

# Development & Function of Packaging in The Marketing of Consumer Product: (With Special Reference to Himalayas)

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## ABSTRACT

This report has been completed in partial fulfillment of my Masters Degree programme. The objective of my report is to know the DEVELOPMENT & FUNCTION OF PACKAGING IN THE MARKETING OF CONSUMER PRODUCT: (With special Reference to Himalayas)

Masters in Business Administration is the stepping-stone to management career. In order to achieve practical, positive and concrete result, the classroom learning has to be effectively supplemented to relation of the situation existing outside the classroom for developing healthy managerial and administrative skills in a potential manager. It is necessary that the theoretical knowledge must be supplemented with exposure to the real environment.

This Training provided me with an opportunity to do an in depth study of various markets. Starting from consulting books, management journals, surfing internet for latest details, carrying out a research study, studying leading and successful industrial brands, at the end of this research dissertation I have gained a considerable understanding of the DEVELOPMENT & FUNCTION OF PACKAGING IN THE MARKETING OF CONSUMER PRODUCT: (With special Reference to Himalayas)

A sincere effort has been made in the report to present my viewpoints on the dissertation report and enough literature has been derived from various sources, which have been acknowledged in the Bibliography.

## INTRODUCTION

In the ever increasing competition of today's global market the need for effective product promotion is crucial, and the product packaging has come to play a more important role as a brand communication vehicle. Today, virtually all goods that are manufactured or processed require some packaging in some phase of their production or distribution;

Packaging decisions are to be considered in early marketing plans as an integral part of the total marketing strategy. Packaging is an important integrative aspect of the product and often a critical factor in the success or failure of a given product. The packaging component of a product refers to any container in which it is offered for sale and on which information is communicated (Berkowitz et al, 1989). Packaging of consumer products is extremely important at the point of sale. It plays a major role when products are purchased. After all, it is

The first thing seen before making purchase choices and it is widely recognized that over 50% of purchasing

Decisions are made at the shelf, or point of purchase (Ferrell, 1987; Frontiers, 1996).

Innovative packaging can give a company an advantage over competitors. Packaging must be consistent with the product's advertising, pricing and distribution. Companies usually consider several different package designs for a new product. To select the best package, companies usually test various designs to find the one that stands up best under normal use, easiest for dealers to handle and receives the most favorable consumer's response (Lu et al, 2007). The four most important functions of packaging are to contain and protect products, promote products, and facilitate the storage, use, and convenience of products. A fourth function of packaging that is becoming increasingly important is to facilitate recycling and reduce environmental damage (Lamb et al, 2004). This research focuses on the functions (role) of packaging in Jordanian consumer's perception of product quality at the point of purchase. Packaging plays a key role in product success, particularly in the fast moving consumer goods industry and can affect consumers' purchasing decisions at the point of sale. However, relatively little has been written about packaging in the marketing literature. The purpose of this paper is to provide a theoretical framework with which to examine how packaging contributes to marketing in general and new product development (NPD) in particular. The paper reviews the literature and develops a unique framework that can be used to evaluate more fully the needs of all parties that are relevant to the development of packaging, including members of the distribution channel. This framework aims to provide new insight into the creation of new product opportunities through packaging development in a more systematic way than has been evidenced in the past.

The various functions of packaging are divided into primary, secondary and tertiary functions. In contrast with the primary functions, which primarily concern the technical nature of the packaging, secondary functions relate to communications.

Packaging seems to be one of the most important factors in purchase decisions made at the point of sale (Prendergast and Pitt, 1996), where it becomes an essential part of the selling process (Rettie and Brewer, 2000). Packaged food products are moving into ever larger supermarkets and hypermarkets, and there is a proliferation of products, offering consumers vast choice. The competitive context is ever more intense, both in the retail store and household. With the move to self-service retail formats, packaging increases its key characteristic as the "salesman on the shelf" at the point of sale. The critical importance of packaging design is growing in such competitive market conditions, as package becomes a primary vehicle for communication and branding (Rettie and Brewer, 2000).

