impact in conjunction with other communication tools (POPAI, 1995a). In another study, it was found that the cash counter products account for the highest in-store decisions (POPAI, 1995b). In a study in India on the impact of POP from the perspective from consumers, retailers and distributors brought out a very mixed result (Sinha and Uniyal, 2000). Effective retail communication helps to attract the attention of the child. However, the act of visiting the retail outlet for children between the ages of

three to seven is not done in isolation. Thus the communication must also address the concern of the parent for the well-being of their child (Anuradha, Sinha and Krishna, 2003).

An exploratory study had indicated that customers, on the whole, did not seem to use much POP communication while making purchase decisions at the store (Sinha and Uniyal, 2000). However, the extent of use was found to differ with the familiarity of the store. It was found that with increase in the frequency of visits to the store, the use of POP decreased and frequent buyers did not find POP helpful in their buying decisions. On the other hand, occasional buyers and inquirers found POP helpful. First timers relied more on the sales personnel for their information search. Customers found POP more helpful in case of consumer durable, lifestyle and hi-tech products. This led us to assume that the information search is directly proportional to the shopping behaviour. A study by POP (1995b) indicated that PoP communication seem to influence impulse purchase more as compared to planned purchase. The word 'impulse', in the context of shopping behaviour, is subject to many interpretations. These are (a) pure impulse, which is a novelty or an escape, which breaks the normal buying pattern, (b) reminder impulse, which occurs when a shopper sees an item and remembers that their stock is low (c) suggestion impulse, in which purchases occur when a shopper sees the product for the first time and then visualises a need for it and (d) planned impulse, when purchasing takes place when the shopper makes specific purchase decisions based on special stimuli (Hawkins, Best and Koney, 1995; Dholakia and Sinha, 2005). Also the rate of unplanned purchasing appears to depend on the type of stimulation technique, the product that is being promoted and the customer who selectively exposes himself to, and selectively perceives the promotional stimuli (Kollat and Willet, 1967). The format and familiarity of the store have also been found to impact the extent of information search at the store (Sinha and Uniyal, 2005, Walter, Sinha, Kenhove and Wulf, 2008).

### **Role of Involvement**

Economists view shopping as an activity that allows consumers to maximise their utility function (Michelle Bergadaa, 2001). However, for some it is an act of killing boredom, for others it leads to self-gratification and to another category it gives a sense of emotional fulfilment (Tauber, 1972; Sinha, 2003). Bellenger and Korgaonkar (1980) also found that people exhibit either 'economic' or 'recreational' shopping behaviour. It has also been observed that consumers tend to differ in their behaviour across shopping situation which could be linked with their level of involvement in the process of shopping (Sinha and Uniyal, 2005).

Involvement has been treated as major socio-psychological variable that explains individual differences (Festinger 1957, Petty, Cacioppo and Goldman, 1981). On the other hand, It has been

also treated as a general construct (Zaichkowsky, 1986) and is considered an individual indifference variable (Laurent and Kapferer, 1985). This difference is indicated by the number of attributes used to compare brands, the length of the choice process and the willingness to reach a maximum or a threshold level of satisfaction. It might also be indicated by the extent of information search, receptivity to advertising and the number of cognitive responses generated during exposure (Krugman, 1965 and 1967). In a study conducted among shoppers, it has been found that the level of involvement changes with the purchase situation and the value the store delivered to the shoppers. It has also been found to affect the extent of usage of PoP communication (Uniyal and Sinha, 2009)

### **Role of Store Value Proposition**

Customers show clear preferences in choosing a store. In most case, they tend to set their expectations based on the positioning of store. They tend to associate store with the value propositions promised by the stores and respective formats. Store formats stand for their own mix of values that helps customers maximise the benefit. Sinha and Uniyal (2000) have suggested a classification of stores on convenience, variety and experience. They also propound that there exists an interaction effect between the store benefit and the level of information search that a customer would seek while shopping (Sinha and Uniyal, 2009). In another study of format choice it was found that even in case of a planned purchase, customers tend to show both affective and cognitive search based behaviour (Singh and Sinha, 2009). Studied have also indicated that customers tend to prefer specialised stores in case of high involvement purchases (Dash, Schiffman and Conard, 1976).

### **The proposed Conceptual Model:**

This study is primarily aimed at determining the paths to purchase followed by customers while shopping. The process that the consumer goes through to make the buying decision has been seen like a 'funnel'. The funnel theory postulates that the consumer starts with a large consideration set of products that systematically gets reduced at each stage till the consumer finally arrives at the decision to buy a particular brand. There are several models that have been propounded in this regard (Kotler, Keller, Koshy and Jha, 2007). These models propose a hierarchy and step-wise processes. They also show a hierarchy in cognitive and affective information processing. But, there are studies that indicate non-hierarchical processes too (Vakratsas and Ambler, 1999). The hierarchy seems to hold even in case of Internet (Tucker and Massad, 2005; Heath and Feldwick, 2007 and Cong Li, 2007)

The conceptual model has been given in **Figure – 1** based on Singh and Sinha (2009). The study would develop scenarios for each of the six boxes.

