

Packaging and Promotion of Consumer Products in Nepalese Organization

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Abstract—*The study is intended to determine the packaging and promotion of consumer products in Nepalese organization. It has also identified how packing as a promotion tool affects consumers buying the products in Nepal. A sample of 151 consumers was randomly selected from markets in Birganj city. Data analysis was done using Pearson correlation, regression analysis-test and F-test. The result revealed that four components i.e. protection, source of information, brand and buyers; attraction have significant impact on promotion of consumers products where as innovation has insignificant impact on promotion. The findings are discussed with a view to improve the consumers buying behavior in terms of packaging and promotion in Nepal. Modern organizational have been found to have given much attention on packaging and promotion for the improvement of sales regarding consumers buying behavior.*

Keywords: *Promotion, Protection, Source of information, Innovation, Brand and Buyers attraction.*

1. INTRODUCTION

Lutters, Diederick and Klooster (2008) explain that packaging is now generally regarded as an essential component of our modern life style and the way business is organized. Packaging is the enclosing of a physical object, typically a product that will be offered for sale. It is the process of preparing items of equipment for transportation and storage and which embraces preservation, identification and packaging of products. Packing is recognized as an integral part of modern marketing operation, which embraces all phases of activities involved in the transfer of goods and services from the manufacturer to the consumer. Packaging is an important part of the branding process as it plays a role in communicating the image and identity of a company. Packaging is the activity of designing and producing the container or wrapper for the product. It is an important and effective sales tool for encouraging the consumers for buying. It is powerful medium for sales promotion. It must perform all the basic function such as protection, ease of handling and storage, convenience in usage etc. and should not be deceptive and convey any deceptive message. It is the best method for attracting the consumers for buying the products.

Perreault & McCarthy (2002) state that packaging involves promoting, protecting and enhancing the product and thus, packaging can be important to both sellers and customers, It can make a product more convenient to use or store, prevent spoiling or damage, easier to identify and promotes the brand at the point of purchase and even in use. In case of product enhancement new packaging can make important difference in a new marketing strategy by meeting customers need better. Tetra pack invented an "aseptic" package that enables milk, fruit juice and other perishable liquid foods to be distributed without refrigeration or preservatives. As a communicative source it can tie the product to the rest of the marketing strategy. Packaging for Energizer batteries features the pink bunny seen in attention-getting TV ads and reminds consumers that the batteries are durable. A good package sometimes gives a firm more promotion effect than it could get with advertising. Customers see the package in store when they are actually buying. Apart this, packaging may be used to lower the distribution costs, as better protective packaging is very important to manufacturers and wholesalers. They sometimes have to pay the cost of goods damaged in shipment. Retailer's need protective packaging too as it can reduce storing costs by cutting breakage, spoilage, theft, saving space, ease to handle and display. In recent times, numerous factors have made packaging an important marketing tool. Increased competition and clutter on retail store shelves means that package must now perform many promotional tasks - from attracting attention, to describing the product, to making the sale

Kotler (1999) defines packaging as "all the activities of designing and producing the container for a product." Packaging can be defined as the wrapping material around a consumer item that serves to contain, identify, describe, protect, display, promote, and otherwise make the product marketable and keep it clean. Packaging is the outer wrapping of a product. It is the intended purpose of the packaging to make a product readily sellable as well as to protect it against damage and prevent it from deterioration while storing. Furthermore the packaging is often the most relevant element of a trademark and conduces to advertising or communication.

The significance of packaging has come to be increasingly recognized in export as well as in marketing of a wide range of consumer goods and industrial products within the country. The volume of exports depends not only on the quantity of the production and prices, but also to a substantial extent on the standards of packaging adopted for the products. Goods damaged in transit or arriving at the destination in an unacceptable condition tarnishes the reputation of the manufacturer as well as the country as a whole, besides colossal wastage of scarce economic resources. Further, packaging has a crucial role to play in the fetching higher unit values for our consumer goods (like tea and cashew) through the substitution of the bulk packs by consumer packs. In the recent past packaging has been increasingly recognized as a significant factor in the nation's export promotion effort. Effort should be there to understand the importance of packaging there by to avoid the loss and damage cost incurred during transport and delivery. Keep in mind that a conscious effort on the part of marketing managers can increase the volume of sales and there by improve the reputation of the product and organization.

