



# The relationship between point-of-purchase advertising and the purchase intention in chain stores' customers

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Received: 09 January 2021

Accepted: 23 February 2021

Published: 30 March 2021

## Abstract

This study examines the relationship between point-of-purchase advertising and the purchase intention in chain store customers. The research method was descriptive-correlational. The statistical population is all Ofogh Kourosh and Refah chain stores' customers in Gorgan with an unlimited number from which 384 were selected by convenience sampling based on the Morgan table. A questionnaire was used to collect data. For data analysis, Pearson correlation and regression were used. In all analyzes, a significance level of  $P < 0.05$  was considered. The correlation analysis results showed a positive relationship between the point-of-purchase advertising and the purchase intention in the chain stores' customers; that is, the more the point-of-purchase advertising, the more the purchase intention in customers. According to research results, consumer preferences have a significant effect on increasing the purchase intention in shopping environments. Studying the mental image of the organization shows that the customer has expectations before purchasing based on the mental image based on his previous experiences, friends, and company advertisements. Hence, a good image is a motivation to purchase, and the image of the store is influenced by behavioral intentions.

**Keywords:** purchase intention, customer satisfaction, Brand, marketing

## How to cite the article:

M. Moghri, *The relationship between point-of-purchase advertising and the purchase intention in chain stores' customers*, *J. Hum. Ins.* 2021; 5(2): 56-60, DOI: 10.22034/JHI.2021.281510.1025.

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## 1. Introduction

One of the steps in purchasing a decision is the purchase intention, which studies the consumer's behavior to purchase a particular brand. Researchers have identified various factors that influence consumers' purchasing decisions (Keller & Lehmann, 2006), including brand equity and point-of-purchase advertising (2013 Amechi & Long). The shopping point is the best place and the best time to communicate with consumers; because in those circumstances, they choose their Brand and decide to purchase. At this time and place, all sales elements (consumer, money, and product) are present (Shimp, 2008), and advertising affects consumers' purchase behavior, especially for consumer goods, and increases sales volume. And more brand recognition (Amechi & Long, 2013).

Point-of-sale advertising in the United States has become an industry with an investment of more than \$ 17 billion per year (Liljenwall, 2004). According to Holdershow and Konpka (2018), the position of products and the shelf spokesperson will increase product purchases. The importance of point-of-purchase advertising media in department stores in other countries is so great that manufacturers are willing to pay more to ensure that their products are strategically placed on retail shelves (Jesensky, 2013).

According to a report published by the International Advertising Institute at the point of purchase, 74% of in-store purchasing decisions are made (Liljenwall, 2004). The statistics provided show that the point of purchase can be an essential time and place to influence consumer behavior and their purchase intentions. Because point-of-

purchase advertising is the ultimate link in the advertising process, it facilitates the sale of goods and helps customers make unplanned purchases (Harris, 2010). Other studies conducted by the American Institute of point-of-purchase advertising in the United States confirm that decisions that are influenced by in-store factors are 70% and 74% for supermarkets and retailers, respectively; That is, out of every 10 purchases, 7 purchases are influenced by the point-of-purchase advertising. It goes without saying that point-of-purchase advertising is a significant factor in consumer shopping behavior (Mohammadian, Pourhosseini, 2012). Today, department store customers face problems with the multiplicity of different brands of a product; To the extent that they have to decide between a large number of different brands to choose a simple product (Kotler & Keller, 2011), in other words, customers do not pay attention to one-third of the brands on the shelves of department stores (Jesensky, 2013). Because of this, in-store advertising is a communication tool to attract consumer attention within stores. One of the issues facing companies in Iran is the bombardment of advertisements by traditional media such as television, radio, and magazines, targeting consumers and making people pay less attention to these media. In the meantime, it is necessary to have other advertising methods and other places to do advertising in which it can affect consumers and attract their attention. Therefore, the purpose of conducting research was the relationship between the point-of-purchase advertising and the purchase intention in the customers of chain stores.

