

# **The impact of in-store product demonstrations on the consumers' purchase behaviour**

Written by:

Stefanie Knijnenburg

Student ID: 1583740

June 10, 2014

GRADUATION ASSIGNMENT SUBMITTED IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS FOR THE DEGREE OF BACHELOR OF  
COMMUNICATION SYSTEMS OF THE INSTITUTE OF COMMUNICATION  
AND JOURNALISM AT THE UTRECHT UNIVERSITY OF APPLIED  
SCIENCES

# Preface and acknowledgements

---

This thesis was written in completion of my bachelor. The topic was chosen due to my own interests in this area of expertise. Additionally I worked at a field marketing organization as an in-store product demonstrator. The uses and effects of in-store demonstrations have always interested me and this thesis gave me a good opportunity to find out more about in-store product demonstrations.

Although having experience in the field itself can provide for a biased view of the researcher, this was avoided as much as possible. Even though there are some downsides to having experience in the field, it also provided me with a network which I could use in my research.

I could not have completed this research without certain companies and people. First of all I would like to thank my supervisor Radmila Radojevic, for her guidance and advice throughout the entire process. The DFMA, for providing me with information on previous researches. Ruth Leijting, (Corporate Communications and Public Relations Advisor at the Mediamarkt) For allowing me to stand at the exit of the stores of the Mediamarkt for several days in order to approach consumers about in-store product demonstrations. The field marketing organizations who were willing to do interviews about the topic. The colleagues within the field of in-store demonstrations, who helped me with my observations. Ad Franzen, Paul Williams and Dirk van der Hoeven, whom gave advice on several aspects in my research.

# Abstract

---

This study is conducted in order to recommend companies within the technological industry in which circumstances in-store product demonstrations are most beneficial to use. This recommendation is obtained through examining the uses and effects of in-store product demonstrations on the purchase behaviour of the consumer.

The literature review defines in-store the uses of in-store product demonstrations and explores all research which was conducted within the Netherlands and outside of the Netherlands. In addition it highlights the key factors of in-store product demonstrations, namely: product experience and face-to-face communication with the demonstrator. Finally, it examines the consumer decision making process and the factors influencing this process. These factors are identified as: purchase intention, product perception, consumer learning, and consumer attitude.

The impact of in-store product demonstrations on the consumers' purchase behaviour was measured next. This was done by examining the effects of the demonstration on said factors influencing on purchase behaviour through a questionnaire. The direct observations of demonstrators and interviews with experts in the field provided information about the circumstances in which the demonstrations are most beneficial to use. Together these research methods provided the answers to the research questions which lead to the overall advice:

The use of product demonstrations is most beneficial for companies to implement in-store product demonstrations when products need a boost of attention, or need more visibility. This can either be a new product, a product which needs more awareness, or a product consumers need to be reminded of. Though products with low brand awareness are harder to sell than products with high awareness, the demonstrations still have the desired effect for the brand. Product demonstrations directly cause consumers to listen less to their product perception, the interest of the consumer in the demonstrated product also becomes larger. Other effects are that the product perception rises considerably when having seen a demonstration. The product perception in turn has a large effect on purchase intentions, from this we can conclude that product

demonstrations have an indirect effect on future purchases. Furthermore, consumers like the experience and appreciate the personal attention of the consumers.

# Table of contents

---

<b>1 Introduction</b>	<b>page 1</b>
1.1 <i>Problem description</i>	<i>page 2</i>
<i>Relevance</i>	<i>page 3</i>
1.2 <i>Research questions</i>	<i>page 3</i>
<i>Justification</i>	<i>page 4</i>
1.3 <i>Restriction to the research</i>	<i>page 4</i>
1.4 <i>Chapter division</i>	<i>page 5</i>
<b>2 Literature research</b>	<b>page 6</b>
2.1 <i>Consumer purchase behaviour</i>	<i>page 6</i>
<i>Input</i>	<i>page 7</i>
<i>Consumers' decision making process</i>	<i>page 7</i>
<i>Post decision behaviour</i>	<i>page 8</i>
2.2 <i>Factors influencing purchase behaviour</i>	<i>page 8</i>
<i>Psychological factors influencing purchase behaviour</i>	<i>page 9</i>
<i>Situational factors influencing purchase behaviour</i>	<i>page 12</i>
2.3 <i>In-store product demonstrations</i>	<i>page 15</i>
<i>In-store demonstrations as a discipline of field marketing</i>	<i>page 15</i>
<i>Research on effects of in-store product demonstrations in the Netherlands so far</i>	<i>page 17</i>
<i>Research conducted into the effects of product demonstrations outside of the Netherlands so far</i>	<i>page 18</i>
<i>In-store demonstrations compared to other sales promotion tools</i>	<i>page 22</i>
<b>3 Research structure</b>	<b>page 25</b>
<b>4 Methodology</b>	<b>page 27</b>
4.1 <i>Scope of research</i>	<i>page 28</i>
4.2 <i>Research instruments</i>	<i>page 29</i>
<i>Interviews</i>	<i>page 29</i>
<i>Questionnaire</i>	<i>page 30</i>
<i>Observation</i>	<i>page 31</i>
<b>5 Research findings</b>	<b>page 32</b>
5.1 <i>Interviews</i>	<i>page 32</i>
<i>The desired effect on the consumer</i>	<i>page 32</i>
<i>When to use in-store product demonstrations</i>	<i>page 32</i>
<i>The difference between high-end technological goods and low-end convenience goods</i>	<i>page 34</i>
<i>In-store product demonstrations in comparison and combination with other promotional tools</i>	<i>page 35</i>
<i>The long-term effects of in-store product demonstrations</i>	<i>page 36</i>
<i>The impact of the situational factors</i>	<i>page 36</i>
5.2 <i>Questionnaire</i>	<i>page 38</i>
<i>Research descriptives</i>	<i>page 38</i>
<i>Statistical analyses</i>	<i>page 40</i>
5.3 <i>Observation</i>	<i>page 46</i>
<i>Impact of product demonstrations on the consumers purchase</i>	<i>page 46</i>

	intention	
	Circumstances in which product demonstrations take place	page 46
	In-store product demonstrations in comparison and combination with other sales promotion tools	page 47
	Difference between high-end technological goods and low end convenient goods	page 49
	Technology	page 49
<b>6</b>	<b>Conclusion</b>	<b>page 51</b>
<b>7</b>	<b>Recommendation</b>	<b>page 58</b>
	7.1 Checklist	page 63
<b>8</b>	<b>References</b>	<b>page 62</b>
<b>9</b>	<b>Appendix</b>	<b>page 66</b>

# List of figures tables and graphs

---

## *Figures*

Figure 1: The consumer decision making process	page 7
Figure 2: The playground of Field Marketing	page 15
Figure 3: In-direct effect of product demonstrations on purchase Intentions	page 51

## *Tables*

Table 1: Possible models	page 41
Table 2: Likelihood ratio tests	page 42
Table 3: Parameter estimates	page 43
Table 4: Consumers who have seen the demonstration	page 75
Table 5: consumers who have participated in the demonstration	page 75
Table 6: consumer is familiar with the product	page 75
Table 7: consumer was planning to purchase the item before seeing the demonstration	page 75
Table 8: The purchase intention of the consumer	page 76
Table 9: The purchase intention of the consumer 7 years ago	page 77
Table 10: Consumer liked the product	page 77
Table 11: Consumer thought the product was of good price	page 78
Table 12: Consumer thought product was of good quality	page 78
Table 13: Consumer likes to purchase products of this brand	page 79
Table 14: Consumer liked experiencing the product this way	page 79
Table 15: Consumer liked the personal attention of the demonstrator	page 80
Table 16: Consumer obtained the information he/she needed	page 80
Table 17: The consumer thinks more about his/her purchases	page 81
Table 18: the consumer thinks the recession has a restraining influence	page 81

on purchases

Table 19: I liked the demonstrated product * Has participated in a demonstration	page 82
--	---------

Table 20: The price of the product is good * Has participated in a demonstration	page 82
--	---------

Table 21: The product is of good quality * Has participated in a demonstration	page 83
--	---------

Table 22: I like to purchase products from this brand * Has participated in a demonstration	page 83
---	---------

Table 23: linear regression	page 83
-----------------------------	---------

### *Graphs*

Graph 1: Effect of demonstration on product perception	page 40
--	---------

Graph 2: Product perception vs probability of purchase intention	page 44
--	---------



# 1 Introduction

---

Consumers are constantly influenced by their environment, especially at the point of purchase. These influences come from out-of-store-based memories, like brand loyalty and references from the social cultural environment, and in-store attention based factors like the product, advertisements, shelf position and price. (Kotler and Armstrong, 2009) According to research by the Point Of Purchase Advertising International (POPAI, 2012) 76% of purchase decisions are made in stores. This would imply that it is a profitable for companies who wish to improve their sales to use in-store marketing. In order to favourably affect the consumers purchase behaviour at the point of purchase companies use various different strategies in sales promotions. These include special displays, price promotions, product sampling, and product demonstrations.

In this study, only one form of product or marketing experience is examined namely: in-store product demonstrations. During in-store product demonstrations the product is shown to the consumer. The consumer is able to experience, touch, and try out the product for themselves. Often a demonstrator or brand ambassador is used. This person is specialised in the product and communicates the message and the benefits of the product, while the consumer gets the chance to try out the product. (DFMA, 2014; Heiman et al., 2001; Kotler and Armstrong, 2010) This promotional tool is mainly recommended for high-end products which need additional explanation. (Heiman et al., 2001) However, manufacturers use this tool more often for convenience products which have an attribute that could use more explaining. For example: pomegranate juice with added cranberries which is good for ones bladder. (DFMA, 2014) Many companies, such as Nestlé, Unilever, Procter & Gamble, and Makro hire external companies specialized in field and experiential marketing, in order to promote and sell their products by use of in-store demonstrations.

This research explores the impact of in-store product demonstrations consumers' purchase behaviour. It also examines in which circumstances this would be a valuable tool to be applied by companies. The research focuses on the high-end technological industry and is directed towards any company in the high-end

technological industry which considers in-store product demonstrations as part of their marketing communication mix.

## 1.1 Problem description

Companies are always searching for new ways to make an impact on the purchase behaviour of the consumer. As briefly mentioned in the introduction, a study dating from 2012 by The Point of Purchase Advertising International (*2012 Shopper Engagement Study*) showed that 76% of all the purchase decisions are made in-stores. This study suggests that even though consumers are more able than ever to make responsible buying decisions through online services, they are still increasingly susceptible to in-store sales promotion.

This thesis focuses on product demonstrations as this is the tool which has been scarcely examined in the Netherlands. Furthermore, to examine the effects of every in-store promotional tool would make the research too broad considering the time limit.

During in-store product demonstrations, the use of a product is demonstrated and explained in a retail outlet by a demonstrator. In-store product demonstrations are used most often in large department stores, supermarkets, or mass-merchandise outlets that exhibit very heavy consumer-traffic pattern. (DFMA, 2014) It is mainly used as a way to reduce uncertainty concerning the product, to introduce new products, to reduce resistance towards sales and to give the consumer the opportunity to learn more about the product (Heiman, McWilliams and Zilberman, 2001; Freedman and Fraser, 1966; Scott, 1976). In-store product demonstrations are widely used by retailers, companies, and brands. Various field marketing organizations explain the uses and effects on their websites. However, currently, little research has been conducted into in-store product demonstrations and its effects in the Netherlands. The research that was conducted in in-store product demonstrations in the Netherlands has been commissioned by the Dutch Field Marketing Association (DFMA)<sup>1</sup> Hence, the main source of reference to this research is the DFMA. However, even the DFMA has not conducted much research into the effects of in-store product demonstration in the Netherlands. In

---

<sup>1</sup> This is an industry association for companies who operate in field marketing, of which In-store demonstrations is a discipline of. More information about the organization may be found in the appendix.

2008 the DFMA commissioned a three year research tract investigating various disciplines in field marketing, however only one research was conducted specifically on in-store product demonstrations. This research can be found online, though it has never been published under an academic source<sup>2</sup>.

### *Relevance*

Since in-store product demonstrations are widely used within the Netherlands, this ensures the relevance concerning research on this marketing instrument. However, the research that was undertaken was mainly focused on low-end grocery products and the use of face to face communication in promotional tools. The researches failed to explain under what circumstances it is beneficial for a company to use product demonstrations or what the effects the tool can have on high-end technological products. Further research that was conducted into the in-store product demonstrations (among which the researches mentioned in the introduction) was conducted outside of the Netherlands.

Therefore the contribution of this research focuses on the impact of product demonstrations in the high-end technological products industry, in the Netherlands. The research aims to evaluate the uses and practices of in-store product demonstrations, and examines in which circumstances it is most profitable to use in the high-end technological products industry.

## **1.2 Research question**

The main research question is formulated as followed:

*What is the impact of in-store product demonstrations on the consumers' purchase behaviour, in the high-end technological product industry in the Netherlands?*

- A. How do in-store product demonstrations as a marketing communication instrument affect the consumer in its purchase decision making process?
- B. In which circumstances is it advisable for companies operating in the high-end technological industry to use in-store product demonstrations as a marketing communication instrument?

---

<sup>2</sup> <http://www.events.nl/nieuws/tot-15-keer-meer-verkoop-dankzij-productdemonstratie-7310283b62a8c556.html>

## *Justification*

This research question is divided in two parts. The first priority lies in the examination of the impact of in-store demonstrations on the consumer purchasing behaviour. From this basis, I will proceed to answer the second question, which is the advisory question of this research and which examines the circumstances in which in-store demonstrations are best to be used. These circumstances include the conditions under which in-store demonstrations are most beneficial. These include on what kind of products in-store product demonstrations are best used and what effect they have on the consumers which might be desirable for a brand.

### **1.3 Restrictions to the research**

There are some restrictions to this research. Product demonstrations have been used a lot throughout history, for example fairs where they demonstrate products, showrooms. However, there is not much applied research conducted into product demonstrations as an in-store promotional tool in the Netherlands. As mentioned, all research of this kind which was published in the Netherlands was commissioned by the Dutch Field Marketing Association (DFMA). However, these were not published in academic sources. This limits the variety of available sources for the literature review. Therefore, research from outside the Netherlands is used as well as research from the Netherlands.

Soon after starting this study I requested to look into the research which was commissioned by the DFMA. However, the DFMA cannot share the original reports due to confidentiality issues with its member associations. The DFMA did provide the results of their research (statistics, conclusions) and confirmed the data mentioned in the articles which are found online.

Another restriction is that it is very difficult to measure the effect of a single sales promotional tool. This is because consumers are constantly influenced by masses of advertising, it is hard to single out the effects of one promotional tool. This is solved in the main research through measuring the consumers who have seen an in-store demonstration against the consumers which have not seen a demonstration.

## 1.4 Chapter division of the document

The remainder of this thesis is structured as followed:

Chapter 2: The literature review (or preliminary research) explores current research into purchase behaviour and the influences on purchase behaviour. It also explores current research on field marketing, in-store product demonstrations, the effects of in-store demonstrations on sales, and the possible effects of in-store demonstrations on the consumer. In-store demonstrations will also be compared to the main other in-store promotion tools.

Chapter 3: In this chapter, the structure of the main research is described. This is based on the findings of the literature review. This will provide the sub questions which will provide the answer to the main research questions.

Chapter 4: This chapter outlines the methodology and the collection of data used in the main research. The research uses various research methods, such as a questionnaire, in which people who have seen a demonstration are tested against the people who have not seen a demonstration. It also includes interviews with experts in field marketing. Finally it includes observation of demonstrators, among which the researcher (myself).

Chapter 5: This chapter examines and analyses the research findings which emerged from the various instruments. The findings from the questionnaire are examined statistically while the interviews and observations form a descriptive answer to some of the research questions. These together form the answer to the research questions and the various sub-questions which are combined together into a conclusion and answer to the main research questions

Chapter 6: Within this chapter the conclusion of the research is made and answers to the research questions are given

Chapter 7: In this chapter the research is formed into an advice or recommendation for companies in the high end technological industry who are considering using in-store product demonstrations.

## 2 Literature research

---

To acquire more insight into the topic “the impact of **in-store product demonstrations** on the **consumer purchasing behaviour** in the high – end technological product industry in the Netherlands.” existing academic literature is examined. Based on the research findings, this chapter is divided into sections, each exploring a key concept.

### 2.1 Consumer purchase behaviour

Consumer behaviour is the “behaviour that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs” (Schiffman and Kanuk, 2009). Everyone is a consumer, as one is constantly using and consuming goods, from food to television and internet. Everyone in modern society makes purchase decisions on a daily basis.

For this research, the point of purchase is the main priority, as this is the moment the demonstrations are initiated. However, the process leading towards the point of purchase is equally important. For explaining the importance of the two, I will use the model of consumer decision making by Schiffman and Kanuk, comprised of input, process, and output, as shown in figure 1. (Schiffman and Kanuk, 2009)



Once the consumer is faced with a “problem” (for example, the consumer needs to print some documents but does not have a printer available) the consumer will automatically recognize the need of a good he or she does not have.

