Connection between product packaging and consumer behavior

Business, Marketing



Executive Summary

Method: In this meta-analysis, we will investigate multiple studies within the realms of product packaging and its effects on consumer behavior. The main benefit of a meta-analysis is that it represents multiple points of comparison. Typically there is a wide range of human error and imperfections with studies (misinterpretations of data, too many variables, too few participants etc.) Utilizing the following studies, surveys and scholarly research I have compiled a wide angle approach at analyzing the past, present and future of packaging and its direct relationship to consumer behavior.

Implication: According to a recent study, 65% of consumer's purchases are unplanned and unknown prior to seeing the product packaging. This alarmingly high statistic has caused all industries with any type of packaging to carefully analyze their packaging strategy. Having an understanding of the consumer behavior in regards to packaging allows businesses to maximize their profits and grow market share.

Future Research: Although in this study, the topic of e-commerce is touched upon, this area could certainly be further researched. As the world continues to move towards a globally market connected by the internet, packaging has an even greater relevance! Consumers cannot physically touch the product, so the packaging (images, text descriptions, online reviews etc.) must be able to inform and attract the consumer.

Introduction

What is Packaging? "Packaging is the container for a product – encompassing the physical appearance of the container and including the design, color, shape, labeling and materials used". When looking down the endless rows of colorful products in a supermarket aisle, there is no doubt that packaging plays a distinct role in the shopping experience. Product packaging is considered to be one of the greatest opportunities for marketers to communicate to the customer. According to Rundh (2005) package attracts consumers attention to particular brand, enhances its image, and influences consumer's perceptions about product. Packaging's influence on consumer behavior is highly relevant to all areas of study, since all areas and industries can utilize packaging strategies, as well as many areas of the supply chain.

Studies

Study 1

Packaging Matters Survey Data (2015)

Consumer's behavior is strongly correlated to packaging satisfaction.

Consumers who are completely satisfied with the packaging experience, are likely to purchase these products and use them more than those who are not completely satisfied with the packaging. (57% v. 47%), shop frequently (24% v, 17%), and try something new because of packaging (44% v. 36%). The study also revealed how the importance of packaging varied across the various product categories, with the greatest impact on purchase decision found in refrigerated/frozen foods, beauty/personal care/fragrance, and take-out food/beverages. Geographic regions was also an area of interesting

results. The study consisted of analyzing 10 major business markets throughout the world. It was learned that packaging is most important in developing nations such as Brazil and China (52% and 39% respectively) and less important in countries such as France and USA (18% and 24% respectively). Nevertheless, there is still room for improvement. While more than 80% of global consumers are at least moderately satisfied with packaging, just over 1 in 10 are completely satisfied. This lack of complete satisfaction leaves a large opportunity for brands to fill. However, almost 80% of respondents believe brands are headed in the right direction when it comes to new trends in packaging.

Study 2

New Consumer Products Branding, Packaging and Labeling in Nepal. Bed Nath Sharma (2008)
This study took place in 2008 in Nepal. The area of focus was around new consumer products branding, packaging and labeling. The study method utilized questionnaires concerned with a variety of areas of new consumer products such as, noodles, soup, biscuits and cigarettes. We can see in the below table, how the study saw high levels of relevance to the value of brand to the company (59. 37% strongly agree overall, and 40. 62% agree overall).

This research study largely highlighted the value and significance of packaging and labeling. 84. 37% of the survey participants are using product label as a simple tag attached to the product or an elaborately designed graphic that is part of the package. Flaws of this study include a weak sample size and vague survey questions.

Study 3

Role of Packaging on Consumer Buying Behavior – Alice Louw (2006)

This study consisted of university graduates Aged 20 to 30 years old. 20 respondents were asked to rank the overall appeal of 5 brands of water bottles. The survey they were given asked them to rate each of the bottles on 20 statements related their packaging. An additional 20 survey participants did the same thing, however the process's order was different. They first rated the bottles on the 20 statements and then ranked them. The statements ranged greatly in function (right size, easy to drink from etc.) to more emotive, non-functional attributes (high quality, I like the colors). Both groups of this study had a clear favorite brand, however, the least favorite brand was different in each group. The group that ranked the bottles first showed a greater variance in terms of their responses (Variance 1. 33) than the second group who rated the attributes first (variance 0. 89). This Packaging plays an important role in the marketing context. His research results that proper packaging can dramatically help a brand create a strong position in the marketplace and in the mind of the consumer.

