

# IMPACT OF PRODUCT PACKAGING AND LABELLING ON CONSUMER PURCHASE INTENTION OF SOFT DRINKS

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**Abstract:** Packaging and labelling plays an important role in the final stage in the purchase cycle of consumers, which is the decision to actually make a purchase. The main aim of the study was to examine the impact of packaging and labelling on the consumer purchase intention of soft drinks and the factors that contribute to this purchase intention. In this study, the factors being examined and analyzed are Package Colour, Package Design/Shape, Package Creativity, Product Information and the Quality of Packaging Material. Data was collected through questionnaires for primary responses from 242 respondents. The data was analyzed with the use of descriptive statistics, correlation and regression. Results show that the dependent and independent variables have a positive correlation, with package colour having the highest correlation with purchase intention, while package creativity and material quality have moderate correlation and package creativity and package design/shape has a low correlation with the purchase intention of the consumers. The findings thus present valuable information for future researchers and marketers to develop suitable strategies for impacting and enhancing the consumer purchase intention of soft drinks.

**Keywords:** Consumer Purchase Intention, Package Colour, Package Design/Shape, Creativity, Product Information, Quality of Packaging Material

## I. Introduction

Today, there is a growing preference among consumers for packaged over loose form of goods due to increase in the attention being given to the aspect of hygiene and sanitation when it comes to food items. This preference among consumers today has given a push to the significance that packaging holds in the marketing mix of products.

This aspect is being given great importance by marketers in order to understand their customers and be able to serve them better, meet their needs better and gain a competitive edge in the market place, where the consumers have numerous alternatives to choose from. Hence, packaging serves to attract consumers through innovation and creativity in their packaging and provide information through the labelling of the product, that is a part of its packaging. The place of packaging in marketing has become entirely significant since it is one of the channels through which companies can capture consumers to take notice of products.

It is important to learn the changing phenomenon in the market place today and understanding the working behind the behaviour that we as consumers portray subconsciously will prove to be interesting as well as helpful in any further endeavours

## II. Literature Review

Table 1 : Summary of review of literature

Author	Country of Study	Sample Size	Statistical Tools	Important Findings
Harsha Vardhan G. and Dr.Amulya M.	India	300	Descriptive method	Due to growth of health and lifestyle consciousness, verbal elements of labelling have a great level of significance
Pinki	India	100	Descriptive method	Among each of the studied variables, material had the most importance with plastic package has highest selling impact
Ahmed Rizwan Raheem, Parmar Vishnu, KhosoImamuddin, Ahmad Nawaz	Pakistan	100	Descriptive, Correlation, Regression	Packaging material has direct impact on consumer purchase decision for normal products, and in case of food items the information has highest priority
V. Anojan& T. Subaskaran	Sri Lanka	300	Correlation and Multiple Regression	Price was found to be the most importance component of the mix in influencing consumer buying behaviour

Vickie Lynn VanHurley	USA	39	Descriptive method	The main findings of the study indicated that the colours red and blue were more likely to induce purchases than yellow, orange, green or purple. It was also concluded that yellow as a packaging colour was least likely to lead to purchases
MaheraMazhar, SayedaDaud, Sana Arz Bhutto, Muhammad Mubin	Pakistan	300	Descriptive method, Correlation	Packaging plays a vital role in attracting consumers towards any product, reduces the marketing and advertisement cost of the product and increases its sale.
Jusuf Zekiri, VjollcaVisokaHasani	Macedonia	395	Descriptive method	Factors such as quality of the packaging material, innovation and practicality, and the package design seem to be the most important on product selection during buying process
Nawaz Ahmad, MohibBillo, AsadLakhan	Pakistan	50	Anova Test	Colour of a product's packaging is the most significant characteristic, followed by the picture or the image on the product packaging.
Jeffrey R Pohtam, Pradeep Kr. Deka and Chandan Dutta	India	44	Descriptive method	Packaging holds the importance of conveying the product's distinctive value and works as an instrument for differentiation, and helps consumers decide on a product from a range of parallel products
Muhammad Faisal Sultan	Pakistan	456	Chi-Square & Multiple Regression analysis	The nutritional information which is associated with verbal elements of packaging does not have any impact on the selection of chocolate brand, while design of packaging is the only element which does not have impact on consumer buying behavior associated with the purchase of chocolates
Misbah Ehsan, Samreenlodhi	Pakistan	250	Descriptive method	Packaging is considered as the utmost form of advertising at the very crucial point of purchase in the entire purchase journey. It reflects the level of creativity, innovation, modernism, cutting-edge qualities the brand might possess
Mitul M. Deliya&BhaveshkumarParmar	India	150	Descriptive, Correlation, Regression	Packaging has a better reach than advertising does and performs an important role in marketing communications, treated as one of the most important factors influencing consumer's purchase decision
Imran Mehraj Darand HeemanshuVishwakarma	India	150	Descriptive method	There is found to be a great necessity for productive product promotion, and the product packaging has a consequential role to play
Rashid Saeed, Rab Nawaz Lodhi, Abdul Rauf, Muhammad Iqbal Rana, Zahid Mahmood and Moeed Ahmad	Pakistan	100	Anova Test, Regression	Labelling is the main source which provides information at the time of purchase. Labelling motivate and stimulate the consumers to make impulse purchases.

