SME PRODUCT PACKAGING: HOW TO ATTRACT CONSUMERS?

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ABSTRACT

Purpose: The two elements that are discussed in this research include visual elements (packaging color, packaging design and packaging material) and information elements which includes packaging font style and printed information. The importance of these elements that influence consumer purchase intentions is investigated. The research objectives are to determine the relationship between visual packaging elements and information elements which influence consumer purchase intentions.

Design/Method/Approach: Quantitative methodology was used in this research, and data were collected through questionnaire surveys. Three hundred eighty-one (381) respondents participated in the study. Data were collected randomly from customers of two supermarkets in Selangor.

Findings: The data collected were analysed using SPSS (ver.22), and the results concluded that the most influential elements on food packaging are the font style and the packaging materials. Research limitations: The study looked into the packaging of the SME food products in Selangor. Different states may have different local products sold at their supermarkets, thus may affect the outcome of other states in the country.

Practical implications: Food businesses need to be careful about the style of font and materials used on their food packaging. Using the right and appealing packaging would attract potential consumers and probably engaged them for repurchase intentions.

1. Introduction

The packaging is vital due to its essential function to protect a variety of products. It is utilised to secure a wide range of items such as to shield nourishment from germs and microscopic organisms. Many types of materials are used as containers, compartments, and plastic sacks, all here and there to secure the sustenance of food products and viewed as a type of packaging. The packaging is also characterised as the innovation and speciality of setting up an item for appropriate transport, stockpiling and sale (Jahre and Hatteland, 2004). Packaging can be considered as an essential piece of elements and is the principal purpose of contact with the brand for a buyer (Rundh, 2005). Packaging, in general, is to allure the motivation of individuals and to speak to the client at that point and tempt them. Mohebbi (2014) contended that to keeping the product safe and ease it for transportation, the packaging is contemplated as a successful tool which can also promote sales. Moreover, Krishna (2017) mentioned that visual emphatic of the product to attract consumer attention and generate interest were created from various ways of packaging. The reason for this is that it is because packaging plays a determining role in marketing communication (Javed & Javed, 2015).

Additionally, to identify and differentiate products to the consumers, good packaging needs to be introduced by the company (Zekiri & Hasani, 2015). Even though a consumer enters a store intending to purchase specific products based on a shopping list, 70% of all brand and purchase decisions are made in-store at the moment of buying (Kauppinen-Raisanen, 2014). Keller (2001) states that within 30 minutes of the shopping session, customers were exposed to more than 20,000 product choices. Hence, to stimulate customers buying behaviour (Wells, Farley & Armstrong, 2007), the packaging is a part of an exceptional incentive to items (Underwood, Klein & Burke, 2001; Silayoi & Speece, 2004). It acts as a tool for the distinction that will encourage the consumer to pick the item from a wide variety of comparable products (Wells, Farley & Armstrong, 2007). On another note, Krishna, Cian and Aydinoglu, (2017), stated that sensory marketing which involved touch, smell, sight, taste and sound, can also affect attention, emotion, perception and consumption of the product. It usually consists of the use of packaging, which includes the package itself and the imagery and design with a decorative color palette that will boost the enthusiasm among consumers for the product (Kumar, 2017).

Having the right product with the right ingredients and package will create reasonable consumer expectations and eventually better return. According to studies on purchase intention, it is the ability to purchase and is generally characterised as the probability of a shopper to buy an item or administration (Dodd & Supa, 2011; Sam & Tahir, 2009). Parengkuan (2017) defines

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purchase intention as a circumstance where the buyer will, in general purchase a specific item within a specific condition. Purchase intention typically identified with the conduct, observations, and dispositions of buyers. Purchase intention also falls under pre-purchase behaviour. The pre-purchase tasks are at the underlying phase of the necessary leadership process and when somebody has been stirred to buy (Estiri, Hasangholipour, Yazdani, Nejad & Rayej, 2010). These tasks are unmistakably significant for both consumers and advertisers (William, 1994). This stage comprises two noteworthy parts; the acknowledgement of the issue and the mindfulness that the arrangement may appear as filling specific necessities through a purchase (Estiri et al., 2010). After acquiring data and finding out about choices, purchasers characterise a lot of determinant properties (Alpert, 1971) to use to compare and assess a product. That is the reason why purchase intention falls under pre-purchase behaviour.

