

**THE INFLUENCE OF PACKAGING ATTRIBUTES ON
CONSUMER'S PURCHASE DECISION
OF PACKAGED FOOD**

LEE WAI LENG

UNIVERSITI SAINS MALAYSIA

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TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENT	i
TABLE OF CONTENTS	ii
LIST OF APPENDIX	vi
LIST OF TABLES	vii
LIST OF FIGURES	viii
ABSTRAK (MALAY)	ix
ABSTRACT	x
Chapter 1 INTRODUCTION	
1.1 Introduction.....	1
1.2 Background.....	2
1.3 Problem Statement.....	4
1.4 Research Objectives.....	5
1.5 Research Questions.....	6
1.6 Definition of Key Terms.....	6
1.7 Significance of the Study.....	7
1.8 Organization of Remaining Chapters.....	8
Chapter 2 LITERATURE REVIEW	
2.1 Introduction.....	9
2.2 Review of the Literature.....	9

2.2.1	Visual Attributes – Graphics.....	11
2.2.2	Visual Attributes – Colour.....	12
2.2.3	Visual Attributes – Shape.....	13
2.2.4	Visual Attributes – Size.....	13
2.2.5	Visual Attributes – Packaging Material.....	14
2.2.6	Verbal Attributes – Information on the Package.....	14
2.2.7	Purchase Decision.....	15
2.2.8	Individual Characteristics (Moderator Variable).....	16
2.3	Theoretical Framework and Hypotheses.....	16
2.3.1	Visual Attributes.....	17
2.3.1.1	Visual Attributes – Graphics.....	18
2.3.1.2	Visual Attributes – Colour.....	19
2.3.1.3	Visual Attributes – Shape.....	19
2.3.1.4	Visual Attributes – Size.....	20
2.3.1.5	Visual Attributes – Packaging Material.....	20
2.3.2	Verbal Attributes.....	21
2.3.2.1	Verbal Attributes – Information on the Package.....	21
2.3.3	Individual Characteristics.....	22
2.4	Summary.....	23
Chapter 3	METHODOLOGY	
3.1	Introduction.....	24
3.2	Research Design.....	24
3.3	Variables.....	25

3.4	Population / Sample.....	26
3.5	Procedure.....	26
3.6	Measures.....	27
3.7	Data Analyses.....	29
	3.7.1 Descriptive Statistics.....	29
	3.7.2 Factor Analysis.....	30
	3.7.3 Reliability Test.....	31
	3.7.4 Correlation Analysis.....	31
	3.7.5 Multiple Regression Analysis.....	31
3.8	Summary.....	33

Chapter 4 RESULTS

4.1	Introduction.....	34
4.2	Profile of Respondents.....	34
4.3	Goodness of Measures.....	36
	4.3.1 Factor Analysis.....	36
	4.3.2 Reliability Test.....	37
4.4	Descriptive Analysis.....	39
4.5	Hypothesis Testing.....	39
	4.5.1 Correlation Analysis.....	39
	4.5.2 Multiple Regression.....	40
	4.5.3 Hierarchical Multiple Regression.....	42
4.6	Summary of Results.....	44

Chapter 5	DISCUSSIONS AND CONCLUSIONS	
5.1	Introduction.....	46
5.2	Recapitulation of the Study Findings.....	46
5.3	Discussion.....	47
	5.3.1 Visual Attributes – Graphics.....	47
	5.3.2 Visual Attributes – Colour.....	48
	5.3.3 Visual Attributes – Shape.....	50
	5.3.4 Visual Attributes – Size.....	51
	5.3.5 Visual Attributes – Packaging Material.....	51
	5.3.6 Verbal Attributes - Information on the Package.....	52
	5.3.7 Individual Characteristics (Moderator Variable).....	53
5.4	Implications.....	53
5.5	Limitations.....	54
5.6	Areas for Future Research.....	54
5.7	Conclusion.....	55
	REFERENCES.....	56

LIST OF APPENDIX

	Page
APPENDIX I : Sample of Questionnaire.....	61
APPENDIX II : Respondent Frequency Result.....	67
APPENDIX III : Factor Analysis.....	69
APPENDIX IV : Reliability Analysis.....	75
APPENDIX V : Descriptive Analysis.....	81
APPENDIX VI : Correlation Analysis.....	82
APPENDIX VII : Multiple Regression Analysis.....	83
APPENDIX VIII : Hierarchical Multiple Regression.....	89

