

CHAPTER II

LITERATURE REVIEW

In this chapter, theoretical background of this study will be described which include the explanation about the packaging, packaging design (visual and verbal), packaging benefits as well as buying decision. Also, previous studies, research hypothesis and conceptual framework of this study will be explained in this section.

2.1 Theoretical Background

2.1.1 Packaging

Several experts have defined diversely for the meaning of packaging. According to Abdullah *et al.*, (2013) packaging refers to “all products made of any materials of any nature to be used for the containment, protection, handling, delivery and preservation of goods from the producer to the user or consumer”. Secondly, packaging is also defined as a container of a product that consists of the colour, labelling, shape, design, and materials used (Arens, 1996). Not only its function as a container, packaging also closely related to the marketing communications, logistics and distribution management, sustainable marketing, and branding (Simms & Trott, 2010).

The crucial function of packaging is to protect its content from fracture while in the process of shipment as well as storing. As its purpose is to protect the content of a certain product, there are three types of packaging materials which are glass, plastic, and cardboard. Based on the result of study, each consumer has a different perception towards the different types of those packaging materials. Compared to cardboard, the usage of glass as the packaging materials is better to maintain the quality of the product, especially food products. However, the participants then consider that the usage of glass as the packaging material tends to be heavy to bring. As a result, most of them are choosing plastic as the packaging materials due to the fact that it has better quality in protecting the content of the product (Hollywood *et al.*, 2013).

According to Kotler and Keller (2011), the function of packaging is not only as a container to protect the product, but also it can help to promote the product itself. Packaging plays an important role to the customers' buying decision as it can catch the customers' attention to buy a certain product. Packaging is closely connected to the marketing communication as well as branding (Simms & Trott, 2010). The packaging has a role as the representation of the product through its brand image, brand values, product quality and innovations to attract consumers in purchasing the product

(Ahmed, et al., 2012). As a result, packaging can result in purchasing intention.

2.1.2 Packaging Design

Besides its main role to protect the content of the product, packaging becomes the representation of the product itself (Rundh, 2009). Since consumers value the attributes of packaging thoroughly (Al Saed *et al.*, 2020), it is crucial for marketers to focus on creating attractive packaging specifically on the design of the packaging. Previous study has defined two main areas of packaging design, which are the visual and verbal elements of packaging (Salem, M.Z., 2018).

2.1.2.1 Visual Elements of Packaging

When the visual aspect of packaging draws the customer's attention, it forms the customers' perception towards a product which plays a significant role in affecting customer's buying decision (Venter *et al.*, 2011). Other finding has shown that visual elements of packaging such as colour, shape, and size contribute greatly to gain the customer's attention. It aligns with the previous research done by Elango, D & Thansupatpu, V (2020), which stated that colour, shape, size, picture, and graphics are the most influential visual elements on the packaging. A study which is done by Mohebbi (2014) stated that colour and graphic in packaging are two influential elements in affecting customers' purchase decision as first impression of the product is strongly linked with the colour and graphic on

packaging. Graphic in the packaging contains of image layout, colour combinations, typography, and product photography (Silayoi & Speece, 2007). According to Kauppinen and Luomala (2010) colour is the easiest aspect to be remembered by customers in packaging thus selecting a decent colour is crucial.

Besides that, other study also reveals that the shape of the packaging contributes to the consumers' convenience in handling the product. Also, the size of the packaging influences the consumers in selecting a certain product, according to their needs. Particularly in the case of perfume packaging, customers who tend to use perfume daily might prefer to buy a bigger size of perfume compared to customers who use perfume rarely. As a result, marketers need to differentiate the visual elements of packaging according to the different group of consumers based on their necessities.

