



# PRODUCT PACKAGING USED AS A MARKETING TOOL IN FMCG PRODUCTS

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## Abstract

Marketers use packaging as a tool to influence consumer behaviour among its target audience. The aim of the study focuses on brand image perspectives through product packaging, the various advertising influences through packaging and to understand that product packaging enhances customer loyalty. A convenience sampling of 113 was done to collect the responses from Chennai in the areas of Annanagar and Ambattur. The questionnaire was built upon using 5 point Likert scale and multiple choice based questions. Percentage analysis was done along with correlation and Independent T test. Correlation was used to identify the most significantly correlated variables and Independent T test was used to find the significant differences between the gender. There is a significant difference between the 'gender of the respondents and FMCG companies making an effort to use more sustainable packaging materials. The clear message on the pack about the brand and purchasing the product attracted by discounts and premiums are positively and strongly correlated with advertising influences. Environmentally friendly package and price of the product on package are positively and strongly correlated with brand image of the product.

**Key Words:** Product Packaging, Brand image, advertising influences and customer loyalty.

## I. INTRODUCTION

Packaging is one of the most important factors of consumer decision making and hence a very important marketing tool. Packaging design has an impact on consumer's positive perceptions on product quality. The company should regard packaging as the second-most important component of their business strategy after the product. The concepts of intelligent packaging, dynamic packaging, and biodegradable/palatable packaging have recently been developed and successfully implemented in FMCGs to enhance communication, improve the quality, wellbeing of products, postpone their shelf life, convey healthiness, and regulate their freshness. A branding package includes the creation of visuals needed to have a cohesive brand image. Well designed package forms emotional connections and creates customer loyalty. The product is designed keeping in mind various advertising perspectives to enhance consumer buying.

## II. OBJECTIVES

1. To study customer's creation of brand image of the product through packaging.
2. To measure the advertising perspectives and customer loyalty through packaging.

### III. THEORETICAL FRAMEWORK

According to the research by Elsa Anquez, Katharina Raab, Felipe Schneider Cechella, and Ralf Wagner in Jan 2022, customers evaluate products and decide which ones to purchase based on the sustainability of the packaging. This study looked at how consumers' purchase intentions were affected by the cost, convenience, quality, and environmental friendliness of various packages. The sample consisted of 299 French muesli cereal users. In an online choice experiment. Researchers contrasted three separate experimental groups in order to explore and quantify how buyers view sustainable packaging. The findings indicated that quality and environmental friendliness have an impact on consumers' purchasing decisions. Price sensitivity and environmental behaviour seemed to have moderating effects in the research model proposed. People typically considered the reusable container to be more expensive and less useful when compared to alternative packaging options..

The purpose of the study described by authors Sook Fern Yeo, Cheng Ling Tan, Kah Boon Lim, and Yong-Hwi Khoo in Aug 2020 was to examine how packaging influences customers' purchasing decisions in Malaysia. Many studies showed that when a product was on display in a shop, its packaging drew buyers' attention to it. Since consumer desire was the primary factor on which marketers concentrated, packaging has evolved into an essential tool for sales promotion by the majority of business organisations. Although many other factors also affected consumers' purchase intentions, the packaging of a product had the biggest impact.

According to the authors Naveen H.N and Prof. H.N Ramesh, in October, 2022 the study was to examine how product packaging influenced consumer purchase decisions. A number of factors, including beautiful product packaging, have a substantial impact on customer purchasing decisions. Consequently, the primary objective of this study was to comprehend how product packaging affected consumer purchasing behaviour. The results of the poll revealed that product packaging had the greatest impact on consumers' decisions to buy. For aesthetically pleasing and expertly designed product packaging, consumers were eager to buy and pay a high price. The study's findings demonstrated the urgent need for and promising future for product packaging research. Packaging acted as a subtle form of promotion, thus businesses should pay more attention to it.

Soni Pavleen in 2013 in her study emphasized how packaging was a major tool for mass communication when it came to presentation in supermarkets. Certain packaging features were used to appeal to children and influence their purchasing decisions. They included vivid colours, spokes/cartoon figures, cartoonish scripts/crayoned fonts, discounts, and premiums. These practises are the focus of a lot of investigation in wealthy countries. Nonetheless, it has been observed that developing nations like India are using the same strategies. Thus, it's critical to assess the kind and quantity of advertisements used on food products in Indian contexts. Food packaging has been found to expose Indian children to a variety of food marketing.

