
**AN EMPIRICAL STUDY ON THE EFFECT OF PACKAGING ATTRIBUTES
AND BIODEGRADABILITY OF MICRO PACKS
ON THE PERCEPTION OF CONSUMERS**

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Abstract

Packaging design as a vehicle for communication and branding is growing in competitive markets for packaged food products. A major issue however remains the lack of environment friendly material used in these packages. The main material of choice for packaging for sachets has always been plastic because of its benefits of convenience. Infrastructure for recycling or disposal in developing economies however remains limited. The prime objective of the study is to know the awareness level of end users regarding biodegradability of sachets and demonstration of the influence of the packaging attributes of sachets on consumer perceptions and beliefs about a product. The questionnaire was presented to 50 respondents and it was concluded that knowledge and availability of recycling programmes will encourage people to retain and deposit their packages for recycling and reusing.

Key Words: Packaging, purchase intent, biodegradability, recycling.

Introduction

Packaging is the most essential function in value addition of a product in case of fast moving consumer goods industry. Packaging facilitates effective storage and handling of a product during the process of making it available, from the manufacturer to the end customer. Serving as one of the most important function of marketing it also facilitates as the communicator of vital usage details and nutritional information to the customer. The package design of a product acts as a major factor which influences the consumer while deciding upon which product to choose from an available assortment.

For the majority of food products, the protection provided by a sachet is regarded as the primary function of a package and is an essential part of the preservation process (Anin and Ellis, 2010). With a rapid change in the consumer preferences the marketers have to lay focus not only on the product design, quality, pricing and distribution efficiency but also innovation in packaging material. Mr. Pinaki Mukherjee, Lead Consumer Consultant Datamonitor, commented recently that riding on the rapid shift in consumer graphics and spectrum in India, food packaging emerged as the new value differentiator for the FMCG companies in India (Indiaprwire.com, 2012).

An analysis by Datamonitor revealed four prominent trends influencing packaging innovations across various countries, a) convenience of usage, b) freshness and improved shelf life, c) sustainable and environment-friendly, and d) packaging as a tool to position and promotes the brand (Datamonitor, 2012).

Packaging design as a vehicle for communication and branding is growing in competitive markets for packaged food products (Pinya, Mark, 2004). A focus group methodology was used to understand the effect of a package design on the perception of the consumer. The study suggested that visual package elements play a major role, representing the product for many consumers, especially in low involvement products.

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A major issue however remains the lack of environment friendly material used in these packages. The main material of choice for packaging for sachets has always been plastic because of its benefits of convenience. Infrastructure for recycling or disposal in developing economies, however, remains limited. The sort of 'flexible waste' that discarded sachets represent can be an eyesore and a potential long-term environmental nuisance.(sustainable-living.unilever.com). However, plastic packaging has a disadvantage due to its inability of degradation. Recently a court order in the country has put pressure on plastic packaging and has applied restrictions on the use of sachets or pouches that are used to pack a wide variety of consumer products ranging from shampoo to tobacco (Hariharan, 2010).

FMCGs are working hard to solve this issue. Unilever states that their engineers are in an endeavour of setting the task of designing and making sachets that use less material and, wherever possible, material with the lowest environmental impact. The gutka and pan masala industry which was hit by the supreme courts ban on the use of plastic sachets has also come up with alternate aluminium and paper sachet packings. The new packing however, costs them 15-16 paise per pouch compared to 10 paise per plastic sachet earlier (PTI, 2011)

The Indian FMCG sector is the fourth largest sector in the economy with a total market size of US\$ 27.9 billion (IBEF, 2011).The Indian population especially the middle class segment and the rural segment offers an opportunity to the makers of branded products to convert users of traditional products to those of branded ones. The Indian middle class with a base of 300 million displays a vast purchase potential. An average Indian tends to spend around 40% of his income on grocery and 8% on personal products. The large share of FMCG spending in the total individual income is yet another factor that makes India one of the largest FMCG market.

With an increase in the retail competition FMCGs have been adopting a number of innovations in the packaging of goods. These innovations have ranged from single use sachets to micro packaging of goods belonging to the personal care, household care and food and beverages category. Small packaging principally provides an assurance to the consumers of receiving the convenience of storage and handling at any time and at any place. Small sachets of shampoos, ketchup, soaps, pickles, creams etc. are very convenient to carry, generally during traveling (Gupta and Mehra, 2006).

Used by FMCGs as a vehicle to promote their brands, Small packaging is being used by the food industry to provide exact one time dosage to their customers. BRU Coffee's aroma-lock packaging appeals to the staunch coffee lovers, who worried about retaining the aroma upon multiple usages from a single pack. Nescafe's sachet is a one time make sachet intends to help the maker in making a one time cup of coffee. Sachets of food products like sauces, jams, pickles are intended for a one time usage as it saves the consumer from the hassle of preserving these foods. Small packets of biscuits, snacks are well-liked with customers belonging to the lower income segment as they have to shell out a very limited amount of money for a one time requirement.

