

The Power of Packaging

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In recent years packaging has developed well beyond its original function as merely a means of product protection and now plays a key marketing role in developing on shelf appeal, providing product information and establishing brand image and awareness.

As packaging's role in the marketing mix gains momentum, so research into this arena becomes increasingly important. Given the potential for packaging to successfully achieve marketing goals; does research into packaging truly reflect its value within the marketing mix? Do we fully understand the role that packaging plays in a marketing environment and how best to leverage this tool to influence consumers? If packaging is so important, what is the best way to measure its effectiveness?

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What is packaging?

The definitions of ‘packaging’ vary and range from being simple and functionally-focused to more extensive, holistic interpretations.

Packaging can be defined quite simply as an extrinsic element of the product (Olson and Jacoby (1972)) - an attribute that is related to the product but does not form part of the physical product itself.

“Packaging is the container for a product – encompassing the physical appearance of the container and including the design, color, shape, labeling and materials used” (Arens, 1996).

Most marketing textbooks consider packaging to be an integral part of the “product” component of the 4 P’s of marketing: product, price, place and promotion (Cateora and Graham, 2002, pg 358-360).

Some argue that that packaging serves as a *promotional* tool rather than merely an extension of the product: Keller (1998) considers packaging to be an attribute that is not related to the product. For him it is one of the five elements of the brand – together with the name, the logo and/or graphic symbol, the personality and the slogans.

While the main use for packaging can be considered to be protection of the goods inside, packaging also fulfils a key role in that it provides us with a recognisable logo, or packaging, so that we instantly know what the goods are inside. From the consumer perspective, packaging plays a major role when products are purchased – as both a cue and as a source of information.

Packaging is crucial, given that it is the first thing that the public sees before making the final decision to buy (Vidales Giovannetti, 1995).

Objectives of packaging

Packaging and package labeling have several objectives:

- **Physical Protection** – Protection of the objects enclosed in the package from shock, vibration, compression, temperature, etc.
- **Barrier Protection** - A barrier from oxygen, water vapor, dust, etc.

- **Containment or Agglomeration** - Small objects are typically grouped together in one package for transport and handling efficiency. Alternatively, bulk commodities (such as salt) can be divided into packages that are a more suitable size for individual households.
- **Information transmission** - Information on how to use, transport, recycle, or dispose of the package or product is often contained on the package or label.
- **Reducing theft** - Packaging that cannot be re-closed or gets physically damaged (shows signs of opening) is helpful in the prevention of theft. Packages also provide opportunities to include anti-theft devices.
- **Convenience** - features which add convenience in distribution, handling, display, sale, opening, re-closing, use, and re-use.
- **Marketing** - The packaging and labels can be used by marketers to encourage potential buyers to purchase the product.

Although packaging plays a role in both logistics and marketing, this paper will be focusing mainly on its relevance in the area of marketing.



The Relevance of Packaging as a Marketing Tool

“Never underestimate the importance of packaging. Marketers often measure consumer brand perceptions and ignore the pack. Yet we know from the way that consumers react to unbranded products that packaging plays a huge role in reinforcing consumer perceptions. Packaging helps to drive the way consumers experience a product. Yet, we spend little time researching the connections between packaging and the direct experience of the product” (Rice and Hofmeyr, 2000, Commitment-led Marketing, pg 216).

Before one can assess or question the current thinking regarding packaging research (and whether the research into packaging suitably reflects its value within the marketing mix), one must first assess whether packaging as a marketing tool really justifies more attention. What relevance does packaging have in the marketing world of today?

Reaching the target market

In recent years the marketing environment has become increasingly complex and competitive. Although advertising can be a highly effective means of communication for those consumers who *are* exposed to it, reaching the entire target market for most products is generally not a feasible prospect. Media fragmentation has meant that it is becoming increasingly difficult (and expensive) to reach and communicate with customers and potential customers, forcing marketers to adopt more innovative means of reaching their target market (Hill and Tilley, 2002).

In contrast to advertising, which has limited reach, 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, our experience has been that pack designs are more likely to influence the consumer perception of the brand than advertising” (Hofmeyr and Rice, 2000, Commitment-led Marketing, pg 282).

For products with low advertising support, packaging takes on an even more significant role as the key vehicle for communicating the brand positioning (Rudh, 2005, pg. 680).

Winning at the First and Second Moment of Truth

Packaging's dual role is what makes it a truly unique marketing tool. Unlike other forms of communication which tend to be fleeting, packaging plays a crucial role not only at the point of sale, but also after the actual purchase of the product. *"The packaging has to provide consumers with the right cues and clues – both at the point of purchase and during usage. The first moment of truth is about obtaining customers attention and communicating the benefits of the offer. The second moment of truth is about providing the tools the customer needs to experience the benefits when using the product"* (Löfgrun, 2005, Winning at the 1st... pg 113)

The Point Of Sale (The 1st Moment Of Truth)

The importance of making an impact at the point of sale cannot be underestimated. "A recent Point of Purchase Advertising Institute (POP AI) survey in the UK found that over 70% of all purchasing decisions are made in-store at the point of purchase. *"Brand purchases are being made or broken in the 'final five seconds'."* (Jugger, 1999)

At the point of purchase, packaging serves a number of key functions, namely:

1. **Cutting through the clutter** – actually getting the consumer to notice/see the product
2. Communicating marketing **information**
3. Stimulating or creating **brand impressions**
4. Providing various **brand cues**:
 - Value
 - Quality
 - Safety

Of course, if packaging does not cut through the clutter and catch the consumer's attention, none of packaging's other functions even come into play. The most brilliant and creative packaging is useless unless it is seen. Creating a powerful shelf presence so that the brand stands out from the crowd and is actually noticed is the first and most vital step for any product on a shelf.