There is numerous analysis that has been done of the components of packaging and its effect on choices of customers (Silayoi & Speece, 2004; Silayoi & Speece, 2007; Butkerciene, Stravinskiene & Rutelione, 2008). There have been others also who concentrate on independent components and their impact on consumer buying behaviour (Underwood et al., 2001). Moreover, a few analyses examined the effect of the package and its components on consumers’ overall purchase decision (Underwood, 2003). However, the scientific literature on this issue does not provide a unanimous answer concerning the packaging elements on consumer purchase intentions. Thus, the following discussion in this research is to examine how this packaging influences consumer purchase intentions. It could be valuable to conduct research that presents the opportunity to combine theoretical and managerial aspects. By focusing on the elements of packaging on consumer purchase intentions according to their generation by evaluating two characters, they have been found to be significant in the decision-making processes of purchasing (Silayoi & Speece, 2004). Such characteristics are visual elements (packaging color, packaging material and packaging design) and information elements such as packaging font style and printed information (Estiri et al., 2010; Waheed et al., 2018).

In Malaysia, small and medium enterprises (SMEs) are vital since they have been the pillar of economic growth in the country. It has driven industrial development from time to time. The latent of SMEs is to encourage domestic-led growth in fresh and present industries and to fortify the elasticity of the economy in a competitive environment is inarguable (Koe, Omar & Sa’ari 2015). Unfortunately, the recently released information of the Department of Statistics of Malaysia (2018) has shown that the total numbers of SMEs have declined from 17,157 companies in 2010 to 16,893 companies in 2011. Sustainability of the SMEs has always been a national issue by all governments.

In Malaysian manufacturing sector, SMEs have been involved in activities such as the production of raw materials, processing such as food, beverages, textiles, and petroleum (Chelliah, Shankar, Sulaiman, and Mohd Yusoff, 2010). In 2017, these manufacturing sectors have contributed to 6.8% of the total GDP (Department of Statistic Malaysia, 2018). There must be a cause for the low contributions rates of production coming from the SMEs manufacturing sectors. According to Ismail, Masood and Tawab (2012), customers are more likely to value and admire global products compared to SMEs products and favor such products as a status symbol. The study also shows that buyers’ value global brands specifically for their expected high in quality and significant image (Nguyen, Barrett and Miller, 2011). Product characteristics from packaging have a considerable influence on the quality judgments, and these have become a factor in the development of brand preferences (Olawepo & Ibojo, 2015). If the package signifies superior in quality, customers will often assume that the product or brand is also high quality. But what elements contribute to a high-quality packaging?

Product packaging has several elements that can draw consumers and escalate their purchase intentions (Olawepo & Ibojo, 2015). Based on the Silayoi and Speece (2004) model and study (Silayoi & Speece, 2007), there are five cores of packaging elements that can affect customer purchase decisions. It can be divided into two groups: the visual element and the informational element. Graphic, shape and size of packaging consist of the visual elements. It is regularly connected to the affective part of the decision-making process. Informational details are closely related to the information delivered and technologies used in the product packaging. It is often to be addressed as the cognitive side of decisions.