LIST OF TABLES

	Page
Table 1.1	Definitions of key terms.....6
Table 3.1	List of variables..... 25
Table 3.2	Measurements of variables..... 27
Table 3.3	Variables types of data..... 29
Table 4.1	Profile of respondents..... 35
Table 4.2	Results of factor analysis..... 37
Table 4.3	Summary of reliability analysis..... 38
Table 4.4	Descriptive analysis for visual as well as verbal packaging attributes..... 39
Table 4.5	Pearson’s correlation analysis of all variables.....40
Table 4.6	Results of multiple regression.....41
Table 4.7	Result of hierarchical multiple regression..... 43
Table 4.8	Summary of hypotheses testing results.....44

LIST OF FIGURES

	Page
Figure 1 Theoretical framework.....	17

ABSTRAK (MALAY)

Peranan bungkusan telah berubah dengan pertukaran format penjualan secara layan diri; bungkusan memainkan peranan penting dalam komunikasi pemasaran pada waktu penjualan. Dengan sedemikian, wujudnya keperluan untuk meninjau unsur bungkusan dengan lebih terperinci, agar dapat kita memahami unsur bungkusan yang mana satu dapat mempengaruhi keputusan pembelian pengguna. Kajian ini dilakukan di Malaysia untuk meninjau kesan visual dan verbal bungkusan makanan terhadap keputusan pembelian pengguna. Jumlah sebanyak 100 pengguna di Malaysia telah ditinjau melalui kajian soal-selidik. Keputusan menunjukkan bahawa bentuk bungkusan dan informasi pada bungkusan makanan adalah antara unsur yang dikaitkan dengan keputusan pembelian makanan dalam bungkusan. Padahal, lakaran gambar atas bungkusan, warna serta saiz bungkusan tidak ada sebarang kesan yang nyata terhadap keputusan pembelian. Tambahan pula, kesan unsur bungkusan terhadap keputusan pembelian pengguna tidak dipengaruhi oleh ciri-ciri perseorangan termasuk umur, jantina dan tahap pelajaran. Implikasi utama bagi pengurus pemasaran adalah mengenali dan mengambil kesempatan pada bungkusan sebagai senjata strategik dan alat pemasaran untuk bersaing dengan pesaing yang ada di pasaran. Cadangan untuk kajian buat masa hadapan dibuat pada bahagian akhir kajian ini untuk membantu membina pemahaman yang lebih mendalam atas reaksi pelanggan terhadap unsur bungkusan.

ABSTRACT

The role of packaging has changed with the move to self-service retail formats, packaging performs an important role in marketing communications at the point of sales. Therefore, there is a necessity to explore packaging and its attributes in more details, in order to understand which of these attributes are the most important factors influencing the consumer's purchase decision. This study is conducted in Malaysian context seek to reveal the impact of visual and verbal packaging attributes on consumer's purchase decision of packaged food. A total of 100 consumers in Malaysia were surveyed using a structured questionnaire. The results showed that packaging shape and information on the package are associated with purchase decision of packaged food products. Whereas, graphics on the packaging, the colour and size of the packaging as well as packaging material for packaged food do not have any significant relationship with purchase decision. In additions, the impact of packaging elements on consumers purchase decision is not stronger or weaker depending on the consumer's underlying individual characteristics (age, gender and education level). The main implication for marketers is to recognize and take advantage on packaging as a strategic weapon and marketing tool to compete over their rivals. Propositions for future research are proposed at the end of this study to help in developing better understanding of consumer's response towards packaging attributes.

Chapter 1

INTRODUCTION

1.1 Introduction

Today, constantly meeting deadlines and keeping hectic schedules leads the consumer to rely heavily on manufactured goods and processed food items. The new technologies related to productions and distributions have led to a massive proliferation in the number and type of products and brands available in the market. Packaging has become a vital means of differentiating items and attracting the consumer's attention. Certainly, there are many other factors that influence the consumer's purchase decision but product's packaging is often the first step in gaining consumer's attention and consideration before making the final decision to buy (Vidales, 1995) and this study attempts to look into consumer's purchase behaviour towards packaging attributes.

Packaging refers to the container or wrapper that holds a product or group of products (Reference for Business, 2009). Packaging is important both for marketing and logistic functions (Prendergast and Pitt, 1996). Apart from protecting the product from damage during storage and distribution, packaging becomes an important sales tool promoting the product to the ultimate consumer. Pilditch (1972) has defined packaging as the silent salesman in the store and it was the only communication between a product and the final consumer at the point of sales. Today, packaging becomes an ultimate selling proposition stimulating impulse buying behaviour

(Kuvykaite, Dovaliene and Navickiene, 2009) due to an increasing number of products sold on self service basis (Rundh, 2005).