The average British supermarket contains 25,000 items and the average shopping basket just 39 items (Jugger, 1999). What this fact illustrates is that today's consumers have to sift through a vast amount of products to choose what they want – and not surprisingly they end up ignoring most of what they pass.

In a standard supermarket the typical shopper passes about 300 brands per minute (Rudh, 2005). This translates into less than one-tenth of a second for a single product to get the attention of the customer and spark purchase (Gelperowic and Beharrell, 1994, pg 7). *“Even when consumers are actively shopping a product category, most actively view only about a third of the brands displayed”* (Young, 2005, p1)

So how does one actually cut through the clutter and get the attention of the consumer? Most would agree that *“it does not pay to be subtle”* (Young, 2005, pg.1)

To generate initial consideration, two things are key:

1. **Shelf placement** – ensuring that your product is placed on the shelf in the area most likely to be seen by customers
2. **Packaging** that creates a visual contrast (in comparison to its surrounding products)
 - This can be achieved through the innovative use of colour, a unique shape/structure, a strong logo/brand mark, or a unique visual icon

(Young, 2005, pg1)

Packaging plays a particularly vital role in categories which have low involvement (e.g. impulse purchase categories like chocolates). In these categories, consumers tend to be driven by in-store factors and extrinsic cues as they have neither the desire nor the need to comprehensively investigate and assess all the offerings available to them.

Even in higher involvement situations, most consumers don't have the time, ability or information to assess all the pros and cons before purchase. Instead they rely on various cues (e.g. brand name, packaging, etc.) to help them make their decision (moment of truth article: Zeithaml, 1988).

In our experience, most categories have a mixture of customers with high and low involvement levels. Even categories which are traditionally considered high involvement decisions, such as motor vehicles, have people for whom the decision is made without much consideration – and categories which are often considered to have few involved consumers, such as soap, is an important, deliberated decision and assessed in depth by some.

Usage (The 2nd Moment of Truth)

“Unlike advertising exposure which can be relatively brief, packaging continues to build brand values during the extended usage of the product and can drive brand equity and loyalty.” (Rudh, 2005, pg. 680)

After purchase, packaging plays both a **functional and a marketing role**.

Functional Role

From a functional perspective, packaging is often part of the usage/consumption experience. Not only is it a means of providing any necessary information, but it can also form part of the actual product and provides functional benefits (e.g. being easy to use, fitting into storage space, etc.).

If packaging is unwieldy it can hamper the relationship with the brand – for instance if it breaks easily, doesn't fit in the fridge, can cut the consumer, etc., the experience with the product can be negative.

Marketing Role - Brand Identity and Differentiation

As the only part of the marketing communication that the consumer takes home, packaging plays a key role in communicating and reinforcing brand values over time. Packaging has the power to make, but also to break brand relationships.

A key example of the latter, is a case cited by Hofmeyr and Rice, where a change in pack design contributed towards a drop in a leading beer brand's market share by more than 20% in the space of just one year. Nothing other than the packaging had changed - the product itself had not changed in any way. The pack change, although not dramatic (the same style but with lighter colouring), led to a perception that the beer's quality had been compromised and that it was now weaker. This caused many previously loyal consumers to lose faith in the brand and to move to the brand's 'stronger' competitors instead. This is a clear example of the power of bad packaging.

Although a non-favourable advertisement might be quickly forgotten, poor packaging (if it remains with the brand throughout its usage cycle) provides a continual reminder of the brand's perceived failing.

Likewise, favourable packaging can be a means of continually reinforcing the brand's appeal.

Doing Something Different – A Tool to Innovate

“Packaging is not a gimmick when it works”
(Seth Godin, Free Prize Inside, pg. 154)

An innovative pack design can help to set a brand apart from its competitors. The marketing world is full of examples of brands that have used packaging to carve a unique position in the marketplace. *Pringles* potato chips cylinder and *Absolut* vodka bottle are widely cited international examples, while in a South African context, recent examples include *L'Aubade* water bottle (up market coloured plastic bottles that are suitable for virtually any restaurant table), *Clover* milk easy pour packs (long-life screw top packs) and *Country Fresh* ice-cream tubs. The popularity of *Ouma* rusk tins is another testimony to packaging adding value to the product.



The design of the pack itself can act as an incentive for purchase (Hall, 1993). A strong, sturdy mineral water bottle might be chosen over its competitors, not for its content, but rather for its ability to be reused on future occasions.

