

PRODUCE MERCHANTISERS' PREFERENCES FOR  
POINT-OF-PURCHASE ADVERTISING MATERIALS

by

Robert L. Degner and Kary Mathis

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Food and Resource Economics Department  
Institute of Food and Agricultural Sciences  
University of Florida  
Gainesville, Florida 32611

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Introduction

Fifteen years ago, U. S. agricultural groups spent an average of 10 percent of their annual budgets on point-of-purchase (POP) advertising [7]. Although current, precise figures on POP advertising by agricultural commodity groups are not available, some Florida commodity groups spend considerably more than 10 percent of their total budgets for POP advertising. It is estimated that approximately \$1 million will be spent during 1977 for POP advertising material to promote Florida agricultural products. Commodity organizations with modest budgets cannot engage in effective television, radio, or newspaper promotion campaigns because of prohibitive costs. POP advertising is one of the few remaining promotional activities which many smaller organizations can afford to use.

A primary concern among POP advertisers is retailer acceptance of their material. A major U. S. food retailer interviewed by Florida Agricultural Market Research Center personnel estimated that only 25 percent of the POP advertising material received by his firm was utilized. Others also said much was wasted, which agrees with previous research [5]. There are very few recent published reports that deal specifically with the use of POP for produce items. One study attempted to measure the overall effect of POP on sales of fresh grapefruit, but did not evaluate factors affecting the use of POP per se [10]. Other works have dealt with POP use in grocery stores in a general way or else have focused on items other than produce [2, 5, 6, 7].

The objective of this report is to indicate the types of POP advertising materials preferred for fresh produce items by produce merchandisers of major food retail firms. Although adequate data were not obtained to provide quantitative responses in most cases, the qualitative results can

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ROBERT L. DEGNER is assistant professor and KARY MATHIS is associate professor of food and resource economics, University of Florida.

be used by agricultural commodity groups to develop POP materials that better fit the needs and preferences of major retailers, thereby increasing the chances that the materials will be used.

Research Procedure

Produce merchandisers for major food retailers in Los Angeles, Chicago, Philadelphia, Boston and Detroit were interviewed to analyze marketing problems for the Florida celery and lime industries during the period May through October, 1976. Although these two studies did not focus directly on POP materials, merchandisers were asked about their use and preferences for POP [4, 8].

Because produce merchandisers' preferences for point-of-purchase materials for the two commodities were found to be quite similar and because virtually all produce merchandisers expressed general preferences for POP advertising material, it is very likely that generalizations for fresh produce other than celery and limes are justified.

The produce executives interviewed represented a total of 38 food retailers which controlled approximately 4,200 supermarkets in the five market areas. The combined market shares of the firms interviewed in the respective areas ranged from nearly 84 percent in Los Angeles to 53 percent in Boston (Table 1).

Table 1.--Market areas, number of firms, number of retail stores, and combined market shares of firms included in study

Market area	Firms	Retail stores	Combined market share
	-----Number-----		Percent
Los Angeles	11	1,417	83.7
Chicago	8	1,377	83.0
Philadelphia	6	387	59.0
Boston	8	507	53.0
Detroit	5	513	71.0
Total	38	4,201	----

## Research Findings

### General Considerations

Point-of-purchase advertising is used for produce by all firms interviewed. Nearly all firms readily accept POP material, review it, and forward it to their retail stores if suitable. Only one large firm prefers to print its own POP material in order to maintain a uniform store appearance. All merchandisers were asked to indicate their preferences for POP materials, and major interest was expressed for three basic types of POP materials: price-cards, recipes, and pictures of the product. Large items such as window signs, banners, and over-the-wire hangers were also mentioned, but were not very popular. Large materials appear to be less important today than in the past [5]. Produce merchandisers voiced concern over four problem areas with regard to POP advertising materials. They were: (1) quality, (2) quantity, (3) size and (4) convenience of use.

### Quality

A frequent request was for "high quality, tastefully designed" materials. Although taste and quality are somewhat nebulous, merchandisers indicated a preference for items printed on high quality materials with attractive full-color pictures of the product. Attempts to economize on the weight of printing materials or in use of color are usually "penny-wise and pound foolish." Also, printed messages, if used, should be kept brief. Merchandisers also requested that tie-in items be included if possible to increase the versatility of the POP materials. This is consistent with earlier findings [5].

### Quantity

Several large firms complained of receiving too few materials to satisfy the needs of all stores within a management unit. Several merchandisers said that if they did not receive enough kits to provide at least one per store, none was used. When more than adequate quantities of desirable materials are provided to merchandisers, the extras are sent

to large, high-volume stores where larger display areas may allow the produce manager to utilize additional POP material.