This discussion examines how packaging influences buying decisions for packaged food products. The package standing out on the shelf affects the consumer decision process, and package design must insure that consumer response is favorable. The problem is made more complex by several conflicting trends in consumer decision-making. On one hand, some consumers are paying more attention to label information, as they become more concerned about health and nutrition (Coulson, 2000; IGD, 2003c). These consumers are more involved in the product decision and use package information more extensively. On the other hand, modern consumers are often looking for ways to reduce time spent on food shopping and preparation. This can influence decision processes, too, as time pressure reduces detailed consideration of package elements (IGD, 2002b; Warde, 1999).

While these are important issues, and becoming even more critical in the intensifying competitive environment, there is little comprehensive study on how packaging elements influence brand choice under involvement and time pressure. This paper aims at forming a better understanding of the link between

packaging and consumer purchase behavior. The main objective is to examine packaging elements that influence purchase decisions. From this, we propose a conceptual framework for how packaging relates to purchase decisions in the context of different product involvement levels and under time pressure.

Generally, qualitative methods are best suited to developing deeper understanding, so our discussion is based on focus groups interviews which examined these issues in-depth with typical consumers. The focus groups sessions had two broad objectives. They are:

to examine the consumer experience with purchasing packaged food products; and

to understand consumer views on how packaging plays a role in their purchase decisions.

The focus groups were conducted in Bangkok, Thailand, and thus, the views represent consumers in an important middle-income country market where the agribusiness industry is quite strong, and conditions are very competitive.

### **The objectives of the Study**

The main purpose of this study is to evaluate the role of packaging in India consumer's perception of product quality at the point of purchase.

In order to meet this objective, the following objectives taken up under in the consideration.

### **Physical Protection**

The objects enclosed in the package may require protection from, among other things, shock, vibration, compression, temperature, etc.

### **Barrier Protection**

A barrier from oxygen, water vapor, dust, etc., is often required. Package permeability is a critical factor in design. Some packages contain desiccants or Oxygen absorbers to help extend shelf life. Modified atmospheres or controlled atmospheres are also maintained in some food packages. Keeping the contents clean, fresh, and safe for the intended shelf life is a primary function.

### **Containment or Agglomeration**

Small objects are typically grouped together in one package for reasons of efficiency. For example, a single box of 1000 pencils requires less physical handling than 1000 single pencils. Liquids, powders, and flowerless need containment.

### **Information Transmission**

Packages and labels communicate how to use, transport, recycle, or dispose of the package or product. With pharmaceutical, food, medical, and chemical products, some types of information are required by governments.

### **Marketing**

The packaging and labels can be used by marketers to encourage potential buyers to purchase the product. Package design has been an important and constantly evolving phenomenon for dozens of years. Marketing communications and graphic design are applied to the surface of the package and (in many cases) the point of sale display.

## Security

Packaging can play an important role in reducing the security risks of shipment. Packages can be made with improved tamper resistance to deter tampering and also can have tamper-evident features to help indicate tampering. Packages can be engineered to help reduce the risks of package pilferage: Some package constructions are more resistant to pilferage and some have pilfer indicating seals. Packages may include authentication seals to help indicate that the package and contents are not counterfeit. Packages also can include anti-theft devices, such as dye-packs, RFID tags, or electronic article surveillance tags, that can be activated or detected by devices at exit points and require specialized tools to deactivate. Using packaging in this way is a means of loss prevention

## Use & Importance of the study

Product packaging design and the messages and signals packaging delivers work with other elements of marketing and product features to add value to the product as perceived by consumers.

- Packaging offers an important means to compete with rivals both in the short term and over time, by helping a firm gain competitive advantage and sustain competitive advantage.
- Packaging represents a vital means for competition amongst FMCG companies because of its ability to influence consumers' expectations, and even their post-experience liking for the product, without relying on advertising but simply by modifying the name, logo, characters, and contents information displayed as well as the physical characteristics of the package itself.
- Packaging can be a key element of the marketing mix, and as such one of the key marketing levers that firms can control, packaging design itself is subject to a complex set of influences from the business environment.
- Producers face the difficult judgment in how to balance building familiarity with packaging yet also to move it forward when faced with the competitive.

