

Role of Packaging in Different Stages of Decision Making

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Abstract: *The objective of this study is to determine the elements that play an important role of packaging in different stages of decision making. The purpose of this research is to find out the main important factors related with the packaging effect, which are driving the success of a brand. Companies in order to create the right packaging for their products, they must understand the consumer buying process and understanding the role and the impact of packaging as a variable that can influence the purchase decision. So, by understanding what factors influence the buying behaviour and what packaging elements are most important help companies making the right decisions about packaging their products. This research will identify the relationship between consumer buying process as the main variable of the study and some independent variables like packaging colour, printed information, packaging material, design of wrapper, printed information, brand image, and innovation and practicality that help consumers in their decision buying process. The primary research data will be collected through a structured questionnaire which will be used for analysis purposes. Therefore, the study tries to find out the most important factors that have an impact and influences consumer's purchase decision.*

Keywords: packaging, labeling, branding, Management, Decision Making

1. Introduction

Consumers nowadays are bombarded with too many marketing stimuli, clues in order to being attracted by different companies. In this line Keller (2008) states that consumers are exposed to more than 20,000 product choices within a 30-minute shopping session. The primary purpose of packaging is to protect the product, but packaging can be used by companies as an instrument for promoting their marketing offer, and for boosting their sales. A good packaging helps to identify and differentiate products to the consumers. Packaging is used for easily delivery and safety purpose. Packaging helps companies differentiate the product from another brand. Companies must understand what influences consumers in their consumer buying process. They must also understand what factors influences the buying behaviour and what is the role of the packaging elements toward buying decision process of consumers during their purchase decision.

Market research helps companies to create the 'right' packaging for a product, as well as the packaging elements that might be of importance to consumers. According to Alvarez and Casielles (2005) organizations' intentions are developing brands in order to attract and retain the existing consumers. The scholars have recognized the importance of having loyal customers, because loyal customers tend to buy more frequently, and are less likely to be influenced by competitors' promotion and communication strategies. Companies can use this understanding in a very strategic way in order to offer the right products and services to the right customer at the right time. Consumers respond to packaging based on previous information, learned reactions and individual preferences (Aaker 2010). So, packaging elements, shapes, colours, sizes and labels might influence consumers in different stages of their decision making and to respond it positively.

2. Literature Review

Many packaging elements are factors that influence the decision making of consumers such as, packaging colour, printed information, packaging material, design of wrapper, printed information, brand image, innovation and practicality. Consumer decision making can be defined as a series of activities people engage in when searching, evaluating, selecting, purchasing, using and disposing of products and services so as to satisfy their needs and desires.

In the store, the packaging acts as a gateway to the product. Consumers look at the packaging and respond to how it makes them feel at that moment. If the consumer feels that the product can potentially satisfy their needs, it influences their buying behaviour.

This feeling is a result of choices made across several cognitive stages; thus, most consumers find it to be complex and overwhelming at times. Since consumers are often in state of confusion, the most important role of packaging is to alleviate their fears. This article analyses a typical decision making in detail to highlight the role of packaging throughout.

Other factors like colours used in packaging can help draw consumer attention. Colour of packaging is important because it used by companies to differentiate its product from other competitors. Therefore, colours play an important role in a potential customer's decision-making process. Companies use different colours for emphasizing a different mood, like, black is used for power, blue for trust, red for energy, green for balance or organic and fresh. Colour is an essential component of packaging because consumers expect certain type of colours for particular products (Keller, 2009). Different colours also symbolize different meanings to consumers. For example, orange, yellow, purple they have different meanings according to the consumer perception

and culture. According to Singh (2006) colour perceptions vary across cultures and most of the religions are believed to have their sacred colours. According to Charles W. Lamb et al., (2011), in their book “Essentials of Marketing” think that packaging has four distinct marketing functions. It contains and protects the product. It promotes the product.

