Role of Packaging in the Purchase Behavior of Youth in FMCG Sector

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Abstract -This research study deals with understanding the role of packaging in the buying behavior of consumers in FMCG sector. Packaging is generally considered as Fifth ‘P’ in marketing and this study helps to find out the importance of effective and innovative packaging in purchase of goods in FMCG sector. The study is based on primary data collection and uses convenience sampling technique for gathering the related data. This research study is conducted in the city of Jalandhar with a sample size of 100 respondents. In this study, the awareness of innovative packaging of different types of product among the youth in FMCG sector is checked. In addition to it, the role of packaging in the purchase of a product is also tested. The findings of the study have important inferences for the academicians and marketing professionals.

Keywords- Packaging, Youth, Purchase Behavior, FMCG.

I. INTRODUCTION

Nowadays, many good organizations in the FMCG sector are treating packaging as their forte to excel in the competitive environment. Packaging of a product acts as a leading indicator to affect the purchasing decision of the consumers and thus helps to increase the company’s customer base. Packaging is termed to be as the fifth ‘P’ in the marketing mix of a product (Kotler, 2002). It is of pivotal importance for the companies to prioritize their product in the minds of consumers. There may be innovative or utility based packaging which can influence the consumer’s choice of selecting a particular product for the purchase.

Packaging proves to be of paramount importance in differentiating a company’s product with the others in the market and creates an impression on the minds of the customers. The keen marketers are aware of the fact that packaging is a power pack tool to reposition their products in the minds of customers. Packaging helps to attract the customers at the point of sale.

In the product life cycle, packaging plays a key role in repositioning of the products in the minds of the customers after periodical intervals. It is a powerful instrument adopted by the firms to stabilize or sustain their products in the market. These days, many business organizations are spending heavily on innovative and utility based packaging. It helps to fulfill the prime objective of the creation and retention of a customer. It is quite difficult task for the business organizations to make a certain change in the physical characteristics of the product. Thus experiments and modifications in packaging help the companies to meet the objective of profit maximization. It has been observed that R&D professionals are introducing smart and intelligent packaging to secure the customer brand experience (Farmer, 2013). Packaging is also a successive instrument in creating a buzz at the point of sale in the market. Business organizations are conducting extensive research on color, schemes, design, aesthetics and types of product in packaging as these are considered to be the most appealing parameters to induce the consumers.

II. LITERATURE REVIEW

Many contributions made in the area of packaging reveals that packaging is considered as an upgraded and leading indicator influencing consumer’s purchase decision. Some of the studies conducted in the field of packaging are as follows:

Gopal and George (2014) in their research work on ‘Packaging, A visual Art: An Analysis on Packaging for FMCG Goods ‘assessed the creative and innovative element in packaging that affects the consumer’s mentality and their purchase decision to choose a particular product in comparison to the competitor’s product. The study highlights the informational content provided on the package, the choice of words, the fonts, choice of images that affect the decision making of consumers and brand image of products. In this study, it was suggested that packaging should provide innovative along with functional and long term benefits.

Ehsan and Samreen Lodhi (2015) in their study on ‘Brand Packaging and Consumer Buying Behavior: A
Case of FMCG Products ‘considered various packaging factors that attract the consumers to buy a certain product. These factors included color, shape, size and labeling of a package. The basic reason for consideration of these factors in the study was cited as the change in consumer life styles, increasing self-service and the emergence of internet. The study highlighted that this transformation has brought drastic change in the marketing world.

Ahmad, Billo and Lakhan (2012) in their research work on ‘Effect of Product Packaging in Consumer Buying Decision’ elaborated that packaging acts a positive or sometimes as a negative determinant in the buying decision of the consumers. The study highlighted that there is considerable effect on purchase decisions at the point of sale. It was mentioned in the study that packaging is seen as the most influencing component in a product by the consumer. In the study, it has been revealed that color of the package is having the strongest impact in the buying decision of the people followed by the picture or the image on the packing of the product.

Poturak (2014) in a study on ‘Importance of Product Packaging on Purchase Decisions’ has considered the role of packaging and exhibits the relationship between the packaging of a product and its selling. The study emphasizes on different packaging elements such as color, background image, material, font, style, design of wrapper influencing purchase decision of consumers. It throws light on the transformation of packaging from a tool used for protection to a specialized technique which helps in inducing or attracting potential customers.

Kumar (2006) in his study on the ‘Role of Packaging in Marketing Product and Organization’ states that packaging is considered as container of a physical object, typically a product that will be offered for sale. It relates to the process of preparing items of equipment for transportation, storage, preservation, identification and packaging of products. It highlights the relevance of packaging as an essential part of the branding process. Packaging plays a vital role in communicating the image and identity of a company. The study states the functional requirements of packaging as protection, preservation, containment and communication.