Rizwan Raheem Ahmed, Vishnu Parmarand Muhammad Ahmed Amin	Pakistan	150	Descriptive method, Correlation	Elements of packaging are the most important for consumer's purchase decision, a major part of consumers' attraction was a size of package and material are the main visual elements, whereas, product information is also the main verbal elements
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## 2.1 Objectives of the Study

- To check the impact of packaging and labelling of soft drink on purchase intention of consumers.
- To assess the effect of visual aspects of packaging of soft drinks on consumer purchase intention.
- To understand the relative importance of package and labelling to consumers.

## 2.2 Hypotheses

The following are the Hypothesis for the study:

H0: The 5 independent variables (Package Colour, Package Design/Shape, Creativity, Product Information, Quality of Packaging Material) do not have a positive impact on the consumer purchase intention of soft drinks.

The following are the Alternate Hypothesis for each of the variables:

H1: Packaging colour has a positive impact on the consumer purchase intention of soft drinks.

H2: Package design/ shape has a positive impact on the consumer purchase intention of soft drinks.

H3: Creativity has a positive impact on the consumer purchase intention of soft drinks.

H4: Product information has a positive impact on the consumer purchase intention of soft drinks.

H5: Quality of packaging material has a positive impact on the consumer purchase intention of soft drinks.

## 2.3 Conceptual Framework

Figure 1: Packaging and Labelling:



We have chosen the following variables to focus on in my study:

- Colour- Colour plays an important role in a potential customer's decision making process, certain colours set different moods and can help to draw attention and the contrast in colour in the background can help attract the consumer's attention. The primary and secondary packaging colour can help create a connect between the consumer and his preference to the product.
- Package design/ shape- It not only helps marketers in making their product unique but also helps them in highlighting their brand name more effectively by maintaining its individuality and identity in shelves, and the shape of the pack determines the level of convenience it provides in the product's consumption. While purchasing soft drinks, the shape of the drink package will attract consumers with the uniqueness of the design and/or the convenience in its consumption.
- Creativity- this helps increase the attention that the product grabs through its packaging by keeping the packaging from becoming monotonous or boring for the consumer. Soft drinks have been seen in the market in creative packs eg. Frooti came up with a triangular tetra pack of the drink, which was different than the existing designs.
- Package labelling and product information – A label is the first contact a potential consumer will have with a product. Today, an increase in concerns towards health also increases the importance of labelling and now it is the duty of manufacturing company and marketers to include product information in order to ease purchase decision. The labelling on soft drink packages provides the consumer with information about the product.
- Quality of packaging material- The safety of packaging materials used in direct contact with food is of critical importance. Quality assurance of the packaged food and therefore the guarantee of consumer safety will always have priority. Soft drinks come in a number of packages of different materials i.e. tetra packs, glass bottles, plastic bottles, plastic pouches.

### Purchase Intention:

- Purchase intention is a kind of decision-making that studies the reason to buy a particular brand by consumer (Shah et al., 2012). For the purpose of my study, I will be focussing on consumers' purchase intention of soft drinks. Morinez et al. (2007) define purchase intention as a situation where consumer tends to buy a certain product in certain condition. Purchase intention usually is related to the behaviour, perceptions and attitudes of consumers.