It helps consumers use the product and finally, packaging facilitates recycling and reduces environmental damage. Therefore, packaging does more than just protecting the company's products. It also helps in developing the image of the product in consumer mind. So, failing to pay attention to the design of the packaging can decrease the chances of being visible and attractive, which can result in using sales. Labelling provides information regarding the product category, products ingredients, and product instructions. Consumers when making their mind whether to buy or not to buy a product they are guided not just by the taste, but also some other extrinsic factors such as, brand awareness, labelling, price and origin. According to Morris, J (1997) product labels help consumer to differentiate a product more easily. Labelling helps consumers spend less time needed while searching for products that are decided to be bought by them. Consumers under time pressure their decisions are influenced when the package comes with a distinctive appearance that contains simple and accurate information (Silayoi, and Speece, 2004). Nowadays, there are consumers that pay more attention to label information since they are more concerned with health and nutrition issues (Coulson, N.S., 2000). The material used in packaging is an important element which prevents the product from any damage or loss. It is more likely that the high-quality material might attract customer more than low quality material. So, packaging material has strong impact on buying behavior. According to Smith and Taylor (2004) consumers ECOFORUM [Volume 4, Special Issue 1, 2015] 234 link the packaging materials is associated by consumers with certain essential values of the product. In addition, consumer perceptions regarding certain materials could change the perceived quality of a product (Smith and Taylor, 2004). Hollywood et al., (2013) carried a study on milk packaging. They tried to find out the impact of the three packaging materials, glass, plastic, and cardboard. Most of respondents in that study agreed that the use of plastic containers was better than cardboard and glass packaging. Ulrich R. Orth (2009) Packaging is used for identification of the product. Play an important role in attracting the consumer. Children are likely more sensitive in case of wrapper design. So, company has to make a wrapper design which attracts the children as well. Good and well-planned designs are eye-catching and can differentiate products on the shelves and can attract consumers more easily. So, attractive design, graphics, colours, printed lines, different signs and symbols as well as combinations of various materials can encourage consumers to notice and touch our product, thereby inspiring them to try and eventually buy the product. Printed information contains all the information related to the product quality, price, description which help to identify the brand. According to Shah et al., (2013) labelling is one of the most visible parts of product and an important element of the marketing mix. The information on packaging is an important component since it can support marketing communication strategies of companies, establish brand

image and identity. There is a big consent among many scholars and practitioners about the importance of brand image with products. An image can create value to consumers by helping to process information; differentiate their preferred brands, facilitating buying, giving positive feelings, and providing a basis for product extensions (Aaker, 1991).

Moreover, brand image can be defined as a unique bundle of associations within the minds of target customers. According to Goldberg (1999) the image on the product is important because it increases the attention and familiarity with that given product. The background image is the image in the mind of the customer which helps to identify the brand of the product from different brands. Brand image can be assumed as a set of brand associations that collected in the minds of consumers (Mowen and Minor, 2001). Brand image refers to the framing of memory about a brand, which contains the results of interpretation by consumer to the messages, attributes, benefits and advantages of the product (Wijaya, B. S., 2013). Brand image represents what consumers think and feel about a brand identity. Thus, the image of a brand represents the perception that can reflect objective or subjective reality. According to Aaker (1991), consumers often buy products that have famous brand because they feel more comfortable with things that are already known. The assumption that the well-known brand is more reliable, always available and easy to find, and has a quality that no doubt, make a familiar brand is more potential to be chosen by consumers than a brand that is not familiar. Bringing innovation in the packaging design also increase the value of the product in the consumer mind. Novel packaging can attract consumers, but practicality is equally important. Innovative packaging may actually add value to the product if it meets a consumer need. But its practicality is also very important for creating the added value, like easily opening, easily stored, recyclable, etc. Nowadays, manufacturers try to design packaging that maintains the key equities of the brand in order to appeal to customers' needs and preferences.

3. Research Methodology

This study used different methods, and methodology explains the process of research, design, methods of data collection, sample selection, and ways of analysing the data. Research is an intensive activity that is based on the work of others and generating new ideas to pursue new questions and answers. The main purpose of this paper was to identify the role of packaging in different stages of decision making. The decision making of consumers is a dependent variable that is influenced by the independent variables used in the study. The paper used both types of data i.e. primary and secondary.

