

# CONSUMER BEHAVIOR TOWARDS THE NEW PACKAGING OF FMCG PRODUCTS

**Mitul Deliya**

Assistant Professor, S. K. College of Business Management, Hemchandracharya North  
Gujarat University, Patan  
Email: deliya.mitul@gmail.com

## ABSTRACT

*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 behavior toward such products.*

*The challenge for researchers is to integrate packaging into an effective purchasing decision model, by understanding Consumer's behavior towards the packaging of FMCG products.*

*When consumers search for and process information in-store, the product's package can contain relevant and useful information for the consumer. Product packaging forms the end of the 'promotion-chain' and is close in time to the actual purchase and may therefore play an important role in predicting consumer outcomes.*

*Packages also deliver brand identification and label information like usage instructions, contents, and list of ingredients or raw materials, warnings for use and directives for care of product.*

## INTRODUCTION

“Packaging is the container for a product – encompassing the physical appearance of the container and including the design, color, shape, labeling 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 packaging is something which all buyers experience and which 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. In addition to its benefits in terms of reach, some marketers believe that packaging is actually more influential than advertising in influencing consumers, as it has a more direct impact on how they perceive and experience the product.

“In most cases, the experience has been that pack designs are more likely to influence the consumer perception of the brand.”

For products with low advertising support, packaging takes on an even more significant role as the key vehicle for communicating the brand positioning

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: General Mills, H. J. Heinz, Reckitt Benckiser, Sara Lee, Nestle, Unilever, Procter & Gamble, COCA-COLA, Carlsberg, Kleenex, Kraft, PEPSI, 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.

## **LITERATURE REVIEW**

Mitul Deliya & Bhavesh Parmar (2012) has studies the “Role of Packaging on Consumer Buying Behavior – Patan District”. The aim of this article is to get the A study to point towards role of packaging on consumer buying behavior. The basic purpose of this it is to find out how such factors are behind the success of packaging. The purpose of this research is to know the relationship between independent variable and dependent variables. The research is based in Patan District of Gujarat (India). The packaging is the most important factor. The consumer buying behavior is dependent on the packaging and on its features. Packaging elements like Packaging color. Background Image, Packaging Material, Font Style, Design of wrapper, Printed Information and Innovation is taken as predictors. Due to increasing self-service and changing consumers’ lifestyle the interest in package as a tool of sales promotion and stimulator of impulsive buying behavior is growing increasingly. So package performs an important role in marketing communications, especially in the point of sale and could be treated as one of the most important factors influencing consumer’s purchase decision.

Rita Kuvykaite (2009) has descriptive research. According to Rita package attracts consumer’s attention to particular brand, enhances its image, and influences consumer’s perceptions about product. Also package imparts unique value to products (Underwood, Klein & Burke, 2001; Silayoi & Speece, 2004), works as a tool for differentiation, i.e. helps consumers to choose the product from wide range of similar products, stimulates customers buying behavior (Wells, Farley & Armstrong, 2007). Thus package performs an important role in marketing communications and could be treated as one of the most important factors influencing consumer’s purchase of package, its elements and their impact on consumer’s

buying behavior became a relevant issue. He basing on theoretical analysis of package elements and their impact on consumer's purchase decision empirically reveal the elements having the ultimate effect on consumer choice. Research methods that Rita used are systematic and comparative analysis of scientific literature; empirical research There are six variables that must be taken into Consideration by producer and designers when creating efficient package: form, size, color, graphics, Material and flavor. Similarly, Kotler (2003) distinguishes six elements that according to him must be evaluated when employing packaging decisions: size, form, material, color, text and brand. The research result of Rita shows the impact of package elements on consumers purchase decisions can be stronger. He conclude that Package could be treated as one of most valuable tool in today's marketing communications, necessitating more detail analysis of its elements and an impact of those elements on consumers buying behavior. The impact of package and its elements on consumer's purchase decision can be revealed by analyzing an importance of its separate elements for consumer's choice.

