An Exploratory Investigation Into the Role of Shelf-Edge Signage in Urban Grocery Consumers’ Decision-Making Behaviour

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This exploratory investigation conducted within the context of South African grocery retail outlets describes the informational value of shelf-edge signage in urban consumers’ decision-making processes. The findings of this qualitative study emphasize the role of such in-store signage in providing price-, product- and retail-related information in grocery consumers’ limited decision-making processes. Yet, it is also evident that the value of such signage diminishes when consumers engage in habitual decision-making. Furthermore, retailers should take note of the adverse effects of blocking mechanisms that inhibit the use of such signage on consumers’ potential grocery shopping behaviour.

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AN EXPLORATORY INVESTIGATION INTO THE ROLE OF SHELF-EDGE SIGNAGE IN URBAN GROCERY CONSUMERS’ DECISION-MAKING BEHAVIOR

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EXTENDED ABSTRACT

The grocery industry has a vast influence on the South African economy, as is the case in most other parts of the world. This industry includes all forms of outlets, predominantly focused on the reselling of groceries, toiletries and confectionery. Within the South African context, these outlets have been estimated at a total of 69,771 stores with a turnover of close to R64,729 million in 2002 (ACNielsen 2002). Considering the impact of this industry, it stands to reason that grocery shopping and the retail environment in which it occurs has been studied extensively from several different perspectives. An aspect that has however received far less attention, is the shelf-edge signage (also referred to as “shelf-edge labels” or “shelf talkers”) used in the grocery retail environment. Most grocery outlets make use of shelf-edge labels, primarily to communicate product and price information (Food Marketing Institute 2001). Piemonte (2001) defines it as a printed card designed to be attached to the shelf, carrying a message about the product. Although grocery retailers’ use and application of shelf-edge signage seem to revolve around the communication of information to the consumer, the question posed is whether consumers indeed use the information included on shelf-edge signage in their selection of grocery items. Empirical findings suggest that consumers either engage in nominal or limited decision-making during the acquisition of grocery items (Burgess 1998). These types of decision-making involve low purchase involvement and low perceived risk, resulting in limited or no external search for information. The value of shelf-edge signage as an external source of information is therefore questioned.

Yet, various studies have in fact highlighted the significant impact of signage in retail stores and in particular the value it has as cues for information about products (Inman et al. 1990 and Jansson et al. 2003). Inman et al. (1990) conclude that some consumers would pay more attention to signage and cues surrounding the product, than the product itself in their decision-making processes. Considering the fact that most decision-making processes occur within the store environment (Kahn and McAlister 1997, Iris 2002, Hui 2004) some might argue that the use of in-store information such as provided by shelf-edge signage is inevitable. In this regard, organisations such as the Food Marketing Institute (2001) argue that the use of shelf-edge signage is not without problems. A typical example would include the occurrence of pricing discrepancies that may cause dissatisfaction among consumers. The above research findings (derived from countries other than South Africa), reflected some of the initial ideas on the possible influences of shelf-edge signage on urban consumer decision-making processes within South African grocery retail outlets. The ideas were however mere speculation, since no empirical research had been conducted on the topic within the South African context prior to this study. The lack of empirical findings inspired a qualitative naturalistic research design (Fouche and Delport 2002), during which data were collected in the context-specific settings of grocery retail outlets. In applying a phenomenological approach, data collection techniques were used with the intention of exploring and describing the consumer’s point of view.

To address the limitations within existing empirical research findings, the present study was focused on exploring the influence of shelf-edge signage in the decision-making processes that accompany urban consumers’ acquisition of grocery products within a South African context. The first objective was to determine the informational value of shelf-edge signage in consumers’ nominal and limited decision-making when selecting grocery items. Secondly, problems that consumers’ may incur in their use of shelf-edge labels were investigated. Consumers’ recommendations on how shelf-edge signage could be improved to better facilitate their selection of grocery items were included as a third objective. The findings of this study proved that shelf-edge signage is of value as an external source of information to consumers who engage in limited decision-making. These consumers require product-, price- and retail-related information when, for example switching brands or trying new products. During nominal decision-making, such as in the case of brand loyal or repeat purchases, consumers tend to rely on internal sources of information to guide their purchasing decisions. In these instances shelf-edge signage had no significant role in influencing the purchasing decision.

The study also provided clarity on the problems that consumers may incur in the use of shelf-edge labeling. Certain blocking mechanisms were identified which included incorrect information on the shelf-edge signage, incorrect positioning of the signs, illegibility and consumers’ time constraints. These aspects inhibit the potential informational value of shelf-edge signage in consumers’ search for relevant information, albeit limited in nature. Of particular interest to retailers and marketers are consumers’ reactions to these blocking mechanisms. Some consumers would demonstrate no response to these obstacles whereas others would simply ask for assistance and continue their search for relevant information. Yet, some consumers indicated that blocking mechanisms influence their behaviour to such an extent that they would not purchase the product or walk out of the grocery store. Clearly, these situations tarnish the retailer’s reputation and have a detrimental effect on retailers’ as well as manufacturers’ sales and revenues.

Most of these blocking mechanisms can be controlled by the retailer as it is often caused by human error. The implementation of electronic shelf-edge labeling may be considered beneficial in this regard, as it would enhance data integrity, provide more accurate information and enable more secure positioning. Consumers emphasised the importance of these aspects in their recommendations on how shelf-edge signage could be improved. It was concluded that the type of information currently communicated by shelf-edge signage is important, but consumers suggested that retailers could further develop the informational value of such signage by adding information pertaining to product ingredients and nutritional value. This would however depend on the retailer’s ability to maintain accurate descriptions and correct placement of the signage.

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Southern Africa.