2. Pre-purchase search

When the consumer has recognized this need, he or she begins to look for ways to satisfy this need. When the consumer perceives that the need might be satisfied with consumption, the pre-purchase search is initiated. Within the pre-purchase search the consumer will look at past experiences and external sources such as marketing tools, but also non-commercial sources such as the knowledge of friends and family. (e.g. recommendations)

3. Evaluation of alternatives

Once the pre-purchase search has taken place, the consumer will evaluate the alternatives by selecting two types of information. These are: selection of brands from which they would like to buy, and the criteria they will use to evaluate each brand. These criteria are dependent on the psychological field which are explained in the next section.

Once the consumer has gone through all these stages, the purchase decision is made. From there on, the consumer goes in to the output stage of the consumer decision making process.

### *Post decision behaviour*

The output or post-decision behaviour consists of the purchase and the post-purchase evaluation. In this last stage, the consumer will react towards the experience of the product and this will be integrated into the consumers' psychological field. It serves to influence future decision processing.

### **Factors influencing purchase behaviour**

Purchase behaviour is most easily measured by the purchase intentions of a consumer. Purchase intentions are whether the consumer has the intention to purchase a product. Before purchase intention turns into purchase decision there are two important factors to consider according to Kotler and Armstrong (2010): the psychological factors of the decision maker (such as product perception), and situational factors (such as the drop of a product price)



Having or not having the intention to purchase before entering a store has a large impact on the purchase behaviour of the consumer (Morrison, 1979; Axelrod, 1968). This means that the influences of point of purchase sales promotions on the consumer should be highly different for people with a purchase intention compared to people without a purchase intention before entering a store. It is easier to influence consumers with the intention to purchase a product in the category of ones promotion than consumers who do not have a purchase intention before entering the store. (Hoyer and Cobb-Walgren, 1988; Schiffman and Kanuk, 2009)

### *Psychological factors influencing purchase behaviour*

Schiffman and Kanuk (2009) identify the factors that influence to purchase behaviour as the psychological field in which the consumers find themselves, as shown in figure 1. It consists of:

- Motivation or “the driving force within individuals that impels them to action”
- Personality or “those inner psychological characteristics that both determine and reflect how a person responds to his or her environment”
- Attitude or “a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object”
- Perception or “the process by which an individual selects organizes, and interprets stimuli into a meaningful and coherent picture of the world”
- Self-concept
- Learning or “the process by which individuals acquire the purchase and consumption knowledge and experience that they apply to future related behaviour”

By examining too many factors this research could become too broad. Therefore, while also considering the difficulties of measuring all the factors, this research will focus on the motivation to purchase, learning and experience, perception, and attitude. Questioning a consumer on their personality versus the personality of the product might be confusing. In addition, asking the consumer on their self-concept might be too personal for the consumer to answer correctly. In the following section I will outline the factors most relevant to this research in more detail.

### *Motivation to purchase*

This is highly dependent on the need to purchase the product and the state of an uncomfortable tension which is created by an unsatisfied need. (Schiffman and Kanuk) A consumer can easily recognize a need to purchase a product, but the consumer might not see it as a priority and thus decide not to make a purchase decision. Therefore, the motivation to purchase is a large factor in purchase behaviour.

### *Perception*

Perception of a product can make a large impact on purchase decisions. Under perception of the product we understand perceived price, perceived quality, perceived image, and perceived risk of the product (Schiffman and Kanuk, 2009). How consumers perceive these factors can differ per individual. However, the brand can have an impact on this perception by selecting the appropriate marketing instruments and message to convey

“The perceived price should reflect the value that the customer receives from the purchase” (Schiffman and Kanuk, 2009). If the product price matches the value the consumer ties to the product, the consumer should not perceive the price as high. How the consumer perceives a price has a strong influence on both purchase intentions and purchase satisfaction.

The perceived quality is based on the perceived benefits of the product. If the consumer perceives the benefits as suiting to their needs and, in case of a technological product, the product works well, the perceived quality is high. In a study by Bou-llusar et al. (2001) the relationship between perceived quality and purchase behaviour was examined, the researchers concluded that perceived quality has a positive effect on purchase intentions.

All of the perceptions mentioned earlier are also dependent on the perceived brand image. “Manufacturers who enjoy a favourable image generally find that their new products are accepted more readily than those of manufacturers who have a less favourable or even a ‘neutral’ image.” (Schiffman and Kanuk; 2009) If a brand is considered as a luxury brand consumers are often prepared to pay more money for it. This is backed up by a study conducted by Woodside and

Wilson (1985), who conclude that the position of a brand in the consumers mind influences the brand preferences and also the purchase intention.

The final factor of perception is the perceived risk of a product. The perceived risk of a product is “the uncertainty that consumers face when they cannot foresee the consequences of their purchase decisions.” (Schiffman and Kanuk) This can reveal itself through functional risks, physical risks, financial risks, social risks and time risks. Perceived risk of the consumer is dependable on the sense of regret the consumer gets when a product does not suit the taste of the consumer (Schiffman and Kanuk, 2009; Hoyer and Macinnis, 2009). This sense of regret is in turn influenced by the price of the product in question. When high-priced products do not match the expectations of the consumer, the sense of regret is larger. Therefore the perceived risk of the product is also higher.

### *Learning*

Learning about a product also has a large impact on purchase behaviour. Although some learning is intentional, most learning is incidental. Learning about a product can lead to the recognition and recall of the product. Even brand loyalty, in which the consumer continuously comes back for the product, can occur. (Schiffman and Kanuk, 2009) Most incidental learning is only short termed and will not be retained very long. However, some learning which requires more involvement of the consumer can be retained longer. (Hoch and Deighton, 1989)

### *Attitude*

An attitude is a “learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object” (Schiffman and Kanuk, 2009) this includes attitudes to the product category, brand, service, website, retail establishment, or even a promotional tool. Simply put, if a consumer does not like coffee, he or she is not likely to purchase a coffee machine. “If the consumers ‘like’ the ad they are more likely to purchase the product” (Schiffman and Kanuk, 2009) A study into attitude towards the advertisement examined twelve advertisements and consumers purchase intentions of six products. The study showed a positive relationship between attitude toward the advertisement and purchase intention for each of the advertised products (Khairullah and Khairullah, 1999)

### *Situational factors influencing purchase behaviour*

So far, the decision making process and the psychological field have been examined. What follows is a research into current situational factors which are of influence to the purchase behaviour. Schiffman and Kanuk mention two situational factors which are currently of great influence on the consumers purchase behaviour. These are the digitalization trend and the economic turbulence of the past few years. (Schiffman and Kanuk, 2009)

#### *New technologies*

The world is becoming increasingly more technological. Through this, consumers have more power than ever before; they have access to a wider variety in products, are able to customize their products and can use websites through which they can see where the best bargains are for their desired product. This has given the consumer power over what they hear and see and especially the power to check the credibility of the sources.

A lot of consumers nowadays do their pre-purchase search online. A research conducted in 2012 resulted into 83% of the consumers having made a list for their prospected purchases at home, an increase of 23% since the last time this research was conducted in 2007. (POPAI, 2012) Even when a consumer has not done their pre-purchase searches online, they are able to access any form of information on the products while being in-stores. Consumers do more research on the internet instead of relying on the sales agents in the stores, and the amount of online shoppers is also increasing steeply, making it seem that online shopping is overtaking in-store shopping (Schiffman and Kanuk, 2009; Hung, 2012)

This new technology makes in-store demonstrations, which are essentially located at the point of purchase, seem less effective. However, referring back to the study mentioned within the introduction, even though consumers have the power to research online, they still are susceptible to in-store promotions, making 76% of their purchase decisions in stores. (POPAI,2012) This might be because consumers perceive online shopping as riskier than conventional shopping. This was concluded by G. van Noort, P. Kerkhof, and B.M. Fennis (2007) in their study in which they compared online to conventional shopping. They also examined

that an online shopping environment, because of its risky nature, provokes a prevention focus. (van Noort, Kerkhof, Fennis, 2007)

Another study examined the effect of the physical presence of a good. This study compared the physical presence of a product to text displays and image displays which described the product. The respondents were asked to bid on the products displayed. The research showed that respondents were prepared to pay 50% more for the physical presence of the products than for the other two. This means that consumers still like the presence of the product over the descriptive information they can find online. (Bushong, King, Camerer, Rangel, 2010)

### *Recession*

Though the economy is already in the post-recession period instead of the recessionary period, a lot of consumers continue to be affected at this time. It is chosen not to ignore this situational factor as it has had a great impact on the consumer purchase behaviour and on some consumers' economic circumstances, income, life-style or occupation.

Consumers play a vital role in the health of the economy, (Schiffman and Kanuk 2009) and the economy has a large influence on consumer behaviour (Kotler and Armstrong, 2009). Over the past few years, companies and its consumers have experienced a large amount of economic turbulence, by some called the largest recession since the great recession of the 1930's (Flatters and Willmott, 2009) One of the main effects the recession has had on the people is that uncertainty has grown among the consumers, or rather, it has sobered up the consumer. Over the past 15 years there have been no major downturns in most developed economies. Due to this, consumers have enjoyed uninterrupted prosperity (Flatters and Willmott, 2009) resulting in a more care-free purchasing environment in which consumers could afford more, and thus experiment more. These consumers could buy all the newest gadgets without having to look too much at their expenses. When the recession hit, it caused the consumers to sober up and look more at their expenses, as their future was not as certain as it was before. Consumers set strict priorities and reduce their spending, sales started to drop, companies reduced prices and postponed new investments, and marketing expenditures were cut. (Quelch and Jocz, 2009)

Every recession differs in size, cause, and depth. Most recessions are very shallow and only have a short term impact on consumer trends. Then there are rare cases in which a downturn is gargantuan and enduring (examples are the great depression and the lost decade of Japan). The recession which is spoken of in this research has aspects of both kinds of recessions. Though it is certainly not a shallow recession, it shall not keep consumers from spending their money for the rest of their lives. (Flatters and Willmott, 2009) The current recession does have an impact on the consumer that will not fade away quickly. (Flatters and Willmott, 2009; Arussy, 2009) The consumer will continue to live with lingering uncertainty. Due to uncertainty, consumers are increasingly inactive in their purchases.(Kotler and Armstrong, 2010; Keller, 2013) This is a common phenomenon: when the future is uncertain, a wait-and-see attitude is more appealing, because there is more to see.(Bertola, 2010) Purchasing products might cause deep regret, as there is a chance that these actions will inevitably mean unrecoverable costs. This is far less attractive in an uncertain environment than in an environment where the economy is prospering, where the future is not likely to be much different than the present. (Bertola, 2010)

During periods of economic uncertainty it is important for companies to make the consumers react actively on the products again. One suggestion by Keller for this problem is to bring your brand or product closer to the consumer.(Keller, 2013) In-store promotional tools thrive in downturns, because it will remind the consumer of the brands promise at the point of purchase. (Quelch and Jocz, 2009; Hollis, 2008). This, together with the later research in the literature review about personal interaction and experience of the product, could promote in-store product demonstrations as an instrument to use in order for the consumer to actively react on products.

## 2.3 In-store product demonstrations

### *In-store demonstration as a discipline of field marketing*

In-store product demonstrations are an instrument of in-store promotion which falls under field marketing. As defined by the Dutch Field Marketing Association (hereafter to be called DFMA) “field marketing is a marketing discipline which, by face-to-face communication, directs itself to improve the availability, the presentation, the promotion, and the sale of products and services.”(DFMA, 2014) As the name already states, it is practiced in the field, where products and services are offered and where the consumers find themselves in their own environment.

Next to In-store product demonstrations, field marketing is comprised of the following disciplines: sampling and promotion, sales, merchandising, hospitality, mystery shopping, auditing, special displays, and visual merchandising. (DFMA, 2014) These tools have much overlap between them. For example: in-store product demonstration is often used in combination with special displays, sampling and sales. In figure 2 below the factors which are at the foundation of all field marketing disciplines are shown. *This is a freely translated version of the figure of the DFMA, the original is in Dutch and can be viewed in the appendix on page 67.*

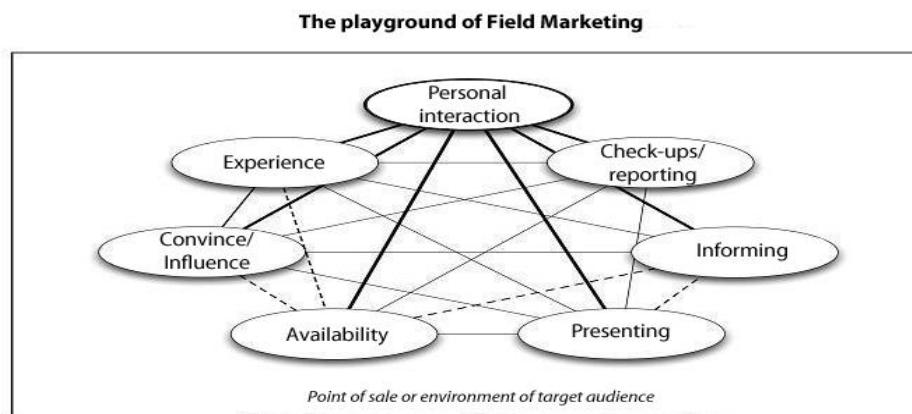


Figure 2: The playground of field marketing (DFMA, 2014)

In the figure above, one is able to see that personal interaction (otherwise known as face-to-face communication) is key in field marketing, as well as in in-store demonstrations (DFMA, 2014, Heiman, McWilliams and Zilberman,2001). This

means that the trained brand ambassadors in product demonstrations are very important. They interact with the consumer, communicate the message of the product, and try to persuade the consumer into purchasing the product. The other key aspect of in-store product demonstrations is the experience of the product. (Heiman et al., 2001) This personal interaction with the product and the face to face communication with the consumer will be examined more closely later in this study on pages 19 - 22

As mentioned before in-store product demonstrations are mainly used as a way to introduce new products. (Heiman, McWilliams and Zilberman, 2001; Heiman and Muller, 1996) The desired effects of in-store product demonstration are to reduce resistance towards sales through the experience of a product and first-hand information from a demonstrator/brand ambassador. This reduces perceived risk and uncertainty about the product attributes. (Heiman, McWilliams and Zilberman, 2001; Freedman and Fraser, 1966; Scott, 1976)

The products used in a demonstration can occur in any price range. When a low-priced product is demonstrated, it is often at the same time sampled as well, for example, cheese spread which is very low in fat will be sampled on crackers. A high priced product may be only demonstrated. For example, the rotations and pulsations of an electric toothbrush. Sometimes, a high priced product might be demonstrated by handing out a sample as well, for instance when a coffee machine is demonstrated and the consumer is able to get a cup of coffee as a sample.

A drawback is that in-store demonstrations are very expensive compared to other promotional tools, (Kotler and Armstrong, 2010) with costs building up to €300, - per store in the Netherlands (Monsterscore, 2014). This is due to the personalized nature of most demonstrations. The costs include staff salaries and training, product insurance, fees for installation, promotional material, delivery and fuel (Heiman et al. 2001). When this is all attained, the product demonstration can start, but the audience is very selective, since the consumers need to be present at the store in order to see the demonstration (Kotler and Armstrong, 2010). Also, the company which uses the in-store demonstrations has little control over the content that the consumers learn (Hoch and Deighton, 1988). Therefore, it is difficult to control the information which reaches the consumer.



### *Studies conducted into the effects of product demonstrations in the Netherlands so far*

Over the years, studies have been conducted into the uses and effects of product demonstrations, both in and outside of the Netherlands. As mentioned, within the Netherlands, the studies conducted are commissioned by the DFMA.

#### *Article 1: “Tot 15x meer verkoop dankzij product demonstraties”<sup>3</sup>*

Within the Netherlands, a study by the DFMA in 2011 examined 4 food products in 4 different supermarkets. This study shows that during the demonstration of a relatively low priced and known brand, sales rise to 15 times the sales of non-demonstration days. In case of a relatively new and unknown product sales rise to 3 times more than the average sales. It is obvious from these results that on the day of the demonstration itself, in-store demonstrations definitely have a great impact on the consumer, at least on the low priced items. According to the same study, 26% purchased the product immediately after seeing the demonstration. Only 9% admitted to have planned to buy the product before entering the store.

The study also states that product demonstrations carry a long-term boost. 60% of the people who purchased the demonstrated product stated that they would purchase the product again, while 28% stated that they would possibly purchase the product again. This is also confirmed by the sales data of the weeks after the demonstrations. These prove that the sales volume of the demonstrated products is twice as high as the sales volume of the weeks before the demonstrations.

The study states that the higher visibility of product demonstrations has a positive effect on the sales. A lot of in-store promotional tools are overlooked by the consumer, whereas 73% of the respondents did notice the product demonstrations. Of the 73% who had seen the product demonstration 63% could even remember the brand. (DFMA, 2011)

#### *Article 2: “Face-2-face promotionele activiteiten effectief”<sup>4</sup>*

Another study of the DFMA in 2010 showed that purchase behaviour and brand experience are positively influenced by face-to-face promotion. The study

---

<sup>3</sup> The translation of this article name is: until 15x more sales thanks to product demonstrations

<sup>4</sup> The translation of this article name is: Face to face promotional activities are effective

examined the promotional activities of three different manufacturers in different sectors. The study was not only based around product demonstrations or even in-store promotional tools, but on promotional activities which rely on face-to-face communication in general. These include sampling and street marketing as well.