Alice Louw (2006) has studied The Power of Packaging the people belonged to Age 20-30 years old University graduates were taken for research. 20 respondents were asked to rank 5 water bottles in terms of their overall appeal. Following this, they were given a questionnaire and asked to rate each of the bottles on 20 statements related their packaging. For the remaining 20 respondents, the order of the process was switched: they rated the bottles first and then ranked them. The statements ranged from functional attributes (e.g. easy to drink from, right size) to more emotive, non-functional attributes (e.g. I like the colors, high quality). For both groups there was a clear winner and a clear loser in terms of the rankings. However, although the top brand chosen was consistent in both groups, the worst brand differed. The group that ranked the bottles first showed more 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 right packaging can help a brand carve a unique position in the marketplace and in the minds on consumers.

John Th Gersen (2000) worked on The Ethical Consumer. Moral Norms and Packaging Choice published in Journal of Consumer Policy Kluwer Academic Publishers. Printed in the Netherlands. The paper presents a study of a case with these two characteristics: Danish consumers' choice presents a study of a case with these two characteristics: Danish consumers' choice of environment-friendly packaging. With regard to this case, the evidence supports the claim. A majority of Danish consumers have developed personal norms about choosing environment-friendly packaging and the personal norm is a significant predictor of their (self-reported) propensity to choose environment-friendly packaging in the supermarket.

Renaud LUNARDO 2007 has a great research on the influence of label on wine consumption. its effects on young consumers' perception of authenticity and purchasing behavior The main objective of the paper is to identify the effects of authenticity on purchase behavior. They used a repertory grid (RG) approach as a methodological framework in order to know which pattern of features is better at inducing purchase. All the relationships between authenticity provided by the label of bottles and consumer behavior attributes (performance risk, perceived price and purchase intentions) have all been tested by

using linear regressions. This study was intended to provide a more complete understanding of the influence of the authenticity perceive from the label of bottled wine. As an attempt to extend the research on the influence label of bottled wine can have on consumers' decisions of buying, the current it is clear from these findings is the major role played by labels.

L Renaud 2007 worked on The Influence of Eco-Labeling on Consumer Behavior. The main objective of this study was to assess the relative importance of the labeling in Packaging compared to other product attributes (like brand, price, etc.) for consumers' buying decisions. The methodological approach that they chose was discrete choice analysis, which is particularly powerful for this kind of analysis. Further this study attempts to analyze if the importance of the labeling and packaging differs between product groups. They surveyed a total of 302 customers; Two thirds of the interviews were conducted in the German-speaking. The Variables chose within this study are , present mood, time, buying purpose With regard to sustainability marketing, Time. The most important result of analysis is the significant willingness to pay for Packaging energy efficient products.

Adelina Broadbridge & Henry Morgan (2007), consumer buying behavior and perception toward retail and brand baby products. A two-stage research methodology consisting of both qualitative and quantitative research techniques was adopted. The population was defined as 'parents of children under the age of five who use baby care products'.

Both the qualitative and quantitative research showed that respondents adopted similar risk reduction strategies in their purchase of baby care products. This research investigated consumer perceptions and buying behavior of baby care products. The results of the primary research indicated that consumers need to feel confident with the product in terms of reliability and performance and packaging.

Bytyqi Hysen\*, Vegara Mensur (2008) have research on analysis of consumer buying behavior in regard to dairy products in kosovo. This survey was carried out by the Department of Livestock and Veterinary Sciences, Agriculture Faculty of Prishtina, Kasovo during 2007. Interviews of 304 respondents were conducted in super-markets (677) and mini-markets (397) and later 23 interviews were completed in green market mainly for Sharri cheese and curd. To study the reasons for choosing milk products upon supply, a coding approach from 1- 5 was used (1 = very important; 2 = highly important; 3 = average; 4 = less important; 5 = not important). Perception of consumers about dairy products was assessed using different variables i.e. habits, trust, price, quality, package, age of consumer, origin of product, type of shop, brand and gender of consumer. It was conclusion after analysis that the packaging has great effect on the purchase of dairy products.

