

COURSE: FUNDAMENTALS OF MARKETING

LECTURE 9: PACKAGING

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Lecture learning outcomes:

At the end of the lecture, you will be able to:

- 1. Understand the concept of packaging**
- 2. Discuss the objectives and features of packaging**
- 3. Examine types and design of packaging**
- 4. Discuss importance and packaging cost**

PACKAGING

Physical products require packaging to protect them from damage and to present both the product and its brand attractively to a target group of consumers. Packaging provides a surface upon which to communicate information about the product and the brand, and as such, it is an essential element of product branding. Through the use of text, images and other communication devices, packaging can articulate the attributes and benefits of a product to consumers. Packaging also works to convey the brand characteristics that will position it within the minds of consumers and that will ultimately differentiate it from its competitors.

Packaging is often the first point of contact that a consumer has with a brand, so it is hugely important that it initially draws their attention and also quickly conveys the messages that both present and support the brand. Communicating a brand message extends beyond the information and visual content of packaging. The physical materials used for packaging products also importantly contribute to the overall brand statement projected. A brand cannot be positioned as a high quality or luxury product if its packaging is fragile and low quality. There has to be a direct correlation between the packaging's physical attributes and the messages that the brand seeks to project.

Packaging is now generally regarded as an essential component of modern lifestyle and the way business is organized. Packaging is the enclosing of a physical object, typically a product that will be offered for sale. It is the process of preparing items

of equipment for transportation and storage and which embraces preservation, identification and packaging of products. Packing is recognized as an integral part of modern marketing operation, which embraces all phases of activities involved in the transfer of goods and services from the manufacturer to the consumer. Packaging is an important part of the branding process as it plays a role in communicating the image and identity of a company.

Packaging is best described as a coordinated system of preparing goods for transport, distribution, storage, retailing, and use of the goods. It is a complex, dynamic, scientific, artistic, and controversial business function. Fundamental function of packaging: contain, protects/preserves transports informs/sells. Packaging functions range from technical ones to marketing oriented ones.

Technical Functions include; contain, measure, protect, dispense, preserve and store. Marketing Functions on the other hand include; communicate, promote, display, sell, inform and motivate. However, while technical packaging professionals need science and engineering skills, marketing professionals will need artistic and motivational understanding.

Packaging is not a recent phenomenon. Packaging is an activity closely associated with the evolution of society and, can be traced back to human beginnings. The nature, degree, and amount of packaging at any stage of a society's growth reflect the needs, cultural patterns, material availability and technology of that society. A study of packaging's changing roles and forms over the centuries is a study of the growth of civilization. Social changes are inevitably reflected in the way we package, deliver and consume goods. It is important to know that, until the 1950s, motor oil was delivered in bulk to service stations, which was in turn measured into 1-quart glass jars; premeasured oil in metal cans. Now, milk delivery is done from glass bottles to a variety of plain and aseptic paper cartons, plastic bottles and flexible bags. Tomorrow, how oil or milk will be delivered, we don't know yet. But environmentally acceptable packaging (minimal waste) will surely be highly encourage. Choices of petrochemicals, wood pulp, and metal will governed the way we buy and consume oil or milk. Also milk could be delivered in refillable aluminum cans?

Kotler defines packaging as "all the activities of designing and producing the container for a product."

Packaging can be defined as the wrapping material around a consumer item that serves to contain, identify, describe, protect, display, promote, and otherwise make the product marketable and keep it clean. Packaging is the outer wrapping of a

product. It is the intended purpose of the packaging to make a product readily sellable as well as to protect it against damage and prevent it from deterioration while storing. Furthermore, packaging is often the most relevant element of a trademark and conduces to advertising or communication.