Almost half of the respondents stated that their opinion about the brand has changed positively. No respondents were negatively influenced in their brand perception due to face-to-face promotions. The study states that the quality of promotional events is very important for the effect. "Of course the promotion needs to be performed well; otherwise the promotional tool will have no effect. But the study also proves that the creativity of promotions on location can create value. Creative events have more appeal, and thus have a better effect: it lingers more in the memory of the consumers." Furthermore, 82% of the respondents state that they do not view the promotional activities as 'troublesome'. 90% experience promotional tools as a good way to bring a product to attention. "People appreciate the personal interaction which comes with face-to-face promotion. They also appreciate the 'fun' happening in the middle of the street, or in a mall. Because of this towns and malls also benefit from promotional activities, because the public experiences it as 'pleasant.'" (DFMA, 2010)

### *Justification*

Until now, in-store product demonstrations in the Netherlands have been examined. These prove that in-store product demonstrations do have a direct effect on the consumers' purchase behaviour in convenience goods. They also prove that face-to-face communication with the consumer is effective. These studies are the only researches carried out in the Netherlands in relation to product demonstrations. No published study was conducted into technological products. Some interviews with the DFMA and other field marketing organizations do suggest that field marketing organizations sense a large difference between demonstrations of high end shopping goods and low end convenience goods. According to the DFMA, the consumers are especially open to promotion on convenience products. "This is the branche where people do not orientate themselves on the internet before the purchase of a product. This is a contrast to technology products" (or shopping products) "where the customers do use the internet in order to compare products and prices for example." According to this observation of the DFMA shoppers of low-end conventional goods are more

subject to field marketing. (van Gurp, 2011) Because none of these articles are published in academic sources, research outside of the Netherlands is examined as well. This is discussed in the following section.

### *Research conducted into the effects of product demonstrations outside of the Netherlands so far*

According to Heiman et al., (2001) there are two approaches to examine the effects of product demonstrations: to view demonstration as part of the promotional mix, and the role of demonstrations in giving consumers the opportunity to learn about the product and thus reducing perceived risk of the consumers. The study of Heiman was conducted within the latter approach. The study showed that demonstrations are especially effective when the consumers have high product knowledge, or when the consumers are able to learn quickly. The study also states that “For consumers, the demonstrations maybe used as an initial tool for reducing uncertainty, and for retailers they can be used as a means for helping customers purchase appropriately, thereby reducing the likelihood of product returns when money back guarantees are provided.” According to the study the tool is especially effective when a company has not established its reputation or when it introduces a new product or a product is redesigned with significant changes in quality. (Heiman et al, 2001)

The following section is divided into the main characteristics which set product demonstrations apart from other in-store promotional tools, namely: product experience and face-to-face-communication with the demonstrator. This is because the studies are mainly focused on either one factor or the other. Through this, the effects of product demonstration on the consumer are viewed. Most of the studies do not specify which industry they did their research in; they merely focus on product experience or personal interaction with a sales agent.

#### *Product experience*

“The best salesman for the product is the product itself” as stated by Beckman and Davidson (1967). It has become clear by now that for in-store product demonstrations, experience is the key factor which influences the consumer. This is further strengthened by Heiman and Muller in their study on using demonstrations to increase new product acceptance. In this study they describe

product demonstrations as “a tool which enables the consumer to gain experience on the product (or service) without commitment to purchase.”(1966).

A study by R. Hamilton and D. Thompson (2007) stated that product experience at the point of purchase is critical in shaping product preferences. The study examines and compares direct and indirect product experiences. According to this study, the perceived usability of the product rises as the consumer experiences the product. The outcome of the study was that direct experiences lead to more concrete mental representations than do indirect experiences. “Experiential contact with a product can shift consumers’ level of mental construal.”...“Like temporal, spatial, and social distance, experiential contact seems to be another means for manipulating the psychological distance between individuals and target objects or events.” The study shows that just providing information does not convince the consumer of the differences between one brand and another. By experiencing the product before the purchase, the consumers will think more concretely about the product during the decision making process. (Hamilton and Thompson, 2007)

S. Hoch and J. Deighton (1989) state in their study on ‘managing what consumers learn from experience’ that “Consumers tend to grant special status to conclusions drawn from the experience of a product.” (Hoch and Deighton, 1989) According to Hoch, consumers are often seduced by product experience thinking that they learn more about the product than they actually do. (Hoch, 2002) According to the authors they do so for various reasons. The motivation to experience and the involvement with the product are higher than with other communication materials such as special displays for example, and the exposure to the product can be controlled by the consumer. This gives the consumer a sense of control over the situation through which they are more likely to retain information which is useful to them.

Experience does not only get the consumer more involved and motivated with the product demonstration, it also ensures better memory of the product. (Hoch and Deighton, 1989) According to the authors this is “because information is more vivid and concrete, and because experience requires more elaborative internal rehearsal and self-generation.” (Hoch and Deighton, 1989; Paivio, 1971). Through this, product demonstrations have a longer effect on the consumer compared to tools which do not let the consumer experience the product. (Hoch

and Deighton, 1989; Slameka and Graf, 1978; Lawson, McGuinness and Esslemont, 1990)

Other in-store promotions, and advertising in general, are known to have very short termed effects on the consumer. The consumer is likely to choose one brand over the other due to price sensitivity, and might also purchase larger quantities (Gilbert and Jackaria, 2002). However, after the promotion the consumer might easily switch back to another product in the product category (Gilbert and Jackaria, 2002; Mela, Gupta and Leymann, 1997). Consumers only store a small portion of the information which comes in, and access even a smaller portion of information which is stored. Therefore, it is good for a company if a promotion tool ensures better memory of the product, and thus the brand knowledge. (Hoyer and Macinnis, 2009)

This is supplemented by a study by C.A. Scott on the effectiveness of induced trial on repeat purchase behaviour. Within this study Scott states that only the experience of the product does not have significant effects on repeat purchase behaviour. This was examined using two control groups, one with the product trial, and one without the product trial. There was no significant effect measured between the two groups. However, when the product experience was used together with a price promotion of a 50% discount, the group with the product trial had a far larger response rate towards the product than the no-trial group. This means that once installed with a price promotion, the demonstration did have a large effect, whereas it did not without a price promotion. Through this one could ponder on the true effects of in-store product demonstrations, and whether these are not driven by price promotions. This will have to be researched in the main study.

#### *Face-to-face communication*

Within in-store product demonstrations, this experiencing of the product is supported by the face-to-face communication between the demonstrator and the consumer. Face-to-face communication with a demonstrator, or spokesperson, can have a deep impact on the consumer. (Heiman et al., 2001) This is backed up by Schiffman and Kanuk in their book 'Consumer Behaviour' in which they state that "Consumers sometimes regard the spokesperson, who is delivering the message of the product, as the source of the message." (2009) And also by

Heiman et al. who states that “Demonstrations can provide information from the primary source, which is highly preferred to any other source of information”

This is largely due to the message itself, and the way the message is conveyed. “The biggest influence on the persuasiveness of the message received is the credibility of the source, that is, to which extent the receiver trusts and believes the source sending the message”(Schiffman and Kanuk, 2009). This means that the actions of the demonstrator have a large impact on the product message and the way the consumer will look at the product. The demonstrator needs to create a sense of trust in the relationship with the consumer in order to persuade the consumer to purchase the product.

After the relationship has been established the consumer might be persuaded by using the “foot in the door” technique (Hickson et al., 2013). This means that the consumer is requested something small, such as if they would like to try a cup of coffee. Once the consumer is drawn in he or she feels a sense of involvement with the product and the resistance to sales is reduced (Freedman and Fraser, 1966; Hickson et al., 2013; Dolinski, 2012)

In summary we can say that the key benefits of in-store demonstrations are product experience and face-to-face communication with the demonstrator. This provides advantages for both the consumer and the brand. Through in-store demonstrations consumers are able to experience the product and learn about the product. This learning about the product reduces the uncertainty about the product (Heiman et al. 2001) Because of the demonstrators, the consumers can be persuaded to try out the product where they might not have otherwise. Once the consumer does try the product, the step to purchasing is a lot smaller (Freedman and Fraser, 1966) Finally, because of face-to-face communication the consumer stands closer to the brand and company, thus a stronger relationship is built between the company and the consumer. (Kotler and Armstrong, 2010)

### *In-store product demonstrations compared to other in-store promotional tools*

As stated previously, in-store product demonstrations make use of many other in-store marketing tools. This part examines the most used other in-store

promotional tools in order to provide a deeper understanding in the pros and cons of their usage compared to in-store product demonstrations.

### *Price promotions*

In-store product demonstration is often in combination with price promotions. This is also the most used marketing tool to promote sales. (Gilbert and Jackaria, 2002) The main purpose of this tool is to draw consumers in with low prices in order for them to keep purchasing the products in the future. The effect this tool has is slightly different from its purpose. The tool does have a large effect on the consumers purchase behaviour in the short term: the consumer is more likely to purchase the product over a competitive brand during the promotion, they will purchase larger quantities, and the tool raises product attentions and purchase intentions (Gilbert and Jackaria, 2002). However, price promotions do not have a long-term effect (Pauwels et al.). The main reason for this is that the consumer is likely to have already experienced the brand before the price promotion, meaning it is less likely that the consumer will become loyal to the brand. (Pauwels et al., 2002)

Another study showed that when brands use too many price promotions on their products, consumers will start anticipating the price promotion. Because of this not only the brand loses profits, but the brand also loses its perceived value in the eyes of the consumer (Grewal et al. 1998). Compared to in-store demonstrations which has proven to be longer termed, this tool has less effect in the long run.

### *Sampling*

Sampling is similar to a product demonstration. Both methods use product experience in order to persuade the consumer to purchase the product. Companies implement this tool for the same reasons: in order to make the consumer familiar with the product so that they might purchase it. The largest differences between sampling and in-store demonstrations is that sampling is less informational and less persuasive because it lacks personal interaction. (DFMA, 2014) As face to face communication has proven to be effective, in-store demonstrations are a better method of in-store promotion than sampling.

### *Special display*

Special displays do not have the experience part which sampling and demonstrations do, and it also does not have the benefits of a price promotion. It does, however, create attention towards the product. According to Chevalier (1975) this is a good tool to influence the consumer at the point of purchase, as the consumer will be reminded of the brand right before making the purchase decision. Another study conducted by Kumar and Leone (1988) concludes that special displays have a positive effect on sales. Compared to in-store demonstrations, this tool has a lot less involvement with the customer. Though visibility is usually high, it does not promote the interaction with the product.

### *Conclusion*

In this chapter the various aspects of the topic were discussed. This was done through examining the consumer decision making process. Then the psychological and situational factors which have an influence on the purchase behaviour of the consumer were identified. The effects of in-store demonstrations on the purchase behaviour of the consumer will be examined through measuring the effects on the psychological factors.

In-store product demonstrations were also studied in this literature review, both inside and outside of the Netherlands. We could see that demonstrations have positive effects on sales of low-end promotional goods, and that face to face communication used during promotion has proven to be effective. Furthermore we could identify the key factors which set product demonstrations apart, namely: product experience and face-to-face communication.

Among the in-store promotional tools, in-store demonstrations is the most accessible source of information for the consumer as it is the largest, more people are able to see the demonstration than, for example shelf promotions. Because it is focused on personal interaction, with the product and the demonstrator it creates more interaction between the consumer and the brand (Heiman et al., 2001) The largest pitfall of in-store demonstrations is that it is very expensive.



### 3 Research structure

---

Using the literature review the structure of the main research is set up. Within the literature review the various influences on purchase behaviour were examined. The current studies on in-store product demonstrations was also explored. These included the following factors

- The consumer decision making process
- The largest influences on the consumer decision making process
- The situational factors which have a large influence on the consumer currently
- The use of in-store product demonstrations
- The main disciplines of in-store product demonstrations
- The desired effects of in-store product demonstrations
- The effects currently measured in the Netherlands
- The effects currently measured outside of the Netherlands
- In-store product demonstration compared to other sales promotion tools

While examining these factors, some information to answer the main questions is still needed. Using this required information, the structure of the main research is set up.

Within the main research the focus lies on the impact of product demonstrations on the purchase behaviour of the consumer in the technological industry. In order to measure this, not only purchase intention is measured, but also the other factors which influence a consumers purchase behaviour. The influences which are used are: motivation to purchase, perception, learning and experience, and attitude towards this form of sales promotion. Furthermore the impact of the two identified situational factors are examined briefly in this study. These factors are considered difficult to measure and while they had a bigger role at first within this study, it is decided that they will not carry much importance within this study. Furthermore, the various circumstances in which in-store product demonstrations are best used are examined. This forms into the following sub-questions

1. What is the impact of in-store product demonstrations on the consumers purchase intentions/motivation?

2. What is the impact of in-store product demonstrations on product perception (price, quality, awareness, image)?
3. What is the attitude of the consumers towards product demonstrations? (experience and personal interaction)?
4. What is the impact of in-store product demonstrations on consumer learning (information saturation of the tool)?
5. Do the identified situational factors have an impact on the consumers purchase behaviour at the time of the demonstration (technology, recession)?
6. Is there a difference between high-end technological goods and low-end convenient goods
7. Are in-store product demonstrations able to stand alone, or should other promotional tools always be used, and when other promotional tools should always be used, is the effect not owed to these other promotional tools
8. Are in-store product demonstrations a good tool to use in the long-term
9. When is the best time for companies to use product demonstrations?

These questions will be answered using various research instruments which are explained in the following section. Question 1 – 4 will be answered using a questionnaire, the interviews will only touch upon these subjects but mainly focus on questions 5 – 9. As to obtain a different angle on the subjects, the observations are used for questions 1,5,6,7,9 as well

## 4 Methodology

---

In addition to the literature review and to ensure the validity of this study it is chosen to use a mixed method approach. In other words, this main research will exist of multiple methods using both qualitative and quantitative research (Gilbert, 2009).

Qualitative research is a form of research through which mostly a small sample respondents are used for open questioned, in-depth interviews(Verhoeven, 2011). Usually it may take 20 minutes up to 1,5 hours to complete the interviews. During qualitative research the researcher has a strong interaction with the respondent. The researcher is able to prime and probe until the respondent answers openly to the questions asked and the information needed is obtained. Within this form of research the experience of the respondent is the main focusing point. This method was chosen as the best in order to measure the desired effects of in-store product demonstrations on the consumer and to explore in which circumstances in-store product demonstrations are best used.

Quantitative data is usually obtained through a questionnaire. It is common to use a large sample in order to make the sample representative to the whole population of your target group. This form of research was chosen here in order to gain insight into the effects of in-store product demonstrations on the consumers' purchase behaviour. A questionnaire is the best choice to attain this information because a larger sample is used, making the outcome representative.

Qualitative and quantitative research can complement each other very well. Qualitative research cannot give the answers which quantitative research can, and the other way around. Qualitative research is more exploratory than quantitative research: it is often open and flexible, and one can intervene when the unexpected happens. With quantitative research the researcher focuses on answering questions in numbers and gives repeatable specifics, the numbers then explain what is observed. (Gilbert, 2009).

In this research, qualitative research was used in order to examine the desired effects of in-store product demonstrations and to analyse in which circumstances this tool is best used by use of interviews. Quantitative research is then used to examine the direct effects and influences on the purchase behaviour of the consumer through a questionnaire, this is then backed up with another qualitative method (observation) in order to confirm these effects and observe how different the effects are for various products and when extra promotional material is used.

## 4.2 Scope of research

The research is based in the Netherlands, but for the quantitative part two stores in the south of Holland were chosen. These stores were chosen based on whether there are product demonstrations in technological products present, and whether the store is willing to participate in the research. To attain this, retailers in technological products have been contacted. Mediamarkt responded positively and gave permission to stand outside two of their shops at appointed dates.

In order to calculate the sample needed, the total population visiting a Mediamarkt per week is taken, which is estimated at 20.000. As the questionnaire will not be conducted on all of the days in one week, this number is divided through 7 and timed 2 for the two stores which were used. This gives an average population of 5714 consumers over two days. The standard margin for error is set on 10% and the confidence level is set on 95%. Through this a sample of 92 respondents is needed.<sup>5</sup> In the end, 122 respondents were obtained.

To obtain a sample, convenience sampling is used. This is because of two reasons: the respondents have to have had the chance to see a product demonstration and the effects have to be measured on the spot, otherwise the direct influences of the tool are not measured. The consumers were asked to fill in the questionnaire upon exiting the store, after the consumers had the time to make their purchases and be influenced by the various factors in stores.

---

<sup>5</sup> Calculated through <http://journalinks.be/steekproef/>

In the qualitative research the respondents are chosen based on their expertise in the field. The first interviewees were identified using the DFMA website. From there on the interviewees were asked whether they knew of any other organizations which would be willing to participate in an interview, creating a snow-ball effect. There are approximately 20 field marketing organizations in the Netherlands which operate in in-store product demonstration. For the research, four were interviewed.

The observations are stated by the researcher (myself) and are based on the experiences obtained in the three years of being a demonstrator. To avoid biases other demonstrators are also asked to comment. The other in-store product demonstrators are selected through networking and their experience in the field. The demonstrators have at least 2 years of experience demonstrating approximately 1 – 4 times a week. Next to the researcher, three other demonstrators were used.

