

## **Effect of Product Packaging in Consumer Buying Decision**

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*The study was conducted to determine which elements of product packaging are the most significant and how they impact consumer buying behavior .Due to increasing self-service and changing consumer lifestyles, the internet in packaging as a tool of sales promotion and stimulator of impulsive buying behavior is growing increasingly. So packaging performs an important role in marketing and encouraging or even sometimes discouraging the consumer from buying a product, especially at the point of sale or at the time when a consumer is choosing from among different brands of similar products type. This could be treated as one of the most important factor influencing a consumer's purchase decision. This study was conducted keeping in view the importance of product packaging and the great impact it can make on the purchase decision, after studying different aspects and components of packaging. It was found that the colors of packaging is the most important and significant feature at 1%, followed by a picture or image of the purchasing which is significant at 10%.*

**Keywords:** *packaging, elements of packaging, consumer purchases decision.*

### **Introduction**

This topic refers to the importance product packaging occupies in the consumers' minds and how its affects purchasing decisions, Reemphasizing the importance of perception, instead of allowing the customer to position products independently ,marketers try to influence and shape consumers concepts and perception through packaging.

Packaging is often the last impression the consumer or consumer will have of your products before that final purchase decision is made, therefore, it is worth ensuring that packaging is working as hard as possible to secure that sale this may be in the form of imagery, brand values, products functionality or pure innovation. There are many ways in which packaging can add value.

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Marketers should consider a few things in order to make packaging support their brands positioning, build competitive advantage, maintain innovations or increase their price premium, packaging development can provide a number of business benefits including:

- Tangible representation of brand or company values
- Significant enhancement of product deliver, experiencing or enjoyment
- Increased impact at point of purchase
- New distribution channels or opportunities

Over 70% of purchase decisions are made at the shelf, since packaging of product is the first thing that a consumer sees, it plays a vital role in differentiating a brand from competition. Consumers are strongly influenced by the packaging of products that they are considering to buy. Marketers are well aware of this fact, and go to great lengths to create packaging that will draw in consumers and convince them to buy the product. The shift in consumer decision making means that marketers need to adjust their spending and to view the changes place at the right time, giving them the information and support they need to make the right decision.

### **Research Statement:**

The aim of the study is to find out the effects of product packaging of FMCG on consumer buying decision and to find the importance of product packaging in the sale of product.

### **Literature Review:**

Ulrich R Orth et al. (2010) says package design is an integral part of projecting a brand image, which is sometimes designed to convey images of high quality, while at other times signaling affordable prices.

Abrams, E. (2010) says in “Brand Identity meets Economics of Scales,” “The carton, jar or tube propped on that store shelf provides the first impression of a brand’s product to a consumer, and the brand and product packaging is critical the success of both.”

Arens (2007) says packaging is the container for a product – encompassing the physical appearance of the container including the design, color, shape, labeling and material used.

Baker (2007) said it is worthwhile for retailer to understand factors within the retail setting that trigger a consumer's impulsive reactions. Retailers can help customer to find the right products through focused Merchandising, intelligent store design and layout and other visual merchandising, intelligent store design and layout and other visual merchandising practices, such as product displays, packaging and signage.

Brewer (2006) found that customers learn colors associations from current brands in the market, which lead them to prefer certain colors for various product categories. Using color as a cue on packaging can be a potentially strong association, especially when it is unique to a particular brand. However, people in different cultures are exposed to different color association and develop color preferences based on their own culture's associations. Furthermore, Brewer (2006) found that informational elements tend to be less important than visual in low involvement product decisions: "so graphics and color become critical".

Gonzalez (2007) said that primary function of packaging is to protect the product against potential damage while transporting, storing, selling and exploiting a product. Gonzalez mentioned that consequently the role of package in marketing communications increases: it must attract consumer's attention and transmit adequate value of product to a consumer in the short period right in the place of sale. Therefore, there is a necessity to explore the package and its element in more details, in order to understand which of these elements are the most important for a consumer purchase decision.

Hill (2005) said as individual preferences become more complex and diverse, packaging becomes the major means of product branding, packaging also provides the more permanent impression of product brand to the customer.

According to jugger (2008) brand purchases are being made or broken in the "final five seconds" is a brand is not adequately supported with media advertising, packaging must plays a greater role in the brand's marketing. jugger (2008) said the "right" packaging solution is different for each brand. When is important is that it works when placed next to the competition on the shelf.