Primary Source:

The primary data was collected from books, textbooks, online articles and journals.

Secondary Source:

The secondary data was collected through a survey of structured questions with the help of Google forms. The total number of questions is 28. The sample size is 180, out

of which 81 are male and 99 are female. The survey contains some questions for demographic details such as name and gender. This study collected data from respondents using the survey questions which were sent in order to find out the packaging elements that have an impact on the decision making of consumers. The statistical tools Excel were also used for data analysis.

The survey is attached at the end of the report under 'Annexure'.

Role of packaging in different stages of decision

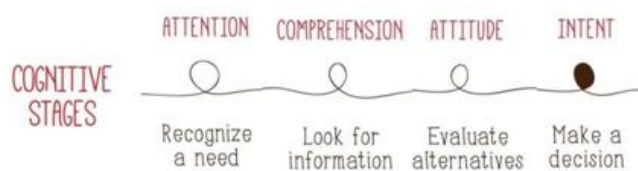


Figure 13: Different Stages

Recognize a Need

The way your product is packaged says a lot about your company and brand. Every single component of the package that adds to the presentation of the item is a key factor that requires prior planning and testing. Creating a pleasant unboxing experience for your customers makes them feel appreciated from the moment they receive it, so make it memorable. For example, instead of using a standard box sealed with transparent packaging tape, you can choose to integrate the design that distinguishes your brand and add elements that serve to familiarize users with it. In this way, your customers will relate the quality of the service you offer to the package design and, in the coming years, will feel more motivated to buy.

The effort that users perceive when receiving a product packed in a custom design make them want to repeat the experience, which translates into a profit for your company. For example, the consumers look for something else but when they see the other product or its packaging, they realize that this is what they need too. So, need of recognition can happen because of product packaging.

Look for Information

For information search when consumers are looking for products, especially medicines and food products, they search for the particular medicine and while searching they also learn about the similar types of medicines through their package. For food brands every information they get is from packaging of the products. People are health conscious now a days, they search for the calories and fat in the product so packaging becomes very important there in that step. As packaging helps them to provide the information about the product easily.

Evaluation of alternatives

The marketing people of companies need to know about how various consumers evaluate products or services well the process is not easy to understand. Here the consumers might keep the following points of evaluation criteria prices, quality, brand and packaging.

Here is an example related to packaging helps in evaluation of alternatives, suppose a consumer needs a big cold drink bottle for party and one of the brands of soft drinks i.e. PEPSI has it but COCA-COLA doesn't have. So, the consumer will obviously go for PEPSI because it's convenient. Similarly, whenever customer has to decide between two or more brands, they most of the times select the brand that has convenient package, that is easy to carry or hold. They will select the one that is easier to store instead of their preference.

Purchase decision

Normally the consumer is supposed to buy that product or service which up to highest level fulfil their evaluation criteria but even at this stage same factor might alter consumer's decisions. Here purchase decision also depends on packaging because different types of package comes in different prices. So before buying people will have to make a decision of whether or not they want to pay that amount for the kind of package they are getting.

Post purchase behaviour

Consumers buying decision process does not end with the purchase of the product or service it engages itself in post-purchase process. This determines whether the buyer is satisfied with product or service bought or not. If satisfied then good word mouth will happen and vice versa. Consumers' satisfaction, dissatisfaction or delightedness depends upon buyer expectations and the product or service quality perceived performance. For example, if while buying milk, someone accidentally tears the packet, from next time onwards they will prefer tetra pack as it has a stronger grip than normal milk packets and also doesn't go bad for a long time. So, the consumer's behaviour towards the initial product is affected by the packaging it came in.

Packaging as the Stimulus

Based on Ian Pavlov's classical conditioning theory, we can treat the consumer as a subject who gets exposed to a product on the shelf, wrapped in its packaging, as the stimuli. The stimuli in this case is heavily cultured to affect subject's response and achieve a desired consumer behaviour.

