

## CHAPTER 2

### Theoretical Background

#### 2.1 Packaging

In marketing literature, packaging is a part of the product and the brand. A product's package represents its characteristics and communicates the product information. For consumers, the product and the package are one and the same when they see it on the supermarket shelves. During the purchasing decision, the package assists the consumer by creating the overall product perception which helps the evaluation and the making of the right choice. Furthermore, the package is the product until the actual product is consumed and the package is recycled (Polyakova, 2013).

The package design adds value to the package and to the product respectively. Design elements such as colors, font, text, and graphics have an important role in package appearance. Pictures on the package in form of attractive situations (mountains, beaches, luxury houses and cars) can assist in triggering lifestyle aspirations (Rundh, 2009). At the point of purchase, the primary role of the package and packaging design is to catch the consumers' attention and to stand out among the competition in the store or at the supermarket.

Successful package design and packaging itself is the result of the involvement and the work put forth by marketers, designers, and customers. Hence, packaging is a major instrument in modern marketing activities for consumer goods. Prone (1993) deems that the package can attract the customers' attention, communicate company's name and image, differentiate the brand from competitors, and enhance the product's functionality (Garber and Burke and Jones, 2000). Therefore, the package itself acts as a decisive communication tool and provides consumers with product-related information during the buying decision process.

There is a term that has its origins in packaging and packaging design – product positioning. Positioning recognizes the importance of the product and the image of the company and it is required to differentiate the product in the minds of consumers. In other words, positioning assists the package and product awareness, keeping it present in the consumers mind against competitors in terms of attributes that the brand or company name does not offer. Maggard (1976) deems that *product positioning induces marketing mix where the elements such as pricing policy, place, products and promotion are included*. These elements help to reach the consumers and define the appropriate product positioning in their minds (Ampuero and Vila, 2006).

Positioning may include different elements which depend on the positioning strategies. This can be global, foreign, and local consumer culture positioning where the attributes such as design, package and performance can have different functions and purposes. However, the main goal of positioning is to

provide a successful presentation and explanation on why the consumers should buy a particular product. Therefore, the package and packaging design aims at consumers' attention, whereas the positioning helps the company to place the products properly in the market (Polyakova, 2013).

## **2.2 Packaging Functions**

Stewart (2004) explains three primary functions of the package:

### **1. To contain**

The aim of the package here is to achieve integrity. It means that the product stays in the same condition and does not change its basic form and use, due to the influence of external factors.

The task of containment is ongoing throughout the product life cycle, from production to the end user and customer. The package function 'to contain' is convenient and beneficial to the consumer as it increases consumer confidence in the contents of the package and the product.

### **2. To protect**

Protecting the product is a key function of packaging. The protection task is performed not only for physical factors such as transit, but also for environmental influences – moisture, gases, light, temperature, and other.

Here, the package choice depends on the nature of the goods, distribution and types of hazards it will encounter. Some of the benefits this function can provide for a product are extended shelf life and freshness.

### 3. To identify

The role of identification is to provide the consumer with information about the product. Product identification has a description of the contents and consists of product use and legally required information. To some extent, this function can have a promotion role that stimulates the desire to purchase a product and can also assist product branding.

## **2.3 Packaging as a Decision Making Instrument**

Packaging takes a critical role in the purchasing decision. Silayoi and Speece (2007) indicates that in cases when the consumer is undecided, the package becomes a vital factor in the buying choice because it communicates to the consumer during the decision making time. The way how the consumer perceives the subjective entity of a product through communication elements conveyed by the package also influences the choice and is the key factor for successful marketing strategies (Gofman and Moskowitz and Mets, 2010).

## **2.4 Packaging Elements**

A well designed package is a strong weapon to attracting customer attention. That's why the packaging design must have some features and characteristics to show the uniqueness and originality of the product. So, it can be a positive communication between the producers to the consumer.

Based on Silayoi and Speece (2007) the review of the relevant literature, define that there are four core packaging elements which affect a consumer's buying decision. These elements are divided into two categories: visual and informational elements.