Merchandisers particularly wanted larger quantities of price cards and recipes. Price cards are used up quickly because of price changes, and consumers "really pick the recipes," according to executives interviewed.

### Size

The size of POP advertising materials, particularly for price-cards and pictures, is a key factor in determining whether or not the materials are used. All produce managers were asked for their preferred dimensions for POP materials. Most preferences were expressed as a maximum; almost all indicated a desire for smaller materials than they currently receive. Their most common complaint was that many items received were too large.

Although 15 different dimensions were specified as "preferred," there was considerably more agreement than is apparent at first glance. There was also a fair degree of flexibility; fourteen of those interviewed also gave a second choice of dimensions. When first and second choices are analyzed together, 16 percent of the choices were for POP materials 5 to 5 1/2 inches vertically by less than 14 inches horizontally (Table 2). Eighteen of 49 choices, 37 percent, preferred a fairly standard 7" x 11" format. Another large group, 31 percent of the choices, preferred the relatively common 11" x 14" materials.

Sizes larger than 12" x 12" were not given as a first choice by any of the produce managers interviewed, and only four gave such sizes as a second choice (Table 2). The few merchandisers that expressed preferences for the larger dimensions were affiliated with cooperative chains that served a diverse group of retail outlets.

It is also essential to recognize the importance of the vertical and horizontal dimensions. A card which measures 11" vertically by 14" horizontally has a much better chance of being used by retailers than one which measures 14" x 11". The primary reason is that many stores have double-tiered produce racks and material that is too "tall" tends to block shoppers' view when suspended above the product on either level.



Table 2.--Sizes of point-of-purchase material preferred by produce merchandisers in five major market areas

Dimensions		First Choice		Second Choice		Combined	
Vertical	Horizontal	Number	Percent	Number	Percent	Number	Percent
-----Inches-----							
5	X 9	1	3	0	0	1	2
5	X 7	1	3	0	0	1	2
5 $\frac{1}{2}$	X 7	2	6	0	0	2	4
5 $\frac{1}{2}$	X 8	0	0	1	7	1	2
5 $\frac{1}{2}$	X 11	0	0	1	7	1	2
5	X 11	1	3	0	0	1	2
5	X 14	0	0	1	7	1	2
7	X 11	17	49	1	7	18	37
9	X 12	1	3	0	0	1	2
11	X 14	11	31	4	29	15	31
12	X 12	1	3	0	0	1	2
14	X 11	0	0	2	14	2	4
22	X 28	0	0	1	7	1	2
24	X 36	0	0	1	7	1	2
>24	X >36	0	0	2	14	2	4
Totals		35	100 <sup>a</sup>	14	100	49	100

<sup>a</sup>Does not sum to 100 percent due to rounding.

Another basic consideration in determining POP material size is the nature of the commodity, i.e., the usual importance of the item to the produce department. Bulky, high-turnover items will typically justify larger shelf space and consequently larger POP material than items which are usually allocated small display areas. It does not follow that providing large POP materials will encourage large displays of the promoted item; this strategy may occasionally pay off, but generally, if the material does not fit the usual display space, it is discarded.

#### Convenience

Retailers have been faced with rapidly escalating labor costs. Thus, they are concerned with keeping labor requirements at a minimum. Merchandisers expressed concern about installation and removal of POP materials. They require materials that are quickly and easily installed and removed. Several merchandisers said that they would not use "stick-on" (self-adhesive) materials. Although such materials are easy to apply, they are

difficult to remove. Several firms prohibit the use of transparent tape to install POP material as well. Removal of adhesive materials not only requires valuable employer time, but may also cause damage to display cases and other surfaces where materials are placed. Further, haphazard removal frequently results in a dirty, messy appearance. Thus, care must be taken in selecting materials to ensure convenient installation and removal.

Additional details pertaining to POP advertising material quality, quantity, size, and convenience of use appears under specific types of materials. Discussion of price-cards, recipes, pictures, and large format materials appears below.

### Price-Cards

Price-cards were the most popular form of materials, mentioned by nearly two-thirds of the merchandisers (Table 3). Most were quick to specify detailed characteristics and to elaborate on problem areas. Many firms complained of receiving too few price-cards. Related to this was the common complaint that the usable life of price-cards is too short. This criticism has been reported by others [1]. Retailers said that price-cards are frequently good for a brief exposure period such as a special price period which may last only three or four days, after which the material is usually discarded. Many retailers will feature or special a specific produce item numerous times during its season, but merchandisers said that stores quickly use up their supplies of price-cards. Merchandisers suggested that the cards be made of a durable material such as plastic so that prices could be easily wiped off and the cards reused. Another suggestion was to provide slotted cards in which standard-sized plastic price numerals could be inserted.