Objectives of packaging

- **Protection:** Packaging aims to protect the product from damages. It preserves quality of the product from damages that occur from climatic conditions, mishandling, spilling and evaporation.
- **Storage:** Packaging facilitates storage of products till they are used.
- **Information:** Packaging provides information about the product. It identifies the product and its manufacturer. It informs about product ingredients, directions for use, price, date of manufacture etc.
- **Positioning:** packaging is used for positioning of products. Differentiated packages facilitate product differentiation. Consumers perceive product differences based on packaging.
- **Promotion:** packaging promotes the product. Advertising messages and sales promotion schemes can be printed on packages. They facilitate self-service marketing.
- **Distribution:** packaged products are convenient to handle and distribute. They can be easily transported.

Functional requirements

1. Protection and preservation

The basic function of package is to protect and preserve the contents during transit from the manufacturer to the ultimate consumer. It is the protection during transport and distribution; From climatic effects (heat and cold, moisture, vapor, drying atmospheres); from hazardous substances and contaminants; and from infestation. Protection is required against transportation hazards spillage, dirt, ingress and egress of moisture, insect infection, contamination by foreign material, tampering pilferage etc. A package should preserve the contents in 'Factory Fresh' condition during the period of storage and transportation, ensuring protection from bacteriological attacks, chemical reaction etc.

2. Containment

Most products must be contained before they can be moved from one place to another. To function successfully, the package must contain the product. This containment function of packaging makes a huge contribution to protecting the environment. A better packaging help to maintain the quality of the product and reachability of the product in the consumer's hand without spillages It gives better image to the organization.

3. Communication

A major function of packaging is the communication of the product. A package must communicate what it sells. When international trade is involved and different languages are spoken, the use of unambiguous, readily understood symbols on the distribution package is essential. It is the interest further that to get appropriate communication to the consumer about the product, how to use it and other utility information. Packaging protects the interests of consumers. Information includes quantity; price; inventory levels; lot number; distribution routes; size; elapsed time since packaging; color; and merchandising and premium data(Dileep,2006).

TYPES OF PACKAGING

1. Primary package

This is the material that first cover or envelopes the product and holds it. This is usually the smallest unit of distribution and it is the package which is directly in contact with the content .It is the last layer removed by the consumer during unboxing. It can also be referred to as retail or consumer packaging. Examples are:Spray can,box of soap, Lipton pack, Cereal boxes etc.

Primary packaging is the term used to designate the layer of packaging in immediate contact with the product; in other words, it is the first packaging layer in which the product is contained. As such, primary packaging is constructed both with the product itself and any existing secondary layers of packaging in mind. For example, a beverage can, a paper envelope for a tea bag, an inner bag in a cereal box and an individual candy wrap in a pouch are primary packages, and their main function is to contain and preserve the product. Beyond this packaging lies the product itself. Primary packages must be compatible with the product Therefore it is said to be the packaging that wraps the product when being sold to the end consumer. It contains the

packaging that is in direct contact with the product and the other packaging components (e.g. cap and label) that are needed to complete the sales unit.

Different types of primary packaging • Ampoules • Vials • Containers • Dosing dropper • Closures (plastic, metal) • Syringe • Strip package • Blister packaging

2. **Secondary package.**

Secondary package is the packaging that holds together the individual units of a product or good. It is designed to deliver mass quantities of the product or goods to the point of sale or end user. Secondary packaging is the second layer of packaging applied to your product or good after the primary packaging layer. Example: The box containing your bottle of cough syrup, cardboard boxes, plastic crates carrying your bottle of drinks etc.

Secondary packaging is intended to protect not only the product, but also the primary packaging, which often is the packaging most visible to the consumer in retail displays. The most common examples of secondary packaging include cardboard cartons, cardboard boxes and cardboard/plastic crates. It could be said to be the packaging used for gathering the sales units in order to allow for easy handling practices in the sales environment. This process can be performed by grouping the products in order to sell them to the consumer (e.g. shrink film and corrugated cardboard box). The secondary package contains two or more primary packages and protects the primary packages from damage during distribution and storage. Its main aim is branding display and logistical purposes as well as protecting and collating individual units during storage. Secondary packaging is often used by the beverage, food and cosmetic sectors for displaying primary packs on shelves therefore it is often referred to as display packaging.