Role of Packaging in FMCG Products

The importance of packaging design as a vehicle for communication and branding is growing in competitive markets for packaged FMCG products. This research utilized a focus group methodology to understand consumer behaviour toward such products. The challenge for researchers is to integrate packaging into an effective purchasing decision model, by understanding Consumers behaviour towards the packaging of FMCG products. Packages also deliver brand identification and label information like usage instructions, contents, list of ingredients or raw materials, warnings for use and directives for care of product.

"Packaging is the container for a product - encompassing the physical appearance of the container and including the design, colour, shape, labelling and materials used" Packaging has a huge role to play in the positioning of products. Package design shapes consumer perceptions and

can be the determining factor in point-of purchase decisions which characterize the majority of shopping occasions. In recent years the marketing environment has become increasingly complex and competitive. A product's has strong potential to engage the majority of the target market. This makes it an extremely powerful and unique tool in the modern marketing environment.

Fast Moving Consumer Goods (FMCG), also known as Consumer-Packaged Goods (CPG), are products that are sold quickly at relatively low cost. Though the absolute profit made on FMCG products is relatively small, they generally sell in large quantities, so the cumulative profit on such products can be large.

Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries,

soap, cosmetics, teeth cleaning products, shaving products and detergents, as well as other non-durables such as glassware, light bulbs, batteries, paper products and plastic goods. FMCG may also include pharmaceuticals, consumer packaged food products and drinks.

Some of the best-known examples of Fast-Moving Consumer Goods companies include:

Nestlé, Hindustan Unilever, Procter & Gamble, Coca-Cola, Pepsico, Wilkinson and Mars.

Unlike other economy sectors, FMCG share float in a steady manner irrespective of global market dip, because they generally satisfy rather fundamental - as opposed to luxurious - needs.



Figure 15: Examples of Fast-Moving Consumer Goods companies

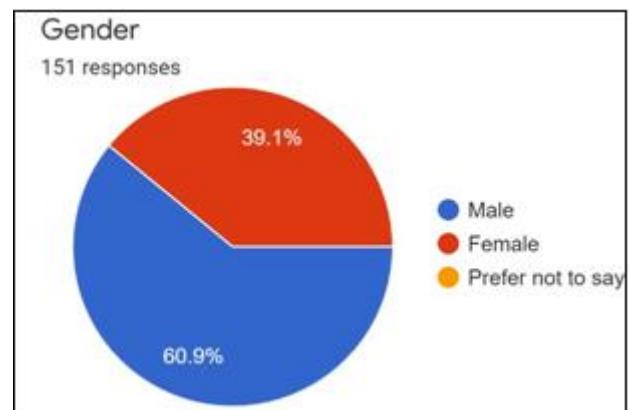
4. Data Analysis & Findings

There are total 9 questions in this survey

Respondents were asked to answer the questions according to their daily based experienced that how packaging helps them to take decision in choosing and buying the product.

The following pie charts will show how different respondents reacted towards the survey and we will get to know about change in behaviour of consumers towards Packaging

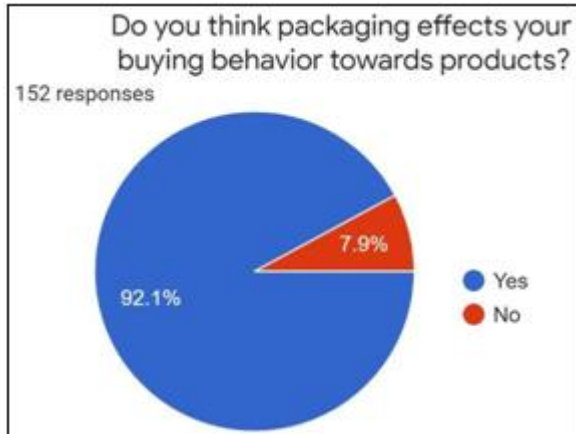
1) Gender



This pie chart shows gender diversity in which 28.6% of the total respondents are females whereas 71.4% of them are males

2) In this question, respondents were asked that does packaging affects their buying behavior towards the products.