It tastes so good because it *looks* so good

The term ‘**sensation transference**’ was coined by Louis Cheskin in the 1930’s and is discussed further in the book, *Blink*, by Malcolm Gladwell. Cheskin was one of the first marketers to notice that people’s perceptions of a product or service were directly related to the aesthetic elements of their design. He believed that people didn’t make a distinction between the product and the package. Instead how we feel about the package is often transferred to how we feel about the product itself. In essence, for consumers the product is the package AND the product combined.

One of the most well known examples of his work is the case of Imperial Margarine (previously called **Jelke’s Good Luck margarine**).

In 1940 margarine was not at all popular in the USA and Cheskin was asked to find out why. Was it because of the intrinsic properties of margarine (i.e. because it tasted bad) or was it because of the associations attached to it?

To answer this question, instead of asking people explicitly why they didn't like margarine, he carried out a more indirect investigation. He threw luncheons for housewives and as part of the meal served some of them bread with margarine (coloured yellow to resemble butter) and others bread with butter. He then asked the women to fill out questionnaires about the speaker, which also asked them to rate the food. Despite the negative opinions that were found when questioning women directly about the taste and texture of margarine, there were no complaints among those who were given the margarine instead of butter. This clearly showed that the problem was not the margarine itself, but its image.

Cheskin suggested changing the color of Jelke's Good Luck margarine from the traditional white to yellow. He also suggested changing the packaging material to foil and the name to Imperial Margarine to connote high quality. These simple modifications dramatically improved the product's sales... and every subsequent brand of margarine has followed this advice (Blink, Malcolm Gladwell).



What is important to note is not only the conclusion of the research (i.e. that the packaging of a product affects how we experience its taste) but also the process used to conduct the research. Rather than using direct questioning in an artificial environment (e.g. a typical focus group scenario) he put the product in the environment where it would actually be used and gauged consumer perceptions indirectly.

Asking customers directly how they feel about a product or package is going to result in just that, their perceptions about the package. What is generally more relevant is how the package makes them feel about the product itself.

Gladwell raises an interesting point: if we think something tastes or works better because of its packaging, is there any difference than if it really does? Perception of a food product, for example, has been shown to be affected by a variety of factors including taste, odour, information from labelling and images, attitudes, memory from previous experience, price, prestige, nutritional content, health belief, familiarity and brand loyalty (Kronrdl and Lau, 1978, 1982; Raats et al., 1995). If the halo effect created as a result of visual factors truly does modify subsequent product perceptions, then packaging is not just a form of protection or promotion but also serves as a means of improving the overall product experience.

Size Really Does Matter

Packaging in different serving sizes can extend a product into new target markets or help to overcome cost barriers.

In developing markets such as South Africa, the pack size can mean the difference between the success or failure of a brand in the informal sector. Smaller packages and portions are usually priced at a lower absolute level – making the product more readily affordable to a greater proportion of the population. Some examples of success in this regard include smaller Sunlight and Omo packs servings – which have increased the penetration of these brands substantially. The popularity of single cigarettes and smaller packs for analgesics have proven that “good things really do come in small packages”.

Where smaller packages are not available, entrepreneurial individuals often buy the product and transfer it into smaller non-branded packaging for resale – which completely nullifies all the branding benefits of the original pack.

In more developed countries, brands that don't offer smaller or single-size servings make themselves immediately unsuitable for those living in smaller or single households that do not desire family-size packs.

On the other hand, larger packs can extend the category to a more social environment. For example, the Fruitree 5l juice box expanded the fruit juice category from individual and home consumption to social and catering purposes. The popularity of quart size beers is another example to this... the larger size means that the cost per volume is cheaper and more affordable for the masses.

Pester Power



In categories in which children are the end consumers, appealing packaging can be a means of driving brand choice. Research has found that “pester power” can come from an attraction to packaging (Gelperowic and Beharrell, pg. 5) and as a result packaging can heavily influence mothers' choices.

In a study carried out by Siloyai and Speece (2004), mothers were shown two children's yoghurt pots: one plain pot and one bright/cheerful looking pot. The mothers were told that both pots contained the same healthy ingredients, but that the bright pot was slightly more expensive. Despite the price premium, 88% of the mothers

said they would choose the bright pot – as their children would be more likely to eat it (Gelperowic and Beharrell, pg. 7).

The popularity of Disney-branded products is another case in point of the impact of pester power: Disney co-branded products, from breakfast cereals to plasters to toothbrushes to baking products sell at a premium due to the pulling power the Disney characters have among children.

So, with the relevance of packaging undisputed, the question then is: what research has been done to investigate how best to leverage this vital tool?

Current thinking and research on packaging

Despite the importance of packaging, there is limited marketing research currently available to the public in the field of packaging research.

Most textbooks and literature agree packaging plays a vital role in marketing, but there is little empirical research available investigating its impact on the marketing function and how best to leverage packaging in a marketing context (Rundh, 2005, Rudh, 2005, pg. 670, Sinclair and Knowles, 2006 and Rettie, Brewer, 2000).

Looking at what is available (which is by no means extensive) there are some consistent themes in terms of the current thinking with regard to packaging.

