

**A STUDY ON THE EFFECT OF PACKAGING CHARACTERISTIC ON  
CONSUMER ATTRACTION**

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This report is submitted in  
fulfillment of the requirements for the award  
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JUNE 2015

**VERIFICATION**

“I admit that this report is the result of my own except summaries and citations  
that each of them have explained the source”

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Tarikh : .....

## **DEDICATION**

I would like to dedicate the appreciation to my family, lecturer and friends

## **ACKNOWLEDGEMENT**

I was deeply grateful and wish to express my sincere thanks to Madam Azrina Binti Othman for her guidance throughout this final year project. Her passion and patience to teach me to finish this research. Besides that, I would like to thanks to Dr. Norfaridatul Akmaliah Binti Othman for her beneficial comments and advices in my final year project progress.

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## ABSTRACT

Packaging is an art and technology that used to protect, storage, handle, information, deliver or present raw materials and processed goods. The purpose of this study was to investigate the effect of packaging characteristic on consumer attraction. It was not easy to attract the customer attraction especially when in competitive market. By examining and understanding the importance of packaging characteristic it can increase the customer attraction. This study used chips product from FELDA, Malaysia. This research to investigate the consumer attraction for FELDA chips product after the packaging product was changed to the new color, graphic and material. This research was used quantitative method which is survey (questionnaires) to analyzed the data from the consumer that based in Kuala Lumpur. There were 150 questionnaires that has been distributed to the potential respondents. According to the research finding, it has been indentified that the packaging color was the most dominant factor. It is further concluded that the packaging characteristic such as colors, graphic and material effected influence the consumer attraction. As a conclusion, the research would help the FELDA to increase their profit and image to the outsider.

## ABSTRAK

Pembungkusan merupakan satu seni dan teknologi yang digunakan untuk melindungi, penyimpanan, mengendalikan, maklumat, menghantar atau barangan yang diproses. Tujuan kajian ini adalah untuk mengkaji kesan ciri pembungkusan kepada daya tarikan pengguna. Ia tidak mudah untuk menarik tarikan pelanggan terutamanya apabila dalam pasaran yang kompetitif. Dengan memeriksa dan memahami kepentingan ciri pembungkusan ia boleh meningkatkan tarikan pelanggan. Kajian ini menggunakan produk makanan ringan dari FELDA, Malaysia. Kajian ini mengkaji tarikan pengguna bagi produk makanan ringan FELDA selepas pembungkusan produk tersebut ditukar kepada warna, grafik dan bahan pembungkusan yang baru. Kajian ini menggunakan kaedah kuantitatif yang merupakan kajian (soal selidik) untuk menganalisis data daripada pengguna. Terdapat 150 soal selidik yang telah diedarkan kepada responden. Daripada dapatan penyelidikan, telah dikenal pasti bahawa warna pembungkusan adalah faktor yang paling dominan. Ini juga dapat disimpulkan bahawa ciri-ciri pembungkusan seperti warna, grafik dan bahan pembungkusan mempengaruhi tarikan pengguna. Kesimpulannya, kajian ini akan membantu FELDA untuk meningkatkan lagi keuntungan dan imej mereka kepada orang luar.



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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background Study

Packaging is an important role on marketing products and services in many competitive environment. A good packaging can increase sales of products and it is vehicle for consumer communication and branding are necessarily growing. Packaging also represents company brand. The brand will not be recognize with good perception if the packaging not attraction because packaging is marketing instrument. The brand still recognize if they are not attractive but they will be recognize in other meaning. All company wants their product will recognize with the good perception. People will judge their good or bad opinion through outer look such as color, font, description or logo brand.

Packaging also an important role because it is vehicle for communication in branding. It can divide by two element that can influence the consumer that is verbal or visual. The characteristic of packaging material also was included the packaging size, shape, product safety, shelf life of product and attractiveness.

This research is focused of packaging in FELDA chips product. The new packaging from FELDA were start from 2013 and now it more develop until now the packaging were introduced to the global business. They deliver

their product to global countries such as Dubai and Saudi Arabia. Now, they still to find market to other country. But they only sold the new design of packaging to international market but for the domestic design, they still use the old design. They sold their product in selected supermarket in Malaysia such as Mydin, AEON Jusco and Giant. Instead of that, FELDA already have their own outlet that sold all product from FELDA settlers that is SAWARi(*Satu Wilayah Satu Industri*) which is opened in selected region such as Terengganu, Johor and Perak. The headquarter for the SAWARi located in Wisma Felda, Kuala Lumpur.

## 1.2 Problem Statement

As a intern at FELDA the reseacher was introduced to all product of FELDA. The reseacher was noticed that the packaging of the product was not attractive or impressive and not comparable with the delicious taste. But, when the new packaging was launched for international packaging the response from consumer very promising and overwhelming.