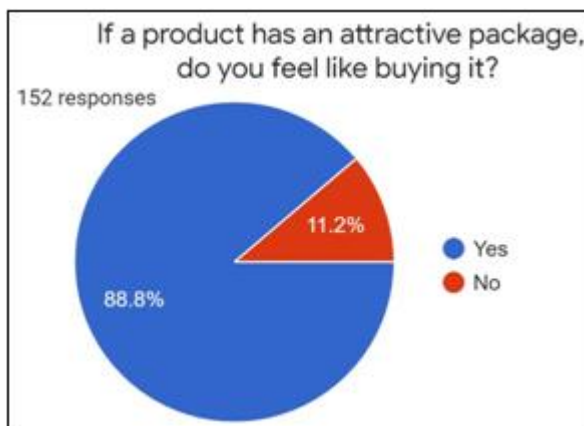
Out of 152 responses, only 7.9% people believes that there is no role of packaging in buying behavior towards any products but 92.1% people believes that packaging affects their buying behavior.



	Frequency	Percentage
Yes	140	92.1
No	12	7.9
Total	152	100

3) In this question, respondents were asked that if a product has an attractive package, do they feel like buying it.

Out of 152 responses, only 11.2% people believes that there is no change in there buying behavior if any product package is attractive but 88.8% people believes that if a product has an attractive package, they will like to buy that product.

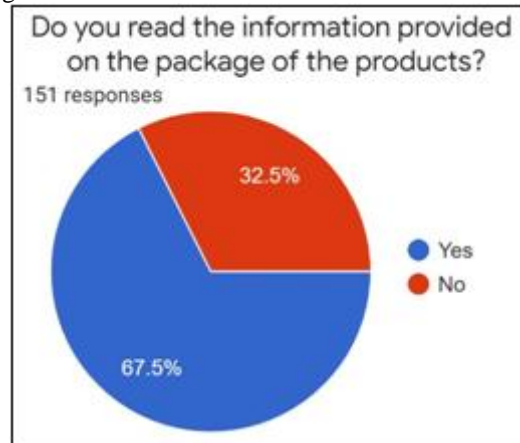


	Frequency	Percentage
Yes	135	88.8
No	17	11.2
Total	152	100

4) In this question, respondents were asked that do they read the information provided on the package of the products.

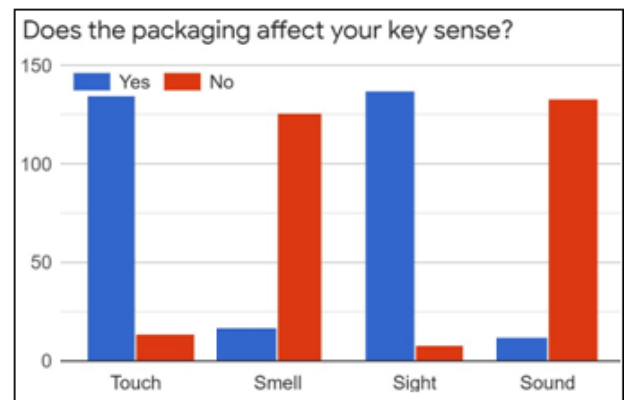
Out of 151 responses, only 32.5% people don't read the information provided on the package of the product but

67.5% people do read the information provided on the package of the Products.



	Frequency	Percentage
Yes	102	67.5
No	49	32.5
Total	151	100

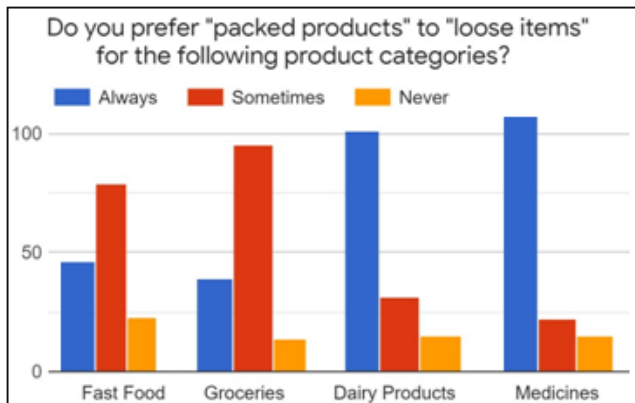
5) The following graph shows, relation between packaging and key sense.