Different packaging cues impact how a product is perceived

Ampeuero and Vila (2006) conducted research in Spain using packaging prototypes and found that the following aspects of packaging influence customer perceptions:

- **Colour:** Elite products require cold, dark coloured (mainly black) packaging. In contrast, accessible products that are directed to price sensitive consumers require light (mainly white) coloured packaging.
- **Packaging typography:** packaging for elegant products usually presents bold, large, roman, upper case letters with expanded characters. In contrast, accessible products of reasonable price are often associated with serif and sans serif typographies.
- **Graphic forms:** high price products appear to be associated with vertical straight lines, squares, straight outlines, and symmetrical composition with one single element. Products directed to the middle classes, use horizontal and oblique straight lines, circles, curves, wavy outlines and asymmetrical compositions.
- **Illustrations:** safety guaranteed products and upper classes products are associated with pictures showing the product. In contrast, accessible products directed at price sensitive consumers are more associated with illustrations showing people.

Grossman and Wisenblit, 1999 also found that consumers learn colour associations from current brands in the market, which lead them to prefer certain colours for various product categories (in Rettie and Brewer, 2000).

Using colour as a cue on packaging can be a potentially strong association, especially when it is unique to a particular brand. However, people in different cultures are exposed

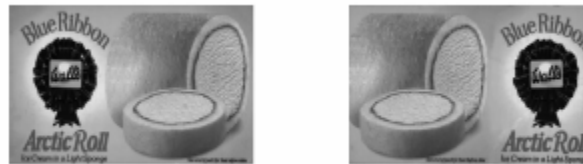
to different colour associations and develop colour preferences based on their own culture's associations (Rettie and Brewer, 2000).

Message placement influences perception

The placement/positioning of messages on the package influence how a package will be read.

“Research in psychology on brain laterality, shows that perception is not symmetrical; for instance, words are recalled better if they are perceived from the right-hand side of the individual, while pictorial or non-verbal cues are more successful if coming from the left-hand side. Under conditions of rapid perception, e.g. scanning packs while walking along the aisle in a supermarket, this differential perception and the positioning of the elements in a pack design may make the difference between identifying and missing the item concerned.” (Rettie and Brewer, 2000, pg.56)

Brain laterality research has found that verbal stimuli are recalled better when they are on the right-hand side of the visual field, and non-verbal stimuli is better recalled when on the left-hand side of the visual field.



If we accept this theory, this would imply that in order to maximize consumer recall, pictorial elements (such as product photography) should be positioned on the left hand side of the package and important pack copy (such as brand name or flavour description) and visuals should be placed centrally or on the right-hand side of the pack.

Other elements, such as an unappealing legal descriptions or a product disclaimer, of which recall is not very important for brand building, should rather be placed on the left-hand side or back of the label (Rettie and Brewer, 2000).

Young (2003) also found that it is best to group the key messages/benefits in one location, and to create a consistent/dominant viewing pattern by leading shoppers from the main visual or product visual (their typical starting point) to the key messages. *“When labeling messages are positioned on either side of the main visual, it pulls viewers in two different*

directions, and often results in some messages getting lost outside of the primary viewing flow” (Young, 2003)

When it comes to information, less is often more

Shoppers typically only look at a label for about five to seven seconds, regardless of how many elements or messages there are on the package. Therefore, adding additional messages to the package increases the likelihood that a shopper will miss any single message.

For this reason it is generally recommended that only two to three key points of communication are placed on a front label. Adding more messages is likely to clutter the label (which often detracts from appeal and perceived quality), and makes it more difficult for people to absorb the key information/communication from the label (Young, 2003).

Furthermore, Grossman and Wisenblit, 1999 found that informational elements tend to be less important than visual in low involvement product decisions: *“so graphics and colour become critical”* (in Rettie and Brewer, 2000)

Visibility does not necessarily induce trial

As store shelves become more cluttered and brand choice more extensive, achieving visibility becomes more critical. However, package designers also have to be aware that creating standout is not the Holy Grail to growing volume. As with all marketing elements, it is possible to obtain high visibility, but have low trial and volume if you ignore the rules of brand name recall and communication.

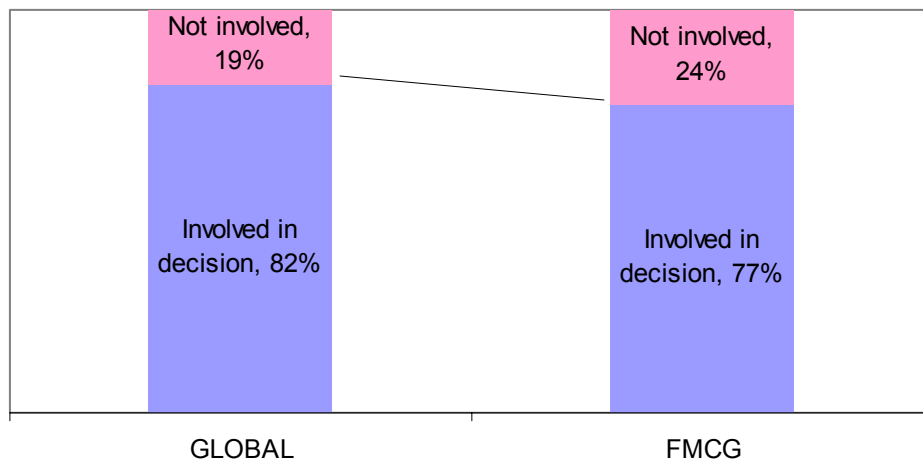
It is therefore essential that visibility is not seen as the quick and easy route to growing market share. It is a vital element, but it must be conducted hand-in-hand with knowledge of the impact of communication (Sinclair and Knowles, 2006).