### IV. RESEARCH METHODOLOGY

The study was descriptive research. Primary data was collected from questionnaire through Google forms and direct interviews. A convenience sampling was done to collect the responses from Chennai in the areas of Annanagar, Egmore and Koyambedu. A sample of 113 was readable and was taken for the study. The questionnaire was designed to find the impact of product package on the brand image of the product. The advertising influences which the product packaging holds on consumer behaviour was understood. An attempt was made to study product packaging's influence on customer loyalty. The questionnaire was built upon using 5 point Likert scale and multiple choice based questions. Percentage analysis was done along with correlation and Independent T test. Correlation was used to identify the most significantly correlated variables and Independent T test was used to find the significant differences between the gender.

## V. RESULTS AND DISCUSSION

### I. INDEPENDENT T-TEST

**H0:** There is no significant difference between the gender of the respondents and FMCG companies making use of more sustainable packaging materials.

**H1:** There is a significant difference between the ‘gender of the respondents and FMCG companies making use of more sustainable packaging materials’.

**Table 1**

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
FMCG companies should make an effort to use more sustainable packaging materials	Male	63	1.2698	.44744	.05637
	Female	50	1.1000	.30305	.04286

**Table 2**

Independent Samples Test											
		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Significance		Mean Difference	Std. Error Difference	Lower	Upper
						One-Sided p	Two-Sided p				
Do you think that FMCG companies should make an effort to use more sustainable packaging materials?	Equal variances assumed	25.730	<.001	2.297	111	.012	.023	.16984	.07393	.02334	.31634
	Equal variances not assumed			2.398	108.514	.009	.018	.16984	.07081	.02948	.31020

**Inference:** Since p value is <0.001 the null hypothesis is rejected and it can be concluded that there is a significant difference between ‘gender of the respondents’ and ‘FMCG companies making an effort to use more sustainable packaging materials’. There was a significant difference of mean to the extent of 2.398.

## II. CORRELATIONS

**H0:** There is no significant correlation between well designed product packaging and it's advertising influence on consumers.

**H1:** There is a significant correlation between well designed product packaging and it's advertising influence on consumers.

**Table 3**

Correlations						
		I purchase the product by message displayed	I choose package which has detailed information of the product	I choose the package which has company logo and identify it	The clear message on the package about the brand influence me to purchase	I purchase the product attracted by discount/premium etc.
I purchase the product by message displayed	Pearson Correlation	1	.670**	.565**	.525**	.566**
	Sig. (2-tailed)		<.001	<.001	<.001	<.001
	N	113	113	113	113	113
I choose package which has detailed information of the product	Pearson Correlation	.670**	1	.648**	.635**	.612**
	Sig. (2-tailed)	<.001		<.001	<.001	<.001
	N	113	113	113	113	113
I choose the package which has company logo and identify it	Pearson Correlation	.565**	.648**	1	.669**	.645**
	Sig. (2-tailed)	<.001	<.001		<.001	<.001
	N	113	113	113	113	113
The clear message on the package about the brand influence me to purchase	Pearson Correlation	.525**	.635**	.669**	1	.718**
	Sig. (2-tailed)	<.001	<.001	<.001		<.001
	N	113	113	113	113	113
I purchase the product attracted by discount/premium etc	Pearson Correlation	.566**	.612**	.645**	.718**	1
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	
	N	113	113	113	113	113

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Inference:** The clear message on the pack about the brand and purchasing the product attracted by discounts and premiums are positively, strongly correlated and statistically significant, with the Pearson's Correlation value as 0.718 and p value as  $p < 0.001$ . Hence H0 is rejected and H1 accepted.