Jugger (2008) said the average British marketers contains 25,000 items and the average shopping basket just 39 items .what this illustrates- is that today's consumer have to scrutinize

through a vast amount of products to chose what they want – and not surprisingly they end up ignoring most of what they pass.

Lockshin (2008) said never underestimate the importance of purchasing marketers often measure consumer brand perceptions and ignore the pack. Yet we know from the way that consumer from the way that consumers react to unbranded products that packaging plays a huge role in reinforcing consumer perceptions. Packaging helps to direct the way consumer experience a product. Yet, we spend little time researching the connection between packaging and the direct experience of the product.

Mann (2007) also mentioned that the amount and type of information available to the customer through the product label and package on nay product is the functions of three factors such as government regulation, independent labeling institute and business policy.

According to Quazi (2008) consumerism is concerned with both the micro and macro consumerist issues. The micro consumerist issues include the issues like misbranding practice, misleading advertisement, deceptive packaging, unfair pricing etc. While the macro consumerist issues are mainly concerned with the broader contexts like environmental pollution, health care system, antinuclear issues etc. The micro issues of consumerism are also known as fairness on trade practices or fairness on business practices. In this research, four well known and widely discussed micro consumerist issues such as misleading advertisement, deceptive packaging, customer care and unfair pricing as well as one macro issue (environmental consumerism practice) have been taken into consideration in order to find out their effect on the consumer purchasing behavior.

Rudh (2007) says unlike advertising exposure which can be relatively brief packaging continues to build brand values during the extending usage of product and can drive brand equity and loyalty Rudh (2007) said in a standard supermarket, the typical shopper passes about 300 brands per minute. This translates into less than one-tenth of a second for a single product to get attention of the customer and spark purchase.

Schlossberg (2008) suggest that the most effective means of attracting attention to a product is by focusing attention on product brand through the use of an appropriate color, size, language, and picture while increasing product availability.

Sinclair (2007) says the consumer's decision making processes is not rational in the sense that it is objective and consistent; neither does it follow any pre-determined rational, statistical economic patterns.

Siloyai (2006) mentioned that behavior of consumers with high involvement towards a product category is less influenced by image and visual stimuli. In such cases, consumers need more information and take more time to make evaluations. For instance, consumers who are more concerned with health and nutrition are more likely to pay attention to detailed label information of food products.

According Smith (2006), there are six variables that must be taken into consideration by producers and designers when creating efficient package: form, size, color, graphics, material and flavor.

Young (2008) said the most attractive or popular design is not necessarily be the most effective one at the point of sale, because it may get lost in shelf clutter and/or fail to communicate key messages (and a point of difference) quickly and clearly. According to Young (2008), when labeling messages are positioned on either side of the main visual, it pulls viewers in two different directions, and often results in some messages getting lost outside of the primary viewing flow.

## **Method**

We have collected data through primary sources. In conducting this study, survey questionnaires were administered for data collection. We made a list of questions, which were narrowed down, to a few. Then we gave out the questionnaires.

### **Collection of Quantitative data**

#### **Measurement and Scaling Procedure**

The questionnaire was structured in the form of an ordinal scale in which respondent evaluate only one object at a time and the 5 points itemized rating type scale ranging from (1) strongly disagree to (5) strongly agree.

### Questionnaire Design

There were 15 questions in the survey obtaining data for one variable: participants were approached with the research questionnaire. They were given sufficient time to study the questionnaire, ask questions and obtain clarification if necessary on issues associated with the research and questionnaire before completion.

### Response Rate

To make the filling and analysis of questionnaires easy and accurate, we used Google Docs. Our response rate was 100% with the sample subject answering all the questions.

### Sampling processes

#### Target Population

Our target population involves the users, deciders and buyers of FMCG products. The users include the old and the young population. The deciders and the buyers mostly include the house wives who are the major buyers of FMCG products.

#### Sample size and Technique

Sample size of 50 was taken for conducting the study. It denotes the numbers of elements to be included in the study. Due to time constraints, the sample size chosen is small. We have used Purposive sampling in order to float the questionnaires.

## **Results and Discussion**

### **Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Bases on Standardized Items	No of Items
.727	.718	7

(Source: This study)

The data of independent variables or predictors is reliable, because the value of Cronbach's Alpha is 0.727 which is greater than 0.7. The value is also positive, so the data used for analysis is reliable.