Packaged foods in Malaysia witnessed slower current value growth in 2009 than 2008 with the economic slowdown, in which consumers cut down on indulgence products such as crisps, confectionery and icecream in a bid to tighten their belts (Euromonitor International's Packaged Food in Malaysia Market Report, 2009). In addition, various food scandals including the melamine scare in 2008 have seen consumers more wary about what they now consume. In order to attract consumer's attention, rigorous efforts were made to innovate and design packaging solutions that offer consumers more choice while helping the marketers differentiate their brands in an increasingly competitive market. By offering a packaging format that provides versatility, sustainability and convenience to consumers, the marketers are able to better enhance the appeal of their products and attract consumers on the shelf.

In view of the fact that packaging is one of the most important factors in purchase decision made at the point of sale (Prendergast and Pitt, 1996), it is important to learn about packaging and their impact on consumer's purchase behaviour in order to maximize the impact of packaging in a buying place and this study will address this issue.

1.2 Background

Packaged food is an indispensable component in the modern lifestyle due to the greater demand for convenient, portable, easy-to-prepare meal solutions that lessen the hassles of grocery shopping and preparing a meal. However, packaged food in

Malaysia experiences slowdown in value growth with the economic slowdown, in which consumers reduce their expenditure on indulgence products drastically (Euromonitor International's Packaged Food in Malaysia Market Report, 2009). In such situation, innovation in packaging becomes a fundamental strategy for competitive success and survival within a competitive global market. An innovative packaging design can change product perception and create a new market position (Rundh, 2005). A good packaging design is regarded as an essential part of successful business practice.

A unique packaging approach can be a powerful advantage in drawing consumer's attention and drive impulse purchases especially with the move to self-service retail format; packaging enhances its primary characteristic as "salesman on the shelf" at the point of sale (Pilditch, 1972; Speece and Silayoi, 2004). Furthermore, packaging is the second-highest cost factor in food marketing (after labor), according to the United States Department of Agriculture (The Island Packet, 2009). The reason many companies invest massive amount of money on packaging is because they are well aware that a stunning packaging will draw consumer's attention and is capable of turning the buyer on or off. Therefore, it could be surprising to learn how much packaging is adding to a product's value.

Over recent years, consumers are getting more health-conscious; a greater awareness of healthy eating lifestyle is changing the shopping habits of consumers and they are now paying more attention to read the nutrition labels and seeking out products with health benefits. The conclusion of an online study conducted by National Starch was that adding one or more health claims on health products could

boost up the sales by 20 percent (Articlesbase, 2009). Therefore, to ensure success, marketers must not only optimize the visibility of the packaging but also ensure that the packaging is able to communicate the specific benefits of the product and facilitate the consumers in product selection within a variety of brands available in the market.

The government of Malaysia is also concerned about the impact of packaging on the environment; therefore, the use of harmful packaging is prohibited and requires packaging to be reduced, reused or recycled. In addition, various of laws and regulations have been gazetted to protect the consumers from falsification and unsafe products. Perhaps the most influential class of laws that affect packaging is that related to labeling whereby the manufacturer or packer is required to declare the nutritional facts, added ingredients, best-before date et cetera on the packaged food to ensure the information on the packaging is sufficient to facilitate the consumers in making purchase decision.

Given the consumer and legislative pressure on companies to rethink their approach to packaging (Prendergast and Pitt, 1996), the purpose of this research is to identify packaging and its attributes in more details, in order to understand which of these attributes is often the decisive feature in the purchasing situation, in the packaged food market particularly.

1.3 Problem Statement

Packaging seems to be one of the most important factors stimulating impulse purchase behaviour (Prendergast and Pitt, 1996; Kuvykaite *et al.*, 2009). However, there is no agreement on classification of packaging attributes as well as the research

methods used to determine the packaging's impact on consumer's purchase decision (Kuvykaite *et al.*, 2009). Moreover, the previous researches did not provide common answer concerning the impact of packaging attributes on consumer's purchase behaviour (Kuvykaite *et al.*, 2009; Madden, Hewett and Roth, 2000; Silayoi and Speece, 2004, 2007; Vila and Ampuero, 2007). The diversity of the results in this area depends on the chosen research models as well as the context of the research (Kuvykaite *et al.*, 2009). For that reasons, it is necessary to look into this issue in more detail as to identify which attributes of a packaging have the most decisive effect upon the consumer's purchase decision. Therefore, this study seeks to examine the impact of visual and verbal packaging attributes on consumer's purchase decision of packaged food where such study in the local context is till lacking.