2. OBJECTIVE OF THE STUDY

The general objective of this study is to determine how companies can use product packaging to effectively promote their products to the consumers.

3. RESEARCH HYPOTHESIS FORMULATIONS

To achieve the objective of the study, the following hypothesis has been formulated. These hypotheses were drawn from the theoretical framework of the study.

- H₀₁: There is no significant impact of Protection for Packaging on Promotion of Consumer Products.
- H₀₂: There is no significant impact of Source of Information for Packaging on Promotion of Consumer Products.
- H₀₃: There is no significant impact of Innovation for Packaging on Promotion of Consumer Products.
- H₀₄: There is no significant impact of Brand for Packaging on Promotion of Consumer Products.
- H₀₅: There is no significant impact of Buyer's Attraction for Packaging on Promotion of Consumer Products.

4. LITERATURE REVIEW

Knowles (1996) explains that packaging including graphics, structural shapes and materials is a major factor when it comes to choosing a product at the point of sale and states that many established UK brands have been achieving success over the last year because of distinctive structural packaging. Believes, therefore, that distinctive packaging is a key weapon in the marketing mix, by winning new customers and retaining

existing ones, and that marketers should wake up to the potential of packaging design.

Mckenzie (1997) argues that package design has taken on a more important role as part of an integrated communications mix. He indicates that packaged goods firms now see design as a key contributor to building the brand and uses the example of bottle design for the drinks industry to show how packaging now takes a more important role in overall branding. Further notes that, despite this new strategic focus on design, the agencies are still victims of short-term commitment from clients. He suggests that this ad hoc approach to buying design services means it still fails to get sufficient attention high up in client organizations.

Rettie and Brewer (2000) estimated that 73 percent of purchase decisions are made at point of sale. In scanning packs at point of sale, perception is rapid, and quick recognition is important for inclusion in the decision process. Under conditions of rapid perception, there is an advantage for verbal stimuli perceived from the right-hand side, and for non-verbal stimuli perceived from the left-hand side. This advantage probably derives from the laterality of the brain, with word processing generally being handled by the left hemisphere, while the right hemisphere generally processes pictorial matter. This asymmetry of perception implies that to maximize recall, words should be on the right-hand sides of packs, pictures should be on the left. The results confirm the asymmetry of perception of elements of packaging.

Bone and France (2001) concluded that marketers' tactics to increase product sales through health claims have been scrutinized by public policy makers. The culmination of this process was the passage of the National Labeling Education Act, which highly restricts the type, amount, and format of nutritional information conveyed on the package. In this investigation, they examined an under-explored aspect of the package - its colors and pictures - to determine what, if any, impact these aspects have on consumer beliefs regarding important product characteristics. They found that even when very concrete verbal information is used, graphical representations have a significant and long-term effect on product beliefs and purchase intentions.

Kassaye (2001) surveyed 290 consumer and industrial goods manufacturers in green dilemma, in the continental USA and examined the green packaging actions, attitudes and future plans of firms. The findings suggest that companies are not setting up green programs entirely on some mechanical model, such as consumers demand, therefore we go green, they work from a clear picture of their own economic wellbeing. For large firms, the primary reasons for engaging in green tend to be consumer pressure, the desire for better community relations and cost considerations. For smaller companies, the highest priority is given to cost, followed by customer request, fear of governmental intervention and the desire to reduce garbage. For mid-size companies, the primary concerns are the

desire for a pro-active stance within the community, competition and foreign countries' regulations.

Ashaduzzaman and Mahbub (2016) state that packaging acts as the salient salesman for tangible products. The verbal and nonverbal elements of packaging perform as the tool of sales promotion because of changing self-service and changing consumer's lifestyle. It is concluded that packing performs a significant role in creating marketing communication and influencing consumer's purchase decision in detergent industry like other industry. The result shows six components of packaging: Packing Color, Background Image, Font Style, Wrapper Design, Printed Information, and Packing Innovation that have impacts on purchase decision of detergent powder in Dhaka City.

Lu, Gargallo and Munar (2007) explain that it is very difficult to draw a standard conclusion about packaging as a strategic tool. Package design has a very strong impact on consumers' perception on a brand. The result has proved that different elements of package design played very important roles, such as picture, logo, color, shape and etc. Consumers are willing to have an easy understanding instruction on the package, an appropriate and vivid picture or packaging color which delivers them a happy feeling, or an easy handle/open/dose/dispose package shape. All these elements contribute each important effort to catch consumers' attention and interest.