2.1.2.2 Verbal Elements of Packaging

Furthermore, another study has proven that verbal elements of packaging affect consumers buying behaviour, particularly in food products. Product information is one of the most important aspects in the elements of packaging as consumers will pay attention to the expiry date of the product (Adam and Ali, 2014). Another key element of verbal packaging that influences consumers' purchase preference is the brand names on the packaging. It refers to the aspect of the brand that can be read and vocalized by the customers (Kotler, 1997). A previous study has proven that

consumers are influenced to buy a product because of its brand on the packaging. A successful brand name on the packaging forms a good perception towards the product itself which results in buying behaviour (Adjei *et al.*,2014). Other than that, the usage of language must be considered by marketers for the purpose of designing successful packaging. Applying the local language on the product packaging is considered as a good effort of the company to help the consumers in understanding the content of the product (Hollensen, 1998). This statement is aligned with the previous study done by De Run and Fah (2006) which stated that consumers are most likely to enjoy reading their local language compared to foreign language on the product packaging.

2.1.3 Packaging Benefits

A study done by Salem, M.Z., (2018) has defined and analysed four principal features of packaging benefits, which are functional benefits, emotional benefits, social benefits, and environmental benefits. Functional benefits of the packaging refer to its convenient aspect related to opening and resealing, materials of the packaging, leakage and protection as well as its ability to be recycled (Hollywood *et al.*, 2013). Whilst emotional benefits of packaging relate to its ability in stimulating the level of emotion of the consumers. According to Berg, H *et al.*, (2001), the consumers' attitude towards packaging that attached a photo of the model that showed joy facial expression was more positive than a picture with non-smiling facial expression. This indicates that packaging has a significant impact on

consumers' attitude towards the product. Furthermore, the third element of packaging benefits is social benefits, which refers to something that benefits society (Resnik, David B, 2016). The behaviour of a company can influence its brand image if the company acts in an unacceptable manner. For instance, using deceptive packaging which states invalid information in the product package (Lonergan et al., 2001). The fourth aspect of packaging benefits is environmental benefit, which consumers today are starting to indicate green purchase behaviour. It refers to the behaviour of choosing to buy some products that are environmentally friendly (Mostafa, 2007). Therefore, the company should consider the environmental effect caused by its product, especially on its packaging.

2.1.4 Buying Decision

Consumer buying decision process is the steps of a consumer passes when making decisions related to what product and service to purchase (Fredrick G. Crane *et al*, 1997). The stage when a consumer makes an actual purchase is called buying decision. (Kotler & Armstrong, 2014). According to Kotler (2012), buying decisions of customers is formed through the several stages or processes before making their actual purchase. The first stage is called “need recognition” when the customers have identified their needs which motivates them to buy a product. In this stage, they might be aware about their issues but still not certain about which product, service or brand that suits them best. Next, information search comes at the second stage. This stage is applied where the customers seek information relating

to the products that they consider to buy, in order to solve their problems. Before selecting a product to purchase according to their needs, customers will conduct a survey related to that product for the purpose of having a better understanding about it. The survey of information can be gathered through the advertisement, relatives, retailers or from the products itself. The fourth stage of buying process is called option evaluation. After getting the information related to the product that they need, customers tend to seek and evaluate alternatives before deciding which product or brand that fits them well. At this point, customers need to carefully consider which product or brand that offers more benefits in terms of quality, price and trustworthy compared to others. This is a crucial stage to determine which product to select. Next, after evaluating the alternative of the products and brands, the customer is now ready to make a purchase or also known as purchase decision process. During this stage, customers might purchase or not to purchase a product thus it is crucial for a brand to support the customers buying decision by offering benefits such as discount, free shipping or testimonial. This kind of approaches can help the customers to ensure in selecting a product to buy. Finally, the last stage of consumers buying decision is called post purchase behaviour. This is a stage which determine whether the customer feels satisfied or dissatisfied towards the product (SHMA, 2012). When the customers have decided to buy a product, they continue to evaluate whether they made a right decision or not. If they consider that the product could fulfil their needs in solving problems, the

customers will experience satisfaction. On the other hand, when the customer is dissatisfied towards a product or brand they might not repurchase the product or even share their negative experiences with others.