Rita Kuvykaite<sup>1</sup>, Aistė Dovaliene<sup>2</sup>, Laura Navickiene<sup>3</sup> (2009) worked on impact of package elements on consumer purchase decision economics & management. Material are the most important visual elements for purchasing both milk (size and material 3.80) and washing-powder (resp.: 3.87 and 3.41); whereas, in this case form, color and graphic could be treated as unimportant elements of package. When analyzing importance of verbal elements, it could be stated that product information (4.24 for milk and 4.06 for washing-powder) and country-of-origin (resp.: 4.22 and 3.88) are the most important elements. Furthermore its worth to add, that producer and brand couldn't be underestimated too, because the importance of both of these elements is treated by customers above the average. Comparing the impact of visual

and verbal elements of package on consumer's purchase decision it could be stated that verbal elements are more important than visual ones, when purchasing both milk and washing-powder. According to the research model developed the impact of package's elements on consumer's purchase decision depending on time pressure, consumer's involvement level and individual characteristics were analyzed.

H Ahasanul ,(K Ali 2009) measured the Factors Influencing Buying Behavior of Piracy Impact to Malaysian. A structured questionnaire was used to collect data whereby it was served as primary data to answer the research questions and objectives planning to find out the factors that plays a vital role about consumers perception towards pirated products. It can be identified that the dependent variable is consumer perception on piracy. Where else the independent variables would be divided to social influence, personality/believe, culture, and the economy. These are the factors that could influence consumers' perception on piracy thereby supporting out dependent variable. Social influence would include susceptibility, which means an individual might purchase a pirated product merely because his/ her friend or family members bought the product and introduced it to them.

Ulrich R. Orth (2009) worked on Packaging Design as resource for the construction of Brand Identity. A thorough review of the literature on packaging design reveals that there are no meaningful guidelines for developing holistic packaging design, Shapes, Finishes, Sizes, Images, Typography, Colors, Impressions, Purchase Intention, and Brand. This research was conducted by collecting information and data in four stages. First, a review of the branding literature determined a list of strategically relevant brand impressions for wine. Second, appropriate wine packaging design elements were identified and a sample of real and representative designs was selected. Third, professionals in the design and advertising industry rated wine packaging designs on the previously identified design elements. This research aimed at generating guidelines for managing strategic brand impressions, namely brand identity created by the wine packaging design

Kriti Bardhan Gupta (2009) has study on Consumer Behavior for Food Products in India. primary data was collected from 326 respondents in Uttar Pradesh and National Capital Region The relative importance of various food purchasing criteria was estimated for four different food categories, food and vegetables; milk and milk products; food grains and pulses; and processed foods on 1-5 scale, The present study explored the consumer behavior for food products in India from different perspectives. People accepted the fact that their food habits get affected with the shifting to a new region but many basic buying and consumption behavior do not change. Some of the changes in buying and consumption behavior of relocated people, which were observed after their settlement to a new region, were not significantly different from the level of changes in behavior of non-moving people. However, compared to the last 10 years, people have started preferring more healthy foods and are willing to try out new dishes. They tend to learn cooking and eating new food items after relocation without discontinuing their traditional food items. There is also influence of children on the type of food items that they eat.

This paper has shown that impulse buying is indeed a relevant factor in CE retailing, thus justifying the use of sales packaging. However, optimization is still important. From an economical and environmental perspective it is very costly to apply sales packaging (with additional material use and transport volume) to products that do not need them, or to apply

them in an ineffective way. Economical costs and environmental impact can be expressed in a single score, indicating the packs performance. To allow proper management of the pack design the sales performance should be expressed in as simple a way as possible, preferably also a single score. As calculating the sales performance is impossible a test will need to be used. The pressure from time-to-market in the CE industry, demands that the test be relatively simple.

S Nuntasaree and Dr. E Barry (2008) published a paper with subject of a model of male and consumer behavior in buying skin care products in Thailand.. The conceptual model of male consumer behavior in buying skin care products beliefs in product attributes Quality, Price, Brand, Packaging, Advertising, Promotion, Salesperson, Distribution. This study used a quantitative research method. A convenience sample with a shopping mall-intercept technique was employed for the sampling method. The closed-ended questionnaire developed from standard questions of relevant literature was chosen as a research instrument. The Statistical Package for the Social Sciences program (SPSS) version 15.0 was used in this study with a 0.05 level of significance for all of the statistical assessments. The data set was screened and examined for incorrect data entry, missing values, normality and outliers.