Dobson and Yadav (2012) examine that each household in the UK buys on average nearly 3 tons of products a year, including on average 200kg of packaging which takes products through an often long and complex supply chain to the consumer. One hundred and twenty five packaging is needed to transport goods, keep food fresh, avoid product damage or theft, and present them to the consumer as intended. Much food packaging design is driven by consumer demands for convenience and freshness. Similarly, with other FMCGs, packaging functional role is to see the product through the supply chain to reach the consumer intact. Yet, as this study has shown, packaging has many other roles beyond protection, preservation and presentation. Notably, packaging offers brand owners the possibility to communicate with consumers through distinctive designs and on-pack communication in the form of logos, graphics, images, colors, messages, and product information.

Rundh (2009) studies how packaging and packaging design can contribute to competitive advantage for marketing a consumer product. Different influences from actors in the packaging design process are discussed in a conceptual model. A single case study based on five "corporate stories" about packaging development resulting development resulting in a new package are presented and analyzed. The study demonstrates influences on the design process of a package from external and internal factors. The outcome of the design process is, to a great extent, dependent on the interaction between the main actors in this process. The study argues for

the importance of the interaction with customers for planning and conducting the design. The result of such a process is packages that can trigger customers make a purchase and/or reinforce the brand name for a repurchase of the product. The main implications for management are that packaging is a vital instrument in modern marketing activities for consumer goods, for example in the competitive food industry. The study highlights a few factors that trigger a customer to purchase a product by designing a suitable package for the product. Packaging design makes it possible to introduce new and better solutions for diverse marketing and logistic problems in a supply chain.

5. CONCEPTUAL FRAMEWORK

The research is based on the following framework:

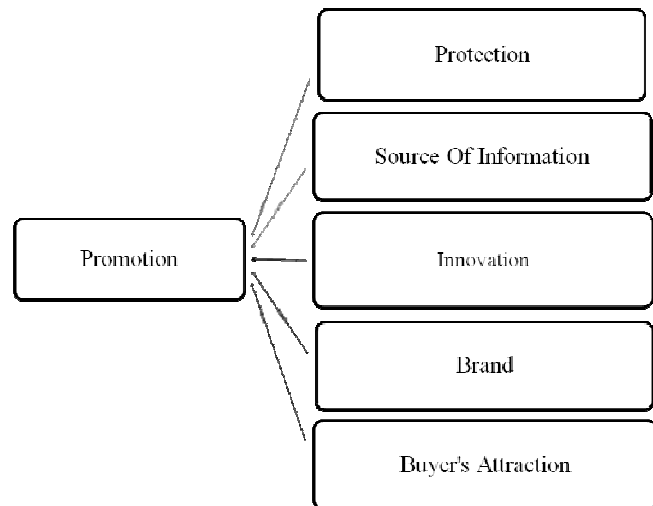


Figure 1: Conceptual framework

6. RESEARCH METHODOLOGY

6.1 Research Design

The findings of this research were based on the primary survey. The data has been collected by formulating a set of questionnaire which was distributed to the respondents. The findings are completely based on the data and facts provided by the sampled respondents.

The research studied about the packaging and promotion of consumer products in Nepal so that the responses of people can be quantified and measured easily. The study is based on various statistical tests and analyses. For this purpose, Statistical Package for Social Science (SPSS) software and Microsoft Excel were used to analyze and interpret the quantitative data. This software is commonly used by

researchers and easily available in business settings. Descriptive statistics was used for the calculation of mean, median and standard deviation based on the respondent profile. Causal-comparative research design has been used to establish the empirical data on packaging and promotion of consumers' products in Nepal.