Deliya (2012) in the research work on ‘Consumer Behavior towards the new Packaging of FMCG Products’ elaborates that packaging is considered as the container for a product which affects the physical appearance including the design, color, shape, labeling and the material used. It states that design of the package shapes consumer perceptions and can be a leading determinant in point of purchase. The study also states the preference of packaging over advertising. In the study, it was mentioned that packaging has a direct impact on the consumer perception and experience about the product.

III. NEED FOR THE STUDY
A strategic decision making is required to evaluate the different elements in packaging as color, size, shape, materials, text, and brand mark adding the significance of tamperproof devices (Kotler, 2002). With the passage of time, continuous improvements and refinements are been made in the area of packaging to influence the consumers’ purchase decision. Packaging is a vast area of research and a subject matter in itself. It has several objectives as physical protection, barrier protection, containment or agglomeration, information transmission, reducing theft, convenience and marketing (Louw & Kimber, 2007). It has been proposed that protection and utility are the prime functions of packaging (Lockhart, 1997).

Packaging is of utmost importance among the business organizations as it creates a psychological impact on the minds of the customers and helps them to differentiate their products from the others. Many research studies and surveys have been conducted in the area of packaging in FMCG sector. Parameters such as color, shape, design, aesthetics and eco-friendliness have been considered in the different research studies. The purpose of this study was to explore these factors and their role in purchase decision of youth. This research study shows importance of all the parameters as per their role while considering packaging in the purchase decision.

The purpose of this study is to investigate the influence of packaging on the purchase decision of the consumers i.e. to investigate the role of packaging in positioning of a particular product in the minds of customers. The study also throws light on the various parameters of packaging that may have their own significance in the packaging of a product. These parameters include shape, size, color, design, utility, appearance, storage, eco-friendliness, carriage and promotional offer. The relevance of these parameters may differ from consumer to consumer while making a purchase.

IV. OBJECTIVES OF THE STUDY
Based on the subject area of this research work and the literature review, following objectives were framed:

- To identify the awareness of youth about innovative packaging in the different types of products in FMCG sector.
- To find out the importance of different parameters of packaging influencing the purchasing decision of youth.
V.RESEARCH METHODOLOGY
This study follows the primary data collection technique in which a survey has been conducted with a sample size of 100 respondents in the city of Jalandhar. This survey has been conducted by using a self-designed questionnaire. The sample unit in this study has been youth between the age of 18-30 years and the sampling technique used in this study is convenience sampling. After the survey, collected data has been presented in the form of chart and is analyzed through one way Analysis of Variance (ANOVA) statistical technique.

VI. DATA ANALYSIS & INTERPRETATION

Table 1. Summary

<table>
<thead>
<tr>
<th>Groups</th>
<th>Count</th>
<th>Sum</th>
<th>Average</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
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<td>391</td>
<td>3.91</td>
<td>0.850404</td>
</tr>
<tr>
<td>Size</td>
<td>100</td>
<td>416</td>
<td>4.16</td>
<td>0.640808</td>
</tr>
<tr>
<td>Color</td>
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<td>409</td>
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<td>0.830202</td>
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<tr>
<td>Design</td>
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<td>432</td>
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<tr>
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<td>Appearance</td>
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<td>412</td>
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<td>Storage</td>
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<td>391</td>
<td>3.91</td>
<td>0.890808</td>
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<tr>
<td>Eco friend line</td>
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<td>399</td>
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<td>1.020101</td>
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<td>Carriage</td>
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<td>381</td>
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<td>0.882727</td>
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<tr>
<td>Pro. Offer</td>
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<td>415</td>
<td>4.15</td>
<td>0.977273</td>
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</table>

Table 2. Anova

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<th>Source of Variation</th>
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<th>Df</th>
<th>MS</th>
<th>F</th>
<th>P-value</th>
<th>F-crit</th>
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<tbody>
<tr>
<td>Between Groups</td>
<td>29.341</td>
<td>9</td>
<td>3.260111</td>
<td>4.380621</td>
<td>1.25E05</td>
<td>1.889321</td>
</tr>
<tr>
<td>Within Groups</td>
<td>736.77</td>
<td>990</td>
<td>0.744212</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>766.111</td>
<td>999</td>
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</tbody>
</table>

The above Figure1 clearly indicates that Chocolates and Candies (54%) is the highest rated product segment followed by Cold drinks (47%); Deodorants (46%); Juices (44%) and Skin care (41%) in the context of utility or innovative based Packaging in FMCG by the Youth in the age group of 18-30 years. Rice bags (7%) are the least rated product segment followed by Mixtures (12%); Pickles (13%); Detergents(15%) and Energy supplements(18%).