## Scope

1. Good packaging attractive the customer for making decision of purchasing the product.
2. The ultimate purpose of retail packaging is to add to your products to help them sell.
3. Packaging solution to suit your needs from recognized styles to fully designed transport systems. We can help you protect & ship your products to their destination.
4. Making the brand image of the company.
5. The primary scope of packaging is to protective product again vested.
6. Form unique point of sale displays to effective transmit packaging surrey based scope can do it all from design through to manufacture.

## Literature review: packaging functions and elements

**Prendergast and Pitt (1996)** review the basic functions of packaging, and define them by their role in either logistics or marketing. The logistical function of packaging is mainly to protect the product during movement through distribution channels. In the marketing function, packaging provides an attractive method to convey messages about product attributes to consumers at the point of sale. It may be difficult to separate these two package functions, as they are usually needed. The package sells the product by

attracting attention and communicating, and also allows the product to be contained, apportioned, unitized, and protected.

Whatever be the logistics considerations, packaging is one key food product attribute perceived by consumers. It cannot escape performing the marketing function, even if a company does not explicitly recognize the marketing aspects of packaging. The package is a critical factor in the decision-making process because it communicates to consumers. Intention to purchase depends on the degree to which consumers expect the product to satisfy them when they consume it (Kupiec and Revell, 2001). How they perceive it depends on communication elements, which become the key to success for many marketing strategies.

The package's overall features can underline the uniqueness and originality of the product. In addition, quality judgments are largely influenced by product characteristics reflected by packaging. If it communicates high quality, consumers assume that the product is of high quality. If the package symbolizes low quality, consumers transfer this low quality perception to the product itself. The package communicates favorable or unfavorable implied meaning about the product. Underwood *et al.* (2001) suggest that consumers are more likely to spontaneously imagine aspects of how a product looks, tastes, feels, smells, or sounds while they are viewing a product picture on the package.

Consumer decision-making can be defined as a mental orientation characterizing a consumer's approach to making choice (Lysonski *et al.*, 1996). This approach deals with cognitive and affective orientations in the process of decision-making. Four main packaging elements potentially affect consumer purchase decisions, which can be separated into two categories: visual and informational elements. The visual elements consist of graphics and size/shape of packaging, and relate more to the affective side of decision-making. Informational elements relate to information provided and technologies used in the package, and are more likely to address the cognitive side of decisions.

Most FMCG are low involvement products. In low involvement, "consumers do not search extensively for information about the brands, evaluate their characteristics, and make a weighty decision on which brand to buy" (Kotler *et al.*, 1996, p. 225). One reason for this is low risk (Chaudhuri, 2000; Mitchell, 1999), i.e. these products are simply not very important. The lack of substantial evaluation often results in the inability to distinguish much difference among leading brands (McWilliam, 1997). A common result is relatively weak "habit" brand loyalty. Thus, when consumers find a brand which meets their standards, they tend to stay "satisfied" with it, especially, if they are constantly reminded of the brand. But they are not very committed, and substitute easily when it is not available.

Such habit loyalty is fairly common in the West, e.g. IGD (2002a) notes that about one-third of women shoppers, and slightly fewer men, buy food products through habit. It is also quite common in Thailand and more broadly in Asia (Speece, 1998, 2003). Survey data from Thailand indicate that packaging plays a strong role in reminding consumers about the brand (Silayoi *et al.*, 2003), i.e. it helps to reinforce habit loyalty.

Some observers, though, note that not all consumers view grocery shopping as a low involvement activity. Beharrell and Denison (1995) show a range of involvement among European consumers. Those with higher involvement tend to be more strongly brand loyal, including willingness to postpone purchase or go to another store if the brand is not available. In Thailand, about 20-40 percent of consumers for most FMCG shows this level of loyalty, and will postpone or search rather than simply switch to a substitute (Speece, 1998, 2003).