As you can see in the graph and according to it, Maximum no. of people i.e., 137 believe that packaging affects their sight (key sense) the most also 135 people believe that packaging affects their touch sense the 2nd most and similarly the maximum no. of people i.e., 133 believe that packaging affects their hearing/sound (key sense) the least also 126 people believe that packaging doesn't affects their smell sense the 2nd Least.

Key Sense	Frequency	
	YES	NO
Touch	135	14
Smell	17	126
Sight	137	8
Sound	12	133

6) The following graph shows, in which product category customer prefer "packed product" rather than "loose items"



As you can see in Fast Food category people are prefer packed product towards loose items as we see in table given below, 46 people will always prefer packed product; 79 people will sometime prefer both packed or loose; 23 people will never prefer packed product towards loose products or items.

Product Category	Features						
	Quality	Storage	Convenient	Safety	Reusable	Identification	Economical
Fast Food	49	27	89	32	29	33	51
Groceries	44	88	30	49	62	39	46
Dairy Products	53	30	29	64	52	70	47

As you can see the ratio in the graph and according to the table,

Quality:

53 people believe that Dairy products have the better packaging feature as quality, 44 people believe that Groceries have the least packaging feature as quality,

Storage:

88 people believe that Grocery products have the better packaging feature as storage, 27 people believe that Fast Food have the least packaging feature as storage.

Easy to use:

89 people believe that Grocery products have the better packaging feature as easy to use, 29 people believe that Dairy Products have the least packaging feature as easy to use.

Safety:

64 people believe that Grocery products have the better packaging feature as safety, 32 people believe that Fast food have the least packaging feature as safety

Reusable:

62 people believe that Grocery products have the better packaging feature as reusable, 29 people believe that Fast Food products have the least packaging feature as reusable

Identification:

70 people believe that Dairy products have the better packaging feature as identification, 33 people believe that Fat Food have the least packaging feature as identification,

Similarly in Groceries 39 people will always prefer packaged products, 95 will sometime prefer, and 14 people will never prefer packed products.

In dairy Product we can see 101 People will always prefer packed dairy products, 31 will sometime switch to packaged goods and 15 people still prefer to loose items for dairy products.

In medical products we observe that 110 people want it always packed; 22 want it sometime and 15 never wants packed medicine they prefer it loose.

Frequency	Product Category			
	Fast Food	Groceries	Dairy Product	Medicine
Always	46	39	101	110
Sometime	79	95	31	22
Never	23	14	15	15

7) The following graph shows, relation between features of the product and product category.

Economical:

51 people believe that Fast food have the better packaging feature as economical, 46 people believe that Groceries have the least packaging feature as Economical.

8) The following graph shows, relation between type of packaging and product category.