1.4 Research Objectives

The importance of packaging is growing rapidly in competitive markets for packaged food, thus, it is crucial for marketers to explore packaging and its attributes in more details, in order to gain better understanding of which attributes are the most important factors influence the consumer's purchase decision. The objectives of this research are as follow:

1. To investigate the packaging attributes that potentially affecting the consumer's purchase decision of packaged food.
2. To analyze the influence of individual characteristics (gender, age and education level) of consumer when making purchase decision of packaged food.

1.5 Research Questions

The questions intended to be answered in this study based on the research objectives are:

1. Do verbal packaging attributes influence the purchase decision of packaged food?
2. Do visual packaging attributes influence the purchase decision of packaged food?
3. Do the consumer's underlying individual characteristics (gender, age and education level) influence the impact of packaging attributes on consumer's purchase decision of packaged food?

1.6 Definition of Key Terms

The definitions of key terms are shown in Table 1.1.

Table 1.1

Definitions of key terms

Key terms	Definition	Source
Packaging	Packaging can be defined as the enclosing of an individual item (or several items) in a package or container.	Robertson, 2006
	Packaging has been defined as a socio-scientific discipline which operates in society to ensure delivery of goods to the ultimate consumer of those goods in the best condition intended for their use.	Lockhart, 1997 as cited in Robertson 2006

Table 1.1 (continue)

Key terms	Definition	Source
Graphics	Graphics on the packaging includes the layout, color combinations, typography, and product photography, all of which create an image on the packaging.	Silayoi and Speece, 2004
Colour	Color is the byproduct of the spectrum of light, as it is reflected or absorbed, as received by the human eye and processed by the human brain. It is also a great design element. In food packaging, different colors can evoke different feelings and emotions in consumers.	DevX.com, 2009 Kaszubowski, 2003
Information on the package	Relate to information provided on the package including the nutritional information, product name, brand, producer or country, information, instruction of usage.	Silayoi and Speece (2004), Kuvykaite <i>et al.</i> (2009)
Purchase decision	Having developed an intention to buy something, the consumer will (barring interference or unforeseen events) follow through and make the purchase.	The Encyclopedia of Earth, 2009

1.7 Significance of the Study

A packaging that is well designed for its marketing function helps to sell the product by attracting the attention and expressing the product positively to the ultimate potential consumers. To achieve the communication goals effectively and to optimize the potential of the packaging in a buying place, marketers must recognize

the attributes of a packaging and their impact on consumer's purchase decision and integrate these perceptual attributes into their packaging design. This study is significant since majority of the previous packaging studies were not locally-based (Silayoi and Speece, 2004; 2007; Kuvykaite *et al.*, 2009), and so ought not to be expected to reflect the same situation settings as in Malaysia. Thus, the results of this study will provide a new insight to the local marketers towards the impact of visual as well as verbal packaging attributes on consumer's purchase decisions of packaged food.

1.8 Organization of Remaining Chapters

This study is structured as follows. Chapter 1 introduces the topic of the study including the background, the problem statement, the research questions and research objectives as well as the significance of the study. In the next chapter, literature on various packaging aspects that influence the purchase decisions will be reviewed and served as the basis for the development of theoretical framework for the study. The hypotheses will be defined subsequently in the same chapter. After that, it is followed by the research methodology in Chapter 3 which covers the research design, variables in the study, the populations, questionnaire data, collection of data and the techniques use to analyze the data. The two subsequent chapters will discuss the results of the study including the profile of the respondents, goodness of measures and testing of the hypotheses in Chapter 4 and the conclusion, limitations of the study and implication for managers in Chapter 5.

Chapter 2

LITERATURE REVIEW

2.1 Introduction

In this chapter, the relevant literature on influence of packaging attributes towards purchase decision is reviewed and the theoretical framework showing the relationships between these variables is presented. In addition, the hypotheses will be developed and specified at the end of this chapter.