Based on Rundh (2005) studies, packaging of a product draws purchase intentions of customers to a specific brand, enriches its image, and influences opinions of customers about the product. Product packaging also delivers unique value to products (Silayoi and Speece 2004); it works as a tool for product differentiation. For instance, to help the customers choose a product from similar product variations and stimulates consumers purchasing behaviour (Wells, Farley Armstrong, 2007). Therefore, the packaging is essential in marketing communication. Any kind of business that manages to display or project their product image through packaging in a desirable manner can help them create a competitive advantage in the market. Thus, this study can help SMEs to develop their product packaging and hit the right element to increase consumer perception about their product quality and images. Therefore, this research investigated the effect of packaging elements on consumer purchase intentions. What do consumers want in their product packaging? Does the visual and informational element play a role to attract customers to buy food product?

2. Literature Review

2.1 Visual elements

Packaging assumes a conclusive job in promoting correspondence (Javed & Javed, 2015). People are usually selective to varied visual elements. Effectively communicating is an essential part of instructional design, and visual display plays a critical role in most instructional media (Brown & Green, 2011). The correspondence interface between the producer and
the buyer and it is made of two sections: shape and structure configuration (structure and shape) and outside visual computerisation (shading, typography, and decoration) (Jeng, 1991). In reality, investigating the impacts of visuals on learning is getting to be significant, given the expanding number of illustrations utilised in instructional materials (Anglin, Vaez & Cunningham, 2004).

2.2 Packaging color

Color plays a vital role in a potential decision making of customers process; specific colors set various states of mind and can draw consideration (Deliya & Parmar, 2012). Different colors also symbolise different interpretations of consumers. For example, orange, yellow and purple have different connotations according to consumer perception and culture. According to Singh (2006), color perceptions vary across cultures, and most of the religions believed to have their sacred colors.

2.3 Packaging material

Any material could be utilised to ensure a product-packaging lining. However, customers have different choices regarding packaging material. High-quality packaging attracts customers better than low-quality packaging (Deliya & Parmar, 2012). The first purpose of packaging is to defend the product against possible harm while transferring, loading, selling, and misusing a product (Gonzalez, 2007). Package structure and development assume a critical job in deciding the timeframe of realistic usability of a nourishment item. The correct choice of packaging materials and innovations keeps up product quality and freshness during dispersion and capacity (Marsh & Bugusu, 2007). Materials that have generally been utilised in packaging include glass, metals (aluminium, thwarts and overlays, tinplate, and sans tin steel, paper and paperboards, and plastics. Also, a more extensive assortment of plastics has been presented in both unbending and adaptable structures.

2.4 Packaging design

Packaging design is another crucial part of a product, especially for a new existence in the industry. Packaging design includes the fonts, layout and colors used on the product. The scenario nowadays has changed the packaging design not only to protect the merchandise from possible harm but also to encourage purchases; in other words, some consumers select their product based on packaging design. Therefore, based on Gonzalez (2007), the starring role of set in marketing communication is, it must attract the attention of consumers and transmit the fair value of the product to a consumer in the short period right in the place of sale. Furthermore, according to Hill & Tilley (2002), the preferences of consumers become more crucial and diverse, while packaging design becomes the highest means of product branding. There is a requirement to discover the sets and their components to recognise, which of these elements are vital for purchase intentions,

2.5 Information elements

An information element can have core functions as well as outward functions. Clienteles are recipients of product and services delivered by an information element on it. While most of the study emphases on the influence of visual factors, such as color, shape and pictures (Rettie, and Brewer, 2000; Underwood, 2003), the informational elements such as nutritional information, brand elements and food label are progressive as attractive and significant in influencing purchase intentions because of the purchaser as shoppers dishonourable their judgement on the details for or for not buying on material provided on the authentic bundle. An information element can produce many categories of services and products based on its design, and a useful information element needs to gratify the expectations of consumers.

Based on the guideline of World Health Organization (WHO) on Packaging of Pharmaceutical Products (2002), informational packaging design elements offer relevant evidence, for instance, the strength, designation, amount and period of use (related to the ending time). The awareness about the significance of informational packaging has been identified due to the better education of purchasers, production process, material compositions, health awareness and the requirement to connect exclusively effective memorandums about the actual product, and predictable nutritional achievements amongst others.