### **4.3 Research instruments**

Within the study various methods are used to ensure the validity and reliability of the study.

#### *Interviews*

Interviews were conducted with 3 experts within the field of in-store demonstrations, namely; Mark Stoel, of CP2 field marketing, Kim Spanjers, of Square Melon, and Rienk Hilgenkam of VeldMark. The interviewees were contacted by telephone. These interviews are semi-structured, meaning that there will be a set of subjects and questions which will be discussed, but there is also freedom to talk about other subjects or deeper into one subject. The subjects which are discussed are based on questions 5-9 of the research structure and include the following.

- The effect companies wish to have on the consumer
- The impact of the identified situational factors on the effect of in-store demonstrations (technology and recession)
- The difference between high-end technological goods and low-end convenient goods

- In-store product demonstrations in comparison and combination with other promotional tools
- The long-term effects of in-store product demonstrations
- The circumstances in which to use in-store product demonstrations

### *Questionnaire*

Face to face surveys are used at places where demonstrations take place. The respondents are asked to fill in the questionnaire after being asked personally to fill in the questionnaire. The survey consists of structured, closed questions, meaning that every respondent gets the same questions and is able to choose from the same set of responses. The data is examined statistically by first examining the descriptives of the data, and then analysing the data using a linear regression and a cumulative logit regression.

The questions used in the questionnaire are based on questions 1-5 of the research structure. These mainly focus on the effects of in-store product demonstrations on the purchase behaviour of the consumer. The questionnaire is composed of several forms of variables including dichotomous questions with yes and no responses, seven point likert scales in which the respondent is asked how much they agree with a statement, and two ordinal questions in which the respondent is asked to choose from various options about their attitude towards the product. The questionnaire and questionnaire framework are to be found in the appendix page 72.

The subjects which are discussed in the questionnaire are whether the consumer has seen and participated in the demonstration or not. Through this one can test the effects of the demonstration against the effect the consumers would normally have without having seen the demonstration. This means that not only consumers who have seen a demonstration will answer the next few questions, but also the ones who have not. (questions 1 and 2 of the questionnaire)

There are a few questions on the familiarity of the consumer with the demonstrated product, in order to measure brand awareness. The respondents of the questionnaire who have not seen a demonstration are asked to choose from

a list of products which are demonstrated at that time in the store to answer the other questions about. (questions 3 and 4 of the questionnaire)

The purchase intentions of the consumer are also tested, this is done through an ordinal multiple choice test in which the consumer can show their interest in the product and if they would purchase it. (question 5 of the questionnaire)

The respondents will also be asked questions about the consumers perception of the brand, which is discussed through asking questions about the demonstrated product on the consumers perceived quality of the product, perceived value of the product, brand loyalty and product image. (questions 7,8,9, and 10 of the questionnaire)

The respondents are then asked what their attitude towards in-store product demonstrations is. They are asked whether they like to experience the product in this way, if they like the personal attention of the demonstrator, and if they have obtained all the information they need. This to confirm whether consumers of technological products like to be approached in this manner (questions 11,12, and 13 of the questionnaire)

There are two questions asked about the impact the recession has had on the daily purchases of the consumer, in order to confirm whether this could have a possible influence on product demonstrations.(questions 14 and 15 of the questionnaire)

At last the respondents are asked what their sex and age category are.

### *Observation*

Direct observation is carried out during in-store demonstrations. This is used as a way to examine the impact in-store demonstrations have on the consumer during the demonstrations. The observations are used to back up the questionnaire and the interviews. The themes discussed are based around questions 1, 5,6,7,9 of the research structure and are directed at creating a different, more direct angle on these questions. While experts have less specific knowledge about the product demonstrations than the field marketing experts, demonstrators have more direct experience with product demonstrations and the consumers. Therefore, these might be entirely different views on the same subject

# 5 Research findings

---

In order to obtain the results to the main research three field marketing experts were interviewed, 122 consumers of the Mediamarkt in Rotterdam and Den Haag were asked to fill in a questionnaire, and I wrote down my own observations which were backed up by two other demonstrators. The results are addressed separately per research instrument.

## 5.1. Interviews

Qualitative interviews were held with 3 in-store demonstrations experts in order to examine the circumstances in which in-store demonstrations are and should be used. In this chapter the outcomes are divided based on the sub-questions formulated in the research structure. An introduction on the interviewees and summaries of all interviews can be found in the appendix on page 67.

### *The desired effect on the consumer*

The experts from the interviews give various desired effects on the consumers. But they are mainly focused on brand awareness, marketing efforts such as brand experience, and to drive sales. One interviewee states *“you have to look at it using two approaches. In-store product demonstrations have an effect on sales, but on the other hand it is also important for the marketing of your product.”* Another interviewee states that *“The effects are mainly brand experience, this needs to push the consumer in their purchase behaviour to purchase the product.”*

According to the interviewees, the demonstrations the sales of the demonstrated products rise 20 - 40%. The interviewees state that that this is because the qualitative face-to-face communication.

### *When to use in-store product demonstrations*

The interviewees mentioned various circumstances in which demonstrations are good tools to use for a product. These are stated below:



### *New products*

Most product demonstrations are used when a brand has one or multiple more products to add to their brand line which the consumers do not know of yet. The demonstrations are then used to create awareness for the new product. The interviewees also state that product demonstrations are used when the product needs to be brought to attention again. One interviewee states *“The circumstances in which product demonstrations are mainly used are for the launch of a new product, but also when a product needs to get more attention. It really depends on the product and whether there it is an activating action, or just a demonstration. Sometimes you need to actively involve the consumer through an action. For example, right now we have an action with M&M’s for the world cup in soccer; the consumer has to kick a ball in a goal before getting the M&Ms.”*

According to the interviewees, it does not matter whether there is already brand awareness, or if the product does not have any awareness of the brand at all. One interviewee states on this *“I think that it does not matter much whether the brand already has brand awareness or not. When there is brand awareness, the demonstration will attract more people, that is absolutely true. But the demonstration will have effect anyhow.”*

### *When experience is needed for convincing*

Another reason to use product demonstrations is when the product is of such a new concept, that the consumers need to experience it before they will ever purchase it. One interviewee states *“The best way to use product demonstrations is when the product truly needs to be tasted or experienced. Once we had to demonstrate herring in cream sauce, I do not know if you like fish, well I like fish but I sure would not buy it if I never tasted it.”*

### *When there is need for extra information*

Interviewees state that demonstrations work well for products which need more explanation, this is automatically connected to the experience of the product. Because of the demonstrators, extra information can be explained. The demonstrators get training when they have to demonstrate a product which is not easy to explain an example given by one of the interviewees is the meat supplements in Alpro products.

### *Targeting consumers*

A big advantage of demonstrations is that demonstrations are in general a good way to target ones target audience if this is selective. One simply tells the demonstrators what the target audience is, and they can expect them to only target this audience. The company can also choose the locations of the stores, the location within the stores, or they might even choose not to stand in stores but on another location. One interviewee states *“when you have to demonstrate coca cola light and they want to attract women, you can go to the cinema and make a combined action of ladies night, you will know for sure that you will only get women.”*

### *When the budget allows it*

In the literature review it is already mentioned that demonstrations carry a lot of costs. According to one of the interviewees these costs *“usually build up to 300 euros per location. Often the demonstrations are held together with a price promotion of which the costs are sometimes so high that the manufacturer loses money on them. A company can expect approximately 50 euros back of such an action, making the costs build up to 250 euros per location.”*

The interviewees also agree that it is not good only to have a demonstrator with a little stand for the demonstrations. The demonstration needs to have more appeal, matching to the image of the company. One interviewee even states *“When you are not planning on spending money, then do not do anything at all.”*

### *The difference between high-end technological goods and low-end convenient goods*

The difference between demonstrating a high-end technological good and demonstrating low-end convenience goods is that it is a lot harder. The interviewees gave various reasons for this, including the following:

- The price of the high-end technological goods are usually a lot higher than the conventional goods
- There is a lot more commitment required for a technological good than for conventional goods as a conventional good is changed every few weeks

- People who go into technological stores, usually have planned their purchases more than the people entering a supermarket, therefore it is harder to convince the people of the benefits of your product

One interviewee mentions *“For technological products it is a lot harder to recommend to the public than supermarket products. When demonstrating chocolate sprinkles; people buy a pack of chocolate sprinkles every three weeks, that is very different from when you are demonstrating an LCD screen of LG worth 2,5 thousand euros. Especially because when people are going into a store of technological products, they might like the product, but since they only came for a DVD they are not likely to purchase a large LCD screen. And not only LCD screen but also coffee machines, it is just a little bit more difficult.”*

#### *In-store product demonstrations in comparison and combination with other promotional tools*

According to the interviewees, it is necessary to use demonstrations in combination with other promotional tools. Price promotions seem to be necessary for the product demonstrations to succeed: *“when customers see the product and they have tried it, and next to it they see a nice discount, they are more inclined to purchase the product.”* It is also necessary to have the product experience, simply because of the fact that trying is free. Because the products are free, this creates more attraction for the consumer. Furthermore, the interviewees state that because of the demonstration, the product already has much visibility, but it needs more promotion material to create the right effect *“Some demonstrations only have a stand with a white table leaf and someone next to it who sometimes does not even have a uniform. When something like this happens I think, you have the visibility, but do something with it then.”* According to the interviewees, the demonstration is representative for the company, so the demonstration needs to show what the company stands for.

Not only the promotional tools in stores could support the demonstration, the demonstration itself should support and be supported by other marketing tools whenever possible. One interviewee states that *“Demonstrations are usually not used alone, nowadays you hear a lot of talk about 360 degrees communication, of everything a little bit. Next to the demonstration, it is also important to see the product pass by on your Ipad, or in the newspaper, or see an advertisement on*

*the television” However, another interviewee states that “Nowadays, the consumers are less and less dependent on the television for their purchases, more people go to the store floors to decide on their purchases.”*

The demonstrator has a lot of influence as well. *“When someone is demonstrating for Samsung and has a grumpy look on her face this obviously also has an influence on the consumers, no one will approach her.”* Another interviewee states that *“With product demonstrations we always look first: which employees fit the product best. If it is about complex products, the employees will first follow a training. Explaining, for example, the meat substitutes in Alpro is not easy. A demonstrator must be well informed in order to adequately give an answer to every single question which the consumers can possibly ask.”*

In-store demonstration compared to out-store demonstration also show big differences, the in-store demonstrations get more attention and time compared to out of store demonstrations. One interviewee states *“When outside, the consumers are more likely to take the sample and walk right passed you right after. When demonstrating in stores the consumers take more time to listen to what you have to say. They keep hanging a little bit longer and are more interested in what you have to say.”*

### *The long-term effects of in-store product demonstrations*

Measuring the effects of in-store product demonstrations is very difficult. Currently, none of the interviewees have any idea on the long-term effects of product demonstrations. Some even state directly that there is none, though they later admit that this is because they cannot measure it. Interviewees state that this is the largest problem they face when operating with companies which are interested in in-store product demonstrations. One interviewee mentions *“My gut says that demonstrations are always successful, so many retailers, companies, and brands use demonstrations, and as I mentioned, on short term the effects are easily measured. However, it is very difficult to measure the effects on the long term.”* The interviewees state that it is easy for their companies to measure the short term effects *“The retailers are called before the demonstration takes place and they are asked the what the sales rates of the past few weeks were of the demonstrated product. Then, couple of days after the demonstration they are*

*called again, they are asked how it went and to what extent the sales of the demonstrated product accelerated.”*

### *The impact of the situational factors*

#### *Technology*

The interviewees admitted that times have changed due to technology, especially for high-end technological products. *“We see that consumers spend less time browsing in stores, they have often already obtained the information needed online and only go to the store in order to see the product for themselves.”*

#### *Recession*

The interviewees also stated that the recession has had an influence on product demonstrations. *“Especially with the manufacturers we can clearly see that they are less willing to spend money on extra attributes to the demonstrations.”* Through spending less money on the demonstrations, the effects of the demonstrations will automatically go down as interviewees have stated that the more creative and the more appeal that demonstrations have, the more attraction the demonstration will get.

These interviews already give a lot of information on the effects and the circumstances in which the in-store demonstrations should take place. This is further examined through examining the effects on the consumers through the questionnaire and the observations

## 5.2 Questionnaire

The questionnaire was filled in by 122 respondents of which 44 respondents have seen a product demonstration. Of the 78 remaining respondents 32 only filled out half the questionnaire due to confusion and reluctance towards the idea of filling in a questionnaire of which they did not see the product. 65% of the respondents were male, though 44% of the respondents was aged 19-29.

### *Research descriptives*

The amount of people who were planning to purchase the product before they entered the store and thus saw the demonstration is 18%. This means that 82% of the store visitors who answered the question were just browsing. This does not have to be representative for the population of the daily visitors of the Mediamarkt. Many people who only come for one purchase and have planned to spend little time in the store are also unlikely to spend time on a questionnaire. as seen in table 7 on page 77 of the appendix.

The ordinal question about the purchase intention was answered in the following matter: almost no respondents answered that they want to purchase the product in the near future or that they want to purchase the product of another brand. This indicates that the consumers who wanted to purchase the products probably already have. The answers which were chosen by most respondents were “purchased the product” (30%) and “thinks the product is interesting, but would not purchase it” (31%) as seen in table 8 on page 78 of the appendix.

The other questions were all rated on a seven point likert scale. For the results, three groups are used, the ones who rated the question with a 3 or lower, the ones who rated the question with a 4 and the ones who rated the question with a 5 or higher. The specific numbers are found in the appendix.

### *Attitude towards product demonstrations*

Out of all respondents who answered the question about whether they liked to experience the product this way 65% rated this with a 5 or higher. This compared to 19% who rated it a 3 or lower. This can be seen in table 14 on page 81 of the appendix.

58% of all respondents rated the question on whether they liked the personal attention given by the demonstrator with a 5 or higher. This compared to 24% who rated it a 3 or lower. This can be seen in table 15 on page 82 of the appendix

When respondents were asked whether they obtained all the information they needed from the demonstrator 62% rated this with a 5 or higher compared to 22% who rated this a 3 or lower. As can be seen in table 16 on page 82 of the appendix

These factors together indicate that consumers in general like this form of promotion and do not mind being approached by the use of such a tool. The only people who were not able to answer this question were the ones who were totally unfamiliar with product demonstrations. The last question also reflects on the possibility for learning about the product for the consumer. This percentage rating over 4 indicates that the consumers are satisfied with the information they have obtained and thus have 'learned' as much as they intended or more.

### *Perception*

As for the other questions, whether or not a person has seen a demonstration is the dependent variable. This creates the following research outcomes.

- When asking the people if they liked the product 81% of people who had seen the demonstration rated a 5 or higher. This compared to 63% of the people who had not seen a demonstration. As seen in table 19 on page 84 of the appendix
- When asking people whether the price of the product was good 58% of the people who had seen the demonstration rated a 5 or higher. This compared to 30% of the people who had not seen a demonstration. As seen in table 20 on page 84 of the appendix
- When asking people whether the quality of the product was good 85% of people who had seen a demonstration rated a 5 or higher compared to 80% of the people who had not. As seen in table 21 on page 85 of the appendix
- When asking people whether they like to purchase product of the demonstrated brand 41% of people who had seen the demonstration

gave a 5 or higher compared to 38% of people who had not seen a demonstration. As seen in table 22 on page 85 of the appendix

- Brand awareness was in general already large before the consumers saw a demonstration, 67% of the people who saw a demonstration was already familiar with the product.

Through this one is able to see that the perception of the people who had seen a demonstration of the product is significantly higher than the of the people who did not see a demonstration. One can also see that consumers in general care little about the mother brand of the demonstrated product. This might be caused by the fact that there were little demonstrations present of which the mother brand is more prominently named than the product itself.

### *Recession*

The respondents were also asked to what extend the recession has had an influences on their purchases. From the respondents, 60% rated a 5 or higher for on the question in which they had to state whether they think more about their purchases because of the recession. Furthermore, 57% rated a 5 or higher on the question in which they needed to state whether they felt restrained in their purchases because of the recession. As seen in tables 17 and 18 on page 83 of the appendix.