**CORRELATION 2**

**H0:** There is no significant correlation between the product packaging elements and the brand image of the product.

**H1:** There is a significant correlation between the product packaging elements and the brand image of the product

**Table 4**

<b>Correlations</b>						
		Price of the product on package influence me to purchase	I choose package which is environmentally friendly	I feel perceived value of product through package	Design of the package make me to purchase	I choose package that can be recycled
Price of the product on package influence me to purchase	Pearson Correlation	1	.813**	.663**	.595**	.610**
	Sig. (2-tailed)		<.001	<.001	<.001	<.001
	N	113	113	113	113	113
I choose package which is environmentally friendly	Pearson Correlation	.813**	1	.653**	.652**	.633**
	Sig. (2-tailed)	<.001		<.001	<.001	<.001
	N	113	113	113	113	113
I feel perceived value of product through package	Pearson Correlation	.663**	.653**	1	.702**	.657**
	Sig. (2-tailed)	<.001	<.001		<.001	<.001
	N	113	113	113	113	113
Design of the package make me to purchase	Pearson Correlation	.595**	.652**	.702**	1	.737**
	Sig. (2-tailed)	<.001	<.001	<.001		<.001
	N	113	113	113	113	113
I choose package that can be recycled	Pearson Correlation	.610**	.633**	.657**	.737**	1
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	
	N	113	113	113	113	113
**. Correlation is significant at the 0.01 level (2-tailed).						

**Inference:** Environmentally friendly package and price of the product on package are positively, strongly correlated and statistically significant, with the Pearson's Correlation value as 0.813 and p value as  $p < 0.001$ . Hence H0 is rejected and H1 accepted.

**CORRELATION 3**

**H0:** There is no significant correlation between the product packaging and customer loyalty.

**H1:** There is a significant correlation between product packaging and customer loyalty

<b>Correlations</b>						
		I suggest my friend a product to use because of its quality packaging	I choose package which easily differ from competitor packaging	I choose to pay more for my favourite brand with respective to its packaging	I believe packaging plays a important role in building brand loyalty	I do repeat purchase due to it's superior packaging
I suggest my friend a product to use because of its quality packaging	Pearson Correlation	1	.736**	.564**	.625**	.583**
	Sig. (2-tailed)		<.001	<.001	<.001	<.001
	N	113	113	113	113	113
I choose package which easily differ from competitor packaging	Pearson Correlation	.736**	1	.626**	.632**	.475**
	Sig. (2-tailed)	<.001		<.001	<.001	<.001
	N	113	113	113	113	113
I choose to pay more for my favourite brand with respective to its packaging	Pearson Correlation	.564**	.626**	1	.634**	.508**
	Sig. (2-tailed)	<.001	<.001		<.001	<.001
	N	113	113	113	113	113
I believe packaging plays a important role in building brand loyalty	Pearson Correlation	.625**	.632**	.634**	1	.701**
	Sig. (2-tailed)	<.001	<.001	<.001		<.001
	N	113	113	113	113	113
I do repeat purchase due to it's superior packaging	Pearson Correlation	.583**	.475**	.508**	.701**	1
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	
	N	113	113	113	113	113

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Inference:** Product differentiation through package and positive word of mouth due to quality package are positively, strongly correlated and statistically significant, with the Pearson's Correlation value as 0.736 and p value as  $p < 0.001$ . Hence H0 is rejected and H1 accepted.

## VI. FINDINGS

- 68.7% agreed that they choose environment friendly packaging.
- 45 % respondents agreed that price of the product influence to purchase.
- 46% of respondents reacted positively to feeling perceived value of the product.
- 55% of respondents get attracted to the design of the product package while purchasing.
- 49% of responded positively for using recycled packaging product.
- 58.4% of respondents willing to pay for an FMCG product with attractive packaging
- 48.7% Reuse or repurpose FMCG product packaging after the product is consumed.
- 46% of the respondents purchased the product by message displayed on the package.
- 49.6% responded positively to package which has detailed information of the product.
- 45 % of population choose the package which has company logo to easily identify it.
- 50% attracted to discounts and premiums while purchasing products.
- 45% suggested their friends to buy products because of its quality packaging.
- 44% selected package which easily differed from competitor package..
- 52% believed packaging plays a important role in building brand loyalty.
- From the independent t test, the males are more inclined towards companies using more sustainable packaging materials. From correlation clear message on the pack and the information about discounts and premiums influence customers as part of advertising. Environment friendly package and price of the product on package influence brand image of the product. Product differentiation through package and word of mouth due to product quality influence customer loyalty.

## VII. CONCLUSION

From the study it is clear that Customers are conscious about the environment and prefer environment friendly, recycled packaging. Product Package increases the perceived value of the product and hence has an impact on brand image. The message displayed on the package has a significant impact on the purchase of the product. Brand logo displayed on the product makes the brand identification easy and differentiate from competitor's product. The discounts and premiums on the package influence product purchasing. Clear message on the pack and the information about discounts and premiums influence customers as part of advertising. Environment friendly package and price of the product on package influence brand image of the product. Product differentiation through package and word of mouth due to product quality influence customer loyalty.

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