Packaging evaluation is influenced by time constraints and purchase importance

Many consumers today shop under high levels of time pressure and products are often bought without prior planning (Hausman, 2000 IGD in Siloyai and Speece, 2004). Time pressure reduces the detailed consideration of package elements. As convenience continues to be a growing trend worldwide, people have less time to shop and evaluate different alternatives when they are making their purchase decision.

This tends to be especially true for FMCG (fast moving consumer goods) products – which tend to be low involvement products. When purchasing FMCG products in general (with one or two exceptions), consumers do not search extensively for information about the brands, evaluate their characteristics and make a deliberated decision on which brand to buy. Instead FMCG products are characterized by a large proportion of people who make habitual purchases (Siloyai and Speece, 2004).

This has been further validated from a database of a number of proprietary international studies which shows that, worldwide, FMCG products are characterized by a large proportion of people that make habitual or most convenient purchases (i.e. they have low involvement) – when compared to the global average for all categories worldwide.



Global base = 695,086 respondents

FMCG base = 95,443 respondents

High involvement purchase decisions

In contrast, the behaviour of consumers with high involvement towards a product category is less influenced by image and visual stimuli (Kupiec and Revell, 2001). In such cases, consumers need more information and take more time to make evaluations. For instance, consumers more concerned with health and nutrition are more likely to pay attention to detailed label information of food products (Coulson, 2000, IGD, 2003c in Siloyai and Speece, 2004).

Context is key

“The most attractive or popular design is not necessarily the most effective one at the point of sale, because it may get lost in shelf clutter and/or fail to communicate key messages (and a point of difference) quickly and clearly.” (Young, 2003, pg. 3)

It is vitally important that when researching package design that it is measured in the context within which it is usually found (Young, 2003, pg. 3).

“The ‘right’ packaging solution is different for each brand. What is important is that it works when placed next to the competition on the shelf” (Jugger, 1999).

Therefore, new packaging concepts should be evaluated in context, not in isolation. If possible, packaging research should simulate both the shopping and usage experience, giving people an opportunity to interact and feel the package’s functionality, shelf visibility and impact on brand imagery (Jugger, 1999).

Furthermore, packaging research should, as far as possible, take into consideration current relationships and usage behaviour within that category. Many people are unlikely to change from their current usage patterns when they are provided with a new option - it can be difficult to break relationships with brands leading to an inherent inertia which should be taken into account when conducting research.

“Past experience will colour, distort or bias their perceptions of marketing stimuli and so such biases and their sources need to be understood... Pack designers need to carry out a thorough analysis of their consumers and existing market stimuli.”(Nancarrow, Wright, Brace, 1998)

We don’t know why we do what we do

“The consumer’s decision making process is not rational in the sense that it is objective and consistent, neither does it follow any pre-determined rational, statistical economic patterns” – Daniel Kahneman in Sinclair and Knowles, 2006

In his book, Blink, Malcolm Gladwell gives numerous examples illustrating that to a large extent human beings just don’t know what is happening in their subconscious.

A clear example of this that he refers to is the ‘jam experiment’ conducted by Timothy Wilson and Jonathan Schooler. Wilson & Schooler hypothesized that sometimes we make decisions or form opinions based on reasons that are unknown to us. When asked

for reasons to explain our opinion, we feel compelled to create reasons that sound plausible to us... and then we adjust our true preference to match these plausible reasons.

To test this, they did an experiment using strawberry jam.

In this experiment, food experts were given 44 different jams and asked to rank them according to their taste, texture, and other attributes. Wilson and Schooler then took 5 of these jams (the jams ranked 1st, 11th, 24th, 32nd, and 44th) and asked a group of university students to taste and then rank them.

The first group was asked to simply rank the jams, while the second was asked to rank the jams and provide a written explanation for their rankings. The result? The first group gave rankings that were fairly close to those given by the trained experts – agreeing on which jams were best, and which were worst (a correlation of 0.55). In comparison, the results from the second group (who had to give reasons for their choice) were poorly correlated with the expert's rankings (a correlation of only 0.11).

In Gladwell's words, "*By making people think about jam, Wilson and Schooler turned them into jam idiots*" (Blink pg. 181)

So what does this mean for packaging research? Well, every time we ask respondents to rate a long list of packaging attributes, we are in essence turning them into packaging 'idiots'. Although the pack with the most ticks might look good on paper, in reality it could actually be ranked very low in terms of overall preference. If consumers spent hours weighing up all the pros and cons of the packaging attributes of a product, then this approach could be considered a valid one. In essence, our mind evaluates the whole package and according to the psychological concept of **Gestalt** – the whole is often greater than the sum of the parts that make up the whole (Miriam Webster dictionary, <http://www.m-w.com/dictionary/gestalt>).