## 2. Methodology

The research method was descriptive-correlational. The statistical population is all customers of Ofogh Kourosh and Refah chain stores in Gorgan, the number of which was unlimited and selected by convenience sampling, and 384 people were selected as a sample based on the Morgan table. In conducting the research, After providing a preliminary explanation about the measurement tool and the purpose of the test, how to answer the tests for participants was described in detail. Regarding ethical considerations, after obtaining the consent of individuals and giving the necessary information, they were assured that the information received will be used only in this research and will be protected from any abuse. A questionnaire was used to measure the research variables. In the first part of the questionnaire, demographic questions such as age, education, gender, etc., are raised. In the second part, the questions are presented to measure the research variables, so that for the point-of-purchase advertising, Jesensky (2013) questionnaire containing 11 questions and purchase intention,

Ardakani and Jahanbazi (2015) questionnaire containing 3 questions were used. The scale for answering questions was the Likert five-point range. To check the questionnaire's validity and reliability, their validity was reviewed and approved by experts, and their opinions were given to improve the questionnaire. Also, the reliability of the questionnaire was evaluated by Cronbach's alpha method, and the alpha value was 0.84, which indicates the optimal reliability of the measurement tool. Pearson correlation and regression were used to analyze the data. In all analyzes, a significance level of  $P < 0.05$  was considered.

## 3. Result

The results of the Kolmogorov-Smirnov test are presented in Table 1 (Table 1). The results of this test showed that the data distribution was normal ( $p > 0.05$ ).

Table 1: Descriptive statistics of research variables

Variable	Mean	Standard deviation	K-S Z	p
the point of purchase Advertising	47.6	7.34	1.08	0.49
Purchase intention	13.4	2.42	1.53	1.04

According to Table 2, the distribution of customers by gender shows that 243 were male and 141 were female.

Table 2: Number and percentage of subjects by gender

Gender	Frequency	percentage frequency
Female	243	0.63
Man	141	0.37
Total	384	0.100

Table 3 shows the subjects' distribution by level of education, according to which 174 people had a diploma, 168 people had a bachelor's degree, and 42 people had a master's degree.

Table 3: Number and percentage of subjects by the level of education

Education level	Frequency	percentage frequency
Diploma	174	45/0
BS	168	43/0
MA	42	12/0
total	384	100/0

The correlation analysis results showed a significant positive correlation between the point-of-purchase advertising and the purchase intention in customers (Table 4).

Table 4. Correlation between research variables

		Purchase intention
the point of purchase Advertising	r	0.38
	p	0.001

Regression was used to predict the willingness of customers to purchase from the point of purchase advertising. The regression analysis results in Table 5 show that the chi-square statistic is 31.08, which is less than 5% at the significance level, so the independent variables affect the dependent variable and indicate a good fit. The model's coefficient of determination is 0.374, which shows that logistic regression's independent variable explains 37.4% of the dependent variable's changes. According to the WALD statistic and its significance level, the point of purchase advertising is significant at 5% error. The positive coefficient of point-of-purchase advertising indicates its positive relationship with the purchase intention customers; that is, the more point-of-purchase advertising, the more the purchase intention customers.

Table 5. Summary of regression analysis

Variable	B	Standard error	WALD	Significance level
Intercept	0.15	0.642	0.028	0.864
the point of purchase Advertising	0.072	0.147	0.374	0.182
Chi-square Statistics (Significance Level): 31.08) 0.00(			coefficient of determination 0.374	