## *Statistical analyses*

### *Linear regression*

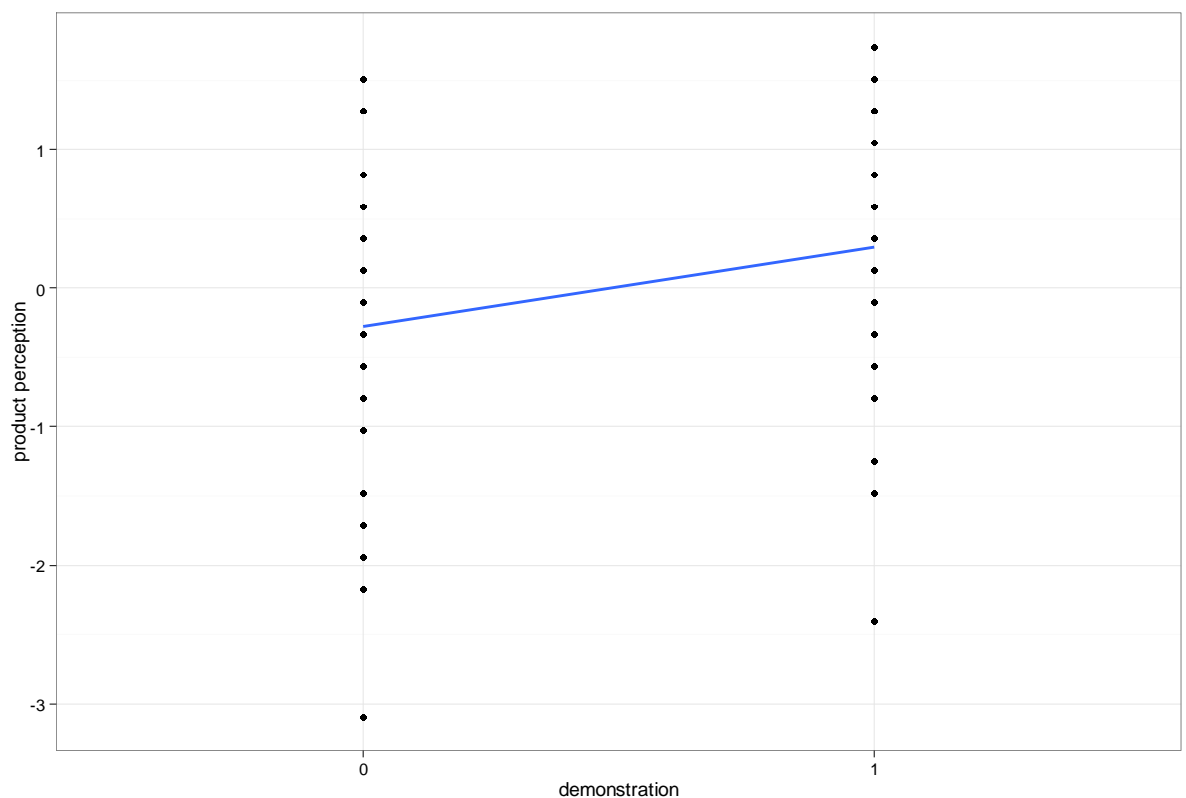
The results in the previous section were all descriptives. The results were also analysed statistically. The relations found previously were tested using a linear regression. By using this, one can relate an independent variable, in this case whether the demonstration was seen or not, to the dependent variable, in this case product perception. The model that is tested is as follows:

$$\text{Product perception} = \alpha + \beta * \text{demonstration}$$

Product perception is the standardized sum of the answers to the questions that were used to measure brand perception. Demonstration is the variable that indicates whether or not a person has seen the demonstration (coded 0 for not seen and 1 for seen).  $\alpha$  stands for the mean of the people who have not seen the



demonstration.  $\beta$  stands for the mean change in brand perception that is a result of people seeing a demonstration. The results can be found in table 23 on page 85 of the appendix. The estimated mean of people who have not seen the demonstration is -0.27 with a standard error of 0.14. The estimated mean change in brand perception B for people who have seen the demonstration is 0.5714 with a standard error of 0.2043. This estimate has a  $p$ -value of 0.006 indicating that this estimate significantly differs from zero. This means that there is a significant increase (the estimate of B is positive) in brand perception as a result of seeing a demonstration. This can also be seen in graph 1, where the values of product perception are plotted against demonstration. The blue line in this plot is the regression line we just described. Here, it can also be seen that people who have seen a product demonstration have a higher product perception than people who have not seen a demonstration.



Although demonstrations significantly influences brand perception the  $R^2$  is only 0.082, indicating that 8,2 percent of the variation in brand perception is explained by people seeing or not seeing a demonstration. Regarding assumptions: the residuals were normally distributed, indicated by a straight line in the qqplot of the residuals. There were no problems with homoscedasticity and there were no

problems with outliers, as there were no influential observations .It can be concluded that seeing a demonstration significantly increases brand perception. The question that remains is: does product perception then have an effect of purchase intentions? This will be tested in the following section.

#### *Cumulative logit regression*

Using a cumulative logit regression we can estimate the effect of product perception and demonstration on purchase intention. A cumulative logit regression is a generalization of the binary logistic regression models. It models the cumulative probability that Y falls at or below a particular point. For outcome  $j$ , the cumulative probability is:

$$\text{logit}(P(Y \leq j)) = \pi_1 + \dots + \pi_j, \quad j = 1, \dots, J$$

These probabilities reflect the ordering of the variable, with  $P(Y \leq 1) \leq P(Y \leq 2) \leq \dots \leq P(Y \leq j) = 1$ . Models for cumulative probabilities do not use the final one,  $P(Y \leq j)$ , since it necessarily equals to 1. The logits of the cumulative probabilities are:

$$\text{logit}(P(Y \leq j)) = \log\left(\frac{P(Y \leq j)}{1 - P(Y \leq j)}\right) = \log\left(\frac{\pi_1 + \dots + \pi_j}{\pi_{j+1} + \dots + \pi_J}\right)$$

These are called cumulative logits. Each cumulative logit uses all the response categories. In the following section this model will be applied to the data.

Various possible models were designed in order to find whether or not there is a relation between product perception and demonstration and purchase intention.

*Table 1. Possible models*

Model	form
A	$\text{logit}(P(Y \leq j)) = \alpha_j$
B1	$\text{logit}(P(Y \leq j)) = \alpha_j + \beta_1 * \text{demo}$
B2	$\text{logit}(P(Y \leq j)) = \alpha_j + \beta_1 * \text{perception}$
C	$\text{logit}(P(Y \leq j)) = \alpha_j + \beta_1 * \text{demo} + \beta_2 * \text{perception}$
D	$\text{logit}(P(Y \leq j)) = \alpha_j + \beta_1 * \text{demo} + \beta_2 * \text{perception} + \beta_3 * \text{demo} * \text{perception}$

In Table1 the possible models can be found. Model A is the intercept only model and is used to make comparisons between models only. Model B1 is the model that contains an effect for demonstration. Model B2 is the model that contains an

effect for product perception. Model C is the model that contains an effect for both demonstration and product perception. Model D contains an effect for both demonstration and product perception but also includes an interaction effect between these product perception and demonstration. In order to find the correct model to interpret the likelihood ratio statistic is used. This statistic uses the optimized value of the likelihood ratio function of two models and compares these values via the following formula:

$$likelihood\ ratio = -2 * \log \left( \frac{likelihood_0}{likelihood_1} \right)$$

Where  $likelihood_0$  is the likelihood of model 0 and  $likelihood_1$  is the likelihood of model 1. This formula can also be used in a different, easier to comprehend form: likelihood ratio = deviance<sub>0</sub> – deviance<sub>1</sub>. Where deviance<sub>0</sub> is -2\*log(likelihood) of model 0 and deviance<sub>1</sub> is -2\*log(likelihood) of model 2. The likelihood ratio test statistic follows an approximate  $\chi^2$  distribution with degrees of freedom (df) equal to the difference in number of parameters between the models (Agresti, 2002). The likelihood ratio for each comparison can be found in Table 2.

Table 2. Likelihood ratio tests

Comparison	Likelihood ratio	Df	p-value
A vs. B1	0.967	1	0.325
A vs. B2	25.458	1	<0.001
B2 vs. C	0.366	1	0.545
B2 vs. D	7.167	2	0.028

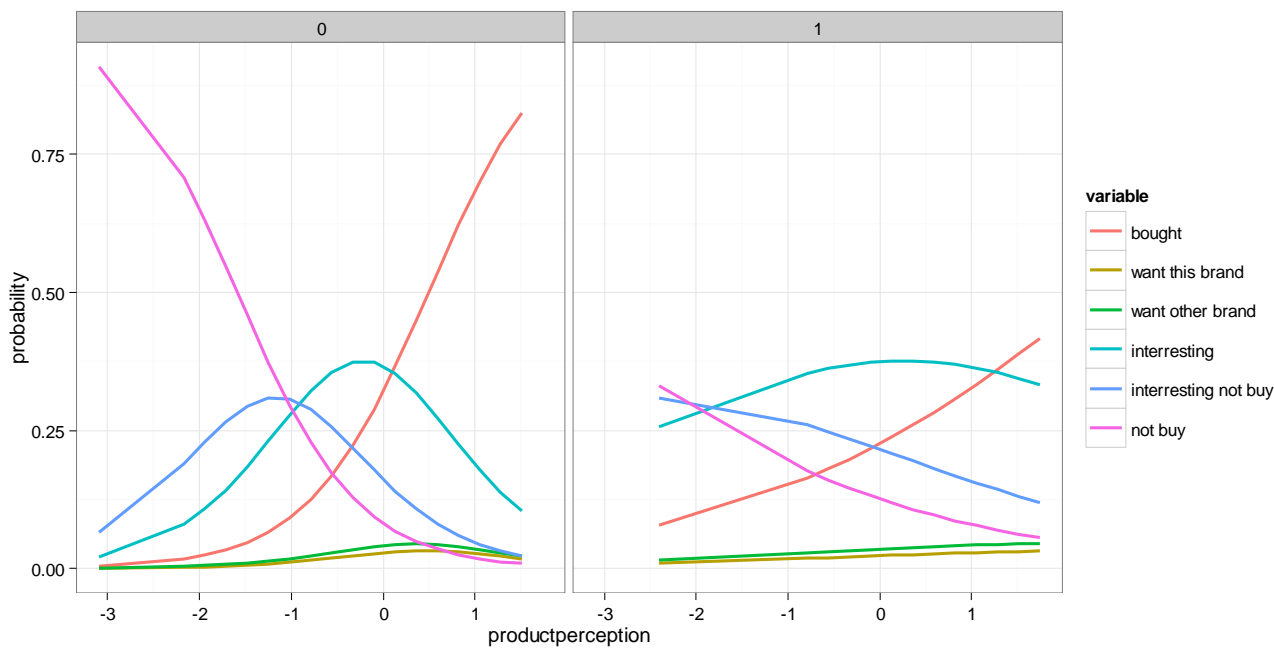
Model B1 does not fit significantly better than model A ( $\chi^2 (1) = 0.967$ ,  $p = 0.325$ ) indicating that demonstration does not significantly influence purchase intention. Model B2 does significantly fit better than model A ( $\chi^2 (1) = 25$ ,  $p < 0.001$ ), indicating that product perception does have a significant influence on purchase intention. Model C does not significantly fit better than model B2 ( $\chi^2 (1) = 0.366$ ,  $p = 0.545$ ), indicating that there is also no significant effect of demonstration together with product perception. Model D does fit significantly better than model B2 ( $\chi^2 (2) = 7.167$ ,  $p = 0.028$ ), indicating that the interaction between product perception and demonstration significantly influences purchase intention. Note that multicollinearity will not be a problem as although demonstration and

perception are correlated this correlation is not high enough to worry about multicollinearity:  $r = \sqrt{R^2} = \sqrt{0.082} = 0.29$ . This does not exceed 0.8, the value at which multicollinearity might be an issue. Because Model D fits significantly better than model B2 model D will be used for interpretation. The parameter estimates and their standard errors can be found in Table 3.

*Table 3 parameter estimates*

parameter	estimate	se
$\alpha_{1 2}$	-0.747	0.298
$\alpha_{2 3}$	-0.620	0.295
$\alpha_{3 4}$	-0.441	0.291
$\alpha_{4 5}$	1.140	0.314
$\alpha_{5 6}$	2.422	0.392
$\beta_1$ (demonstration)	0.484	0.442
$\beta_2$ (perception)	-1.522	0.316
$\beta_3$ (interaction)	1.010	0.499

To interpret these estimates we plot them: the probabilities of having answered the question with a specific response is predicted by these estimates and placed on the y axis. Product perception is placed on the x axis. Now the influence of product perception on purchase intention can be seen. This is done twice: once for when people have not participated in a demonstration (indicated by a 0) and once for when people did participate in a demonstration (indicated by a 1). Graph 1 shows the results. The lines are explained in the legend, these are the responses to the question on purchase intention.



From this figure we see that the higher product perception gets the higher the probability of a person buying a product. This is especially noticeable in the plot to the left, through the pink line and the orange line. The purple line indicates people who would not buy the product, the orange line indicates people who have bought the product. One can easily see that the pink line drops when product perception is high, and the orange line rises. This counts for both when people have and have not participated in a demonstration.

We can also see that the effect of product perception is lower when people have participated in a demonstration, indicated by the more shallow curves of the plot on the right. This means that product perception does not have as much impact on the consumers purchase intention when they have seen a demonstration, compared to when they have not seen a demonstration. One can also see that the product becomes a lot more interesting to the consumer when having seen a demonstration, whether they do or do not want to purchase the product (indicated by the blue lines). It also indicates that when people have participated in a demonstration the probability of buying a product is higher for lower values of product perception.

## 5.2 Observation

Observation is used in order to analyse what behaviour the consumers show when the demonstration takes place. In order to carry out the observation part of the study properly and to avoid biases as much as possible first a demonstration is watched a few times to see what kind of interaction the demonstrator and the consumer have with one another. This is done without the demonstrator or the consumer knowing. The experiences of the researcher are then described together with the experiences of other demonstrators.

### *Impact of product demonstrations on the consumers purchase intention*

A lot of consumers pass by the demonstration without ever experiencing the product. Especially with high priced technological products more consumers walk passed and decline experiencing the product than with a low-priced product. However, when consumers do take the time to gain information and take the chance to experience the product, the chance that they will purchase the product will also rise a lot. The more they learn about the product, the more they seem to want the product. This can sometimes be due to consumers who stop for the demonstration are already looking for a product in the same segment. Though when they are simply 'browsing' and see the demonstration, the step from browsing to purchase decision is already a lot smaller.

### *Circumstances in which product demonstrations take place*

#### *New products*

On whether to use in-store products demonstrations as a tool for new products on the market the opinions are divided. Sales will be a lot lower than with products which have already been on the market for a while, but this could also be because of the uncertainty of a new product. One demonstrator says *"No I do not think in-store product demonstrations are the most effective way to introduce a new product. It is mainly an expensive way of promotion. The best way is to first promote on television and through guerrilla marketing. Afterwards use demonstrations in big cities and places which attract many people."* Another demonstrator says. *"I do not know, if the product is entirely new and people hear first about it from you as a demonstrator they seem less likely to purchase the*

*product, especially with more expensive products. However, they do get to know the product which is one of the main goals of demonstrations.”*

Generally known brands are a lot easier to sell: they attract more people. One respondent states *“Known brands are easier to sell than unknown brands. This is mainly because people are focused on the brands they know, once they try the product and like it the chance is a lot higher that they will purchase it or come back for it.”*

#### *Design matters*

Consumers do not only look at if they like the product and the product attributes, they will also look at design, especially in high commitment products. *“One consumer once told me that they wanted an easy capsule coffee machine, but she really wanted it in pink or purple. Since none of the brands at the store (tassimo, nespresso, senseo, Dolce Gusto) had a machine in these colours, she had gone without a coffee machine for the past year.”* For this consumer design matters so much, that it surpassed the need for a coffee machine.

#### *When it does not work*

When there are too many people around the stand or demonstrated product, not everybody has the chance to gain the information needed and the experience of the product. When this happens you lose a lot of the consumers attention and most often they will move on. One demonstrator mentions that *“Time is really important in a demonstration. Demonstrations are mainly directed at anticipating and responding to the needs of the customer, but most purchases which are done through in-store demonstrations are impulsive purchases.”*

When a technological product does not work during the demonstration, the consumer will automatically not buy it. It is very important for the demonstrator to maintain the product well. If the product stops working half way through the demonstration, the consumer will walk away and they will be convinced that the product is not a good product.

#### *In-store product demonstrations in comparison and combination with other sales promotion tools*

Most often in-store product demonstrations already are integrated in combination with a sales promotion and special display. However, when the in-store demonstration is implemented by itself, one can observe major differences compared to when it is in contact with a sales promotion. Sales are not as high and a lot of consumers who participate in the in-store demonstrations do admit that they like the product, but want to have more time before they make the purchase decision. One demonstrator who was asked if it mattered if there is or is not a price promotion answered with *“Yes, absolutely! Price in the Netherlands is really important especially when we look at consumers’ behaviour. When customers notice that the price of the product is not cheaper than the usual price they react a lot more restrained and they are less likely to purchase the product.”* Customers anticipate that there is a price promotion when a demonstrator is present, they often get disappointed when there is not. This also works the other way around. When there is a price promotion, but no demonstrator, the sales will rise, but when a demonstrator is present, sales rise to around five times the sales when there is only a price promotion.

#### *Visibility*

Higher visibility of the demonstration causes higher attraction towards the demonstrated product. As one demonstrator states *“I do think that higher visibility is very important. It is important that the customer sees what is going on in the market. The consumer makes a link between what they have seen before and what they are seeing now. The customer is then faster inclined to try out the product in question”* Higher visibility does not necessarily mean that sales will be higher when visibility is larger. However, it does mean that there are more people interested in the product which is demonstrated when visibility is larger. Through this at least brand awareness will rise.

#### *High credibility of the demonstrator*

Consumers generally expect the demonstrator to be directly connected with the brand you are promoting, they will often even approach you with problems about the product or things holding them back to purchase.