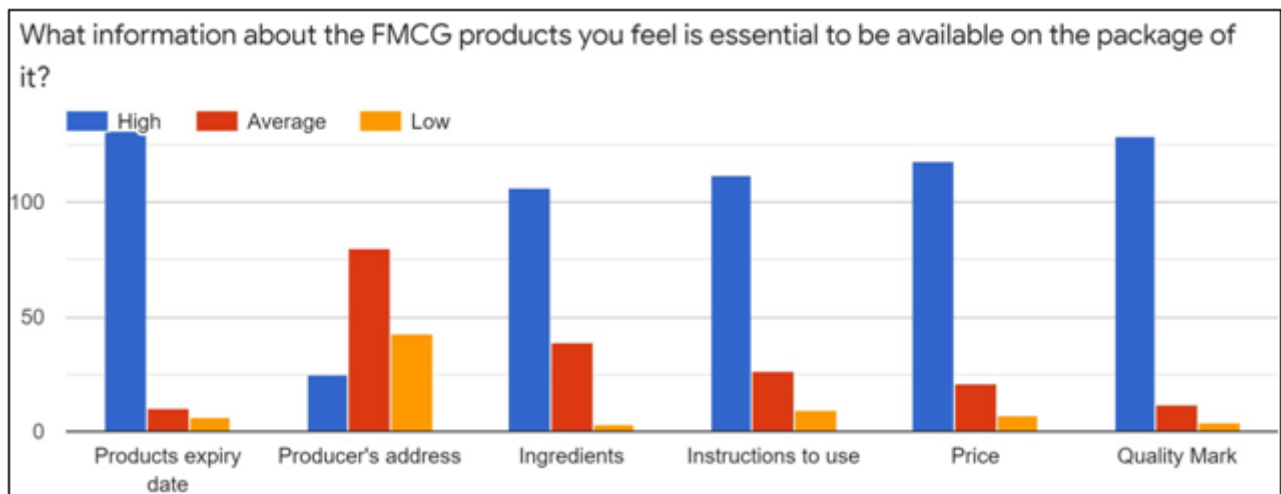


As you can see the ratio in the graph and according to the table, Max. no. Of people i.e., 105, prefer Tetra Pack type packaging for Dairy Products and least i.e., 24 people for Grocery products.

Max.73 people prefer card board packaging for Fast Food while mini 6 people for Dairy Products and for Glass bottle packaging, 30 people prefer for Dairy products while only 1 people prefer for Fast Food.

Product Category	Type of Packaging			
	Tetra Pack	Card Board	Polythene Bag	Glass Bottle
Fast Food	32	73	42	1
Groceries	24	47	73	2
Dairy Product	105	6	5	30

9) The following graph shows, relation between information important on the packaging of a product and scaling



As you can see the ratio in the graph and according to the table, Expiry date of a product is the 1st most important information provided on the package along with the Quality Mark and price 2nd important information provided on the package.

obtained results found out that the packaging elements are very important at different stages during the decision process and they facilitate a lot the decision process. The findings show that the following factors such as, the quality of the packaging material, Innovation and practicality, and the package design seem to be the most important on product selection during buying process. Furthermore, attractive packaging attracts consumers to buy the products whether the consumer is in need or not. Packaging tells a lot about the company; it maintains the standards of the company in the market. Packaging helps the consumer to differentiate between the two or more products and also help them to easily find the products which they are looking for.

Scale	Information on packaging					
	Expiry Date	Producer Address	Ingredient	Instruction to use	Price	Quality Mark
High	131	25	106	112	118	129
Average	10	80	39	26	21	12
Low	6	43	3	9	7	4

5. Conclusion

The obtained results of research on role and the impact of packaging on decision making lay down the following conclusions: The packaging elements represent a good means of marketing communications towards consumers, because consumers value the elements that are embodied on the package. The packaging colour helps consumers differentiate their favourite brands, and for companies it helps to catch consumers' attention and interest. So, colour as well as other packaging elements makes the marketing offer more eye-catching and attractive, as well as differentiating it from other products. Consumer value label in the products, because they can get information about the product, its origin, its content, its usage, etc. The information given in the label also helps companies promote the product in the market. From the empirical evidence, the information on packaging represents an important component and it can support marketing communication strategies of companies, establishes brand image and identity. Printed information contains all the information related to the product quality, price, and description which help customers identify the product and facilitates the decision process during purchasing. From the findings both practicality and innovative packaging are important during the buying process since it gives value to the product. The

6. Recommendations

- Brand is important and its strategy is in consideration 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 for good packaging. They accept that poor packaging is one of the causes of product failure in the market. It is necessary to set the packaging standard and to implement accordingly for better protection and promotion of a product.
- Consumer new product manufacturers mostly use the label in their products. Basically, they describe that made it, where it was made, when it was made, what it contains, how to use it etc. Further they believe that the consumers are properly guided by label to use the products. 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.
- I do believe that culture difference does have an impact on 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 international companies to take a consideration of culture differences when they design the product package.

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