When the reseacher was involved in exhibition or promotion, it was found that all visitor interested with attractive packaging of FELDA product. They also said the packaging was outstanding compare to the previous packaging. When the reseacher show that the visitor with an old packaging design they seems to be shock and did not believed that it was the same product in different packaging. The packaging that they were use now were still the old version graphic and sold only in the supermarket.

According to Silayoi and Speece (2007), they claimed visual package elements play a major role, representing the product for many consumers. They also examine, the role of packaging as a tool for consumer communication and branding as a growing engine. So that, packging characteristic is important to the product and it effect to the brand. Beside

that, packaging also played an important role to make purchasing from consumer.

One reason consumers may not think very deeply about brands because their intention to purchased depends on the degree to which consumer expect that the product can satisfy their expectations about its use (Kupic and Revell, 2001). The package become factor in consumer decision making process because it communicates to consumers at the time they are actually deciding in the store. Underwood *et al.* (2001) suggest that consumers are more likely to spontaneously imagine aspects of how a products looks, tastes, feels, smells or sound while viewing products pictures on the packages.

### 1.3 Research Questions

This study was focused on the role of packaging characteristic and consumer attraction. The important use of packaging design and the use of a packaging as a vehicle for communication and branding is growing (Rettie and Brewer,2000), as packaging takes on a role similar to other marketing communications elements. This research was guided by following question :

1. Are the packaging color of snack product can attract the consumer attraction?
2. Are the packaging graphic of snack product can attract the consumer attraction?
3. Are the packaging material of snack product can attract the consumer attraction?
4. What is the dominant factor of packaging characteristic that influence the consumer attraction?



## 1.4 Research Objectives

The research was basically to study the relationship between a new packaging characteristic and consumer attraction that will increase the sale of FELDA products. It has been highlighted into the three (3) main objectives :

- i. To study the effect of packaging colors of snack products towards consumer attraction.
- ii. To study the effect of packaging graphic of snack products towards consumer attraction.
- iii. To study the effect of packaging material of snack products towards consumer attraction.
- iv. To identify the dominant factor of packaging characteristic that influencing the consumer attraction.

## 1.5 Scope and limitation of research

In this study, it was focused on FELDA product at FELDA headquarters. With that also, it can study the effect of packaging characteristic for other package to earn consumer confidence so that researcher can know the important of packaging that effect consumer buying behavior.

However, the problem that occurred when did this research were limited information from the consumer of FELDA products. It occurred because it was hard to know who had experienced of FELDA products unless the researcher can gather the information itself from the headquarters.

## **1.6 Importance of Study**

According to this research, packaging can acts as multidimensional function and this study can apply to three parties which was the researcher, consumer and FELDA.

This research can become a guidance for other researcher. Beside that, this research also can make consumer know about the product which was not very commercial to consumer eventhough the product was in the market in a long time ago. For the manufacturer, the company can know the perspective from consumer about the their product. Beside that, manufacturer also know the comment from consumer about the packaging of product. The researcher also may help the manufacturer to make consumer know about the product.

## **1.7 Summary**

This chapter 1 was briefly explained about the research study. It was also include the basic information about FELDA and their products. It explained about characteristic that consist in this chapter such as the scope and limitation of project and importance of study.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

According to Rita Kuvykaite (2009), packages consumer's attraction to particular brand, enhances its image, and influences consumer's perceptions about the products. Also packages imparts unique value to products (Undewood, Klein & Burke,2001;Silayoi & Speece, 2004), works as tool for differentiate such as helps consumers to choose the product from wide range of similar products, stimulates customers buying behavior (Wells, Farley & Armstrong,2007). Thus package perfoms as important role in marketing communication and could be treated as one of the most important factors influencing consumer's purchase of package, its elements and their impact on consumer's buying behavior become a relevant issue.

Silayoi and Speece (2007) focused in their study on understanding consumer behavior for buying decision based on packaging specification. They claimed visual package elements plays a major role, representing the product for many consumers, especially when they do not want to spend much time. Silayoi and Speece (2007) studied the importance of packaging design and the role of packagingas a tool for consumer communication and branding as a growing engine. They examined these issues using a study among consumers for packaged food products

The packaging becomes a major cause of the consumer purchased the product because it is a first introduction of the product which communicates the consumer that whether a product may or not fulfill the requirement. The intentions of consumer for procuring anything depend upon the intensity of consumer desire to satisfy the needs. Consumers have expectations that anything they buy will satisfy their needs (Kupiec & Revell, 2001).

Color plays an important role in a potential customer's decision-making process and it can make a direct sense for product's color as impact their visual and psychological feelings.. Certain colors set a different moods and can help to draw attention because of catching customer at first sight. The functional of package color is as communication used to raise expectations about product.