2.2 Review of the Literature

Different researchers emphasized different functions of packaging and some of their studies relate either to logistic or marketing functions (Prendergast and Pitt, 1996). For logistics, the packaging allows the product to be contained, apportioned, unitized and communicated (Prendergast, 1995 as cited in Prendergast and Pitt, 1996). According to Rundh (2005), changes of consumption patterns and habits have resulted in higher demand for innovative packaging solutions in retail outlets. In addition of logistic function, the packaging is now performed an important role in marketing and could be treated as one of the most important factors influencing consumer's purchase decision at the point of sale (Kuvykaite *et al.*, 2009). Analysis of findings from Wells, Farley and Armstrong (2007) clearly indicated that there is a strong association regarding the influence of packaging on purchase decision, with over 73 percent of consumers interviewed stating that they rely on packaging to aid their decision-making process at the point of purchase.

The packaging literature is highly fragmented, no underlying theory of food packaging in marketing has yet been developed. There are many different schemes for classification of packaging attributes shown in the previous research (Kuvykaite *et al.*, 2009). For example, graphic, colour, form, size, material were analyzed as main visual elements, while product information, producer, country-of-origin and brand were treated as main verbal elements of packaging by Kuvykaite *et al.* (2009) to reveal the impact of visual and verbal packaging elements on consumers' purchase decisions.

There were six attributes that must be taken into consideration by marketers creating effective packaging including graphics, colour, size, form, material and flavor (Smith and Taylor, 2004). Whereas, Rettie and Brewer (2000) have divided packaging attributes into verbal (brand slogans) and visual (visual appeal and picture) attributes.

Butkeviciene, Stravinskiene and Rutelione (2008) classified packaging attributes into verbal (brand, product's name, producer or country of origin, information, instruction of usage and special offers) and non-verbal attributes (imagery, graphics, colour, form, size, materials and smell) that may influence the consumer's decision-making process. Vila and Ampuero (2006) and Underwood (2003), in their research have examined two groups of packaging attributes, there are graphic attributes (colour of the packaging, typography, the graphical shapes and images used) and structural attributes (shape, size of the containers, and the materials used) on consumer attention, categorization and evaluation.

On the other hand, according to Silayoi and Speece (2004; 2007), there are four main packaging attributes that can potentially affect the consumer purchase

decision which can be separated into two categories: visual and informational attributes. The visual attributes are graphics and size or shape of packaging, and relate more to the affective side of decision-making. Informational attributes relate to information provided and technologies used in the package, and are more likely to address the cognitive side of decision-making.

In summary, two main blocks of packaging attributes could be identified; visual and verbal attributes. Relying on packaging literatures analyzed, visual attributes are those creations that we can see including graphics, colour, shape, size and packaging material; whereas, verbal attributes relate to, or are associated with words including the information on the package. Each of these attributes will be elucidated further in the following section.

2.2.1 Visual Attributes – Graphics

It is said that a picture is worth a thousand words. According to Underwood, Klein, and Burke (2001), consumers were prone to imagine the tastes, feels, or smells of a product while they were looking at the graphic on the packaging. Therefore, a graphic attribute that attracts consumers at the point of sales will help them make the purchase decisions quickly. Consumers would become frustrated without the many clues provided by the graphics of sales packaging (Prendergast and Pitt, 1996).

An eye-catching graphic will make the product stand out on the shelf and attract the consumer's attention (Rundh, 2009). In a psychology research (Rettie and Brewer, 2000), the recall of pictorial attribute is likely to be influenced by their lateral position on the packaging. Consumers were likely to recall non-verbal stimuli when it

is positioned on the left hand side of the package. This may indicate that pictorial attribute such as visual image should be positioned on the left hand side of the package in order to maximize consumer recall.

2.2.2 Visual Attributes – Colour

Colour is involved in almost every aspect of our daily life. The presence of colour becomes important in packaging design; consumers tended to first notice many products by the packaging colour. When they were looking for a particular product on the shelf, packages with the same range of color would attract their attention better than others (Silayoi and Speece; 2004).

Colour is not only making a product more presentable, it is often used to convey information and it affects how consumer feels on both a conscious and subconscious level. According to Vila and Ampuero (2006), it seems that products that are directed to the upper classes, with a high price and based on elegant and refined aesthetics required cold, dark coloured (mainly black) packaging. In contrast, accessible products that are directed to price-sensitive consumers required light-coloured (mainly white) packaging. While, safe and guaranteed products and patriotic products are associated with red packaging.

In addition, consumers were believed to have colour preferences for various product categories based on their own culture's associations (Grossman and Wisenblit, 1999; UPS, 2009). Understanding consumer views on how the colour attribute plays a role in their purchase decision is critical for food companies competing globally.