Several studies have investigated issues such as packages as a means of attracting the attention of consumers (Underwood et al., 2001; Garber et al., 2000; Goldberg et al, 1999; Schoormans & Robben, 1997). Other studies researched packages as a means of communication as well as a means of communicating brand and product meaning (Underwood & Klein, 2002; Garber et al., 2000, Schoormans & Robben, 1997; Gordon et al., 1994; Homer & Gauntt, 1992; Rigaux-Bricmont, 1981; McDaniel & Baker, 1977).

Packages are found to attract attention (Underwood et al., 2001; Garber et al., 2000; Goldberg et al., 1999; Schoormans & Robben, 1997). In fact, Goldberg et al. (1999) found that by dismissing such non-verbal signs as colors, the attention to verbal signs can be increased. Pictures on packages are emphasized to attract attention, particularly when consumers are not very familiar with the brands (Underwood et al., 2001).

Furthermore, packages are claimed to attract attention when their appearances are not typical within a product class (Garber et al., 2000; Schoormans & Robben 1997). In other words, past research has discovered that deviating packages attract attention. Other studies show that deviating package colors and shapes attract attention (Garber et al., 2000; Schoormans & Robben 1997). Underwood et al. (2001), on the other hand, found that pictures on packages attract attention particularly in cases when consumers are less familiar with a brand. Studies that have focused on other single signs than pictures on packages have found that such single package signs as colors (Gordon et al., 1994), brand names (Rigaux-Bricmont, 1981), and materials (McDaniel & Baker, 1977) convey brand meaning.

Pires Goncalves, Ricardo (2008) worked on Product Characteristics and Quality Perception, according to him When they choose among competing products consumers are faced with quality and product performance uncertainty, hence, they rely on cues as extrinsic attributes, for instance brand, price, package and warranty, as signals of perceived quality. Little research has been done on packages as extrinsic attributes used by consumers as signs of perceived quality, thus this study is a small contribution to that lack of scholarly research on packages. Colors and shapes are important elements of marketing strategies, and they are

both essential features of packages, especially in product labels. Labels are one of the most important features of product packaging, and they are designed to communicate a message. The model proposed in this study builds on previous models of consumer quality perception and signals of quality from product cues. In this research, colors and shapes combinations in labels are considered as the extrinsic attributes used as signals of quality by consumers.

Liang Lu (2008) worked on a paper packaging as a strategic tool University of Halmstad school of Business and Engineering. Packaging is an important part of the product that not only serves a functional purpose, but also acts as a mean of communicative information of the products and brand character. Packaging must be functional; it must protect the products in good storage, in shipment and often in use. Besides, it has also the function that can give customers the ease of access and use on the purpose of convenience. After looking at Kolter theory about packaging, we will turn to different theory relating to packaging design and its important elements in order to help us to solve the first research question.

### **RATIONALE OF THE STUDY**

Package design shapes consumer perceptions and can be the determining factor in point-of-purchase decisions that's why termed as a Silent Salesman. while study the consumers behavior regarding packaging there are various attributes like Convenience, Brand name , Aesthetic components , Information it conveys (how to handle, use etc...)

Packaging influence consumer to buy a particular FMCG brand in our study we have taken skin care , oral care , deodorants, hair care, cosmetics that is all home & personal care product we are taken the consumers perception towards the packaging in preserved product and whether the packaging influence customer to switch from one brand to other brand

### **RESEARCH METHODOLOGY**

Research design specifies the methods and procedures for collection of requisite information and its measurements and analysis to arrive at certain meaningful conclusion at the end of the proposed study.

We conducted this research with the help of Questionnaire and from the initial stages, to the final designing of questionnaire; we conducted our research through Exploratory research as well as Descriptive research

### **OBJECTIVES OF THE STUDY**

- Important attribute in our research Convenience, Brand Name, Aesthetic, Information.
- To find out these Attributes affect Consumer Behavior Significantly.
- Is there any significant difference between the Variables as there is change in Products?
- To find out the Consumer Attitude towards the new Packaging of Preserved Products.
- Is Packaging Influence Consumer to switch from one to another Brand.