Color can also be used to differentiate a product, build its own associations and help consumers locate the product on the shelf (Grossman & Wisenblit, 1999). In addition, consumer believed to have color preferences for various product categories based on their own cultural associations (Grossman & Wisenblit, 1999).

In new packaging of FELDA, they use black color as a background color and blue, green and orange color as their color to differentiate their type of product. The meaning of black color is to give the advertisement a fun feel. Each color that have been used on the packaging give a different meaning.

- i. Meaning of Blue Color

Blue is the most common favorite color and liked by both genders. Blue is seen as trustworthy, peaceful and calm color. Blue is usually cool and quiet but more electric shades can give a dynamic feel.

ii. Meaning of Green Color

Green is related to life and nature and it is the second most popular color. As well as the natural feel greens have, they also signify money, health and power.

iii. Meaning of Orange Color

Orange is a power color and it is a healing color. It also said to increase the craving for food. Orange means vitality and endurance.

As the world is more develop and turning into global village with the passage of time business is being expanded, the importance of using correct type of packaging material has become essential. Packaging is rightly called an art because packaging material is the first introduction of any product to the consumers. Packaging material especially for edible goods used as a tool to prolong products life. Different from the past, lot of edible goods used to be waste because of insufficient packaging materials now days. In other term, packaging is where the product is secure and where it can be identified where as it preserves the facilitating of the product (Gionvanneti,1995).

Designer need to know the materials use to wrapped the product especially food product. Beside that, they also need to know the advantage and disadvantage of materials and how they can be used to differentiate the product. Different materials can provide various feelings of quality and experiences. High quality packaging attract consumer than low quality packaging. So packaging material have strong connection with buying behavior.

Packaging material is one of the main visual attributes when making a purchase decision (Kuvykaite et al, 2009; Silayoi & Speece 2004, 2007). Research indicates that consumers expect all packaging to be environmentally

friendly (Prendegast & Pitt, 1996). Consumer demand more environmentally friendly packaging or packaging that is recycled and reused more easily (Rundh, 2005). In addition, some housewives have indicated that snack food packages need to be made with nontoxic materials as well as be soft and harmless when kids try to open them themselves (Silayoi&Speece,2004, 2007). Combination of different materials can encourage people to touch the package and thereby be inspired to try actual product (Rundh,2009).

FELDA use polyester and LLDPE film wrapper as type of materials for their chips products. These two film is common laminated structures. Product are typically made from two or more film laminated together. It can be laminated by using an adhesive or heat and pressure. Polyester or Mylar is the outside layer. It provides strength and has a high melting points. While LLDPE or poly is the inside layer. It provides a moisture barrier and has a low melting point. This is the layer that melts together to form the seal.

The overall design also plays an important role in attracting the consumer. Graphic can be explain in many ways such as illustrations, pictograms or photography. Photography is the great ways to communicating a brands messages. Mostly the children are so sensitive to the design of wrapper. The companies should do the best to create attractive design of packaging. Apart from being able to attract adults but they are also able to grab the attraction of children.

Silayoi and Speece (2004) stated that, to a great extent, the aspect relating to the graphics of packaging influences the choice of product. A vivid pictures on the packaging generates consumer attention by breaking through the competitive clutter (Silayoi&Speece,2004). Over 43 % of consumer claim to use the pack photography as an indication of product quality (Well et al, 2007). The result from Vila and Ampuero (2006) give rise to the conclusion that with respect to packaging images, safe guaranteed products and upper cass products are associated with pictures showing the product. Therefore, the

design characteristic that attracts consumer at the point of sale will help them make purchase decision quickly.

The innovative packaging may be added for consumer value to the product if it meets the consumer need such as portion control, recyclability, easy-open, easy-store, easy-carry and non breakability. Manufacturers today strive to have packaging that maintains the key equities of the brand, has stand out appeal on the retailer shelf, and it sustainable but with lower price. The customer can adopt product on basis of its innovative packaging, which show the relation between buying behavior and innovation of packaging.

Same goes to FELDA packaging, they change their packaging wrapper from alluminium film to Pelaminated Matt Opp. The quality of packaging were improve to make sure the product while send to abroad it can last a long time especially at higher pressure when in cargo.

The source for this study is from Silayoi & Speece model. The researcher choose this model because of the independent variable of this sources is most accurate for this project. All of indepedent variable in this source is the variable that FELDA change for their packaging.