Asking a respondent for overall preference rather than deconstructing the attributes relating to the package is likely to yield much more realistic results. This approach allows for us to better match the psychological process of how people make purchase decisions in today's environment...people rarely make calculated, rational, well thought-through purchase decisions. Usually they satisfice and make purchase decisions from a selection of products that meet a minimum criteria.

Experimental design to test whether we measure packaging most effectively

To further test Gladwell's theory regarding the prompting of respondents to become "category idiots" – we decided to replicate a similar experiment in the South African context within a packaging research context.

We asked a small group to rank a number of product's packaging without any prompting prior to the ranking. We then did the same exercise with a similar group – but asked them to first rate the packaging on a number of attributes first...

Sample

- Age: 20-30 years old
- Gender: male/female
- Education: University graduates
- Sample size: 40

Note: Due to the limited sample size the results should be viewed with caution

Methodology

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 colours, high quality).

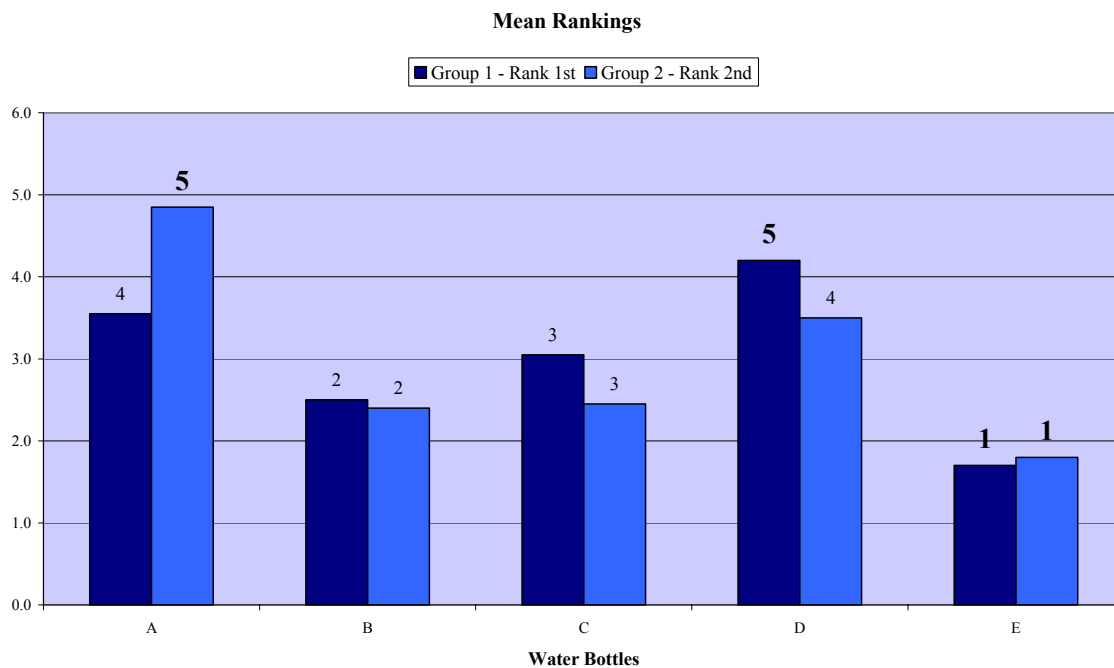
Results:

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

finding provides some support for the theory that when you ask people to rate things their opinions tend to move in the direction suggested by the attribute list (e.g. if a lot of the attributes relate to colour and one brand is very strong in this regard, by raising the profile of this aspect of the packaging you can inadvertently raise the chances of this brand being rated highly) – and this direction will be similar for all respondents.

Looking at each of the attributes and how their ranking of the bottles compared to the overall ranking we found only one statement that matched the overall rankings for both groups exactly. This statement, ‘high quality’, was phrased in a very general way referring not specifically to the package quality but rather to the quality of the product itself. This differed from the other statements which were phrased so that they related more directly to the packaging (e.g. is eye-catching, has a nice shape, etc.) This supports the opinion that the best means of measuring a particular packaging design is to ask the respondents to rate the product that the packaging holds rather than to rate the packaging itself.



A standard method to compare different packaging options is to compare their scores on a variety of different attributes. For the sake of simplicity we did not weight the attributes differently, but merely took an average of the scores across all the attributes (for all the respondents) resulting in average score per pack.

Ranking the brands according to the average score for the attributes (assuming in this instance, that all attributes were of equal importance) we found that, although the first brand chosen remained the same for both groups, the order of the remaining four brands changed.

Although the attributes can help to attain insight into which aspects of a certain pack need attention, people make their choice based on their overall opinion rather than a carefully weighted assessment of a variety of attributes.

Asking respondents to rate brands on a variety of aspects relating to packaging can influence how they rate a brand in subsequent research. The overall basic ranking up front probably better captures how respondents feel about a brand / package than a variety of probing questions...

