CHAPTER SIX

MAIN OBSERVATIONS, DEFICIENCIES
AND RECOMMENDATIONS

6.1 Major observations
- Significance of Packaging
- Customers Perception about Packaging Strategies
- Impact of Packaging Strategies on the Promotion of Consumer Goods

6.2 Major Deficiencies

6.3 Recommendations
After the analysis of significance of packaging, packaging strategies followed by the marketers of consumer goods and the impact of packaging strategies on promotion of consumer goods in case of the sampled goods, this chapter has been divided into three sections. Section - ‘A’ includes the major inferences pertaining to the significance of packaging, customer perception about packaging strategies and impact of packaging strategies on promotion of consumer goods. The critical appraisal in the form of ‘Deficiencies’ has been covered in Section - ‘B’. The focus of this section is on the basic deficiencies on account of the identified items in the three scales. Finally, suggestions have been given for the organizations to improve their packaging strategies, this exercise constitutes the section - ‘C’ the ‘Recommendations’ of this chapter.

6.1 MAJOR OBSERVATIONS

6.1.1 SIGNIFICANCE OF PACKAGING

- While ascertaining the significance of packaging the respondents have considered five factors important and the order of importance is as follows – promotion (explained variance of 13.255%), communication (13.210%), availability/convenience (12.606%), protection (10.327%) and salesman (10.218%).

- The male and female respondents perceive the various factors consumers consider while ascertaining the significance of packaging in the same manner. Hence null hypothesis $H_0$ (A1) is accepted.

- The urban respondents give more importance to the communication and availability/convenience factors than the rural respondents. The urban people are having more awareness level, are better qualified than the rural people so they give more importance to communication factor. The urban people want the products to be readily available while rural people normally go to nearby urban areas for purchasing the products, so, urban people give more importance to the availability/convenience factor.
Hence, null hypothesis $H_0$ (A2) is partially rejected as significant difference between urban and rural respondents as regards communication and availability/convenience factors consumers consider while ascertaining the significance of packaging.

- Significant difference exists between different age groups of the respondents as Communication and Salesman factors, consumers consider while ascertaining the significance of packaging. The difference in their preference can be understood by stage of lifecycle of the respondents. Every age group has different responsibilities and preferences. So, importance of factors also changes with time. So, null hypothesis $H_0$ (A3) is partially rejected, as significant difference exists between different age groups of the respondents as Communication and Salesman factors, consumers consider while ascertaining the significance of packaging.

- Graduate and post-graduate respondents have given high importance to Promotion and Salesman than other factors. More qualified people think of the functions packaging performs beyond just protection, so they think packaging is significant as it performs the function of promotion and salesman. For Communication factor 10+2, graduate and post-graduate respondents have given high importance than other categories. As more qualified the person is, more is the tendency that the person would buy the products after reading the information present on the packaging. They give more importance to communication than less qualified people. While PhDs have given less importance to this factor as they think more information should be present on the package. Hence, null hypothesis $H_0$ (A4) is rejected, as significant difference exists between various qualification categories of the respondents as regards Promotion, Communication and Salesman factors, consumers consider while ascertaining the significance of packaging.

- The married and unmarried respondents perceived the various factors, consumers consider while ascertaining the significance of packaging, in the same manner. So, null hypothesis $H_0$ (A5) is accepted.
• The joint family and nuclear family respondents perceived the various factors, consumers consider while ascertaining the significance of packaging, in the same manner. So, null hypothesis $H_0$ (A6) is accepted.

• People from all income groups perceived the various factors, consumers consider while ascertaining the significance of packaging, in the same manner. Hence, null hypothesis $H_0$ (A7) is accepted.

• Analysis of variance was applied with demographics as independent variables and various factors obtained from factor analysis of Packaging as dependent variables. **Qualification, Residential Area and Age** of the respondents were found to be important variables which were related to some factors of Significance of Packaging.