7. RESULTS

Table 1: Descriptive Statistics and Correlation Analysis

S.N	Attributes	Mean	S.D.	1	2	3	4	5	6
1	PRO	3.925	.668	1					
2	SOI	3.284	.863	.450	1				
3	INO	3.788	.775	.487	.491	1			
4	BRA	3.866	.800	.643	.617	.634	1		
5	BUA	3.617	.862	.194	.498	.149	.222	1	
6	PRM	3.810	.898	.415	.631	.546	.555	.424	1

Notes: Correlation is significant at the 0.01 level (2-tailed). PRM = Promotion, PRO = Protection, SOI = Source of Information, INO = Innovation, BRA = Brand, and BUA = Buyers' Attraction

Table 1 describes the descriptive frequency of variable taken under investigation in the research. The mean value of variables seem to be greater than 3 which reveals that consumers' have positive relationship between packing and promotion of products. Besides, the value of standard deviation has found to be less than 1 which reveals that data is consistent with minimum value 1 to maximum value 5. In addition, the correlation coefficients have recorded to be ranging from 0.149 to 0.643 which are strong to some extent. Table 1.1 describes about correlation matrix between variables under investigation. The result reveals that there is positive and significant relationship between protection and promotion ($r = 0.415$, $p = 0.000$), positive and significant relationship between source of information and promotion ($r = 0.631$, $p = 0.000$), positive and significant relationship between innovation and promotion ($r = 0.546$, $p = 0.000$), positive and significant relationship between brand and promotion ($r = 0.555$, $p = 0.000$), and positive and significant relationship between buyers' attraction and promotion ($r = 0.424$, $p = 0.000$). It shows that there is positive correlation between promotion and protection, source of information, innovation, brand, and buyers' attraction. There is positive and significant relationship among promotion and packaging i.e. independent variables.

6.2 Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.832	.335		5.476	.000
PRO	.231	.082	.270	2.807	.006
SOI	.289	.077	.379	3.750	.000

INO	.133	.075	.159	1.765	.081
BRA	.216	.084	.237	2.586	.011
BUA	.178	.084	.207	2.113	.037

Dependent Variable: Promotion, PRO = Protection, SOI = Source of Information, INO = Innovation, BRA = Brand, and BUA = Buyers' Attraction

In the regression analysis, the beta coefficients are used to explain the relative importance of the independent variables in contribution to the variance in dependent variable. The result reveals that there is a significant impact of protection on promotion ($b = 0.231$, $p < 0.01$). The results showed that a one-unit increase in protection would lead to a 0.231 unit increase in Promotion keeping other variables constant. Similarly, the result reveals that there is a significant impact of source of information on promotion ($b = 0.289$, $p < 0.01$). The result reveals that there is no a significant impact of innovation on promotion ($b = 0.133$, $p > 0.05$). Similarly, the result reveals that there is a significant impact of brand on promotion ($b = 0.216$, $p < 0.01$). Likewise, the result reveals that there is a significant impact of buyers' attraction on promotion ($b = 0.178$, $p < 0.01$). The result shows that Protection, Brand, Buyer's Attraction and source of information have found to be significant whereas the Innovation has not significant towards promotion of consumers buying behavior.

8. CONCLUSIONS

The regression analysis shows that there is significant impact of Protection for Packaging on Promotion of Consumer Products. The result is similar with Hardenburg and Robert (1966) who explain that the product must be protected against being dropped, crushed, and the vibration it suffers during transport. Delicate products such as fruits need to be protected by a rigid package such as a laminated container. It must also be protected against micro-organisms, chemicals, soil and insects.

The regression analysis shows that there is no significant impact of Source of Information for Packaging on Promotion of Consumer Products. It is with the same line of Rundh (2005) who finds that packages and labels communicate how to use, transport, recycle, or dispose of the package or product. Some packages and labels are also used for track and trace purposes.

The regression analysis shows that there is no significant impact of Innovation for Packaging on Promotion of Consumer Products. The result is contradictory with Sonneveld (2000) who advocates that brand owners are constantly innovating to keep up with the changing demands and requirements of consumers, as well as to stand out in an increasingly competitive environment.

The regression analysis shows that there is a significant impact of Brand for Packaging on Promotion of Consumer Products. The result has been found to similar with the findings of Underwood, Robert and Klien (2002) who finds that product

branding and packaging decisions are very important decisions as in the present age of globalization, a large number of brands of various products are available to the consumer to choose and select from.

The regression analysis shows that there is significant impact of Buyer's Attraction for Packaging on Promotion of Consumer Products. The result is similar with the findings of Cahyorini, Astri and Rusfian (2012) who states that package design involves more than just the look of the physical wrapper or outer container that a product comes in.

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