Clearly, consumer use of packaging elements is quite an important issue for low involvement products - generally, informational elements require more mental effort to process than do visual elements, which evoke more of an emotional response. Some consumers are not willing to put forth this small effort, and food products which is of truly low involvement for them. Others may consider the product more carefully, so that involvement level might shift the package elements which are most critical. We look at these various elements in more detail in the remainder of this section, to examine how consumers are likely to use each one.

## Research methodology

### 1. Exploratory research Design

The purpose of an exploratory research is a systematic research is primarily to understand and develop hypothesis to cover all possible outcomes. A thorough exploratory research lays the foundation of a good research design, which would satisfy the research objectives. Sometimes exploratory research itself may be enough to solve the problem.

### 2. Conclusive Research

In contrast to the exploratory research, which is, systematic collection of the information needed its analysis and finding as per the research objectives conclusive research follows exploratory research. A large number of observations were possible to achieve. The results were valid and reliable. The study is properly structured such that no misinterpretation of data is allowed.

## Method of Data Collection

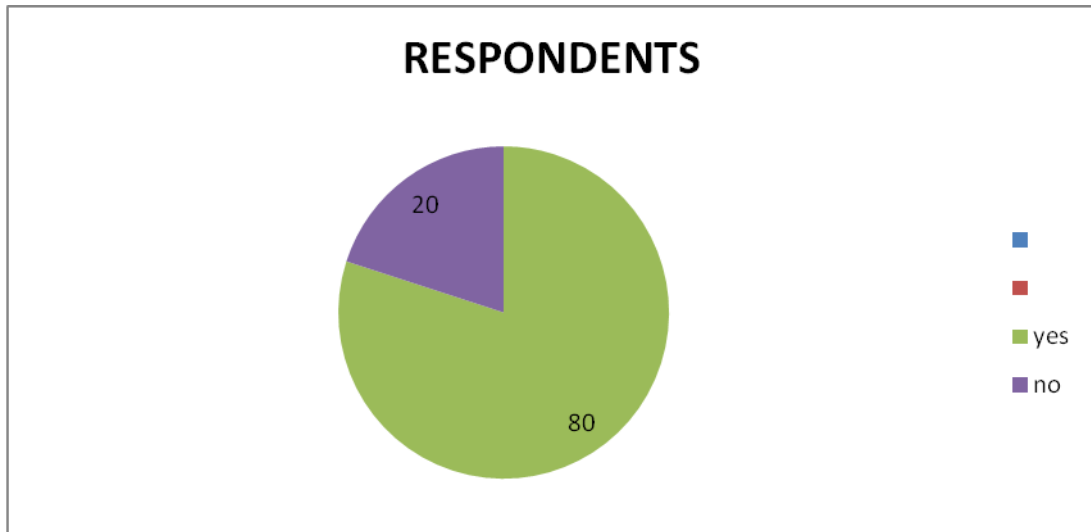
The data was collected through primary source through records and discussions with the concerned authority and top level management and middle/lower level management and from employees working in the organization with the help of questionnaire method. The respondents who were provided a set of structured question filled the questionnaire and feedback was obtained by personally administering the discussion on question by respondent. Questionnaire method is very versatile almost every problem can be approached by this method. Knowledge, opinion, motivation and intent are usually not open to observation. Multiple-choice question were introduced as they are faster to administer. They lend themselves to analysis using various statistical techniques. They are not prone to interviewer bias.

## Data Analysis

The data obtained through conducting the survey was analyzed by applying Graphical method. Bar Graphs were applied on the data in order to interpret the findings which could be applied to the entire population. Parameters of Each factor were analyses by using rating scale, on scale of 5 each parameter was ranked as 5 being the most important parameter & 1 being the least.