An alternative to the obviously expensive re-usable price-card would be to provide larger quantities of a less expensive card, either initially or at intervals during the season, provided the season is of sufficient duration. Supplying a few at intervals would probably be more effective since distribution would tend to remind produce merchandisers and buyers of the product's availability and promotability. Obviously, the length of the season and anticipated feature periods should be considered in determining the number and distribution frequency of price-cards to furnish retailers.

Table 3.--Types of point-of-purchase material preferred by produce merchandisers in five major market areas, 1976

Type of material preferred	Number	Percent <sup>a</sup>
Price cards	24	63
Recipes	18	47
Pictures, conventional and die-cut	16	43
Large items, i.e., over-wire hangers, window signs	2	5
None	<u>1</u>	<u>3</u>
	---b	---b

<sup>a</sup>Based on responses from produce merchandisers of 38 firms.

<sup>b</sup>Not summed because of multiple responses.

Price cards are relatively convenient to install and remove. They are generally placed near the produce items in relatively accessible locations as opposed to over-the-wire hangers and banners which usually require ladders and perhaps several workers to install and remove. The cards are frequently held above tables and racks by means of clips attached to horizontal wires, with tape, or in metal frames designed specifically for price-cards or pictures. These frames are usually 7" X 11" in size, which partially accounts for the large number of merchandisers preferring this size material. Price-cards with self-adhesive backs would probably not be well accepted.

#### Recipes and Nutritional Information

Eighteen of the 38 produce merchandisers mentioned recipes as an effective POP advertising technique for produce (Table 3). Several large firms have "consumer service centers" or "food information centers" where nutrition literature and recipes are made available to shoppers. Most firms, however, display recipes along with the product being promoted by the recipes. Virtually all merchandisers said that recipes were very popular with shoppers, but one felt that most of the recipes taken were wasted. One merchandiser expressed concern over recipes because he felt that they contributed to litter and clutter in the store. The negative statements about recipes were considerably outweighed by the positive. Most of the

merchandisers felt that recipes enhanced sales, although no specific examples could be cited. A frequent complaint was that too few recipes were usually provided. The standard 3" X 5" recipe card was the preferred size, mentioned by several merchandisers. The preferred form for distribution of recipes was a tear-off pad which is usually stuck onto a larger piece of POP advertising material. This arrangement is satisfactory for those firms that display the recipes along with the product, but the firms with "consumer service centers" with bulletin boards or recipe racks need recipes in other forms. Preferences were expressed for recipe leaflets with holes in them for display on pegboard-type hooks or recipes which could be displayed in small pockets.

Some major food retailers are augmenting recipe materials provided by agricultural commodity organizations, food processors, and manufacturers with in-house materials. A major reason is that nutritional aspects of foods and consumer services are receiving increasing attention. Some firms have home economists on their staffs whose primary responsibilities are to develop combination public relations, consumer education, and product promotion programs. As part of their activities, various items are periodically featured. In produce departments, items are featured for approximately two weeks to one month.

The "feature" consists of providing store-developed and printed POP material which gives the consumer a "thumbnail sketch" of the product: selection tips, basic nutritional data, serving suggestions, and other bits of general interest information. The usual format is relatively small, typically 3" X 5", the popular recipe card size. Some retailers use lightweight paper stocks but one used a heavier cardstock which is probably more convenient for shoppers.

In addition to distributing recipes in conventional printed form for pad, pocket, or hanger distribution, some firms put recipes on the rolled, tear-off polyethylene produce bags commonly used in produce departments. The bags typically contain several recipes, and may be effective in promoting some commodities. However, this distribution technique has several shortcomings. The same recipes may appear for an extended period of time until a given stock of bags is depleted. Repetition may enhance awareness to some degree, but it may eventually dull the effectiveness of the recipe distribution technique if the same recipes are used too long. Another

factor is that the bags are used for a wide range of produce items unrelated to the recipes on the bags. The shopper may not read the recipe in the store, and the immediate impulse effect which can stimulate sales may be lost. However, this form of recipe distribution should be explored, particularly where retailers have home economists on their staffs.

Another important aspect of recipe-related POP material is that of printing recipes directly on consumer-sized packages. Where produce is shipped in bulk, this is not feasible, but it may be worthwhile for those commodities that are pre-packaged. It may also be possible to work with major repackers to include recipe materials in or on packages.