• For all the statements the majority of the respondents were in agreement, except for the statement that packaging helps to lower the distribution cost for which there was a mixed response of the respondents.

• From content analysis in table 2.4 we can see that six statements (9, 10, 11, 12, 13 &14) were related to the promotional factor. The mean scores of all these six statements as seen table 3.15, are having value more than 3, so respondents are in agreement with all the statements related to packaging is significant as it performs promotional function. To further strengthen these findings the percentage analysis of all these six statements can be seen table 3.16, which depicts that majority of the respondents are in agreement with all these statements. So, respondents agree that packaging is important because it performs the function of promotion. Hence, the hypothesis $H_1$ is accepted that the packaging plays a significant role in the promotion of consumer goods.
6.1.2 CONSUMER PERCEPTION ABOUT PACKAGING STRATEGIES

- For consumer perception about packaging strategies marketers use, the respondents have considered nine factors and the order of importance is as follows – sachet packaging (explained variance of 9.877%), innovative and different packaging (8.512%), pollution (8.214%), variety (8.029%), reusability (6.483%), outer covering (5.905%), communication (5.780%), display (5.441%) and negative impact (5.299%).

- The male respondents give more importance to display factor than the female respondents. The males normally travel more and have more exposure level and give more importance to attractiveness while females give more importance to utility dimension. Hence, null hypothesis $H_0$ (B1) is partially rejected as significant difference exists between male and female respondents as regards Display factor, consumers consider while perceiving the packaging strategies.

- It indicates that the rural respondents give more importance to the reusability dimension of packaging. The rural people generally reuse the packaging, they use the containers for storage purpose and they think it is a cost-effective way. While, urban people believe in use and throw concept more. Hence, null hypothesis $H_0$ (B2) is partially rejected, as significant difference exists between urban and rural respondents as regards Reusability factor, consumers consider while perceiving the packaging strategies.

- The age group 21-30 has given high importance to the negative impact of packaging, as there awareness level is high. The difference in their preference can be understood by stage of lifecycle of the respondents. Hence, null hypothesis $H_0$ (B3) is partially rejected, as significant difference exists between different age groups of the respondents as regards Negative Impact factor, consumers consider while perceiving packaging strategies.
Higher is the qualification more people think that packaging is not just outer covering, it performs several other functions, while people with less qualification think that packaging is just an outer covering. All the categories below 10+2 have given less importance to Negative Impact, while all the categories graduation, post-graduation and PhD have given more importance to this factor. More qualified the people, higher is the awareness level so, people think about the negative impacts of packaging. On the other hand people with less qualification because of their limited knowledge do not consider the negative impacts of the packaging that much. Hence, null hypothesis H0 (B4) is partially rejected, as significant difference exists between various qualification categories of the respondents as regards Outer Covering and Negative Impact factors, consumers consider while perceiving packaging strategies.

Unmarried people give more importance to sachet packaging rather than married people. Unmarried people travel more so they use sachet packaging. They keep on trying new products, they buy sachet packaging for trial purpose. Unmarried respondents give more importance to the Display factor. Unmarried people give more importance to attractiveness, while married people are having higher maturity level, so they give more importance to utility. Unmarried respondents give importance to the negative impact of packaging on environment than married employees. As the awareness level of the youngsters is more and they think that majority of Indian organizations do not consider the negative impact of packaging on environment. Hence, null hypothesis H0 (B5) is rejected, as significant difference exists between unmarried and married respondents as regards Sachet Packaging, Display and Negative Impact factors, consumers consider while perceiving packaging strategies.

No significant difference exists between the joint and nuclear family respondents regarding the various factors consumers consider while perceiving the packaging strategies. So, null hypothesis H0 (B6) is accepted.
The income group below 25,000 has given maximum importance to the Reusability factor, whereas the respondents having income above 1,00,000 have given minimum importance to this factor. Obviously, the people with low income cannot spend more, so they reuse the packaging as it is cost effective. The people with high income can spend easily and believe in buying, using and throwing a product. Hence, null hypothesis $H_0$ (B7) is partially rejected, as significant difference exists between different income groups of the respondents as regards Reusability factor, consumers consider while perceiving packaging strategies.