	Traditional Store Formats	Modern Store Formats	
	Primarily Affect Set	Cognition Set (Evaluative)	Affect Set (Feel Based)
<b>Low Involvement Categories</b> e.g. Groceries, Fuel,	<b>WL:</b> Social Congruity, In-store experience <b>SC:</b> Store Manager's role, Flexibility and proximity <b>SE:</b> Leverage personalization, Establish more reasons for engaging with format	<b>WL:</b> Less scientific Pre purchase cues lead to non incremental footfalls. Lack of understanding of basket composition impairs in-store experience <b>SC:</b> Perception of Savings in Pre-purchase processes <b>SE:</b> Leveraging knowledge on <a href="#">destination categories/ KVs</a> , <a href="#">Innovative Campaigns</a> , <a href="#">Loyalty Program</a>	<b>WL:</b> More reasons to shop than the price advantage or base experience alone <b>SC:</b> Relaxed & urbane shopping experience <b>SE:</b> Specialized focus through <a href="#">Connoisseur's Day in a week</a> , <a href="#">Dedicated sections for catalogue browsing</a> , <a href="#">category explorations</a>
<b>High Involvement Categories</b> e.g. Mobiles & Accessories, Automobiles, Apparels, Cosmetics	<b>WL:</b> Purchase process low on experiencing the product/brand <b>SC:</b> Patronage, logistical convenience, Complaint redressal <b>SE:</b> Limited Modernization, Creating room for experiencing the product or its surrogates	<b>WL:</b> Variety in ways of experiencing the product/brand <b>SC:</b> Perception of Savings in Pre-purchase processes <b>SE:</b> <a href="#">Comparison charts (e.g. Compareindia.in)</a> , <a href="#">Shelf life experiments</a> , <a href="#">Skin Clinics</a>	<b>WL:</b> Variety in ways of experiencing the product/brand <b>SC:</b> Relaxed & urbane shopping experience <b>SE:</b> <a href="#">Display Aesthetics</a> , <a href="#">Feel the product opportunities</a> , <a href="#">What others say Catalogue</a> , <a href="#">New Introductions Newsletter</a>

WL: Weak Link

SC: Strong Connect

SE: Sales Effort

## Research Plan

### Objectives:

While this debate has been taken up in case of advertising, there seems to be a lack of attention paid to the information processing within the store. The authors propose that a study to test the applicability of the communication models with regard to point-of-purchase communication could be carried out with the following objectives:

- (a) Shoppers would follow a set path in processing information to decided their purchase
- (b) This path may not be hierarchical
- (c) Even in case of a hierarchical process, the steps may not follow the same order
- (d) The path-to-purchase would be affected by the kind of shopping process adopted by customers
- (e) The process would also be affected by the format of the store chosen by the shoppers
- (f) A proiri product/brand decisions made before visiting the store would impact the shopping process

## Research Design

This study should be conducted as an experimental design as it involves several formats and shopping situations. The researcher would need to develop scenarios for each of the boxes. For this purpose in-depth interviews and focus groups should be conducted among shoppers who have bought at different retail store formats. Selection of the city would also become crucial. These scenarios would be used to assess the adoption of the path-to-purchase in each of the boxes through an experimental design. Manipulation checks would be required for the scenarios and Purchase Planning.

An illustrative sampling plan is given below. The final size of the sample should be decided based on the effect and power requirements. The experiment would be a between sample design for the format and within sample design for the product/involvement categories. Scales are available for assessing shopping involvement (Unniyal and Sinha, 2009). Appropriate analytical tools, such Anova and Manova may be used to explain the phenomenon and the interrelationship among the variables. In case the qualitative study has identified co-variables, MANCOVA would need to be carried out to measure their systematic effects on the results.

Some authors (Smith, Chen and Yang, 2008) also suggest structural analysis to understand the relationship in the levels of hierarchy. A dummy variable analysis may be carried out with the stages of the hierarchy representing the latent dependent variable (MacKenzie, 1986). It may be necessary to determine whether the construct is formative in nature. There may also be a need to carry out mediation tests.

### Experiment Design and Sampling Plan

	Purchase Situation						Total
	Planned		Unplanned		Impulse		
Store Formats / Involvement	Low Involvement	High Involvement	Low Involvement	High Involvement	Low Involvement	High Involvement	
Kirana/Convenience Store	30	30	30	30	30	30	30
Supermarkets	30	30	30	30	30	30	30
Hypermarkets	30	30	30	30	30	30	30
Discount Stores	30	30	30	30	30	30	30
Departmental Stores	30	30	30	30	30	30	30
Speciality Stores	30	30	30	30	30	30	30
Total	180	180	180	180	180	180	180



**Summary:**

The path to purchase for PoP is a virgin area of research. A substantial amount of studies are available that study the hierarchy of effects followed by customers in case of advertising. Some of the current paper shave also looked at this phenomenon in the area of internet marketing. This paper proposes a study that would be useful for developing strategies for effective communication at the point of sale. With the shift in decision by customers to the store as against being pre-decided, the study gains more prominence.

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