#### *Foot in the door technique*

The foot in the door technique does work, and it is exactly the strategy which is used by every demonstrator in the field. Consumers are not asked if they are



interested in the product or if they want to have the product, they are asked if they want to try the product or if they have heard of the product. Consumers who are asked to try something, or asked if they know the brand stay easier, they are taken aback less and are easier to convince. Because these are small requests more consumers react to it. Once the consumer has reacted, they will get all the information about the benefits of the products and they are persuaded to purchase more easily.

### *Difference between high-end technological goods and low-end convenient goods*

One demonstrator reacts on the difference between low end and high end product demonstrations with *“The cheaper the product, the faster the purchase, with food products consumers are generally easily convinced, they will purchase the item right after trying it, if they do not approach you to try it they will not buy it. This also means that the job is a lot easier for the low end products; the consumers need little convincing. As for the high end, more expensive products, it is a lot harder to convince consumers. These products need more commitment and are therefore more difficult to sell.”* Referring back to a point made earlier, if the consumer learns more about the product, they are usually faster inclined to purchase said product. Another demonstrator states that *“A shopping good such as a Dolce Gusto machine for example takes up more time to consider. Convenience goods are a lot easier, the risk to lose money with these goods is a lot smaller.”* To conclude, in-store demonstrations work for both low end and high end products, but it is needed more with high end products as the consumer needs more convincing and more information to make their purchase decision.

### *Technology*

One of the demonstrators mentioned that *“When it is an expensive product which requires commitment they generally are already looking for a product like it (also because these products are only sold in speciality shops) some have already conducted research on the internet but still come to the shop to see the actual product and its attributes.”* Modern technology does have an impact on purchase behaviour; consumers often mention having sought reviews on the internet while they are viewing the demonstration. The demonstrator continues with saying *“Some employees in the Mediamarkt even advise consumers to look up reviews*

*of the product before purchasing it. However, the consumers still keep on coming to the stores because they want to experience the product for themselves before the purchase.”* They want to get first-hand information and they wish to see the product that they are going to purchase. This especially counts for high priced products which they need information about.

## 6 Conclusion

---

This thesis was written to study what the impact of in-store product demonstrations is on the consumers' purchase behaviour and in what circumstances it is most beneficial to use in the technological industry. Throughout this thesis, various effects and circumstances have been examined and analysed. This has provided helpful insights on how in-store demonstrations can be used.

In this final chapter, conclusions are drawn based on literature research and main research outcomes in order to answer the research question:

*What is the impact of in-store product demonstrations on the consumers' purchase behaviour, in the high-end technological product industry in the Netherlands?*

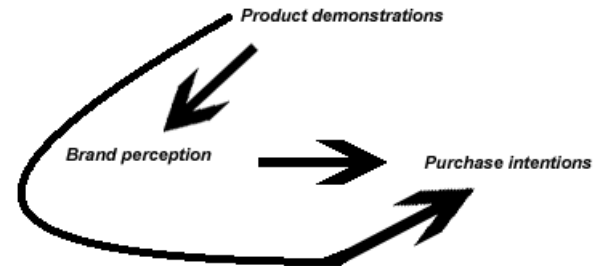
After the conclusion an advice on the circumstances in which it is most beneficial for companies operating in the high-end technological industry to use in-store product demonstrations as a marketing communication instrument is given. The conclusions are given per sub-question.

*The impact of in-store product demonstrations on the consumers purchase intentions and on brand perception*

By looking at the results of the questionnaire one can see that in-store product demonstrations do not have a direct effect on the consumers purchase intentions when solely measuring the effect of product demonstrations. However, they do have an effect on the product perception of the demonstrated product. Seeing that product perception directly influences purchase intention it can be concluded that product demonstrations indirectly influence purchase intentions. This can be seen in graph 2 on page 45. This graphs shows that as product perception increases the probability of a positive purchase intention increases and the probability of a negative purchase intention decreases.

The effects of product perception split in two groups of consumers; has seen the product demonstration and has not seen the product demonstration. The results show that the direct effect of in-store product demonstrations combined with product perception flattens out the effect of product perception on purchase

intention, as we could see in graph 2 on the right on page 44. This means that product perception has less influence on the purchase intention when the consumer has seen the demonstration. This graph also shows that the interest in the demonstrated product rises substantially compared to the consumers who have not seen the demonstrations. This also indicates that if a consumer sees a product demonstration, the interest in the product grows, no matter if the consumer does or does not like the product. To make it better to comprehend we turn to Figure 3 on the right. Here we can see that although product demonstrations do not directly influence purchase intention it does so via product perception.



The latter is supported by the observations, in which various demonstrators state that once the consumers take the time to see the demonstrations, the probability that they will purchase the product rises. The demonstrators state that this is because the more consumers seem to learn about the product, the more they seem to want the product. This corresponds with the results from the research into supermarket products, in which the DFMA states that half of their respondents changed their opinion about the brand positively after seeing a product demonstration (2011). This is also backed up by the research of Hamilton and Thompson, in which they state that the perceived usability of the product rises when experiencing a product. (Hamilton and Thompson, 2007)

### *Consumers' attitude towards the product demonstrations*

This research confirms that consumers do not dislike being approached by in-store product demonstrations. This was also studied by the DFMA. They studied in-store product demonstrations in supermarkets and showed that 82% of the supermarket visitors stated that they do not view the promotions as troublesome. In the questionnaire in the main research, which was orientated on the technological industry, the majority of the consumers (65%) liked the experience with the product and 58% liked the personal attention given by the demonstrator. Some consumers who did not like the personal attention commented that this was either because the demonstrators were too focused on selling a product, or because they had had a bad experience with a grumpy demonstrator.

This corresponds with studies conducted outside of the Netherlands. In one of these studies Hoch and Deighton state that consumers tend to grant special status to the experience of a product. Which is a strong indication that consumers like the overall experience.(1989) Studies have shown that there is a positive relationship between the attitude towards the advertisement and purchase intention of the advertised products (Khairullah and Khairullah, 1999) This indicates that this form of in-store promotion has a positive influence on purchase intention simply because the consumers like the tool.

### *The impact of in-store product demonstrations on consumer learning*

Overall, consumers noted that they had gained all the information they needed from the demonstrator (62%). Indicating that consumers are satisfied with the information they have obtained and thus have learned as much as they intended to or more. Learning can lead to the recognition and recall of a product (Schiffman and Kanuk,2009) Meaning that brand awareness rises because of in-store product demonstrations

### *The difference between high-end technological products and low-end convenient goods*

The experts explained that there are large differences between convenient goods and technological products. This difference is mainly due to the larger commitment required to purchase technological goods. Consumers require more information about the product because of said commitment. This supports the ideas of Heiman and Muller, who state that demonstrations are recommended for consumers who require more information (Heiman and Muller, 1996). Also, people who come to the technological stores generally have a different purchase in mind than the demonstrated product, according to the interviewees. The demonstrators state that it takes a lot more time to convince the consumers when they work in technological stores compared to when they work in, for instance, supermarkets.

An example to illustrate the differences between technological goods and supermarket products is as follows. A consumer has the possibility to see an expensive juicer being demonstrated. The demonstrator shows the use of the product, tells the benefits of the product and the consumer is able to get a sample of the juice produced by the juicer. The consumer is able to try the juice, and

might even like the juice, but the consumer is not just able to purchase the juice, he would have to buy the juicer to get the juice. At this point the personal interaction with the demonstrator is highly important. The consumer needs to be persuaded of the good attributes of the juicer in order to purchase the product. This shows that the demonstrator might be even more needed for technological products than for convenient goods, as the need for information is a lot higher.

### *Are in-store product demonstrations able to stand alone, or should other promotional tools always be used?*

Demonstrations are highly dependent on price promotions. Though this could not be tested through the questionnaire, as there were no demonstrations without a price promotion at the time, this was confirmed by the demonstrators and interviewees. The demonstrators state that demonstrations simply do not have the same effects when a price promotion is not present. According to them, this is due to the expectation of a price promotion. In other words, consumers get disappointed when there is no such price promotion and are thus less willing to purchase the demonstrated product. This notion is in agreement with the research of C.A. Scott, who stated in that demonstrations of products only work in combination with a price promotion. (Scott, 1976) The demonstration does attract consumers to the price promotion, as was indicated by both the experts and the demonstrators.

Furthermore, the interviewees recommend that promotional tools are used at the time of the demonstration. Through this, it is easier for the consumer to see what brand or product the demonstration is about, and the consumer is more actively involved with the product. Most often the demonstrations are used together with special displays, uniforms, price promotions, and sometimes activities to promote extra involvement. The amount of promotion tools vary per demonstration.

### *Demonstrations in the long-term*

Unfortunately, none of the current research instruments could measure any long-term effects of in-store product demonstrations. This is because the questionnaire was only spread during one week. Also, demonstrators rarely hear back from the consumers because they change locations often. The experts never found a way to measure the long term effects of in-store product demonstrations so they could not provide any information either. The

interviewees do see that there is a considerable boost in sales during the demonstration and the weeks after the demonstrations. The findings from the questionnaire also state that the perception of the product rises upon seeing a demonstration. As perception has a large effect on purchase intention this could provide for later purchases. Also, earlier research on consumer learning suggested that the consumers have better memory of the product because of the experience with the products. (Hoch and Deighton, 1989) This together could provide for the consumer to take the product into consideration when making a purchase decision. However, it is difficult to measure the long term effects of a product demonstration, as it is possible that the consumers are influenced by other promotional tools or situational factors, or might not even have been in contact with a demonstration. It is recommended that new studies about in-store product demonstrations also study the long-term effects, as these effects remain unclear.

### *The impact of the identified situational factors*

#### *Technology*

Both the demonstrators and experts in field marketing admitted that because of modern technology times have changed, especially when demonstrating a high-end technological product. Consumers depend less on demonstrators for information and search more online, especially when the price of a product is high. Though this does sound as a disadvantage for in-store product demonstrations, demonstrations might not suffer under the modern technology as much as one would think. Research has shown that consumers perceive shopping online as more risky than shopping in stores. Because of this a lot of people who have done research on the internet, still come to the stores, therefore providing demonstrators with the chance to persuade them of the product. More research is needed to make definite conclusions about the effect of technology. It was chosen not to study this situational factor too deeply as there were many unstable factors involved.

#### *Recession*

Looking at the results of the questionnaire one can see that the consumers do feel restrained by the recession. The recession also made them think more about their purchases. The experts stated that in like any other industry, field marketing

was impacted by the recession. Not only because the consumers need an extra push, but also because the companies that hire field marketing organizations have spent less money on demonstrations. The interviewees stated that with more creativity and involvement, the demonstration has more appeal. Because companies spent less money on demonstrations the effects of the demonstration are lowered. It is difficult to measure if the demonstrations provided for fewer sales because of the consumers, or because of the organizations which hired the demonstrations. This is due to the lower appeal of the demonstration. More research is needed to make definite conclusions about this. It was chosen not to look too deep into this situational factor as there were many unstable factors involved.

### *When to use in-store product demonstrations*

Both the demonstrators and the field marketing experts mentioned various circumstances in which demonstrations are most beneficial for companies to use. This resulted in the knowledge that demonstrations are most often used for products which need a boost of attention, or need more visibility. This can either be a new product, a product which needs more awareness, or a product consumers need to be reminded of. Though products with low brand awareness are a harder to sell than products with high awareness, the experts state that the demonstrations still have the desired effect for the brand.

Demonstrations are also used when the consumer has to experience the product before buying it. This may be achieved by, for instance, explaining how a coffee machine works, or experiencing the taste and easiness of making a cup of coffee.

Product demonstrations are easy to use when a specific targeting is needed. For instance when a new brand of deodorant is demonstrated specifically designed for women who suffer of excessive perspiration, the demonstrator is asked to target only women who perspire excessively. These demonstrators can reach out to this group of consumers by simply asking the women if they ever suffer from excessive perspiration.

Finally the company needs to be aware of the costs before they implement product demonstrations. As stated by one of the interviewees: a demonstration costs about 300 euros per location per day. Often they are combined with price promotions, which are sometimes so high that the company loses money on the



sale of a product. On a demonstration day the manufacturer can expect around 50 euros in return. This means the demonstration costs the company around 250 euros per location. The companies never get this back, at least not in the short term and while the long-term effects have never been measured, the manufacturers can only expect a short term boost.

## *Conclusion*

For the conclusion the two main-questions are answered in short.

*How do in-store product demonstrations as a marketing communication instrument affect the consumer in its purchase decision making process?*

Product demonstrations directly cause consumers to listen less to their product perception, the interest of the consumer in the demonstrated product also becomes larger. Other effects are that the product perception rises considerably when having seen a demonstration. The product perception in turn has a large effect on purchase intentions. From this we can conclude that product demonstrations have an indirect effect on future purchases. Furthermore, consumers like the experience and appreciate the personal attention of the demonstrators, and they do learn from product experience.

*In which circumstances is it advisable for companies operating in the high-end technological industry to use in-store product demonstrations as a marketing communication instrument?*

Throughout this thesis there are various circumstances stated in which it is advisable for companies operating in the high-end technological industry to use in-store product demonstrations as a marketing instrument. The most prevalent situations where companies implement in-store product demonstrations are: when the product is first introduced to the market, when the product needs more attention, when brand or product attention needs to be raised, and when the consumer needs to experience the product to gain more information before they will be convinced to purchase it. As this question was at the same time the advisory question of this report, it will be further elaborated upon in the recommendation.

## 7 Recommendation

---

In this recommendation the advisory question is answered. This question was:

*In which circumstances is it advisable for companies operating in the high-end technological industry to use in-store product demonstrations as a marketing communication instrument?*

### Circumstances

In the conclusion of the research findings this question was already partially answered. The answer given in the previous section will now be further elaborated upon. The answers to the first research question will also be used for this purpose. The circumstances in which it is advised to use in-store product demonstrations are the following

#### *The product is new*

In-store product demonstrations are most often used with products that are new to the market. The demonstrations especially get big effects when there already is brand awareness, nevertheless large effects have been measured for new products as well. This was explained by the experts and interviewees.

#### *The product needs extra attention*

When the product has not been in the consumers' mind for a while, in-store product demonstrations are a good way give a new boost to the product in the consumer's mind. This is because of the high visibility within the store and the high information retention through the experience of a product. As was explained by the experts.

#### *The brand wishes to raise brand or product awareness*

Experts stated that through in-store product demonstrations, consumers can get actively involved with the product. Because of this product awareness grows. Interviewees and research have stated that when the consumer participates in a demonstration, or even sees a demonstration, they are often aware of which brand or product it was after leaving the store.

### *The brand wishes the consumers to become more active towards the brand*

The interviewed companies examined the short-term effects of in-store product demonstrations. These show that during a product demonstration sales rise 20 – 40% over the usual sales. This means that more consumers are more inclined to purchase the product when they see or participate in a product demonstration. Together with the raised interest in the product, the raised brand awareness, the raised product perception, and the lingering memory of the product this causes the consumer to become more active towards the brand. In turn, this can cause the consumer to take the demonstrated product more into consideration when making a purchase decision.

### *The brand wishes to target a specific group*

It is very easy to target a specific audience by means of product demonstrations. This is because the demonstrators are able to select the target group. Compared to other advertising material, such as flyers, TV commercials, or price promotions, targeting is a lot easier with product demonstrations. One can choose the location and the group of demonstrators themselves (which can be representative to the target audience), and tell the demonstrators who to approach.

### *There is extra information about the product which needs to be spread to the consumers*

In-store product demonstrations are a great way to spread knowledge to the consumer. The demonstrators can be trained to explain the exact benefits of the products and benefits over other products in the same category. When a product has a new attribute that the consumer should know about, such as the benefits of a curved screen of a television, product demonstrations are a good way to explain and demonstrate said attributes. Especially for high-end technological products this might be very beneficial.

### *The brand wishes the consumers to stand closer to the product*

Through involvement and experience with the product, the consumer can see all the attributes, benefits, and possible defects. Automatically, the consumer feels closer to this product than the products in the same category which the consumer

has not seen in action. Also, the consumer can stand closer to the company, especially in the eyes of the consumer, as research and the demonstrators have stated that consumers often believe the demonstrators to be directly involved with the company in question.

#### *The brand wishes the consumers to experience the product*

When experience with the product is needed to convince the consumer of the benefits of the product, in-store product demonstrations are a great way to demonstrate these. Especially when the product has a “manual”. Through the product demonstration, the consumer is able to see how the product works and is able to perceive the benefits of the product themselves. Through this the consumer will have a higher sense of usability of the product.

#### *The brand wishes the consumer to learn about the product*

As explained earlier, product demonstrations are a good way for consumers to obtain knowledge about the product. The consumers are more involved with the product, and through experience of the product, memory retention is higher. Consumers also stated that they learn enough or more than they intended off product demonstrations.

#### *The brand wishes to raise product perception*

Through product demonstrations, the perception of a product rises considerably. This study showed that compared to consumers who have not seen a demonstration, consumers who have seen a demonstration have a larger product perception on the demonstrated products. This indicates that future purchases might be influenced by the product demonstration, as product perception has a significant positive effect on purchase intention. Although it is uncertain how long the effect of demonstrations on product perception remains.