2.2 Previous Studies

Below is the previous study related to buying intentions that are affected by the packaging of the products.

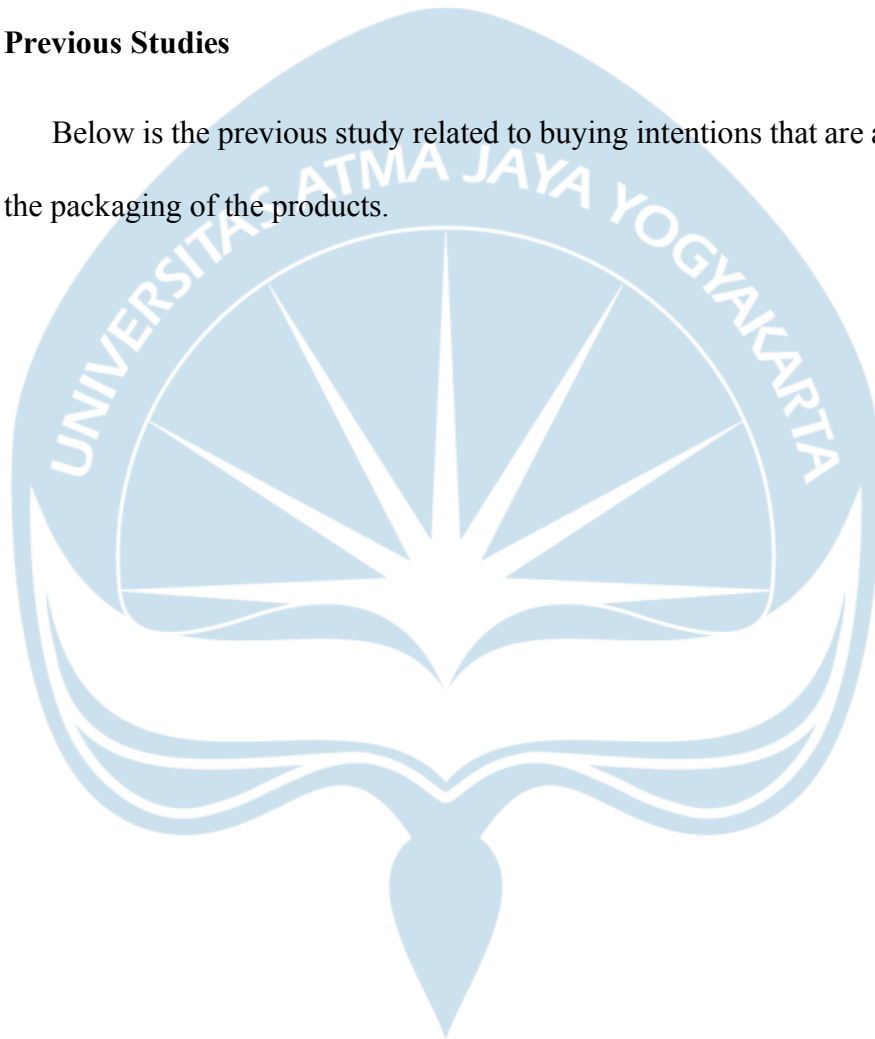


Table 2. 1 Previous Study

Previous Studies about the Effect of Packaging towards Buying Decision

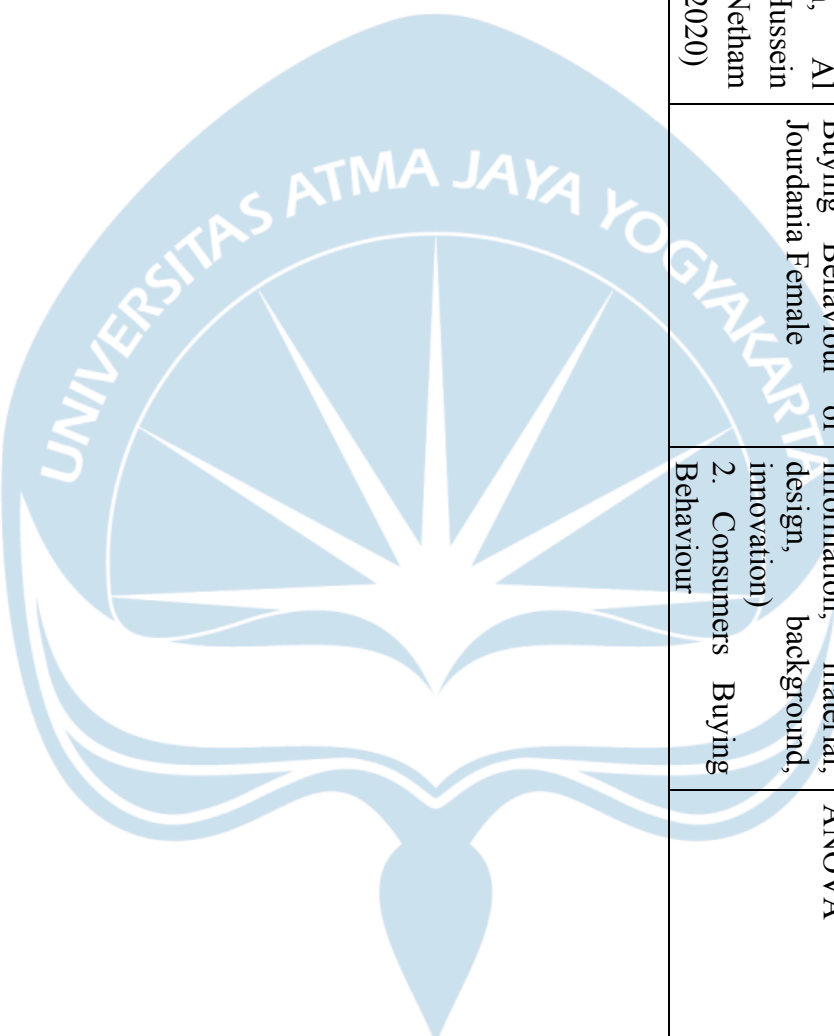
Author	The Title of Article	Variable	Analysis Tools	Conclusion
1. Mohammed Z. Salem (2017)	Effects of Perfume Packaging on Basque Female Consumers Purchase Decision in Spain	<ol style="list-style-type: none"> 1. Packaging Design 2. Packaging Benefits 3. Purchase Decision 	<p>Multiple Regression</p> <p>Linear</p>	The effect of packaging elements such as packaging visual, verbal and benefits are all crucial on influencing consumers' purchase decision.
2. Jesper Clements (2007)	Visual Influence on In-store Buying Decision	<ol style="list-style-type: none"> 1. Packaging 2. Visual Attention 3. Visual Stimuli 4. Buying Decision 	Experiment	There are five phases in an in-store decision process. It started when the visual impact of packaging catches the consumers' attention followed by forming the consumers' perception. Next, the crucial moment is the "tipping point" when consumers started to decide whether or not to buy the product. Post purchase phase is crucial for even low-level in store decision process.
3. Mahera Mazhar, Sayeda Daud, Sana Arz Bhutto	Impact of Product Packaging on	<ol style="list-style-type: none"> 1. Packaging Colour 2. Packaging Material 3. Design of Wrappers 	<p>Descriptive Analysis & Correlation</p>	Dark and attractive colours can influence consumers to buy a product whereas