**RESEARCH DESIGN**

- Universe of the study :** Whole population of Ahmedabad city who visit mom-pop stores Retail outlets like Big Bazaar, Himalaya Mall, more...
- Sample Size :** Sample size of 150 Customers
- Sampling Technique :** As no sampling frame of the population was available, samples for the study were chosen by using random sampling due to its time and cost feasibility. Interacted with the customers at random on one to one interaction to gain the information.
- Data Collection :** A structured questionnaire with rating scale is used to collect primary data
- Statistical Tools Used :** Z – test is used as a test to verify the different objectives

**TABULATION AND DATA ANALYSIS**

**Testing of Hypothesis**

**Objective1:** There does not exist significant difference between different attributes of packaging with regard to Consumer Behavior

Level of significance 0.05 i.e. -1.96 to +1.96

Using Z-Test as Sample Size is Large

Z-Test for Proportions:

$$Z = \frac{p1 - p2}{\sqrt{\frac{p1q1}{n1} + \frac{p2q2}{n2}}}$$

Rating - High 1-2

Low 3-4

Attributes	Low	High	% Low	% High
Convenience	102	48	68 %	32 %
Brand Name	39	111	26 %	74 %
Aesthetic	84	66	56 %	44 %
Information	69	81	46 %	54 %

- H01: There does not exist significant difference between convenient packaging of product with regard to consumer behavior
- H02: There does not exist significant difference between brand name on packaging of product with regard to consumer behavior
- H03: There does not exist significant difference between aesthetic components of packaging of products with regard to consumer behavior
- H04: There does not exist significant difference between information it conveys on packaging of products with regard to consumer behavior



$$Z = \frac{0.68 - 0.32}{\sqrt{\frac{68 \cdot 0.32 + 0.32 \cdot 0.68}{34 + 16}}}$$

Similarly, like this in each case we reject or not reject hypothesis

Reject the null hypothesis as  $Z_{cal} > Z_{tab}$ .

Not Reject the null hypothesis as  $Z_{cal} < Z_{tab}$ .

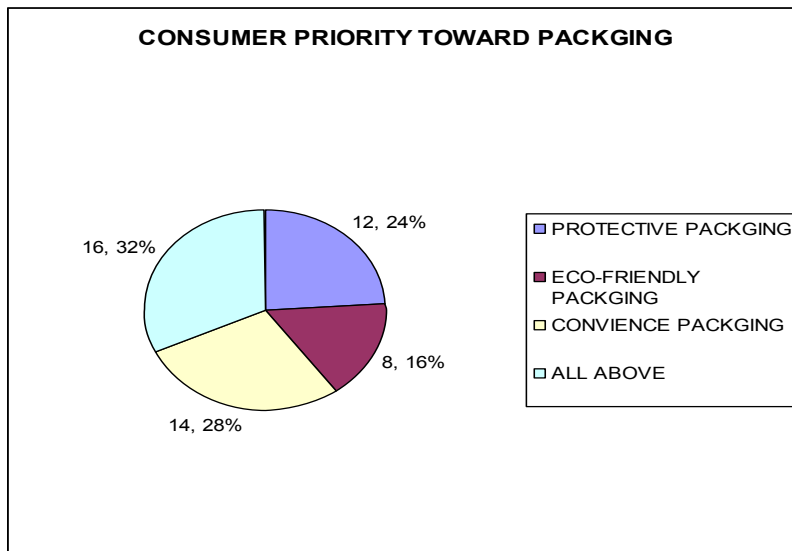
Attributes	Z – test value	Significant value (0.05)	Null hypothesis (H0)
Convenience	4	1.96	Rejected
Brand name	5.47	1.96	Rejected
Aesthetic components	1.212	1.96	Not Rejected
Information it conveys	-0.80	- 1.96	Not Rejected

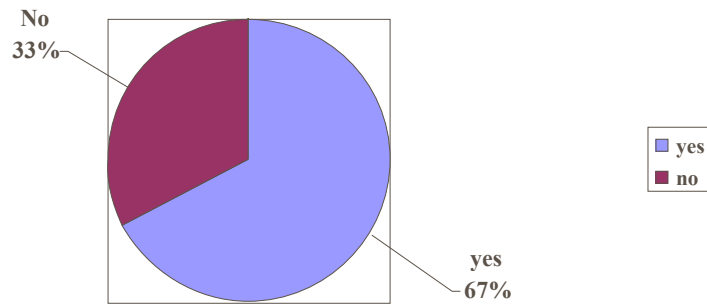
**Interpretation:**

Since the calculated  $Z >$  tabulated  $Z$  in case of convenience and brand name this shows these attributes affects consumer behavior while other two cases aesthetic and information does not affect as significantly as the above two.