2.6 Packaging font style

The most important element of packaging is the font style. According to Mutšikiva, Marumbwo & Mudondo (2013), it is a crucial part that suitable font styles with a right arrangement are used to make the product more outstanding. The font on the product packaging plays a vital role to influence consumer purchase intention; it also plays an effective communication toward consumers. Based on Mutšikiva, Marumbwo & Mudondo (2013) the dialogue on packaging font styles will be only useful if the company uses the right content with the correct font styles on it. Nayyar (2012) stated that after color and shape on the packaging, font styles are crucial and the essential part of the packaging that will lead to consumer purchase intentions. According to Juni & Gross (2008), font style can interact with the emotional qualities of text to influence persuasion. The finding that belief will improve when a font style is consistent with the content of the message suggests the usefulness of font style as a graphic design element in creating persuasive marketing communications.
2.7 Printed Information

Printed information consists of all the data related to the product such as price, quality, and product description, which can help consumers to identify a product. It is one of the most noticeable parts of the product and a significant element in the marketing mix (Shah, Ahmad & Ahmad, 2013). Printed information was designed to draw the attention of customers and motivate them to purchase the product (Kuvykaite, Dovaliene, & Navickiene, 2009). In their studies, Kupiec and Revell (2001) discovered that shoppers and buyers give more consideration to printed information when buying high involvement products. Still, for low involvement products, they tend to pay more attention to visual appeal. For something extraordinary, customers tend to seek more information about the product on the printed information available.

Informational elements of packaging play an essential role in the decision-making process (Kuvykaite et al., 2009). Appropriately conveyed information on the packaging strongly affects purchase intention of the customer, as this information lowers the uncertainties and creates product credibility (Silayoi & Speece, 2004). According to (Coulson, 2000) when customers buy health-related products, they read the printed information on the product. Customers are turning into more cautious shoppers and have been discovered to give more consideration to the label information as well as using the packaging information more extensively, as they are more concerned about their health and nutrition intake. Eldesouky & Mesias (2014) found that customers are paying more attention to nutritional information, followed by price, expiry date and brand name when reading the printed report of the product. Imiru (2017) clarify that packaging might be the only way for a product to communicate with the consumer in the store. Thus, printed information can help customers to make the right decision while purchasing a product.

2.8 Consumer Purchase Intentions

Purchase intention refers to the consumer preference to purchase the product or service. In simple meaning, purchase intention has an additional criterion that the customer will buy the product after they evaluate them. While choosing the product, many features affect the purchase intention of the customer, and the final decision depends on the purchase intention of customers with substantial exterior factors (Keller, 2001). Various aspects projected intention of buying, which is the perception of the customers, customer knowledge, product design or packaging and celebrity endorsement. Moreover, Rao and Monroe (1988) contended that understanding of the product is the critical aspect in customer purchasing decisions. The packaging of the product in which one believed is modest with a simple outlook, and second, believed is to provide eye-catching packaging. Younus, Rasheed, & Zia (2015) said these features are also essential and can have an impact on consumer purchase intention.

3. Methodology

3.1 Research design

In this study, correlational research in a non-contrived setting was engaged to determine the relationship between the variables and concepts. Unit of analysis is the individuals of customers that purchase packaged food products. The data were gathered from individual customers from two supermarkets, namely Tesco, Puncak Alam and Urban Fresh, Setia City Mall, which was in the heart of Selangor.

Researchers often need to estimate the characteristics of a large population (Hair, 2007). Thus, using the table by Sekaran & Bougie (2013), the sample size was determined from the total population of Puncak Alam, which is 381. Nesbary (2000) suggested that the larger the sample size, the higher the probability the sample will represent the population.

3.2 Instrumentation

The questionnaire was constructed into three significant parts that contain seven sections. Each of the elements included questions regarding the variables to suit the research objective. The first part, which consists of Section A was designed to gather the demographic profile of the respondents. The second part which consists of Section A, Section B, Section C, Section D, Section E and Section F was designed to assess the view of the respondents of the packaging elements that would influence the customer purchase intention (Table 1). The third part of the questionnaire, which consists of Section G, was designed to determine whether those elements develop purchase intention of customers.