Study 4

Analysis of Consumer Behavior In regard to Dairy Products In Kosovo- 2008

This study took place in Kosovo in 2008, carried out by the Department of Livestock and Veterinary Science. The study relates to dairy products and consumer behavior. They interviewed 304 participants in supermarkets and minimarkets. The answers were ranked on a likert scale 1-5. Questions related the the perceptions of customers about dairy products (package quality, age of consumer, origin of product, brand, gender etc.). It was

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concluded that after analysis the research that packaging has an enormous effect on the purchase of dairy products.

Study 5

The Influence of Label on Wine Consumption: its effects on young consumers' perception of authenticity and purchasing behavior – Renarud Lunardo, France, 2007 This study seeks to identify the effects of authenticity on consumer behavior in regards to bottled wine purchases. In this context packaging becomes a fundamental marketing tool for the winery. As Rocchi and Stefani (2005) suggest, the shape of the bottle, the colour of glass, types and drawing in the label should attract the attention of the potential purchaser, distinguishing a specific wine bottle from several competitors. Stone and Gronhaug explained in 1993 that perceived risk is the consumer's expectation of a loss. This all comes down to the product packaging. The studies results found that when consumers are deciding on a purchase, they seek authentic products that reduce their perceived risk factor. The label on bottled wine directly influences the performance risk consumers perceive while buying the product. An example of their survey included a new kind of label without any drawing of "castle of vineyard", or with bright colors. These types of packaging was perceived as risky.

Study 6

Packaging in Preserved Products- Mitul Deliya (2012)

This survey included approximately 150 participants who shop at mom and pop stores in Ahmedabad city, India. This study specifically focused on "Fast Moving Consumer Goods" (FMCG), also known as "Consumer Packaged Goods" (CPG). This is a specific category of products that are sold relatively

quickly and at a low cost. Typically the profit collected on FMCG products is quite small. These products usually sell in a high quantity, so the cumulative profit on such products can accumulate to be a large Some examples of FMCG products are: toiletries, soap, cosmetics, teeth cleaning products, shaving products, detergents, pharmaceuticals, consumer packaged food products and drink.

We can observe in the above chart that there is a high value placed in the preservation of the product in order to make it last longer/stay fresher. This makes sense considering that the participants are basing this information off of FMCG products that typically contain the highest amount of need for freshness.

Conclusions

Although these 6 studies all vary greatly in their: location, industry/product type, participant gender, age, occupation etc.. We see many similarities in the results and conclusions produced through the data collected. The following are the meta conclusions drawn from these studies:

Developing countries such as Brazil, Nepal, and China have a significantly higher desire and appreciation for packaging. Packaging is a very important factor when deciding on a product. This can be connected to the low income nature of developing countries who may put far more time and concentration into their purchases. In countries that are not developing countries such as America, we see far more irrational purchases and less of an attention to packaging.

There is a wide skew of results study to study due to the dramatic differences in needs for packaging based on product type. The most observed difference of needs occurred between perishable products and technology based products. In studies relating to perishable products we saw much higher demands for functional needs to be filled: keeping the product fresher for longer, easier to pour handle etc. In technology based products, consumers tend to be attracted to packaging that not only preserves the life and safe handling through the shipping process, but also that adds to the marketing appeal and product awareness of the consumer (ex. features of a new laptop.. touch screen).

The internet has become more relevant than ever in the past decade.

Despite the lack of physical products throughout the shopping experience, there is an even greater amount of labeling and packaging than in traditional retail outlets. Certain parts of the online shopping experience include: the website platform and aesthetic appeal, ability in learning information about the product (gluten free, nutritional contents, kosher certification etc.), appeal and practicality of physical packaging once the product arrives (package fit, package quality, package damage).