### III. Research Methodology

- Coverage: the study I will undertake will be done taking a sample size of 350 consumers, on the basis of convenience sampling, taking into count consumers within the city of Bangalore who make purchases at retail stores.
- Data Collection: the research will include Primary as well as Secondary Data for the study. Primary source will be the consumers of Bangalore from whom data will be collected through questionnaires on the research topic chosen. While secondary data will be collected through previously conducted research and studies through papers, articles, journals etc.
- Data Analysis: the data collected will be analysed with the use of regression and correlation to study the relationship between the independent variables (package colour, design, creativity, product information and material quality) and the dependent variable (consumer purchase intention). Descriptive statistics such as Charts, Graphs, Mean, Median, Mode will also be used for the data analysis.

### IV. Data Analysis and Interpretation

#### 4.1 Correlation Analysis

Table 2: Correlation Analysis

		Purchase Intention	Colour	Package Design/ Shape	Creativity	Product Information	Quality Of Packaging Material
Purchase Intention	Pearson Correlation	1	.711**	.121	.196**	.061	.266**
	Sig. (2-tailed)		.000	.060	.002	.347	.000
	N	242	242	242	242	242	242
Colour	Pearson Correlation	.711**	1	-.043	.105	.047	.203**
	Sig. (2-tailed)	.000		.504	.102	.466	.001
	N	242	242	242	242	242	242
Package Design/ Shape	Pearson Correlation	.121	-.043	1	.039	.035	.131*
	Sig. (2-tailed)	.060	.504		.542	.592	.042
	N	242	242	242	242	242	242
Creativity	Pearson Correlation	.196**	.105	.039	1	.088	.065
	Sig. (2-tailed)	.002	.102	.542		.172	.315
	N	242	242	242	242	242	242
Product Information	Pearson Correlation	.061	.047	.035	.088	1	.128*
	Sig. (2-tailed)	.347	.466	.592	.172		.047
	N	242	242	242	242	242	242
Quality Of Packaging Material	Pearson Correlation	.266**	.203**	.131*	.065	.128*	1
	Sig. (2-tailed)	.000	.001	.042	.315	.047	
	N	242	242	242	242	242	242

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

- Table 2 shows a comprehensive analysis of the correlation between the dependent variable i.e. consumer purchase intention and the independent variables i.e. package colour, creativity, design/shape, product information and the quality of package material.
- It can thus be established that there is a strong positive relationship between the first two variables i.e. purchase intention and colour since the Pearson  $r=0.711$  and the  $p < 0.01$  at 99% significance level. This means that consumers' purchase intention is strongly influenced by the colour that catches their eye the most. The consumer is attracted towards catchy colours of the package. Such packages are more likely to drive consumers to make a purchase of the soft drink.
- There is a positive correlation depicted between the consumer purchase intention and the creativity of the soft drink packages since the Pearson  $r = 0.196$  and the  $p < 0.01$  at 99% significance level. The creativity of the packages of soft drinks has a positive impact on the purchase intention of consumers, however the level of impact is relatively low. The amount that creativity catches the eye of the consumer and induces him to decide to make the purchase is directly related.
- The analysis above shows a positive correlation between the purchase intention of consumers and the quality of the packaging material of soft drinks since the Pearson  $r = 0.266$  and the  $p < 0.01$  at 99% significance level. The quality of the material used in the packaging portrays the sturdiness in the consumption of the drink with its package, and relates to the amount of convenience and ease it presents the consumer with in the holding and consuming the product. Hence, the consumer considers the sturdiness of the type of package he considers purchasing and making his decision.

- There is no correlation of purchase intention with the variable of package shape/design of the soft drink since the  $p > 0.05$  at 95% significance level. This shows that the consumers don't take the factor of the shape or design of the package into consideration while making their decision to purchase a soft drink in comparison to the other factors that have been considered in the study.
- Purchase intention doesn't have any correlation with the variable of product information on the package since the  $p > 0.05$  at 95% significance level. Consumers pay attention to the various details printed on the product package, but do not base their decision to make a purchase of a soft drink on it.

#### 4.2 Regression

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.743 <sup>a</sup>	.552	.542	.6903
a. Predictors: (Constant), QUALITY OF PACKAGING MATERIAL, CREATIVITY, PACKAGE DESIGN/ SHAPE, PRODUCT INFORMATION, COLOR				

- Interpretation: The above table shows an analysis, showing a regression coefficient R Square at .552, which implies that there is a relation between the independent variable (consumer purchase intention) and the five dependent variables (colour, design/shape, creativity, product information and quality of package material). The coefficient of determination (R<sup>2</sup>) of 0.552 signifies that 55.2% of the total variances for the valuation of Consumer Purchase Intention of Soft Drinks are explained.