<p>& Muhammad Mubin (2015)</p>	<p>Consumers Buying Behavior</p>	<p>4. Innovations 5. Consumer Buying Behaviour</p>	<p></p>	<p>consumers has no influence on the consumers' choice when selecting a product. Consumers are also attracted to unique design of the packaging thus it plays a vital role in influencing consumers' buying decision.</p>
<p>4. Getie Andualem Imiru (2017)</p>	<p>The Effect of Packaging Attributes on Consumer Buying Decision Behavior in Major Commercial Cities in Ethiopia</p>	<p>1. Packaging Colour 2. Background Image 3. Materials 4. Font Size 5. Printed Information 6. Innovation 7. Consumer Buying Decision</p>	<p>Correlation & Regression Analysis</p>	<p>The most important attributes on the packaging of cereal product are packaging innovation followed by printed information, background and font size. There are no significant effect on the relationship between packaging colour and materials on consumers buying decision.</p>
<p>5. Arun Kumar Agariya, Ankur Johari, Hitesh K Sharma, Udit N S Chandraul & Deepali Singh (2012)</p>	<p>The Role of Packaging in Brand Communication</p>	<p>1. Visual Packaging 2. Verbal Packaging 3. Level of Involvement 4. Time Pressure 5. Consumers' Purchase Decision</p>	<p>Multiple Regression & Pulse Rate Measurement</p>	<p>Packaging is required to be designed properly as consumers nowadays demand innovative packaging. Size, ease of handling and protections are the most significant attributes of packaging that influence consumers' buying decision</p>

<p>6. Surraj Kushe & Shekhar Raveendran P.T (2013)</p>	<p>Role of Packaging Cues on Consumers Buying Behaviour</p>	<ol style="list-style-type: none"> 1. Packaging Cues 2. Sex 3. Age 4. Normality 	<p>Multiple Cross Sectional Descriptive Research</p>	<p>In terms of age and gender, the influence of packaging cues differed significantly between these two groups of consumers. In a chocolate packaging, consumers consider verbal elements is more important than the visual elements in the packaging.</p>
<p>7. Lucas Nesselhauf, Johannes Deker & Ruth Fleuchaus (2017)</p>	<p>Information and Involvement: The Influence on The Acceptance of Innovative Wine Packaging</p>	<ol style="list-style-type: none"> 1. Degree of Discontinuity 2. Information 3. Involvement 4. Acceptance 	<p>ANOVA</p>	<p>The effect of information in the package is differed between consumers with low and high involvement level. Low involvement consumers attached to the importance of product information whereas high involvement consumers consider information as not that important.</p>
<p>8. Jui Che Tu, Hsing-Tzu Chang & Shu Bei Chen (2019)</p>	<p>Factor Analysis of Visual Packaging Design for Happiness on Organic Food</p>	<ol style="list-style-type: none"> 1. Orange Technology 2. Happiness Design 3. Organic Food Packaging 	<p>One Way ANOVA</p>	<p>There are some differences on the consumers' visual image for different organic food package. The "Self-actualization Group" thinks that happiness organic food packaging is healthy, reassuring, environment-</p>

<p>9. Ziyinet Boz, Virpi Korhonen & Claire Sand Koelisch Sand (2020)</p>	<p>Consumers Consideration for the Implementation of Sustainable Packaging</p>	<p>1. Packaging Sustainability 2. Consumers' Perceptions of Sustainable Packaging 3. Consumer Behaviour</p>	<p>Life Assessment Tools (LCA) Cycle</p>	<p>friendly, healing, comfortable, and novel. The “Caring for Health Group” believes that happiness organic food packaging is healthy, reassuring, and environmentally friendly. The “Lohas Food Safety Group” believes that happiness organic food is packaged in a healthy, simple, and environment-friendly way. The “Extroverted Loyalty Group” believes that happiness organic food packaging is healthy, comfortable, professional, simple, environment-friendly, and novel.</p> <p>Consumers are not always choose sustainable package in a product due to the lack of communication towards the benefits of sustainable package. Companies need to increase the awareness of using sustainable package by</p>
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10. Rashad Al Saed, Muhammad Abu-Salih, Al Hareth Hussein & Netham Swedan (2020)	The Impact of Perfume Packaging on Consumer Buying Behaviour of Jourдания Female	1. Perfume (colour, information, design, innovation) 2. Consumers Behaviour	Packaging printed material, background,	All of the packaging attributes are equally important on affecting consumers purchase decision, except package material.