#### *The brand has a price promotion which could use extra marketing support*

All of the experts and demonstrators stated that demonstrations work especially well in combination with a price promotion. The demonstrators even stated that without a price promotion, the demonstrations did not work well, due to disappointment of the consumers who expect a price promotion. Through the demonstration the product and the price promotion the product gets a lot more

attention and attraction. It is therefore recommended to always have a price promotion when having an in-store product demonstration.

### *The brand has a budget large enough to cover for the expenses*

Any company that considers in-store product demonstrations needs to be aware of the costs before they implement it. A demonstration needs to represent the company it stands for, as consumers perceive this as the face of the company. Therefore a lot of material is used for most demonstrations. Among others these often include: special displays, products to demonstrate, and uniforms for the demonstrators. The interviewees recommend more creativity and appeal as this creates more attraction and involvement with the product. When the brand wishes to create even more involvement, even an activity can be created, which makes use of even more promotional material. A demonstration costs about 300 euros per location. As recommended earlier, product demonstrations often work together with price promotions, making the costs even higher. On a demonstration day the company may have a profit of around 50 euros, leaving a cost of 250 euros per location. The company cannot expect these costs back in short-term, and long-term effects are viewed as almost impossible to measure.

### *The brand is comfortable knowing that the long-term effects of in-store product demonstrations cannot be measured yet*

As of now, there is no research on the long-term effects of demonstrations. Field marketing companies find this difficult to measure as there are too many unstable factors to measure long term effects. Therefore, the brand needs to be comfortable knowing that no long-term effects can be measured as of now.

## **Checklist**

In order to make it easier for companies in the technological industry considering in-store product demonstrations to examine whether this would be a good marketing tool to use, a checklist has been made. This checklist can be seen as a guideline for companies who are considering in-store demonstrations. The factors are prioritized, but the company can deviate from these prioritizing considerations whenever necessary. The factors are based on the same recommendations which have been studied up until now, and can be found on the following page.

Checklist for companies operating in the technological industry who consider in-store product demonstrations

Project:

Date:

	Description of considerations	Applicable	Not applicable
	<b><i>When the product satisfies to at least 2 of the following considerations</i></b>		
1.	The product is new		
2.	The product needs extra attention		
3.	The brand wishes to raise brand or product awareness		
4.	The brand wishes the consumers to become more active towards the brand		
5.	The brand wishes to target a specific group		
	<b><i>When the product satisfies to at least 3 of the following considerations</i></b>		
6.	There is extra information about the product which needs to be spread to the consumers		
7.	The brand wishes the consumers to stand closer to the product		
8.	The brand wishes the consumers to experience the product		
9.	The brand wishes the consumers to learn about the product		
10.	The brand wishes to raise product perception		
	<b><i>When the product satisfies to all of the last considerations</i></b>		
11.	The brand has a price promotion which could use support		
12.	The brand has a budget large enough to cover for the expenses		
13.	The brand is comfortable knowing that long-term effects cannot be measured		

## 8 References

---

- Adèr, H. J., & Mellenbergh, G. J. (2008). Research designs: Testing of research hypotheses. In *Advising on research methods: a consultant's companion* (pp. 143 - 180).
- Arussy, L. (2009). *The Post-Recession Customer*. Customer Relationship Management.
- Axelrod, J. N. (1968). *Attitude Measures That Predict Purchase*. Xerox Corporation, 8.
- Beckman, T. N., & Davidson, W. R. (1967). *Marketing* (8th ed.). New York: The Ronald Press.
- Bertola, G. (2010). Options, Inaction, and Uncertainty. *Scottish Journal of Political Economy*, 57(3), 254 - 270.
- Bou-Llusar, J. C., Camison-Zornoza, C., & Escrig-Tena, A. B. (2001). Measuring the relationship between firm perceived quality and customer satisfaction and its influence on purchase intentions. *Total Quality Management*, 12, 719-734.
- Bushong, B., King, L. M., Camerer, C. F., & Rangel, A. (2010). Pavlovian Processes in Consumer Choice: The Physical Presence of a Good Increases Willingness-to-Pay. *American Economic Review*, 100, 1-18.
- Chevalier, M. (1975). Increase in sales due to in-store display. *Journal of Marketing Research*, 12, 426-431.
- Dolinski, D. (2012). The Nature of the First Small Request as a Decisive Factor in the Effectiveness of the Foot-in-the-Door Technique. *Applied Psychology: An International Review*.
- Dutch Field Marketing Association (2010, July 7). 'Face-2-face promotionele activiteiten effectief'.
- Dutch Field Marketing Association (2011, January 3). Tot 15 keer meer verkoop dankzij productdemonstratie.
- Dutch Field Marketing Association (2013). DFMA - Demonstraties. Retrieved from <http://dfma.nl/demonstraties.html>
- Dutch Field Marketing Association (n.d.). DFMA - Wat is Fieldmarketing. Retrieved March 2014, from <http://dfma.nl/wat-is-fieldmarketing.html>
- Flatters, P., & Willmott, M. (2009). *Understanding the Post-Recession Consumer*. Harvard Business Review.

Freedman, J. L., & Fraser, S. C. (1966). Compliance without pressure: the foot-in-the-door technique. *Journal of Personality and Social Psychology*.

Gilbert, D. C., and Jackaria, N. (2002). The efficacy of sales promotions in UK supermarkets: A consumer view. *International Journal of Retail & Distribution Management*.

Gilbert, N. (2009). *Researching Social Life* (3rd ed.). Sage Publications.

Grewal, D., Krishnan, R., Baker, J., & Borin, J. (1998). The effect of store name, brand name and price discounts on consumers' evaluations and purchase intentions. *Journal of Retailing*, 74, 331-352.

Gupta S. (1988). Impact of Sales Promotions on When, What, and How Much to Buy. *Journal of Marketing Research*, 25(4), 342-355.

Hamilton, R. W., & Thompson, D. V. (2007). Is There a Substitute for Direct Experience? Comparing Consumers' Preferences after Direct and Indirect Product Experiences. *JOURNAL OF CONSUMER RESEARCH*, 34, 546-555.

Heiman, A., & Muller, E. (1996, November). Using Demonstration to Increase New Product Acceptance: Controlling Demonstration Time. *Journal of Marketing Research*, pp. 422 - 430.

Heiman, A., McWilliams, B., & Zilberman, D. (2001). Demonstrations and money-back guarantees: market mechanisms to reduce uncertainty (54). *Journal of Business Research*.

Hickson III, M., Jones, M., Morse, M. A., & Wilson, B. A. (2013). Foot in the Door: A Typology of Salesmen. *Qualitative Research Reports in Communication*.

Hoch, S. J., & Deighton, J. (1989, April). Managing What Consumers Learn from Experience. *Journal of Marketing*, pp. 1 - 20.

Hoch, S. J. (2002). Product Experience Is Seductive. *JOURNAL OF CONSUMER RESEARCH*, 29, 448-454.

Hollis, N. (2008). *Marketing During Recession: Survival Tactics*. Millward Brown's POV.

Hoyer, W. D., & Cobb-Walgren, C. J. (1988). Consumer Decision Making Across Product Categories: The Influence of Task Environment. *Psychology & Marketing*.

Hoyer, W. D., & Macinnis, D. J. (2009). *Consumer Behavior* (5th ed.). Cengage Learning.

Hung, L. P. (2012). Discovering patterns of online purchasing behaviour and a new-product-launch strategy. *Expert Systems*, 29(4), 411-425.



- Keller, K. L. (2013). Strategic brand management: Building, measuring, and managing brand equity. Pearson Education Limited.
- Khairullah, D. Z., & Khairullah, Z. Y. (1999). Relationships between acculturation, attitude toward the advertisement, and purchase intention of Asian-Indian immigrants. *International Journal of Commerce and Management*, 9, 46-65.
- Kotler, P., & Armstrong, G. (2010). Principles of Marketing (13th ed.). Pearson.
- Kumar, V., & Leone, R. P. (1988). Measuring the effect of retail store promotions on brand and store substitution. *Journal of Marketing Research*, 25, 178-185.
- Lawson, M., McGuinness, D., & Esslemont, D. (1990). The Effect of In-store Sampling on the Sale of Food Products. *Marketing Bulletin*.
- Mayer, D., & Greenberg, H. M. (1964). What Makes a Good Salesman. *Harvard Business Review*.
- Mela, C. F., Gupta, S., & Lehmann, D. R. (1997). The long-term impact of promotion and advertising on consumer brand choice. *Journal of Marketing Research*, 248 - 261.
- Morrison, D. G. (1979). PURCHASE INTENTIONS AND PURCHASE BEHAVIOR. *Journal of Marketing*, 43, 66-74.
- Paivio, A. (1971). Imagery and verbal processes. New York: Holt, Rinehart & Winston.
- Pauwels, K., Hanssens, D., & Siddarth, S. (2002). The long-term effects of price promotions on category incidence, brand choice, and purchase quantity. *Journal of Marketing Research*, 39, 421 - 439.
- The Point of Purchase Advertising International (2012). 2012 Shopper Engagement Study.
- Promontiebureau Monsterscore (n.d.). Verkoopdemonstraties. Retrieved March 2014, from <http://www.monsterscore.nl/verkoopdemonstraties/>
- Quelch, J. A., & Jocz, K. E. (2009). How to Market in a Downturn. *Harvard Business Review*.
- Schiffman, L. G., & Kanuk, L. L. (2009). Consumer behavior. Pearson Education.
- Scott, C. A. (1976, August). The effects of trial and incentives on repeat purchase behaviour. *Journal of marketing research*, pp. 263 - 268.
- Slameka, N. J., & Graf, P. (1978). The generation effect: Delineation of a phenomenon. *Journal of experimental psychology: human learning and memory*,
- Underhill, P. (2009). Why we buy: The science of shopping. New York: Simon & Schuster.

Van Noort, G., Kerkhof, P., & Fennis, B. M. (2007). Online versus Conventional Shopping: Consumers' Risk Perception and Regulatory Focus. *CyberPsychology & Behavior*, 10(5), 731-733.

Verhoeven, N. (2011). *Doing Research The Hows and Whys of Applied Research* (3rd ed.). Eleven International publishing.

Woodside, A. G., & Wilson, E. J. (1985). Effects of consumer awareness of brand advertising on preference. *Journal of Advertising Research*, 25, 41-48.

Zero-Moment of Truth: Redefining the Consumer Decision-Making Pr - Popai Benelux. (2013, December). Retrieved from <http://www.popai.nl/library/the-future-of-retail/zero-moment-of-truth-redefining-the-consumer-decision-making-pr/2/72>

# 9 Appendix

---

In the appendix the following information can be found:

1. Additional information about the DFMA
2. The summary of the interviews
3. The questionnaire framework
4. The tables of the results of the questionnaire
5. An extra study on the impact of the recession on the effects of in-store product demonstration

## 1 Additional information

### *The DFMA*

The DFMA is an industry association for companies who operate in field marketing, of which In-store demonstrations is a discipline of. The most important goals of the organization are to share knowledge about field marketing, be a representative of interests into field marketing and the further developments of field marketing . All organizations which operate in field marketing in the Netherlands, can become a member of the DFMA. These member organizations gather and provide information on sales growth and effects on consumers caused by field marketing. The DFMA then analyses and interprets this information and writes up reports in order to interpret the effectiveness of the various field marketing tools. These can then be used by field marketing organizations to spread out the use and benefits of field marketing in order to attract more companies which might be interested in using field marketing.

Original table “playground field marketing” of the DFMA



## 2 Summary of interviews

Interview: Mark Stoel

Duration: 30 minutes

Company: CP2 Fieldmarketing

Position: Sales director

Summary: CP2 Fieldmarketing is a company for shopper and brand activation. They help manufacturers, retailers, and brands in influencing consumers, as close to the go-no-point as possible. The companies' mission is to "inspire brands through innovative concepts and to translate these practically to smart execution directed at optimal conversion." Mark Stoel has been a sales director at CP2 Fieldmarketing since 2013.

Products which demonstrations are used for most of the time, and which products it is usually recommended to, are new products. Next weekend for example, we are demonstrating with chicken liver sausage in the AH XL. The brand has two new flavours which we need to recommend to the public.

The best way to use product demonstrations is when the product truly needs to be tasted or experienced. Once we had to demonstrate herring in cream sauce, I don't know if you like fish, well I like fish but I sure would not buy it if I never tasted it.

I think that it does not matter much whether the brand already has brand awareness or not. When there is brand awareness, the demonstration will attract more people, that's absolutely true. But the demonstration will have effect anyhow.

To measure effects of in-store demonstrations on the short term is easy, you call the retailer before the demonstration, ask them their sales rate of the past weeks, then, a couple days after the demonstration, you call them again. You ask them what their opinion is of the demonstration, how it went, and to what extent their sales accelerated.

Measuring effects on the long term is a lot harder to measure, and this is the question which keeps on bugging every company in the field.

Discounts are a necessity, when customers see the product and they have tried it, and next to it they see a nice discount, they are more inclined to purchase the product.

When having a demonstration one can clearly see that the sales of the demonstrated product rise 20 – 40%

My gut says that demonstrations are always successful, so many retailers, companies, and brands use demonstrations, and as I mentioned, on short term the effects are easily measured. However, it is very difficult to measure the effects on the long term, and I am very interested in this.

For the manufacturer the costs of the demonstration will never come back. A demonstration costs about 300 euros per location. Often they are combined with price promotions, which are sometimes so high that the company loses money on the promotion. On a demonstration day the manufacturer can expect around 50 euros back, meaning the demonstration costs the company around 250 euros per location, and the companies never get this back, at least not on short term.

For technological products it is a lot harder to recommend to the public than supermarket products. When demonstrating chocolate sprinkles; people buy a pack of chocolate sprinkles every three weeks, that is very different from when you are demonstrating an LCD screen of LG worth 2,5 thousand euros. Especially because when people are going into a store of technological products, they might like the product, but since they only came for a DVD they are not likely to purchase a large LCD screen. And not only LCD screen but also coffee machines, it is just a little bit more difficult.

The qualitative one-on-one moments are very important. I myself think it's fantastic to go to an AH XL on Saturday, there are usually around 6 demonstrations and I always go passed a few of them to see what the demonstrators are telling and how they do their demonstrations.

Consumers are crazy about free products.

But the demonstrator has a lot of influence as well. When someone is demonstrating for Samsung and has a grumpy look on her face this obviously also has an influence on the consumers, no one will approach her. This is why it is so tense for companies to use demonstrators, they can only hope that they

are able to approach as many people as possible in a happy way with the information they have provided.

Because of demonstrations the brand awareness certainly rises, but you have to look at it using two approaches. In-store product demonstrations have an effect on sales, but on the other hand it is also important for the marketing of your product.

A demonstration needs to have appeal. Some demonstrations only have a stand with a white table leaf and someone next to it who sometimes does not even have a uniform. When something like this happens I think, you have the visibility, but do something with it then. When you are not planning on spending money, then don't do anything at all.

Demonstrations are usually not used alone, at present you hear a lot of talk about 360 degrees communication, of everything a little bit. Next to the demonstration, it is also important to see the product pass by on your Ipad, or in the newspaper, or when they see it on the television

Nowadays, the consumers are less and less dependent on the television for their purchases, more people go to the store floors to decide on their purchases.

With demonstrations one is able to target more than with other promotion tools. With a television advertisement you can never truly see who is watching it. With demonstrations you can decide which location you take, which stores, where you are at in the store. You can tell the demonstrators what the target audience is and expect them to only direct themselves on this group. Maybe you don't even decide to put a demonstration in a supermarket, but rather in a mall. Or when you have to demonstrate coca cola light and they want to attract women, you can go to the cinema and make a combined action of ladies night, you will know for sure that you will only get women.

Interview: Rienk Hilgenkamp

Duration: 15 minutes

Company: Veldmark

Position: Talent recruiter

Summary: VeldMark is a young company operating in field marketing, the company occupies itself with concept developments of promotion campaigns.

When it's recommended for a company to insert product demonstrations is really dependent on the product. Demonstrations are especially recommended for products which are a little more complex, and also for products which need that extra push in order to get sales. Products which need a little more knowledge to convince the consumer are customers for product demonstrations. In a world which is becoming increasingly faster, one-on-one contact with the consumer is really important. These demonstrators need to give that extra push in order to win over the consumers and to make them enthusiast for the product. That is why we always look first which employees fit the product best. If it is about complex products, the employees will first follow a training. Explaining, for example, the meat substitutes in Alpro is not easy. A demonstrator must be well informed in order to adequately give an answer to every single question which the consumers can possibly ask

For technological products, a lot more knowledge is needed from the demonstrators and for the consumers. Consumers are generally harder to convince of technological products than supermarket products.

There are usually a lot more other sales promotions present at the store. Usually these are special displays, at the product itself. The demonstration is not always at the same location as the demonstrated product, often demonstrators will place extra special displays at the shelves when they are not standing next to the product.

Modern technology certainly has a great influence on demonstrations. We see that consumers spend less time browsing in stores, they have often already obtained the information needed online and only go to the store in order to see the product for themselves.

Like any other industry, of course field marketing is affected by in-store demonstrations. The consumers spend less, but especially with the manufacturers we can clearly see that they are less willing to spend money on extra attributes to the demonstrations.