### **1. Visual elements**

#### ***Graphics and color***

When creating a package design, it is important to remember that consumers evaluate packaging in different ways. Customers' attitudes towards the package depend also on the process of interconnection between person and package.

#### ***Graphics***

Graphics include image layout, color combination, typography, and product photography. The combination of all these components communicates an image. Graphics on the package are telling detailed information about the product. It becomes a product branding or identity, followed by the information.

According to Herrington and Capella (1995), when the consumers examine packages in the supermarket, the differential perception and the positioning of the graphics can be the difference between identifying and missing the product (Silayoi, 2007). However, eye-catching graphics make the product stand out on the shelf and attract the consumers.

### ***Sign and Symbols***

Graphics can affect through colors and printed lines on the package on which different signs and symbols are located. Holograms and combinations of various materials can encourage consumers to touch the package, thereby inspiring them to try the product (Rundh, 2009).

### ***Color***

Cheskin (1957) says that the selection of the colors and color combinations is a necessary process for creating a good design package. Color is a key element of design due to the fact that it is usually vivid and memorable. The package color can have a significant effect on consumers' ability to recognize the product, the meaning conveyed by the package, its novelty and contrast to other brands and company's names. The package color can be modified without changing the costs, product characteristics and functionality (Garber, 2000).

Packaging applications have many color-coded messages which are associated with the particular product category (Stewart, 2004). Garber and Hyatt and Starr (2000); Koch and Koch (2003) say that *in case of food package, color can influence product expectations and perceptions (e.g. taste)* (Räisänen and Luomala, 2010).

Product packages in similar colors may attract attention by means of brand or product category. Dissimilar or novel colors may attract and be preferred by those customers who like novelty (Räisänen, 2010). The right choice of colors is an important factor in creating the impression needed to influence brand and product selection (Gofman, 2010)

### ***Size and shape***

Packaging size and shape are also significant factors in designing the package. A consumer interacts with these two elements in order to make volume judgments, e.g. consumers perceive more elongated packages to be larger (Silayoi, 2007).

Packaging sizes depend on the different involvement levels. The low involvement products have a low price which is generated through cost savings created by reduced packaging and promotional expenses. The effect of package size has a strong influence on the purchasing choice when the quality of the product is hard to determine. Therefore, the elongated shape and appropriate size

causes the consumer to think of the package as having better product volume and cost efficiency (Silayoi, 2007).

## **2. Informational elements**

### ***Product information***

Communication of information is one of the core functions of the packaging. This helps customers to make the right decisions in the purchasing process. Coulson (2000) gives an example of information significance using a food labeling case: the trend to consume healthy food has emphasized the importance of labeling, which gives the consumer the opportunity to consider alternative products and to make an informed product choice (Silayoi, 2007).

Packaging information can create contrary results. It can lead to misleading or inaccurate information through small fronts and dense writing styles which are used on the package. Hausman (2000) suggests that experience makes consumers select prospectively the product and it, however, restricts the area of their choice (Silayoi, 2007). Hence, the purchase decision making factor depends on the interconnection between information and choices. Here, consumer involvement also takes place. Vakratsas & Amber (1999) tell that low involvement includes inattentively reading and examining product information, while high involvement consists of careful evaluation of information and may lead to purchase intentions (Silayoi and Speece, 2004).



### ***Technology image***

McNeal and Ji (2003) deem that the role of packaging in marketing communications is implemented by developments in technology (Silayoi, 2007). Here, the technology creates the packages according to trends and consumers' attitudes and behaviors. The role of technology is to meet consumers' needs and requirements. As far as the technology is a communication element, it should be presented visually and, therefore, it will catch more attention and be convenient for consumers.

Due to the characteristic of the product that used in this research, the researcher only uses five elements in visual (graphics, colors, symbols, shape, and size). In other hand the researcher also drops an item that cannot be applied from informational element, such as: technology image. To make it more relevant the researcher also make the product information as a part of informational elements become more specific with divides it into seven elements based on the previous research (*product name, brand, producer/country, composition/content, price, expired date, and health claim*) (BMC, 2014).