<table>
<thead>
<tr>
<th>Sections</th>
<th>No. of Question</th>
<th>Scale</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section B: Packaging</td>
<td>5</td>
<td>Level of agree 5 points interval scale from 1= strongly disagree to 5= strongly agree.</td>
<td>Waheed et al., 2018; Researcher</td>
</tr>
<tr>
<td>Colour</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section C: Packaging</td>
<td>5</td>
<td>Level of agree 5 points interval scale from 1= strongly disagree to 5= strongly agree</td>
<td>Waheed et al., 2018; Researcher</td>
</tr>
<tr>
<td>Material</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.3 Pilot study

The pilot study was carried out among UiTM residents. Around 36 respondents were selected randomly as the subject to participate in the pilot study. Comments were taken regarding the format, length of words, biases, and language error to ensure the questionnaire is understandable and valid. The reliability analysis is in Table 2.

Table 2: Reliability test results for pilot study

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Cronbach Alpha</th>
<th>N of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging Colour</td>
<td>0.630</td>
<td>5</td>
</tr>
<tr>
<td>Packaging Design</td>
<td>0.758</td>
<td>5</td>
</tr>
<tr>
<td>Packaging Material</td>
<td>0.701</td>
<td>6</td>
</tr>
<tr>
<td>Printed Information</td>
<td>0.864</td>
<td>5</td>
</tr>
<tr>
<td>Font Style</td>
<td>0.843</td>
<td>6</td>
</tr>
<tr>
<td>Customer Purchase Intention</td>
<td>0.726</td>
<td>5</td>
</tr>
</tbody>
</table>

4. Data Analysis and Results

4.1 Descriptive statistics

In total, 381 respondents participated in the study. The description of the respondents is in Table 3.

Table 3: Respondents demographic (n=381)

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>158</td>
<td>41.5</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>223</td>
<td>58.5</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 – 29</td>
<td>218</td>
<td>57.2</td>
<td></td>
</tr>
<tr>
<td>30 – 39</td>
<td>93</td>
<td>24.4</td>
<td></td>
</tr>
<tr>
<td>40 – 49</td>
<td>48</td>
<td>12.6</td>
<td></td>
</tr>
<tr>
<td>50 and above</td>
<td>22</td>
<td>5.8</td>
<td></td>
</tr>
<tr>
<td>Qualification</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPM</td>
<td>94</td>
<td>25.7</td>
<td></td>
</tr>
<tr>
<td>Diploma</td>
<td>141</td>
<td>37.0</td>
<td></td>
</tr>
<tr>
<td>Undergraduate Degree</td>
<td>92</td>
<td>24.1</td>
<td></td>
</tr>
<tr>
<td>Postgraduate Degree</td>
<td>40</td>
<td>10.5</td>
<td></td>
</tr>
<tr>
<td>Doctoral Degree</td>
<td>14</td>
<td>3.7</td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RM1000 and less</td>
<td>48</td>
<td>12.6</td>
<td></td>
</tr>
<tr>
<td>RM1001 - RM2000</td>
<td>119</td>
<td>31.2</td>
<td></td>
</tr>
<tr>
<td>RM2001 - RM3000</td>
<td>110</td>
<td>28.9</td>
<td></td>
</tr>
<tr>
<td>RM3001 - RM4000</td>
<td>104</td>
<td>27.3</td>
<td></td>
</tr>
</tbody>
</table>

4.2 Pearson’s correlation analysis

A Pearson’s correlation analysis indicates the direction, strength and significance of the bivariate relationship that exists between all variables that were measured. This analysis was conducted to answer the research question of the study. Whether the independent variables which are packaging color, packaging design, packaging material, printed information and font style associated with consumer purchase intentions at Tesco, Puncak Alam and Urban Fresh, Setia City Mall, Setia Alam. The results are shown in Table 4.