### 1. Cosmetic product?

PARTICULARS	NO. OF RESPONDENTS
YES	80
NO	20
TOTAL	100

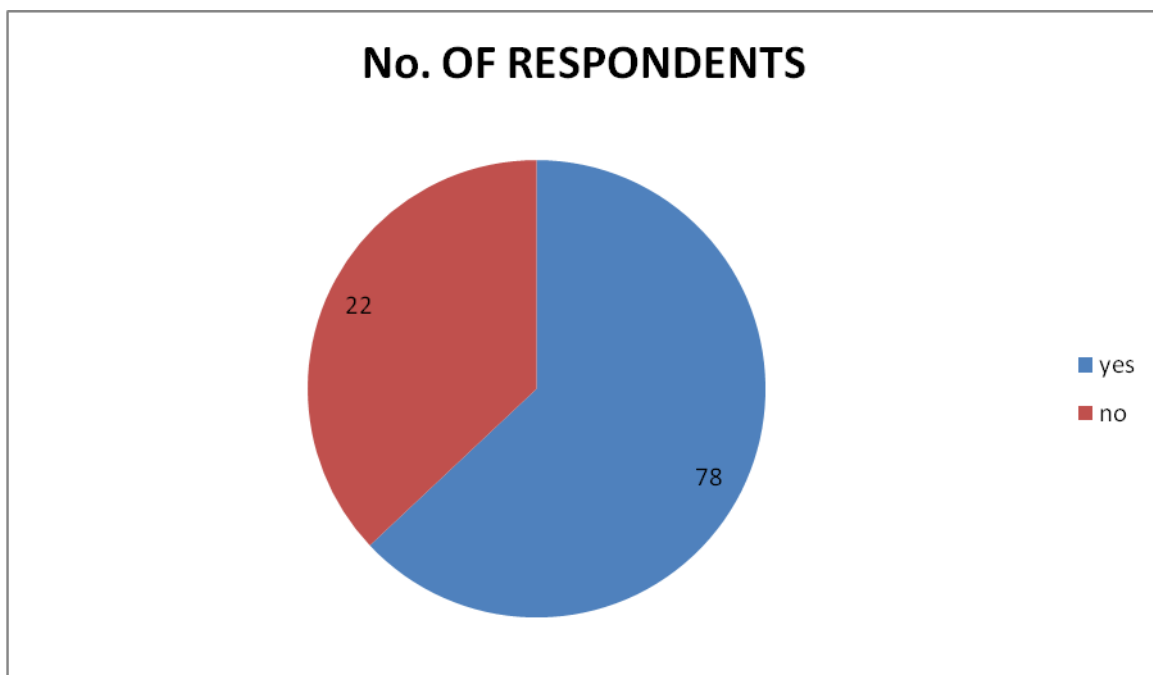


**INTERPRETATION:**

**80% people say that they are using cosmetic product & 20% are not using cosmetic product.**

**2. Are you satisfied with packaging of Himalaya’s product?**

PARTICULARS	NO. OF RESPONDENTS
YES	78
NO	22
TOTAL	100

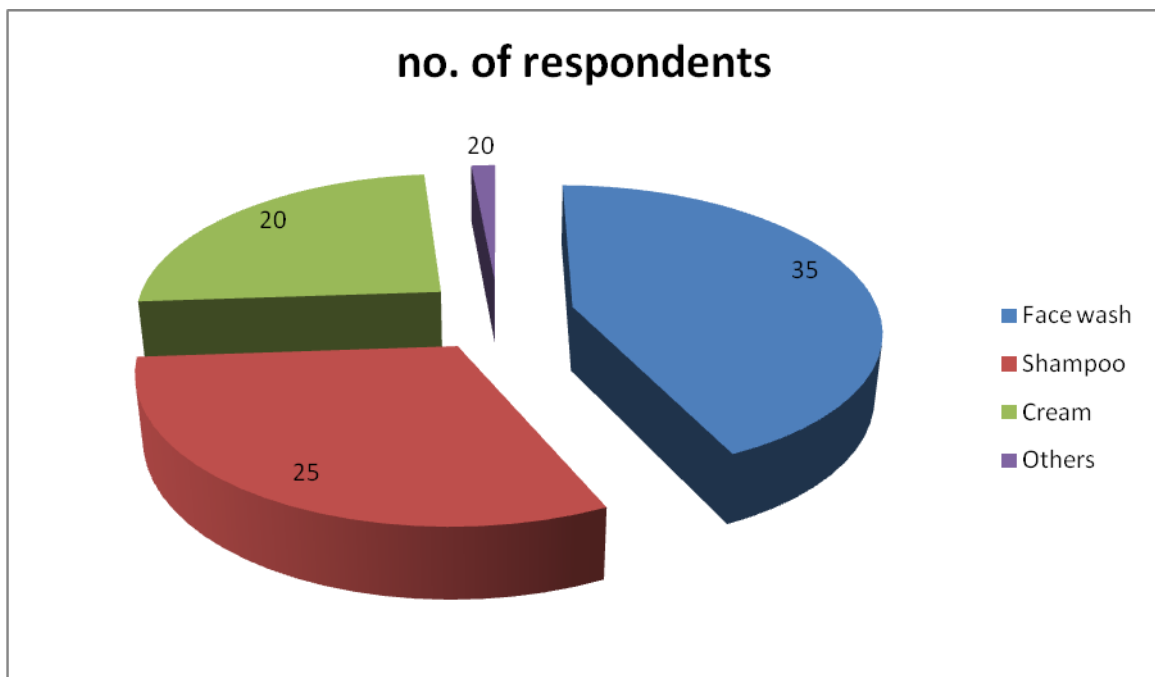


**INTERPRETATION:**

78% people satisfied packaging of Himalaya product & 22% are not satisfied packaging of Himalaya product.

**2. Which Himalaya’s product do you use?**

LEVEL OF PERCEPTION	NO.OFRESPONSES
Faces wash	35
Shampoo	25
Cream	20
Other	20
<b>TOTAL</b>	<b>100</b>



**INTERPRETATION:**

**People use mostly Face Wash and Shampoo**

**FINDINGS**

1. 80% people say that they are using cosmetic product & 20% are not using cosmetic product.
2. 78% people satisfied packaging of Himalaya product & 22% are not satisfied packaging of Himalaya product.
3. People use mostly Face Wash and Shampoo
4. About 60% People Say that they recommend products of Himalaya to others
5. People come to know about Himalayan Company mostly through news paper and friends.
6. People think that company should change their quantity and quality mostly.
7. Mostly customers are not satisfied with price of products’ they say there is need to change in price
8. Mostly people like Fair & lovely and gariner
9. Mostly people prefer Himalaya product.
10. Due to the low pricing Himalayas is a first choice of rural & urban aria customer of people.



## LIMITATIONS

No project can be without any limitations. This project also has a few limitations which are:  
.Information/Data related to certain topics such as the types of marketing strategies and other measures was not available in too much detail.

- ❖ The selection of respondents was based on convenience sampling & it might not be a true representative of the entire population,