#### 4.3 Analysis of Variance

##### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	138.362	5	27.672	58.075	.000 <sup>b</sup>
	Residual	112.452	236	.476		
	Total	250.814	241			

A. Dependent Variable: Purchase Intention

B. Predictors: (Constant), Quality of Packaging Material, Creativity, Package Design/ Shape, Product Information, Colour

Interpretation: From the above ANOVA table we can observe that the F value is 58.075 and the  $p < 0.05$ , therefore, it can be concluded that the regression is statistically significant. The independent variables amount to a significant variance in the dependent variable.

#### 4.4 Hypotheses Testing

1. The alternate hypothesis i.e. H1 was accepted since packaging colour has a positive impact on the consumer purchase intention of soft drinks.
2. The alternate hypothesis i.e. H2 was rejected since package design/ shape does not have a positive impact on the consumer purchase intention of soft drinks.
3. The alternate hypothesis i.e. H3 was accepted since creativity has a positive impact on the consumer purchase intention of soft drinks.
4. The alternate hypothesis i.e. H4 was rejected since product information does not have a positive impact on the consumer purchase intention of soft drinks.
5. The alternate hypothesis i.e. H5 was accepted since quality of packaging material has a positive impact on the consumer purchase intention of soft drinks.

#### V. Findings and Suggestions

From the analysis and interpretation of the data, the obtained results of the study lead to reaching the following findings and suggestions:

- The colour of the package of soft drinks has been proven to have a positive impact on the consumer purchase intention. The results of the analysis carried out show that colour has the strongest positive relationship with consumer purchase intention of soft drinks. The colour combinations used for different variants and flavours of the soft drinks available have an impact on the consumer purchase intention and their taste evaluation of the soft drink, thus playing a strong and positive role in driving the consumers to make a purchase of the soft drink. Therefore, soft drink companies must pay attention to their packaging in terms of the colours used in the packaging to attract more consumers and induce them to make purchases.
- The shape/design of the package of soft drinks does not portray a positive relationship with the purchase intention of consumers. The two variables do not show a correlation, leading to the finding that the type of design or shape that the package is in does not induce the consumers to make a purchase of the soft drink, and does not directly impact the consumer purchase intention of soft drinks.
- Creativity in the packaging of soft drinks has a positive impact on the purchase intention of the consumers. A highly creative package is quicker in catching the eye and attention of consumers and leads to a purchase of the soft drink on this basis. Creativity in packaging has a greater hold on the minds of the consumers and creates a positive impression, encouraging its purchase. Soft drink companies should thus place weightage on bringing about innovation in the creative packaging of the soft drinks which will result in greater purchases by the consumers since it has proven to be a driving factor.

- Product information on soft drink labels does not have a direct impact on the purchase intention of consumers. Labels on the soft drink packages present the consumers with information and facts about the product. Though it has been observed that consumers pay attention to a number of items on the labels for product information, it is not a driving factor in inducing purchases and does not directly impact the consumer purchase intention of soft drinks.
- The quality of the package material has resulted in having a positive impact on the consumer purchase intention of soft drinks. Consumers tend to relate sturdiness of the material to quality, which induces them to make purchases along with impacting their willingness to pay. Consumers intend to purchase the soft drink with a quality in its package since they wish to get the most out of their purchase, and hence becoming willing to pay more if they feel they are getting more. Therefore, there is a need for throwing light and attention on keeping the quality levels up in terms of the materials used for soft drink packages in order to produce increased intentions of consumers to make purchases of soft drinks.

### 5.1 Conclusion

The purpose of this study is to determine the influence that various factors/variables have on the consumer purchase intention towards soft drinks. There is a positive relationship between the dependent variable i.e. consumer purchase intention and three of the independent variables, while no direct relationship was seen between package design/shape, product information with consumer purchase intention towards soft drinks. Analysis showed that colour, creativity and quality of packaging material have a positive relationship with consumer purchase intention of soft drinks with colour having highest level of impact. Results achieved through the analysis study indicate towards the idea that marketers should place importance and invest more time and efforts on developing and innovating in the areas of the three variables having positive impact on the purchase intention of consumers. Such directed efforts will help in giving a push in the right direction in terms of the intention to purchase soft drinks.

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