However it is predicted that the role of packaging in FMCG products especially the food and beverages sector will undergo a lot of changes in the years to come. Although a number of innovations have been bought upon in the packaging of sachets the focus has been more on the attractiveness of packaging, rather than the material. Our industry needs to take inspiration from the developed economies such as Japan, Germany and the US (indiaprwire.com, 2012). Sachets need to become a part of a bigger waste management problem which needs to be urgently tackled by FMCGs. The industry sources point out that switching to alternate sources is not going to be easy. They also state that plastic is the most preferred because of it being environment friendly in terms of energy savings and emission reductions during production and is easily recyclable (www.asianage.com, 2012).

Objectives of study

This paper focuses on the effect of packaging on the consumer perceptions and decision making on purchase of micro packs. The specific objectives of the study were:

1. To understand up to what extent packaging of sachets influence consumer perceptions and beliefs about a product.
2. To know the awareness level of end users regarding biodegradability of sachets.
3. To provide suggestions to the marketers to take strategic measures to make their packaging environment friendly.

Study design and methods

The present study is exploratory in nature empirically evaluates the effect of packaging attributes of sachets on the consumer perception and purchase decision making. For the purpose of understanding consumer's perception towards micro packs, both primary and secondary method of data collection has been employed. Primary data, base been obtained from respondents of Jalandhar with the help of a widely used and well-known survey method. A structured and non-disguised questionnaire containing open-ended, close-ended, dichotomous and likert scale based questions has been used to collect the data from 50 respondents belonging to various cities of Punjab such as convenience sampling has been used to select the respondents. The data collected has been analysed using certain statistical techniques.

Results and Discussion

The original problem is to be able to predict the extent to which packaging of sachets influences consumer perceptions and beliefs about a product and to know the awareness level of end users regarding biodegradability of sachets.

In order to fulfill the first objective of understanding the effect of packaging attributes on the consumer perception the respondents were asked certain questions which helped highlight their perception about various aspects of a package. Firstly the respondents were asked that did they think that supermarkets should cut down on the packaging they use, and sell more fair-trade (open) products, on which 70% of the respondents replied in negative and 30% in positive which clearly indicates that people prefer packaged products to unpackaged ones.

The respondents were asked that if a sachet that they were buying had a unique / attractive packaging, how they tended to react. 40% of the respondents replied that they usually stick with their favorite brand regardless of another brand's packaging, 20% replied that they check out another brand with unique packaging, 20% said that they check out another brand with unique packaging if it mentions the word "Improved", 10% said that they check out the uniquely packaged product and 10% said that they do not spare time to read much on a label about a product or the packaging attractiveness.

The respondents were then asked that while purchasing did they stop in between to pay attention the package designs of all the displayed products? 60% of the respondents replied that they paid attention only to the brand they purchased. 30% stated that paid attention to the package attractiveness of all the products and 10% said that paid attention only to find out if any product has some special offer.

The respondents were asked to rank what they thought was the most attractive aspect of packaging of a sachet. Attractive colour schemes emerged as the most important aspect followed by, Easy to read instructions, Easy to read ingredients, Easy to read product price and other manufacturing details, Package quality/material, Package design that will facilitate in easy carrying of product while travelling and finally recyclability of a product. This certainly highlights that consumers desire a package to be attractive and communicative but are hardly bothered about its safe disposal or recyclability.

When asked that which aspects of a package inspired them to buy a product, 35% said their main inspiration was bright and colourful package design, 30% opted a package because of light colours with clear wordings, 20% for sealable/reusable packing, 5% for recyclable packaging and 10% for none of the above, which again highlights that recyclable packaging has the least importance for the consumer.

The respondents were asked that did they think that companies in India should have some recycling program for plastic sachets. 80% of the respondents replied that would want the companies to have such programmes and also educate customers about the proper disposal of sachets. 20% replied that they did not bother about such initiatives on the company's part.

The respondents were finally asked about any issues or challenges which they faced with the current packaging? Forty (40)% replied that they had difficulty in opening sachets especially shampoo sachets as they tend to become wet, 25% complained about the slippery aspect of sachets, 20% urged that the packing should be sealable, 10% stated that the material used must be recyclable 5% complained about the unattractiveness of the packaging of certain sachets.

Recommendations

FMCGs need to adapt certain strategic measures to make their package environment friendly. Mentioned below are certain suggestions:

1. Creative and innovative solutions can be found that can add value to this seemingly valueless material and at the same time prolong its life by recycling it into other products like plastic bags, sheets.
2. Companies can encourage customers to collect and deposit with the retailer a fixed number of empty sachets (20 or more) and get a free off coupon valid for on the next purchase.
3. FMCGs can install special bins in different parts of a city especially for discarded sachets which can be collected later and recycled.
4. Simple leaflets can be distributed along with sachets informing customers about certain collection points of discarded sachets so that the disposal problem can be handled.
5. Apart from this sealable micro packs can be introduced for comfortable handling as well as storage.
6. Shampoos, oils, creams can be introduced in small bottles instead of sachets.

Recent years have witnessed an increase in the awareness of environment issues especially in the developing economies. An educated customer base certainly understands issues of environment and makes right choices about various manufacturers and suppliers. FMCGs will have to face this challenge and make their product packaging more environment-friendly and biodegradable. All this effort will also requires the economic and technical backup of the government. Knowledge and availability of recycling programmes will encourage people to retain and deposit their packages for recycling and reusing.

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