2.3 Hypothesis Development

The findings from Clement (2007) reveals that the first stage of the buying process is started when the visual attention of product packaging catches the consumers' attention. When the perception about the product attaches to consumers' mind, it can lead to the purchase intention. Another study also reveals that consumers demand some new creations in the packaging to influence them to buy the products and change their perception towards the brand itself. (Mazhar *et al.*, 2015). As a result, packaging is required to be designed properly to support the success of the product in the market, due to the fact that it has a role to be a communication strategy in order to increase sales (Imiru, 2017).

H1 : There is an effect of visual packaging towards consumers' purchase decision.

The study done by Agariya *et al* (2012) indicates the importance of packaging as a communication tool through the information of the product. It plays a vital role in influencing the consumers' purchase behaviour, however the information should not be too much. The result of the study is aligned with the previous research done by Shekhar & Raveendran (2013) that shows that consumers attached to the importance of informational or verbal elements of packaging rather than visual elements of packaging. In this regard, both visual and verbal elements of packaging must be created appropriately to influence the consumers' purchase behaviour.

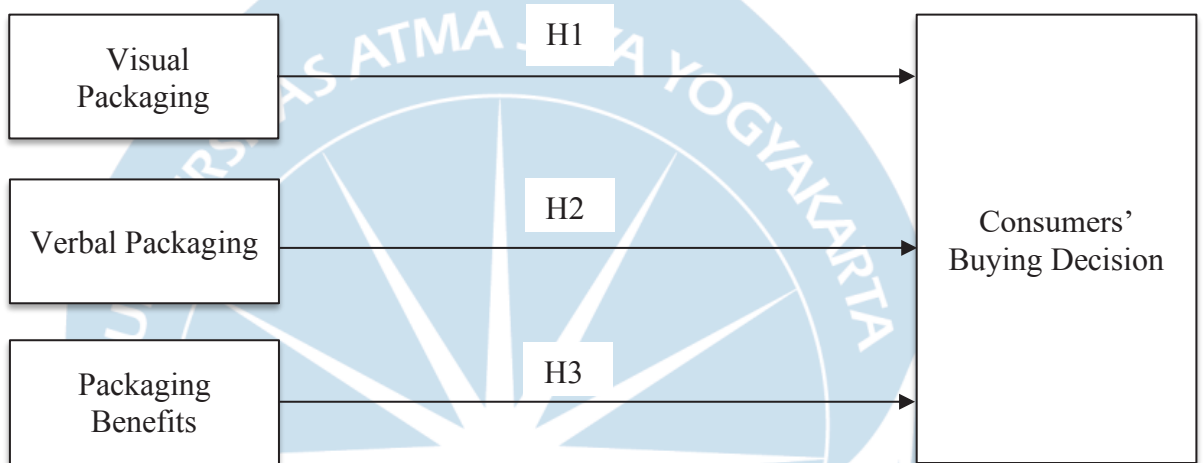
H2 : There is an effect of verbal elements of packaging towards consumers' purchase decision.

Besides that, there is empirical evidence indicating that low involvement consumers respond positively towards the existence of information related to the packaging benefits for wine bottles (Nesselhauf *et al.*, 2017). Another study shows that emotional benefits of packaging that is formed through the visual elements in a food packaging can give consumers positive energy and affect their happiness (Tu *et al.*, 2019). In terms of environmental benefits, according to Boz *et al* (2020) consumers aren't willing to buy a product which has a high cost of eco-packaging, especially if the product did not give any further information related to the importance of using eco-friendly packaging.

H3: There is an effect of packaging benefits elements towards consumers' purchase decision.

2.4 Conceptual Framework

The conceptual framework that is suggested consists of three variables, which are visual, verbal elements of packaging, and packaging benefits as the independent variables and consumers' purchase decision as the dependent variable.



Source: Salem, M.Z (2018)

Picture 2.1

Conceptual Framework