**Model Summary**

Model	R	R square	Adjusted R Square	Std Error of the Estimates
5	.515 <sup>e</sup>	.265	.234	1.263

(Source: this study)

This table shows that color and picture have 51.5% interdependence with purchase decision. Explained variations of the model are 26.5% that is significant as ANOVA F-statistics is observed as 8.48 which is greater than 4. Furthermore, the difference between R-square and Adjusted R-Square is less than 5%, which suggests that there is no sample error.

**ANOVA<sup>f</sup>**

Model	Sum of Square	df	Mean Square	F	Sig.
5 Regression	27.060	2	13.530	8.485	.001
Residual	74.940	47	1.594		
Total	102.000	49			

(Source: this study)

ANOVA shows overall significance of the model and significance coefficient of determination. As F-statistics observed is greater than 4 – then the bench mark for F-statistics which is further endorsed by sig. value which is less than 0.01. Hence, the model is significant at 1%.

**Coefficients**

Model	Unstandardized coefficients		Standardized coefficient	T	Sig	Collinerity statistics	
	B	Std Error	Beta			Tolerance	VIF
5 (constant)	1.009	.654		1.544	.129		
Color	.484	.156	.399	3.108	.003	.950	1.053
picture	.237	.122	.248	1.936	.059	.950	1.053

(Source this study)

The questionnaire was developed for data collection on six variables (color, labeling, convenience, shape, picture and quality). The purchase decision has been used as dependent variable. Since these were multiple predictors, backward method for regression model was used whereby four of the predictors were eliminated by the system being insignificant.

The final model contains two variables i.e. color and picture which have significant impact on the purchase decision. Here, color is significant at 1 % as sig value is less than 0.01 whereas picture is insignificant at 10% as its sig value is less than 0.1. Furthermore, there is no multicollinearity (interdependence amongst predictors) between color and picture as Variance Inflationary Factor (VIF) is less than 2.

Moreover, the coefficient of colour suggests that unit increase in score of color will bring 0.484 unit increase in purchase decision whereas coefficient of picture suggests that unit increase in score of purchase will bring 0.237 units increase in purchase decision. Comparatively speaking, colour explains purchase decision more than picture as standardized beta coefficients for colour (0.399) is higher than that of picture (0.248).

Most of the people think that packaging is necessary part of the product and also is important to increase the sale though it is a cost element. Another view brought forward was that opening of packages were not, in general, a difficult task. However, peoples are in favor of using the packages as containers after using the goods contained in them. Similar views are also expressed relating to the labeling of the products. The respondents are satisfied with the information provided on the labels.

## Conclusion

It can be concluded that women in general are well aware of the importance of packaging. They want it to be attractive, easy to handle, differentiable form competitive products. They would also like the packets that should be used for further use. Labeling is claimed to be an important legal document as it expresses the reliability of the product.

Research into packaging has found that different packaging cues affects how a product is perceived. Often the packaging is perceived to be part of the product, it can be difficult for consumer to separate the two aspects such as packaging color, design, and pictures can influence how a product is perceived.

According to our research, we found out that colour of a product's packaging is the most significant characteristic, followed by the picture or the image on the product packaging.



As a matter of fact, people are becoming more and more demanding; packaging has gradually shown its important role in serving consumer by providing information and delivering function. With its different functionality to ease and to communicate with consumers, there is no doubt about the increasingly important role of packaging as a strategic tool to attract consumer's attention and their perception of the product quality.

## Recommendations

Brand is important and its strategy is considered in the units. Product packaging is valuable for brand equity, product differentiation, market segmentation, new product introduction, pricing, promotion etc. Brand name using plan implementation must be effective in the units.

All the marketing units pay attention to good packaging. They accept that poor packaging is one of the causes of product failure in the market. It is necessary to set packaging standards and to implement accordingly for better protection and promotion of a product.

Basically labels describe what made it, where it was made, when it was made, what it contains, how to use it etc. Furthermore, they believe that the consumers are properly guided by a label to use the product. The information given in the label and its value have to be highlighted while promoting the product in the market. It must also be more useful technically.

We do believe that culture difference does have an impact on a company's initiatives to design the product package. For instance, during our research, the choices of packaging colours are quite different between the West and Far East. Thus, we think that it is important for multinational companies to take in consideration cultural differences when they design the product package.

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