Table 4: Correlation Analysis

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variable</th>
<th>Significance of Correlation (2-tail)</th>
<th>Interpretation of Relationship</th>
</tr>
</thead>
</table>

5
This table shows that Pearson's Correlation analysis results between dependent variables (Consumer Purchase Intentions) and independent variables (Packaging Color, Packaging Design, Packaging Material, Printed Information, and Font Style). The analysis was to investigate the relationship between consumer purchase intentions and packaging elements. Based on Table 4, the correlation of packaging color shows the coefficient of 0.457 (moderate), packaging design of 0.424 (moderate), packaging material 0.462 (moderate), printed information 0.461 (moderate) and font style 0.601 (strong). According to Waheed et, al., font style and packaging color have a positive and statistically significant effect \((p<0.01)\) on consumer purchase intentions.

<table>
<thead>
<tr>
<th>Elements</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visual Elements</td>
<td>0.294</td>
</tr>
<tr>
<td>Information Elements</td>
<td>0.414</td>
</tr>
</tbody>
</table>

Based on Table 2, it can be said there was a significant relationship between visual elements and consumer purchase intention (\(R=0.294, \ p<0.05\)). Therefore, these two variables have a positive relationship. The relationship between information element and consumer purchase intention (\(R=0.414, \ p<0.05\)) was also significant. In other words, the information element had a positive relationship with consumer purchase intention.

5. Discussion and implications

Referring to the result from the previous chapter, the researchers found that packaging font style contributes to the most considerable influence on consumer purchase intentions. Similar to the study conducted by Waheed et al., (2018), font style has a significant impact on consumer purchase intentions. Even though this study was conducted in Malaysia, the results are supported by the study of Waheed et al., (2018) held in Pakistan. The group of people may have the same background; both are Asians.

According to Wang (2012), few psychology researchers have used font style in manipulating processing fluency. Processing fluency can be defined as the difficulties or ease of feeling while processing and experiencing tasks such as reading (Oppenheamar & Frank, 2008). High processing fluency results in more positive effects when reading, and it is linked with familiarity. In previous research, most university students and lecturers are more familiar with Times New Roman and Arial due to their inclusion in assignment guidelines (Wang, 2012). Thus, they will probably prefer to read something with the kind of font style because they can process the information faster, and they are said to have experienced high fluency (Rhodes & Kelley, 2003). In a nutshell, different countries have different font styles that their people are familiar with, which can influence purchase intentions.

Furthermore, packaging material has a significant influence on consumer purchase intentions. Shah, Ahmad and Ahmad (2013), found that packaging material has a substantial relationship with the consumer buying behaviour. Packaging materials are essential to protect product quality. It is supported by Fellows & Axtell (2002), which also found that the ideal combination of materials helps to maintain product quality and freshness during storage, distribution, and utilisation. Additionally, technology advancement in the 20th century has evolved packaging to be something that can increase processing efficiency and enhance food safety. There are certain materials incorporated into the packaging to improve performance and functionality. Thus, packaging materials have a substantial impact on purchase intention (Deliya & Parmar, 2012).

As mentioned earlier, the product packaging consists of various kinds of elements which can influence consumer purchase intentions. Some of the items can help the company to improve its product packaging to increase their profit. Consumers nowadays are very concerned about the product packaging before they purchase. Hence, the company needs to take the initiative to improve their product packaging. By doing this, it can help increase the sale of the companies and make their product remembered by consumers.

6. Conclusion

In conclusion, the findings of this study provided insightful information that could assist small, medium entrepreneurs (SMEs) companies in managing their product packaging. The SME could identify the lacking in their packaging elements
and improve it and further influence consumer purchase intentions. Improving the appearance and information stated on its product packaging could have a potential effect on sales increment and eventually better revenues.

References