Analysis of variance was applied with demographics as independent variables and various factors obtained from Factor analysis of Packaging Strategies as dependent variables. Marital Status and Qualification of the respondents were found to be important variables which were related to some factors. Gender, Residential Area, Age and Income were also related to one factor.

The response of the respondents was in agreement for most of the statements. Only for one statement that packaging is just an outer covering, majority of the respondents were in disagreement. While there was a mixed response for four statements - packaging tells story about the brand; after the consumption of the product the packaging is used for decoration/storage purpose; it is wasting the scarce raw materials and packaging is an undesirable burden on the pocket of consumers.

From the findings of the factor analysis it can be concluded that the respondents have given maximum importance to the sachet packaging factor (explained variance 9.877 per cent). So, in comparison to all other factors i.e. innovative and different packaging factor; pollution factor; variety factor; reusability factor; outer covering factor; communication factor; display factor and negative impact factor, sachet packaging factor is considered most important factor by the respondents. More over in the section-A of chapter four, while exploring the prevalent packaging strategies used by the marketers, it can be concluded that the sachet packaging is being used widely in the entire FMCG category.
In content analysis of consumer perception about packaging strategy five statements were included in the sachet packaging factor (10, 11, 12, 13 & 14). The mean scores of all these five statements as seen table 4.17 are having value more than 3, so respondents are in agreement with all the statements related to consumer perception about sachet packaging strategy. To further support this finding the percentage analysis of all these five statements can be seen table 4.18, which depicts that majority of the respondents are in agreement with all these statements. So, consumer perception towards sachet packaging strategy is positive.

Hence, the hypothesis H2 is accepted that Sachet Packaging is the most common packaging strategy used in the FMCG category.

6.1.3 IMPACT OF PACKAGING STRATEGIES ON PROMOTION OF CONSUMER GOODS

- For perceiving the impact of packaging strategies on promotion of consumer goods, the respondents have considered four factors and the order of importance is as follows – attractive packaging (explained variance of 18.051%), value for money (13.083%), ecofriendly packaging (12.965%) and convenience (11.024%).

- Male & female respondents perceive various factors in the same manner while considering the impact of packaging strategies on promotion of consumer goods. Hence, null hypothesis H0 (C1) is accepted.

- The urban respondents give more importance to the Ecofriendly Packaging than the rural respondents. The urban people are having more exposure and awareness level, they are better qualified than the rural people so they give more importance to Ecofriendly Packaging. Also, the availability of ecofriendly packaging is more in urban areas in comparison to rural areas. Hence, null hypothesis H0 (C2) is partially rejected as significant difference exists between urban and rural respondents as regards Ecofriendly Packaging factor consumers consider regarding impact of packaging strategies on promotion of consumer goods.
• For Attractive Packaging age groups below 20 and 21-30 have given high importance in comparison to the other groups. The people of these age groups give more importance to attractiveness, while with more maturity level people give less importance to it. For Ecofriendly Packaging age groups below 20 and 21-30 have given high importance in comparison to the other groups. In these age groups studies are carried out, so more awareness level is there. Today’s youth is more concerned about the environment so they give importance to Ecofriendly Packaging. The age group 31-40 has given high importance to Convenience. The difference in their preference can be understood by stage of lifecycle of the respondents. Hence, null hypothesis H₀ (C3) is rejected, as significant difference exists between different age groups of the respondents as regards Attractive Packaging, Ecofriendly Packaging and Convenience factor, consumers consider regarding impact of packaging strategies promotion of consumer goods.