### Pictures

Pictures and die-cut materials showing produce items were mentioned by 16 of the 38 merchandisers as effective point-of-purchase materials (Table 3). "Die-cuts" are pictures with irregularly shaped cut-outs. These materials are differentiated from price-cards in that they do not provide a space for prices.

One advantage of pictures is somewhat longer shelf-life since they do not include prices. Another is the flexibility which they give retailers. Several pieces may be put together to form a large display if desired. This is especially true of materials such as the orange and grapefruit die-cuts distributed by the Florida Department of Citrus in recent years and the celery stalks provided by the Florida Celery Exchange.

Although pictures are popular with merchandisers, they expressed concern over the size and the method of attaching them. The preferred sizes were relatively small, similar to those for price-cards (Table 2). Installation and removal problems were mentioned in conjunction with picture materials too. Four merchandisers said that their firms would not use "stick-on" (self-adhesive) materials which are sometimes used for die-cuts because of the difficulty of removal.

### Large Materials

Large materials include over-the-wire hangers and window signs. Most of these materials are at least 22" X 28", or 24" X 36" and larger. Very little interest was shown in those for promotion of produce items (Table 3). Only four merchandisers mentioned them, and only as a second choice (Table 2). The firms that wanted large materials represented voluntary cooperatives with considerable variation among stores. Large materials may attract considerable attention, but they have several disadvantages which may preclude their use. They are frequently difficult to install and remove, and they may detract from the overall decor of newer, more fashionable stores. Further, when stores use large materials such as window signs or wire-hangers, they prefer uniformity which can usually be obtained only by preparing their own.

### Summary

Most agricultural commodity organizations in Florida and many other states as well use point-of-purchase advertising materials to promote their products. Considerable expense is incurred in developing, printing, and distribution of these materials. A major concern is that retailers may not utilize them even though they are provided at no cost. The objective here is to report retailers' preferences for POP materials so that materials can be designed which will result in greater usage.

The produce merchandisers of 38 major food retailing firms in Los Angeles, Chicago, Philadelphia, Boston, and Detroit expressed interest in four basic forms of POP material. Approximately two-thirds mentioned price-cards as a preferred type of POP, nearly half mentioned recipes, and 16 of the 38 requested pictures of the products. Large materials, i.e., those with dimensions larger than 11" X 14" evoked some interest but are not popular with produce merchandisers for promoting individual commodities.

Merchandisers had four concerns in regard to all forms of POP materials. They were (1) quality, (2) quantity, (3) size and (4) convenience of use. Large retailers are extremely conscious of the image that their stores project to customers. POP materials that appear cheap or

shoddy may be viewed as detrimental to a favorable image, and therefore, not used. POP advertising should be printed on high grade stock in color.

Merchandisers complained about the quantities of materials received, particularly price-cards. Suggestions included (1) provide more price-cards, (2) make them re-usable. Since prices may change quickly, the usefulness of price-cards is frequently short-lived. When materials are provided to retailers, it is essential to provide adequate numbers of kits for all stores. Some firms will not distribute any materials unless sufficient quantities are received to insure at least one per store.

Size is a critical factor in determining whether or not POP material is used. Virtually all preferred materials smaller than 11" X 14". The typical supermarket may stock from 150 to well over 200 different produce items, so space is at a premium. The size of the material should also be related to the typical display space allocated to the item being promoted under normal retail conditions and feature situations.

The cost of store labor makes convenience of use imperative. Materials must be easy to install and remove, or they will probably not be used. Alternative means of attaching display materials to cases should be explored; if adhesives are used, they should be investigated thoroughly to make certain that they can be removed without leaving a residue.

In conclusion, POP advertising materials offer agricultural commodity groups a relatively low-cost means of promoting their products. POP materials offer direct contact with consumers when all the necessary elements are present to consummate a sale and they also provide visibility with produce buyers and merchandisers during distribution of the materials. However, consideration should be given to several points before proceeding with a POP advertising campaign. Materials should be pretested with produce merchandisers to get their reaction since they are the first major hurdle in getting POP used. Also, the materials should be copy tested to determine what message is perceived by shoppers. Finally, there is a prevailing optimistic feeling among food retailers, agricultural commodity groups, and industry consultants that POP materials are effective in increasing product movement [3]. However, as indicated at the outset, few rigorous studies have been conducted which objectively evaluate them. Some studies have

shown substantial sales increases for some products, and very little, if any, benefit for others [2, 6, 10]. If sizeable expenses are incurred in a POP advertising program for produce items, formal market research should be considered to evaluate the effects of the material on sales.



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