- ❖ Although utmost care has been taken to get accurate results, yet because of the risk of ambiguities & misinterpretation on the part of the respondents, some Element of inaccuracy could have crept in.
- ❖ Since a small sample size has been taken, the possibility of sampling errors cannot be ruled out in the research study.

## CONCLUSION

The finding of our research packaging role and its influence on consumer buying behavior shows the Following results. From my research study I find out that packaging are the important elements which Highly influence the consumer buying behavior. Packaging describe information about product like where it consumer's purchase decision. Producer Used printed information in packaging as a promotion of the product as compare to used highly expensive Advertisement The mixed research method was used in the empirical part of the study. The Quantitative results were acquired from the questionnaire. The qualitative findings were obtained from the e-mail and the telephone interviews. The mixture of these two research methods assisted in getting a comprehensive view on the packaging design, its elements and attributes. It also provided information about consumer perception on different design packages and attraction by different packaging Design elements. The main research findings were described and concluded. According to the information provided by the Valois representative, it is known that the consumers are involved in the process of selecting the design elements. The customers are tested by using different designs in order to examine their perception, preferences and attractions. In the quantitative research of the current study the consumer perception and attraction were investigated and certain results were obtained. The quantitative results we recollected through the questionnaire where two milk package designs were examined. The research provided reliable figures and numbers as well as the opinions about the package design and design elements.

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