• Higher is the qualification, more reasoning and more awareness level is there, so they give more importance to Ecofriendly Packaging. Three categories: graduation, post-graduation and PhD have given more importance to Convenience factor. More qualified the person is, more is the knowledge about the options available in the market. They explore more and try to find packaging which makes the product convenient to use. Hence, null hypothesis H₀ (C4) is partially rejected, as significant difference exists between different categories of qualification of the respondents as regards Ecofriendly Packaging and Convenience factor, consumers consider regarding impact of packaging strategies on promotion of consumer goods.

• Unmarried respondents give more importance to eco-friendly packaging than the married respondents. Unmarried people i.e. today’s youth is having more awareness level about the environment. On the other hand married people have more responsibilities on them, so they are bit reluctant to extra for eco-friendly packaging. Hence, null hypothesis H₀ (C5) is partially rejected, as significant difference exists between unmarried and married respondents as regards Ecofriendly Packaging factor,
consumers consider regarding impact of packaging strategies promotion of consumer goods.

- The joint family respondents give more importance than nuclear family to the convenience dimension. As, there are many members in a joint family, of different age groups, so the product is being used by many members. So, they give importance to packaging which makes it more convenient to use. While, there are very less members in a nuclear family to use the products.

Hence, null hypothesis $H_0$ (C6) is partially rejected, as significant difference exists between joint and nuclear family respondents as regards Convenience factor, consumers consider regarding impact of packaging strategies promotion of consumer goods.

- The income group (Rs. 75, 000 – 1, 00, 000) has given maximum importance to the Attractive Packaging. The people with high income can easily spend extra for attractive packaging than the people having limited resources.

Hence, null hypothesis $H_0$ (C7) is partially rejected, as significant difference exists between different income categories of the respondents as regards Attractive Packaging factor, consumers consider regarding impact of the packaging strategies promotion of consumer goods.

- Analysis of variance was applied with demographics as independent variables and various factors obtained from factor analysis of promotion as dependent variables. Age and Qualification of the respondents were found to be important variables which were related to some factors. Residential Area, Marital Status, Family Type and Income were also related to one factor.

- For most of the statements the response was in agreement. There was a mixed response for three statements - you buy a product because of the reusability of its package; the colour of packaging influences their purchase decision and packaging enhances impulse purchase. Only for two statements majority of the respondents were in disagreement - that
they buy a product because of its attractive packaging and that they buy a product (which they do not require) only because of its very attractive and different packaging.

- Most of the statements related to the economy factor in the content analysis (5, 6, 7, 8 & 9) have means greater than 3, see in table 5.17. It means that the respondents are in agreement with these statements. Moreover percentage analysis in table 5.18 depicts that majority of the respondents are in agreement with the statements related to cost-effective packaging strategies. To further strengthen this point, in the factor analysis (table 5.2) it was found that the respondents have considered the value for money as an important factor while considering the packaging strategies for the promotion of consumer goods (explained variance 13.08 per cent). From all the three analysis we can conclude that the cost-effective packaging strategies result in promotion of consumer goods.

- So, we can say that the hypothesis H3 that the greater is the usage of cost-effective packaging strategies more effective is the promotion of consumer goods is accepted.

- Both the statements related to ecofriendly packaging (15 & 16) are having mean scores above 3. For statement 15 i.e. you prefer ecofriendly packaging, the mean score is more than 4 (table 5.17) which indicates that respondents are in strong agreement with the statement. The mean score for statement 16 i.e. you prefer ecofriendly packaging even if you have to pay little extra is more than 3, which reflects that the respondents are in agreement with the statement. As seen in percentage analysis in table 5.18, the majority of the respondents are in agreement with both the statements. Moreover the factor analysis (table 5.2) depicts that consumers have given importance to ecofriendly packaging (explained variance 12.96 per cent). So, ecofriendly packaging helps to promote the products and consumers will prefer to buy the products because of ecofriendly packaging. It can be seen from all the three analysis that ecofriendly packaging strategies result in promotion of the consumer goods