Interview: Kim Spanjers

Duration: 15 minutes

Company: Square Melon

Position: People manager

Summary: Square melon is a company operating within field marketing. The company has worked with in-store product demonstrations for three years. They mainly do supermarket products, and sometimes a vacuum cleaner might also be demonstrated.

The circumstances in which product demonstrations are mainly used are for the launch of a new product, but also when a product needs to get more attention. It really depends on the product and whether there it is an activating action, or just a demonstration. Sometimes you need to actively involve the consumer through an action. For example, right now we have an action with M&M's for the world cup in soccer; the consumer has to kick a ball in a goal before getting the M&Ms

The effects are mainly brand experience, this needs to push the consumer in their purchase behaviour to purchase the product.

No, they don't work in the long term, we can see from our results that sales get a big boost from in-store demonstrations and this is because people get the chance to use the product before purchasing it. However, after the demonstrations some might do repetitive purchases, and then again some might not, but these can also be replaced with people who might not have seen the demonstration but purchase the item by themselves. Through this it is impossible to measure whether it has a long term effect.

The main purpose of the demonstrators is to give an explanation and make the consumers enthusiastic of the promoted brand. They are there to make sure the consumers experience the product, through this the company brings itself closer to the consumer. Through this they have a better experience with the product than other tools

Especially in in-stores compared to out of stores demonstrations we can see a large difference, when outside the consumers are more likely to take the sample and walk right passed you right after. When demonstrating in stores the consumers take more time to listen to what you have to say. They keep hanging a little bit longer and are more interested in what you have to say.



### 3 Questionnaire framework

<i>Research question</i>	<i>Investigative question</i>	<i>Variable</i>	<i>Question</i>	<i>Response</i>
How does in-store demonstration as a marketing communication instrument affect the consumer in its purchase decision making process?	To what degree did the consumer participate in a product demonstration?	dichotomous	Have you seen a product demonstration?	Yes/No; 1,2
		dichotomous	Have you participated in the demonstration?	Yes/No; 1,2
	What is the impact of in-store product demonstrations on product perception (price, quality, awareness, image)?	dichotomous	Were you familiar with the product before you saw the demonstration?	Yes/No; 1,2
	What is the impact of in-store product demonstrations on the consumers purchase intentions/motivation?	dichotomous	Were you planning on purchasing the product before you saw the demonstration?	Yes/No; 1,2
	What is the impact of in-store product demonstrations on the consumers purchase intentions/motivation?	Ordinal	Choose from the following possibilities in relation to the demonstrated product.	I purchased the product / I want to purchase the product of this brand in the near future / I want to purchase the product, but from another brand / I think this product is interesting, but I'd rather think about it for a while / I think this product is interesting, but I would not purchase it / I

				won't purchase such a product; 1,2,3,4,5,6
	Effect of recession on current purchase intention	Ordinal	Answer this question again as if you would answer it seven years ago (before the recession)	I would have purchased this product / I would want to purchase this product from this brand / I would want to purchase this product, but from another brand / I would think this product is interesting, but I'd rather think about it for a while / I would think this is an interesting product, but I wouldn't want to buy it / I wouldn't purchase such a product; 1,2,3,4,5,6
How does in-store demonstration as a marketing communication instrument affect the consumer in its purchase decision making process?	What is the impact of in-store product demonstrations on product perception (price, quality, awareness, image)?	Interval	I liked the demonstrated product	1,2,3,4,5,6,7
		Interval	The price of the product was good	1,2,3,4,5,6,7
		Interval	The product was of good quality	1,2,3,4,5,6,7
		Interval	I like to purchase products from this brand	1,2,3,4,5,6,7
	What is the attitude of the consumers towards product demonstrations? (experience and personal interaction)?	Interval	I liked experiencing the product in this way.	1,2,3,4,5,6,7
		Interval	I liked the personal	1,2,3,4,5,6,7

			attention the demonstrator gave me	
	What is the impact of in-store product demonstrations on consumer learning (information saturation of the tool)?	Interval	The demonstrator helped me with obtaining the information I needed on the product	1,2,3,4,5,6,7
	Do the identified situational factors have an impact on the consumers purchase behaviour at the time of the demonstration (technology, recession)?	Interval	Because of the recession I am thinking more about my purchases	1,2,3,4,5,6,7
		Interval	The recession has had a restraining influence on my purchases	1,2,3,4,5,6,7
	General information on demographics	Dichotomous	What is your sex?	Male/Female; 1,2
		Ordinal	What is your age category?	Younger than 18/19-29/ 30-39/40-49/50-59/Older than 60; 1,2,3,4,5,6

## 4 Tables of responses to questionnaire

*Table 4 consumer has seen the demonstration*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	44	36,1	36,1	36,1
	No	78	63,9	63,9	100,0
	Total	122	100,0	100,0	

*Table 5 consumer has participated in the demonstration*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	33	27,0	27,0	27,0
	No	89	73,0	73,0	100,0
	Total	122	100,0	100,0	

*Table 6 Consumer is familiar with the product*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	36	29,5	63,2	63,2
	No	21	17,2	36,8	100,0
	Total	57	46,7	100,0	
Missing	System	65	53,3		
Total		122	100,0		

*Table 7 Consumer was planning to purchase the item before seeing the demonstration*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	10	8,2	17,5	17,5
	No	47	38,5	82,5	100,0
	Total	57	46,7	100,0	
Missing	System	65	53,3		
Total		122	100,0		

*Table 8 the purchase intention of the consumer*

		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	Purchased the product	27	22,1	30,0	30,0
	Wants to purchase the product of this brand in the near future	2	1,6	2,2	32,2
	Wants to purchase the product from another brand	3	2,5	3,3	35,6
	Thinks the product is interesting, but would rather think about it for a while	28	23,0	31,1	66,7
	Thinks the product is interesting, but would not purchase it	16	13,1	17,8	84,4
	Would not purchase such a product	14	11,5	15,6	100,0
	Total	90	73,8	100,0	

Table 9 the purchase intention of the consumer 7 years ago

		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	Would have purchased the product	30	24,6	33,3	33,3
	Would want to purchase the product of this brand in the near future	6	4,9	6,7	40,0
	Would want to purchase the product from another brand	3	2,5	3,3	43,3
	Would think the product is interesting, but would rather think about it for a while	21	17,2	23,3	66,7
	Would think the product is interesting, but would not purchase it	13	10,7	14,4	81,1
	Would not purchase such a product	17	13,9	18,9	100,0
	Total	90	73,8	100,0	
Missin g	System	32	26,2		
Total		122	100,0		

Table 10 Consumer liked the product

		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	5	4,1	5,6	5,6
	2	2	1,6	2,2	7,9
	3	4	3,3	4,5	12,4
	4	14	11,5	15,7	28,1
	5	24	19,7	27,0	55,1
	6	31	25,4	34,8	89,9
	Strongly agree	8	6,6	9,0	98,9
	8	1	,8	1,1	100,0
	Total	89	73,0	100,0	
Missin g	System	33	27,0		
Total		122	100,0		

*Table 11 Consumer thought the product was of good price*

		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	2,5	3,4	3,4
	2	8	6,6	9,0	12,4
	3	17	13,9	19,1	31,5
	4	22	18,0	24,7	56,2
	5	19	15,6	21,3	77,5
	6	15	12,3	16,9	94,4
	Strongly agree	4	3,3	4,5	98,9
	8	1	,8	1,1	100,0
	Total	89	73,0	100,0	
Missin g	System	33	27,0		
Total		122	100,0		

*Table 12 Consumer thought product was of good quality*

		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	2	1	,8	1,2	1,2
	3	4	3,3	4,7	5,8
	4	10	8,2	11,6	17,4
	5	23	18,9	26,7	44,2
	6	35	28,7	40,7	84,9
	Strongly agree	12	9,8	14,0	98,8
	8	1	,8	1,2	100,0
	Total	86	70,5	100,0	
Missin g	System	36	29,5		
Total		122	100,0		

*Table 13 Consumer likes to purchase products of this brand*

		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	8	6,6	9,2	9,2
	2	12	9,8	13,8	23,0
	3	10	8,2	11,5	34,5
	4	23	18,9	26,4	60,9
	5	15	12,3	17,2	78,2
	6	12	9,8	13,8	92,0
	Strongly agree	7	5,7	8,0	100,0
	Total	87	71,3	100,0	
Missin g	System	35	28,7		
Total		122	100,0		

*Table 14. I liked experiencing the product in this way*

		Frequency	Percent	Valid Percent	Cumulative Percent
	1 (Strongly disagree)	4	3,3	3,8	3,8
	2	6	4,9	5,7	9,5
	3	10	8,2	9,5	19,0
Valid	4	17	13,9	16,2	35,2
	5	23	18,9	21,9	57,1
	6	25	20,5	23,8	81,0
	7 (Strongly agree)	20	16,4	19,0	100,0
	Total	105	86,1	100,0	
Missing		17	13,9		
Total		122	100,0		



*Table 15. I liked the personal attention the demonstrator gave me*

	Frequency	Percent	Valid Percent	Cumulative Percent
1 (Strongly disagree)	8	6,6	7,7	7,7
2	10	8,2	9,6	17,3
3	7	5,7	6,7	24,0
4	18	14,8	17,3	41,3
5	20	16,4	19,2	60,6
6	28	23,0	26,9	87,5
7 (Strongly agree)	13	10,7	12,5	100,0
Total	104	85,2	100,0	
Missing	18	14,8		
Total	122	100,0		

*Table .16 The demonstrator helped me with obtaining the information I needed*

	Frequency	Percent	Valid Percent	Cumulative Percent
1 (Strongly disagree)	8	6,6	7,7	7,7
2	10	8,2	9,6	17,3
3	5	4,1	4,8	22,1
4	17	13,9	16,3	38,5
5	19	15,6	18,3	56,7
6	23	18,9	22,1	78,8
7 (Strongly agree)	22	18,0	21,2	100,0
Total	104	85,2	100,0	
Missing	18	14,8		
Total	122	100,0		

*Table 17 Through the recession consumer thinks more about their purchases*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	11	9,0	9,2	9,2
	2	12	9,8	10,0	19,2
	3	10	8,2	8,3	27,5
	4	15	12,3	12,5	40,0
	5	21	17,2	17,5	57,5
	6	24	19,7	20,0	77,5
	Strongly agree	27	22,1	22,5	100,0
	Total	120	98,4	100,0	
Missing	System	2	1,6		
Total		122	100,0		

*Table 18 Consumers think the recession had a restraining influence on their purchases*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	11	9,0	9,2	9,2
	2	11	9,0	9,2	18,3
	3	12	9,8	10,0	28,3
	4	18	14,8	15,0	43,3
	5	27	22,1	22,5	65,8
	6	20	16,4	16,7	82,5
	Strongly agree	21	17,2	17,5	100,0
	Total	120	98,4	100,0	
Missing	System	2	1,6		
Total		122	100,0		

*Table 19. I liked the demonstrated product \* Has participated in a demonstration*

		Has participated in a demonstration		Total
		Yes	No	
I liked the demonstrated product	Strongly disagree	1	4	5
	2	0	2	2
	3	1	3	4
	4	1	13	14
	5	9	15	24
	6	14	18	32
	Strongly agree	7	1	8
Total		33	56	89

*Table 20. The price of the product is good \* Has participated in a demonstration*

		Has participated in a demonstration		Total
		Yes	No	
The price of the product is good	Strongly disagree	0	3	3
	2	4	4	8
	3	2	15	17
	4	7	15	22
	5	8	11	19
	6	8	8	16
	Strongly agree	4	0	4
Total		33	56	89

*Table 21. The product is of good quality \* Has participated in a demonstration*

		Has participated in a demonstration		Total
		Yes	No	
The product is of good quality	2	0	1	1
	3	0	4	4
	4	1	9	10
	5	8	15	23
	6	14	22	36
	Strongly agree	8	4	12
Total		31	55	86

*Table 22. I like to purchase products from this brand \* Has participated in a demonstration*

		Has participated in a demonstration		Total
		Yes	No	
I like to purchase products from this brand	Strongly disagree	3	5	8
	2	2	10	12
	3	3	7	10
	4	9	14	23
	5	5	10	15
	6	5	7	12
	Strongly agree	5	2	7
	Total	32	55	87

*Table 23: linear regression*

	Estimate	Standard error	P-value
Intercept	-0.2761	0.1420	0.05516
Has seen a demonstration	0.5714	0.2043	0.00636

## 5 Simulating the effect of the recession

Using a cumulative logit regression we can estimate the effect of brand perception and demonstration on purchase intention. Brand perception is the latent variable that is created by summing the values that a person has on the questions relating to brand perception and subsequently standardizing this sum to a mean of 0 and a standard deviation of 0. By also including the then-test, in which people were asked to indicate their purchase intention, as a dependent variable, thus doubling the number of observations, we can also estimate the effect of a recession on purchase intention:

$$\text{Purchaseintention} = a_i + B1 * \text{brandperception} + B2 * \text{time} + B3 * \text{demonstration} + B4 * \text{brandperception} * \text{time}$$

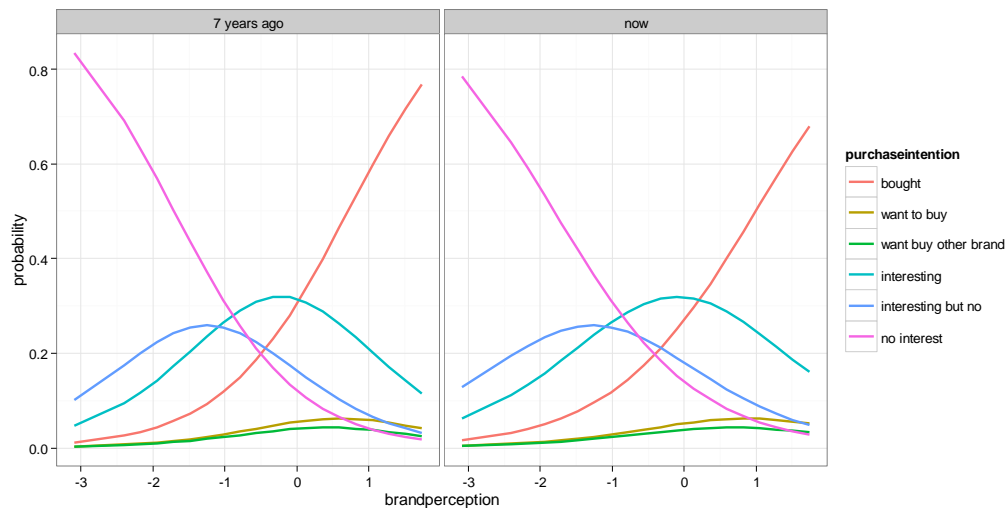
$A_i$  being the intercept for category  $i$ ,  $B1$  being the change in log odds induced by brandperception,  $B2$  being the change in log odds induced by time (recession, coded 0 for 7 years ago and 1 for now),  $B3$  being the change in log odds induced by demonstration and  $B4$  being the interaction effect between time and brand perception. The parameter estimates of this model are correct but the standard errors of this model may be severely biased due to the correlation structure within the data (Agresti, 2002); there were multiple measurements for each person. To overcome this bias the standard errors are estimated using a clustered bootstrap. This bootstrap resamples the data  $C$  times on the level of the cluster (with replacement) so that the correlation within each sample is present. The model is fitted on each sample and the standard error of the parameter estimates is approximated by calculating the standard deviation of said parameter estimates over the bootstrap samples. In this case the standard error was approximated using 10000 bootstrap samples. This method of approximating the standard error was shown valid by source. Subsequently the 95% parametric confidence interval can be calculated by using the following formula:

$$95\%CI = \text{parameter estimate} \pm 1.96 * \text{standard deviation}$$

The results of this analysis can be found in table x. The confidence interval for  $B1$  is %%% and does not contain 0, indicating that brand perception significantly increases the log odds of a higher category being chosen. The confidence interval for  $B2$  is %%% and does contain 0, indicating that recession does not influence purchase intention. The confidence interval for  $B3$  is %%% and does

contain 0, indicating that demonstration does not influence purchase intention. The confidence interval of B4 is %%% and does contain 0, indicating that the relationship between brand perception and purchase intention does not significantly differ between now and before the recession.

In the following graph, the impact of brand perception on purchase intentions is visually depicted. In this graph the x axis is the latent variable brand perception. A latent variable is not a variable that is directly observed (because it is unobservable) but is rather estimated using by using other question that is related to this latent variable. In this case the sum of the questions on brand perception is taken for each person and subsequently standardized to a distribution with a mean of 0 and a standard deviation of 1



In this plot one can see the probability of the ordinal responses of the purchase intention questions for each value of brand perception. It can be seen that for a higher value of brandperception leads to a higher probability of choosing an answer that is related to a positive purchase intention. This question had six possible responses as can be seen in the legend.

If one would compare the two graphs, one would see that there are no significant differences between the graph of purchase intentions based on the simulated data of seven years ago and the graph of purchase intentions based on the data from now. This means that if the consumer would have the same brand perception as they have now, but would live in the situation of seven years ago where supposedly they would have more purchase power there would be no

noticeable difference in purchase intentions, regardless of the situation. Keeping in mind that product demonstrations have a positive effect on brand perception, and brand perception has a positive effect on purchase intentions, one can conclude that the effect product demonstrations have did not change due to the recession.