1. Hypothesis Testing
Based on the objective of the current study, the following null hypothesis has been formed:

H0: There is no significant variation between the parameters of packaging in terms of their role in the purchasing decision of the youth in FMCG sector.

After application of one way ANOVA, the resulting values are listed in Table 1:
Based on the values given in Table 1, the null hypothesis H0 is rejected, as the calculated value of F (4.380621) is greater than the tabulated value of Fcrit (1.889321). Thus, it could be said that there is significant variation between the different parameters of packaging in the context of their role in influencing the purchase decision of youth in FMCG sector. In terms of awareness, it is observed from the table that parameter ‘Utility’ (4.37) has the highest rated average followed by ‘Design’ (4.32); ‘Size’ (4.16); ‘Promotional Offers’ (4.15) and ‘Appearance’ (4.12). Among all, the parameter ‘Carriage’ (3.91) has the least average.

V. FINDINGS OF THE STUDY
• There is significant variation among the different parameters in terms of their role in the purchase decision of youth in FMCG sector.
It has been found that ‘Utility’ is the highest rated parameter among youth.
The respondents also preferred ‘Design’ of the package while choosing a particular product on point of sale.
Parameters including ‘Size’, ‘Color’ and ‘Appearance’ also have a strong impact on the purchase decision of the youth.
The study depicts that ‘Carriage’ is not considered an essential parameter concerning purchase decision in case of youth.

VI. LIMITATIONS OF THE STUDY
Like other research studies, this study also suffers from certain limitations which must be mentioned:
This study only focuses on the youth between the age of 18-30 years and does not talks about the other age segments.
There may be lack of knowledge on the part of some respondents while filling the questionnaire.

VII. DIRECTIONS FOR FURTHER RESEARCH
This research study was conducted among youth within the city of Jalandhar and could be further extended to other age groups. Apart from this, the study could be also be carried out in a large geographical spread with different demographic transitions. This will help to know about the perception of the people from other age groups and places in FMCG sector while making a purchase.

1. Recommendations
The academicians and researchers conducting extensive research studies in the area of packaging in FMCG sector should take due under consideration of the packaging parameters discussed in this study. These parameters may affect the purchase decision of the consumers.
The marketers can also take into consideration these parameters before launching a new product in the market especially among youth.
It is also advisable that parameters such as utility, design, size, promotional offers and appearance are some of the important parameters in packaging of FMCG products which should be given more attention by the marketers.
The marketing organizations should also bring some innovative changes in the parameters carriage, shape, storage and eco friendliness which have least importance in the mind of youth rated as per this study.

VIII. CONCLUSION
There is an intense competition in the market, in which every business organization strives to positively position its products in the minds of the customers. Marketers are aware of the fact that customers nowadays have become rational in their purchase regarding a particular product. The consumers easily differentiate their product out of the huge stock of products on the shelf. Packaging is something which not only works as a measure for protection but it also acts as a leading indicator in distinguishing a company’s product from the competitors. Periodical investments in packaging prove to be worthwhile for the organizations to reposition their products in the minds of their customers. This will help to attract the potential consumers and will bring benefits to the organizations on the basis of effective packaging.

REFERENCES

Annexure
Questionnaire
Dear respondents, I am conducting a Study on the “Role of Packaging in the Purchasing behavior of Youth in FMCG Sector” and I would like if you please spare your valuable time for the filling of this questionnaire. I assure you that all the responses provided by you will be held strictly confidential and solely used for this research only.
Please fill in the following by ticking in the appropriate space provided (√)

Q1: According to you, In which of the following type of Product you find innovative or utility based packaging. You can choose multiple options for this question.
- Skin Care
- Cold drinks
- Energy Supplements
- Ketchups
- Mixtures(Namkeen)
- Biscuits
- Pickles
- Detergent Powders and Liquids
- Coffee
- Juices
- Chocolates and Candies
- Rice bags
- Deodorants

Q2: Please rate the following parameters as per their role on your purchasing decision in FMCG on the scale of Strongly Agree(SA), Agree (A), Neither agree nor disagree(NAND), Disagree(D) and Strongly Disagree(SD). Kindly choose one option for each parameter.

<table>
<thead>
<tr>
<th>Parameters</th>
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<th>A</th>
<th>NAND</th>
<th>D</th>
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<td>Promotional offers</td>
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Name: ______________

Age: ___________ City: ______________