- Hence, we can conclude that the hypothesis H4 that greater is usage of ecofriendly packaging strategies more effective is the promotion of the consumer goods is accepted.
6.1.4 OTHER OBSERVATIONS

a) The respondents have bought following products due to its packaging:

- Sachet packs or small packs: different shampoos, Ponds cold cream, conditioners, ketchups, namkeens, toothpastes.
- Festive packs: chocolates, snacks, namkeens, sweets.
- Reusable containers: Tata tea, Horlicks, Bournvita, Nescafe coffee, Dettol handwash
- Convenience: Real juice, Dabur gulabari, Nivea body lotion, Harpic toilet cleaner, Dettol handwash
- Attractive packaging/stylish packaging: little heart biscuits, Axe deo, Leher namkeen

b) Some of the examples of good packaging, according to the respondents are:

Lakme cosmetics, Johnson’s & Johnson’s baby products, hair oils like Clinic Plus and Parachute, Ponds cold cream, Shampoos like Dove and Head & Shoulders, soaps like Dove and Pears, Surf Excelmatic with click lock storage box, Harpic toilet cleaner, biscuits like Orion and Britannia, chocolates like Cadburys dairy milk, Gems in tube, drinks like Bournvita and Horlicks, cold drinks like Pepsi and Fanta (slim bottles which are easy to handle), juices like Real juice and Frooti, snacks like Haldirams namkeens, Lays, Pringle potato chips, ketchups like Kissan squeezable pack and Maggi pichkoo, packaged sweets like Haldiram’s Soanpapdi and Rasgulla and tea in air tight pouches.

c) The examples of bad packaging, according to the respondents are:

Coconut oil in tin boxes (as they are difficult to open and can cause injury), glass bottles of jams, ketchups and coffee (as they are breakable), snacks like Lays (as they mislead about the quantity), Khadi Bhandar’s soap, Figaro olive oil (as the oil spills while usage), glucose biscuits like Parle-G, lather shaving creams as they leak out during summers sometimes.
6.2 MAJOR DEFICIENCIES

After the analysis and observations made regarding significance of packaging, consumer perception about prevalent packaging strategies and impact of packaging strategies on the purchase decision, the following major deficiencies have been identified:

- **Less packaging options to choose from**: Though the packaging options are increasing as compared to the past, still there are many gaps in the markets. The packaging options are limited in terms of: size, shape, colour, attractiveness and style, reusability, ease of usage, ease of storage, eco-friendly materials etc.

- **Communication problems**: Though the information communicated by package is taken care of by the organizations, they are providing the statutory information but apart from it the package does not provide information about utility for a particular purpose, quality and the way of disposal. In many cases the expiry date, manufacturing date, batch no. etc. is written in dot style, which is not visible properly. English language is normally used to provide the information on the packages, so, many people face difficulty in reading it.

- **Limited eco-friendly packaging**: Only few companies are practicing eco-friendly packaging strategies. Many organizations are using lot of plastics and non-biodegradable material in their packaging. Less recycling practices are being adopted by them. Even many organizations are indulged in excessive packaging of their products.

- **Less availability of economical packaging**: A big gap in the market is of economical packaging. Still there are many products which are not available in reusable packages (especially cosmetics) and value packs (big packs with less price) and sachet packs.