How does the industry currently measure packaging effectiveness?

Now that we have identified the purpose and benefits of packaging and confirmed its status as a key aspect of marketing, the next question is: what does the marketing research industry do to measure its effectiveness?

According to Nacarrow, Wright and Brace (1998) there are typically seven reasons/occasions when research agencies are asked to get consumer response on packaging design:

1. New product development (NPD)
2. Revitalising a dated/tired pack
3. Repositioning a product (changing what it competes with and/or its functional or symbolic benefits)
4. Changing a product's target market
5. When cost reductions in packaging are required
6. When legal or regulation requirements demand it
7. When new packaging technology becomes available

Each of these circumstances may require different methodologies to determine the impact/preference for different pack designs. Herewith are some of the most common.

Focus Groups

Typically, the most common form of measuring a package's effectiveness is to conduct focus groups. In these groups, respondents are generally asked to evaluate different prototypes of packaging (which often only have slight variations between them and may include the current packaging), choose which prototype they prefer and explain why...



However, the focus group has a number of drawbacks:

- The effectiveness and insight gained from the group is determined by the skill of the moderator
- Small samples do not necessarily represent the population as a whole
- One or two individuals can dominate the group

- The threat of group think (i.e. people expressing an opinion which is in line with the rest of the group even if that opinion is at odds with their own personal one)
- You can only learn what people say they do or think, not necessarily what they actually do or think
- Usability problems may not be tested, unless the respondents are asked to use the product in the group
- Respondents are asked to rate products in an artificial setting and often without competitive products to compare it to
- Respondents are often prompted to think about packaging and the category (increasing involvement in the choice) which they may not do in an ordinary purchase situation

“...new and old packs are introduced and compared. Respondents are asked to comment on whether they like the new pack and to judge how well they think it fits the desired proposition. By this ill judged approach, many designs are rejected because they either fall down on the in-built familiarity of the existing pack, or because they fail to explicitly deliver the brand concept. Even those designs that survive this ordeal may become fatally wounded, because the process emphasises aspects of design that may well not be seen at the expense of brand distinction.” (Sinclair and Knowles, 2006)

Quantitative research surveys

To gain a more reliable measure with regard to the preference for a particular package design, surveys are often conducted among a representative sample (i.e. the number of people that answer the questionnaire can be considered to represent the whole market) to determine whether a new pack should be implemented.

The typical study will probe impressions of the product the consumer forms based on the new pack. These impressions are usually captured by asking research participants to rate the product on a battery of relevant attribute scales probably based on preliminary qualitative research.

But prompted attribute ratings can cause respondents to become “category-idiots” (to coin the phrase from Gladwell) – asking people to dissect the parts that make up the whole can lead to the big picture or *gestalt* being lost. Unconscious measurements are also not identified in this methodology. Furthermore, prompting respondents to think logically about a choice that they may not deliberate for very long in their normal context is likely to cause the results to vary from reality.

Indirect questioning is more preferable as it determines the impact that a design appears to have on the perception of the brand rather than asking consumers directly if they like the design (Nancarrow, Wright, Brace, 1998).

Usage tests

Usage tests examine functionally-related attitudes towards the packaging, and generally involve in-home placement tests (Rettie, Brewer, 2000). Typically, this method relies on respondents to provide feedback on how a product and/or its packaging is used. This type of research is useful in that it provides feedback on the experience with the brand and packaging after the purchase. However, it relies on accurate, often unprompted feedback from respondents.

Shopper behaviour research

Shopper behaviour research is often conducted by using cameras to record actual consumer behaviour in the store and is more frequently used to determine the effectiveness of current packaging. Shopper behaviour research has the benefit of capturing the consumer during the product selection process without being aware that he/she is being observed.

However, it does not identify motives, attitudes, intentions or components of a package that make one product preferable to another and interpretation of the what respondents are doing can be subjective (Aaker, Kumar, Day, 1998, 204-205, 208).

Sales tracking and scanner panel data

Sales data or scanner panel data is often used post-launch to determine what impact a change in packaging has had on sales (i.e. after the change, have sales improved or declined?).

However as Jugger (1999) points out: *“Measuring the true impact of packaging is difficult. Packaging changes are never made in isolation: sales promotions and advertising obscure the effect of these changes.”*

Post-sale data can provide valuable feedback on the impact of marketing efforts, but it does not allow for pre-testing – in other words, any potential problems (such as the example of the change to the beer label mentioned earlier) are only picked up after the damage has already been done.

Other less frequently used packaging research methods

Some other less frequently used solutions (although somewhat interesting and innovative alternatives to the more common research methods for measuring packaging) include: Visibility or visiometric tests, mouse tracking, virtual reality shopping and EEG Analysis. These less frequent options are often inhibited by high costs and are limited to laboratory experiments (because of the limitations of the apparatus) which is not necessarily reflective of the typical customer experience. This also means that the respondent is aware that they are being observed – which can influence/change their behaviour.

The tachistoscope (t'scope)

The tachistoscope is used to test which elements of an image are memorable.