**Consumer Priority towards Packaging**

Packaging influence consumer to buy a particular brand

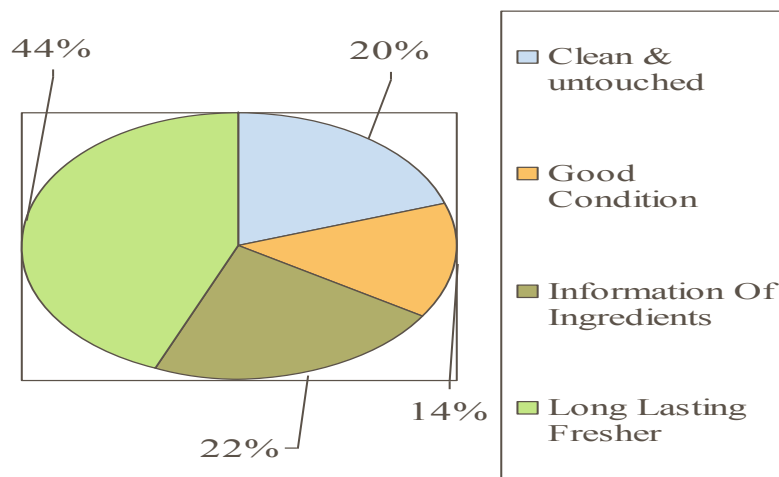




### Packaging in Preserved Products

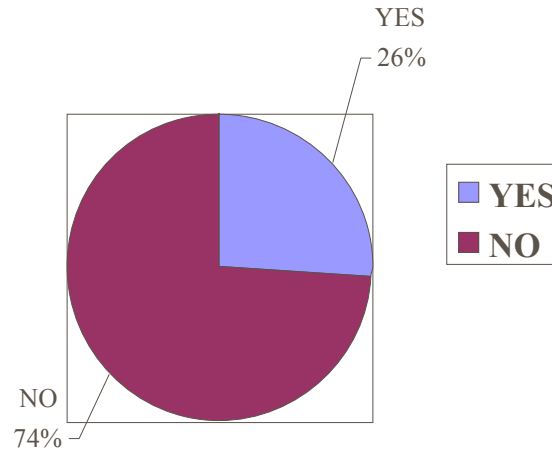
In preserved products packaging plays a vital role. 44% consumer prefers long lasting fresher type packaging of preserved products.

Factors	Frequency	% percentage
Keep product clean & untouched	30	20%
Keep product in good condition	21	14%
Provide information regarding ingredients	51	22%
Preserve food for long / lasting fresher.	66	44%



### Packaging Influence to Switch the Brand

Only 26% consumers switch from their brand as packaging changes where as 74% are not.



### **FINDINGS**

- 67% Consumers are influence by Packaging and 33% are not Influenced
- According to priority 24% prefer Protective Packaging, 16% Eco-friendly Packaging, 28% Convenience Packaging & 32% agree for all
- Brand name is highly rated with 74% and convenience is rated lowest with 68% in packaging of FMCG products.
- In preserved products long lasting packaging is most important.
- In aesthetic components:
  - Material use is most preferred
  - Shape, size & color are less preferred
  - Text & graphics are least preferred
- Only 26% of consumers are influenced by packaging while switching from one brand to another Brand.

### **RECOMMENDATIONS**

- Preserved food packs are like that can be cooked in or kept at home as a re-sealable container.
- More emphasis on Visual package elements.
- Develop innovative packages.
- Aesthetic components should be soothing for the eyes.
- Label information accurately as consumers would like it, if simplified.

## CONCLUSION

The research work has been successfully completed and it has helped us to understand the mindset of the consumers regarding the packaging of product and the ways in which packaging should follow to always retain and acquired the customers.

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