- **Misleading packaging**: Some of the products in the market are available in attractive packages which are misleading in terms of quality and quantity. The consumers are misled because of packaging, they think as the packaging is good the quality of the product would also be good and some packages give false impression of the quantity contained inside.
6.3 RECOMMENDATIONS

In the light of above discussion, the following suggestions are proposed to fill the gaps present in the market and bring about necessary improvements and in the packaging strategies:

- **In-depth research before launching the product**: To develop innovative packaging or alternative packaging methods, the consumers should be kept in mind. If the package is integral to the product then the designers should try to answer the following questions - what can the package do that it is not doing currently? ; can the package fulfil the unmet consumer need? ; can the packaging make the product easier to use? ; can it dispense the product in a different manner? ; can it extend the life expectancy of a particular product? can the product be offered in different sizes or shapes? ; can less packaging materials or environmentally friendly material be used? ; can the packaging make the product easier to store or handle? ; can the packaging make it easier to read or understand what is inside? ; can the packaging tell the consumer when the product is spoiled, bad or has been tampered with? ; all of these are consumer wants, desires, issues or needs. How can you provide them the product packaging that works in satisfying these (in many cases) unmet needs? Customers want more variety and options to choose from. So, the marketers should do thorough research of packaging on these dimensions- size, shape, instructions, colour, reusability, convenience in usage and storage- before launching the product.

- **Packaging should communicate effectively**: As the awareness level of customers is increasing, the package should be able to communicate effectively. It should communicate about the marketer, the brand, statutory information, ingredients, composition, utility for a particular purpose, quality and the way of disposal. Entire information written on the package should be readable. The information provided on the package should in other regional languages in addition to English.

- **Packaging should be designed to perform promotional role**: The role of packaging is not limited to protection and storage. The package should perform the function of
promotion, it should attract the customers and motivate the customers to buy the product. The increase in the mall culture and organized retailing is resulting in the self-service concept, so the package should act as a salesman. The package should be so convincing that the customer buys the product.

- **Increase in eco-friendly packaging:** As the youth is becoming very much concerned about the environmental issues, so, the negative impact and pollution caused due to packaging should be considered by the marketers. They should use packaging practices which lead to green environment. Unnecessary packaging should be avoided and more eco-friendly packaging and biodegradable packaging should be used. For the recycling of the packaging material, special dustbins should be provided and special bonus can be provided to those who use them, as in some of the foreign countries. People are having a positive attitude towards eco-friendly packaging. Many are willing to pay even little extra for it so ordinary packaging should be replaced by eco-friendly packaging. People belonging to rural areas, having less qualification and belonging to low income groups should be made aware about the benefits of eco-friendly packaging.

- **Focus on ethical packaging:** Sometimes attractive packaging can be misleading. So, the packaging should represent the true value and should not portray a false image of the quality. As consumers perceive good packaging as a symbol of better quality, so importance must be given to the looks, the packaging should be attractive. But it should not betray the customer. Further, attractive packaging should be combined with the other benefits of the product.

- **More availability of economical packaging:** People (especially rural and low income group), want value for money. So reusable packages, refill packs, big packs with less price and sachet packs should be made readily available to them. As the usage of sachet is increasing, marketers should not limit, applying this strategy to rural markets. Sachet packaging should be promoted even in urban areas and people with less usage. More and more FMCG products should be made available in sachets as it is cost-effective way and increases trial.
**Innovative and unique packaging:** The marketers should think of launching their products in innovative and unique packaging. Sometimes by adding a little extra to the packaging can make it stand out from the crowd. Some of the packaging innovations can be: *make design the focus of your packaging:* the marketers should focus on the packaging from the very beginning, try to make design the focus of the packaging; *create fun packaging:* fun packaging is common in kids’ products, it can work in adult products also, after all adults also like to have fun; *experiment with colours:* bright colours and unusual colours can be experimented; *try the metallic look:* with a good design the metallic look can be very striking when compared to the same design on white, and gives a more expensive look to the product; *focus your packaging on a specific target:* the product as well as the packaging can be tailored to a specific target market; *look to nature for inspiration:* nature has some amazing examples of “innovative packaging.” There are shapes, colours and even packaging concepts that you can borrow from nature’s example. Consider the banana, the pea-pod, the kangaroo pouch, the pine cone – these are all examples of nature creating efficient packaging; *merge two packaging concepts:* two marketing concepts can be merged, like eye-catching packaging can be made 100 per cent recyclable.