(<http://en.wikipedia.org/wiki/Tachistoscope>)

In marketing research, the measurement usually includes photographing each test pack design, together with a number of competitive brands, in a shelf display scenario.

(<http://www.bubley.com/t-scopes/research.html>)



Tachistoscope tests are most useful when comparing options for new packaging as familiarity with current packaging will skew results towards the status quo. The tachistoscope can also be useful in determining the legibility of different sizes and styles of font.

Eye scan or eye tracking apparatus

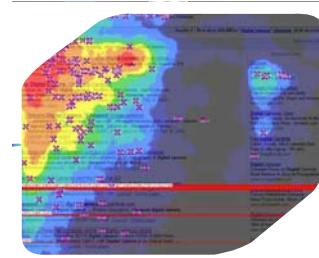


http://en.wikipedia.org/wiki/Image:Eye_i_1

Eye scan apparatus tracks the movement of a customer's eyes across a display of packs – showing what the eyes travel across and whether time was spent at any point. New pack designs can be tested against competitor's packs and the "typical store shelf" situation can be simulated. By measuring where a respondent rests his/her eye – we can infer what attracts his/her attention the most. However, eye movement does not necessarily mean attention is being paid as the customer may be thinking about other things. Therefore, it may be necessary to combine this methodology with other research methods.

Mouse tracking

An extension of eye movement tracking is mouse tracking – where the same principle is extended to the movement of the mouse.



Mouse tracking is based on scientific findings that human visual attention governs not only eye movements, but it also controls pointing movements with the index finger. The conclusion is that consumer attention can be measured by tracking eye position, but can also be measured by tracking pointing movements.

This new research methodology is still being tested for its accuracy in the market.

Virtual reality shopping

Utilising the latest technology available, respondents “shop” in a virtual reality on their PC. The respondent can examine packs that are on shelf more closely by touching any pack that is of interest. The pack zooms closer and can be turned round by use of a roller ball. The software records how much time is spent at a shelf, which products are picked up, time spent looking at a product and products purchased.

Although not a perfect measure of attention, this methodology may provide valuable clues as to how respondents shop and what draws their attention. In the South African context, however, this methodology is currently limited by the lack of prevalence of computers and internet access.

EEG Analysis

Brainwave or electroencephalograph (EEG) is an analysis of brainwave activity. Analysis of brainwave activity has been used to evaluate the different effects of specific pack designs on the two sides of the brain.

However, the efficacy of this method has been challenged because of the difficulty in interpreting brainwave analyses and the high degree of variance of EEG responses across subjects (Rettie, Brewer, 2000).

Conclusions

Packaging plays an important role in the marketing context. The right packaging can help a brand carve a unique position in the marketplace and in the minds on consumers.

Packaging has a better reach than advertising does, and can set a brand apart from its competitors. It promotes and reinforces the purchase decision not only at the point of purchase, but also every time the product is used. Packaging in different serving sizes can extend a product into new target markets or help to overcome cost barriers. Packaging can even drive the brand choice (especially in the context of children's products).

As the market becomes more competitive and shelf space is at a premium, products need to be able to stand out from the crowd and packaging needs to provide more than just functional benefits and information. Under time pressure and in low involvement purchases, less time is spent looking at the detail and information provided on packaging – this is especially true in the FMCG category.

Research into packaging has found that different packaging cues impact how a product is perceived. Often the packaging is perceived to be part of the product and it can be difficult for consumers to separate the two (the concept of gestalt). Aspects such as packaging colour, typography, illustrations and graphics can influence how a product is perceived.

Typically, the most common form of measuring a package's effectiveness is to conduct focus groups or quantitative surveys. Usage tests and shopper behaviour research provide more contextual insight but can more complex and costly to conduct.

While each of these methodologies has various pros and cons, there are several principles which should be guiding the way we set up research...

- **Ask about the product:** As products and packaging influence one another, asking customers directly how they feel about a product or package is difficult for them to dissect. We should be asking the overall impression of the product and determine which packaging leads to the most favourable feeling towards the product in entirety
- **Ask overall opinions up front:** Asking people a long list of attributes can cause them to think too long and rationalise their decision in preferences for a product/package and change their overall opinion. Overall impressions asked up front identify the most effective means of determining preference for packaging

- **Keep it in context:** Packaging should be measured in comparison to the competition, not in isolation
- **Keep it realistic:** Packaging research should ideally simulate the typical shopping and/or usage experience as much as possible
- **Take into account the inertia:** Packaging research should take into consideration current relationships and usage behaviour within that category

Areas of future research

Suggested areas for future research include a more in-depth analysis into the relationship between product attributes and total product assessment – how exactly does the research process influence overall opinions, what is the best way to gain insight into preference without biasing the results? Is this possible?

More research into the elements of pack design and how it influences consumer perceptions – are there universal rules or do they differ by product category, culture, etc? Does South Africa have unique/cultural aspects that influence package preferences?

Ultimately we need to start asking ourselves...

Why do we spend so little time/money on packaging research (especially compared to other research disciplines, like advertising research) when there is overwhelming evidence that packaging plays such a critical role in achieving sales?

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