#### 4. Conclusion

The purpose of this study was to investigate the relationship between point-of-purchase

advertising and the purchase intention in chain store customers. The correlation analysis results showed a positive relationship between the point-of-purchase advertising and the purchase intention in the customers of chain stores, which means that with the increase of the point-of-purchase advertising, the purchase intention is higher in customers. These findings are consistent with the results of Heidarnejad (2014) and Rodriguez (2010). For example, in his research, Haidarnejad (2014) concluded that as soon as consumers see the store's advertising message, they play an essential role in increasing their purchase intention unplanned. A study by Rodriguez (2010) concluded that in-store advertising is an effective marketing tool in promoting brands and influencing consumers' purchasing intentions. Customer satisfaction can lead to subsequent behavioral tendencies, such as repurchasing and positive word-of-mouth marketing (Jalil, Fikri, & Izz al-Din, 2016). Some studies have shown a direct and significant effect between customer satisfaction and purchase intention (Rio, Han, and Zhang, 2010; Liang and Zhang, 2011; Liao, Lin, Liu and Chea, 2017). Ranjbarian, Kaboli, Sanayei, and Haddadian (2012), in a study conducted in chain stores in Tehran, concluded that perceived value affects customer satisfaction and repurchase intention satisfaction. The purchase intention again has a direct and significant effect. Bakirtas et al.'s (2015) study on the value of purchase value, consumer satisfaction, and purchase intention showed that customer satisfaction does not affect behavioral willingness. On the other hand, the theory of logical behavior of Ajzan and Fishban (1980) states that the most critical factor in performing an action by a person is the desire of the person who is influenced by the person's attitude towards the behavior and mental norms of the person (Rahimnia, Norouzi Nik And Yousefpour, 2016). According to research results, consumer preferences have a significant effect on increasing the purchase intention in shopping environments (Ziat and Fawzi, 2016). Studying the mental image of the organization shows that the customer has expectations before purchasing based on the mental image based on his previous experiences, friends, and company advertisements. Hence, a good image is a motivation to purchase, and the image of the store is influenced by behavioral intentions. (Saeda Ardakani and Jahanbazi, 2015). In-store environment, store design, and store size affect impulse buying. Hosseinzadeh Shahri and Khosravi (2013) investigated store image's effect on customer support and loyalty intention and did not find a positive relationship between in-store services and store space with supportive intention (real behavior and behavioral intention). Saeda Ardakani and Jahanbazi (2015) and Diallo (2012)

showed that the mental image of the store or the characteristics of the store has a direct effect on consumers' shopping behavior.

Recent studies have shown that marketing mixes are critical elements in creating brand equity and affecting the Brand's consumer perception. Among these elements, advertising is a key marketing variable of particular importance due to the allocation of large sums of money. Advertising is quite a common and essential factor in raising brand equity (Sriram & Kalwani, 2007). It is essential to understand how this factor affects brand equity's dimensions to allocate resources optimally and promote brand equity. Considering that the presence of quality brands facilitates the decision-making process, and high quality means that you choose a brand that is superior to other competitors; therefore, brand awareness has a significant impact on its purchase, and organizations should invest in advertising; Especially in low-conflict situations, brand recognition and perceived quality are more effective than physical indicators. Among the factors that have the most significant and most important impact is advertising, brand awareness (Radder & Huang, 2008). Studies on the effects of two critical elements of marketing communication programs, advertising, and sales promotion, on brand equity creation, show that people's attitudes toward advertising play a key role in the dimensions of brand equity (Buil et al., 2013).

For a brand to be chosen by the consumer, the following conditions are necessary: First, the Brand must be present in the consumer's set of choices; second, the customer must prefer the Brand to other brands of their choice. Advertising can facilitate one or both of these situations.

Although all marketing activities are essential, it is believed that advertising has a more significant impact on creating and maintaining brand equity. Due to the importance of advertising, consumer goods companies usually spend a large part of their financial resources on advertising, which is about 46 to 40 percent of their annual sales. In a study that aimed to investigate the effects of in-store advertising on brand awareness using three types of advertising activities, such as in-store advertising, sample presentation, and discount coupons, they found that in-store advertising in the awareness of Brand also influences consumers' purchasing intent (Wang, 2004).

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