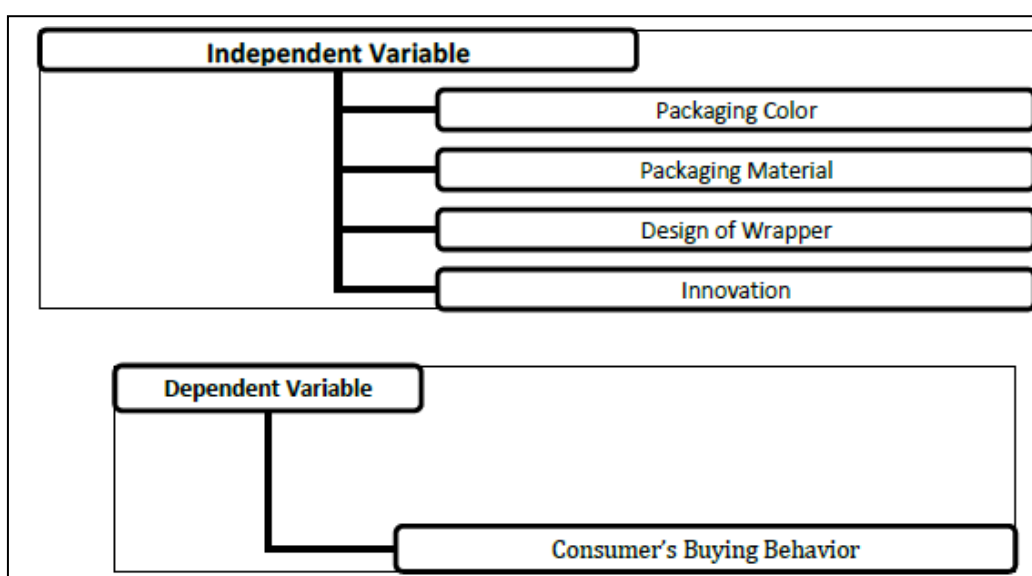


Figure 2.1 : Theoretical Framework from Silayoi & Speece  
(Sources : Silayoi & Speece model)

## 2.2 Theoretical Framework

The definition of packaging vary and range from being simple and functionally focused to more extensive, holistic interpretations. Packaging is a whole package that an ultimate sellings proposition which stimulates impulse buying behavior. Packaging increases sales and market share and reduces market and promotional costs. According to Rundh (2005) packages appeals consumer attentiveness towards a certain brand, increases its image, and stimulates consumer's perceptions about products.

Packaging can defined quite simply as an extrinsic element of the product (Olson & Jacoby, 1972) – an attribute that is related to the product but does not form apart of the physical product itself. “Packaging is the container for a product-encompassing the physical apperarence of the container and including the design, color, shapes, labelling and materials used” (Arens, 2007).

The theoretical framework focuses on the relationship between dependent variables and independent variables. It can be expressed as follows in Figure 2.2

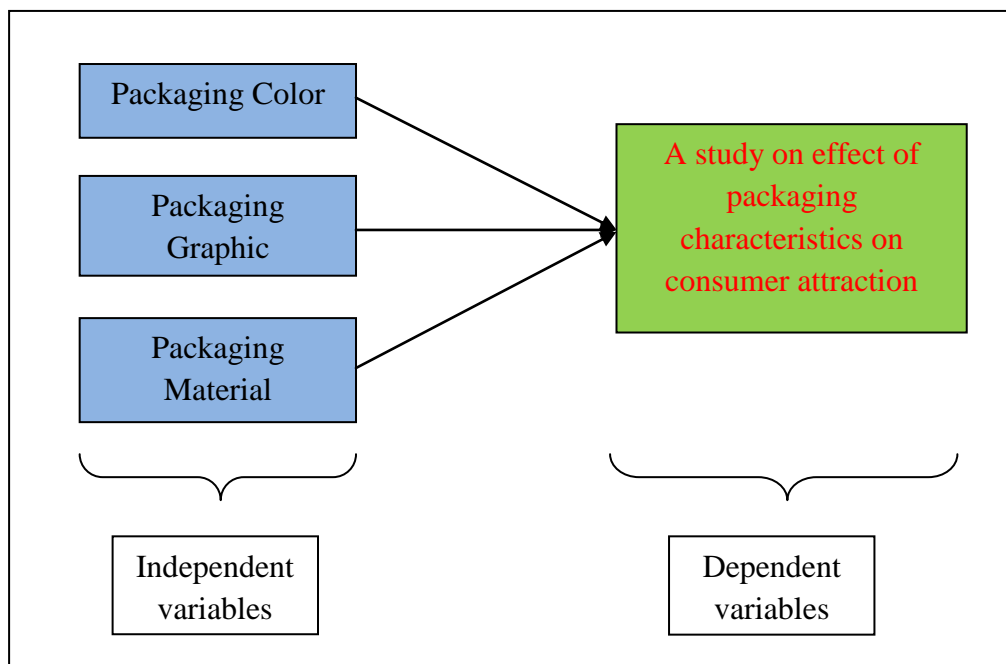


Figure 2.2 : Theoretical Framework for Research