Different types of secondary packaging • Paper and boards • Cartons • Corrugated fibers • Box manufacture

3. **Tertiary package.** Tertiary packaging is the packaging that is used to protect not only the product but also the primary and secondary packaging. Example: When you order some items from an online shopping site, the sealed cardboard box that you open is the tertiary packaging. The main purpose of tertiary packaging is to protect and transport the goods, and to ensure that they arrive in good condition to their destination during the process. They must be of hard and resistant cardboard. Examples: Corrugated cartons, Barrel containers.

Tertiary packaging is the type which is typically not seen by consumers since it is usually removed by retailers before products are displayed for sale. Examples of tertiary packaging might include brown cardboard boxes, wood pallets and shrink wrap. It is used to facilitate the handling/ transportation of a series of sales units or secondary packaging in order to prevent the physical damage that may occur during handling/transportation (e.g. corrugated cardboard box). The tertiary package typically contains a number of the primary or secondary packages. Tertiary packaging is used for bulk handling warehouse storage and transport shipping therefore it is also called as “distribution package”. It facilitates the protection, handling and transportation of a series of sales units or secondary packaging in order to group everything into unit loads during transit. This type of packaging is rarely seen by the consumer.

Essentials of packaging

Packaging is major concern for a manufacturing firm. So as to provide efficient packaging solution, an owner must keep in mind the following aspects of packaging. Some of the essentials of packaging are:

- Packaging as per environment : Packaging of products must be done in a manner that it remains healthy until it reaches a customer. The packs must not have any chemicals or harmful products that could harm user in any means.
- Packaging in attractive packs: It is only the packets that are visible to customer which he can see for making the purchasing decision of a product thus packaging must display properly about the product such that it tends a customer to buy it immediately. It must express with attractive style and best graphics. Because of this quality of a product can be judged.
- Packaging provides convenience : Packaging of product must be done as per the use of customer. Like if you are packing a snack or chips it must be in easy to open and easy to enjoy pack so that a user can enjoy it anywhere and if it is a frozen product than it must be available in proper seal pack so that it remains for long.
- Packaging with proper label : A pack must define the product inside it. It must include its direction to use, ingredients, guarantees etc.
- Packaging must be eco friendly: A business owner of a manufacturing firms needs to remember that even when he needs to provide a product in attractive and effective packaging it must suit his pockets. That is the cost involved in packaging must be manageable for the owner.
- Advertising with packaging : sometimes packaging is not sufficient the owner need to advertise its product with the packaging so that when a user sees the pack he can identify that this packaging belongs to which company and what is inside the packs.

•Packaging must abide the packaging rules :As per the rules of packaging the ingredients like spices, snack, chips etc. must be packed in quality packets such that they remain healthy and is easy to destroy that it does not create any harm to environment. Other than this it is also necessary as per rules that the food products must have mentioned labels over the packaging that described about the product, its direction etc. Also product quality and expiry is necessary on packaging.

Features of good packaging:

A good package indicates individuality of a product in a dramatic and easily recognizable way.

1. **Convenience:** Convenience is one of the good features of packaging. The packaging provides size options and it facilitates provisions for the easy opening of the products. The package should neither be heavy in weight nor large in size.
2. **Status or prestige:** Packaging creates confidence among the customers and it creates status and prestige of the products. It helps in the increment of status and prestige to the customers. The product is also known by its packaging.
3. **Act as promotional tool:** Good packaging can sell the product more easily and quickly as it works as a promotional tool. As a promotional tool, it does self-advertising , displaying, publishing and acts as an advertising medium. It is the package, size, design, color combinations and graphics that decide its ability to attract the valuable attention of customers or the prospects.
4. **Adaptability:** The package should be of moderate size so that it can be kept in proper place. It should be adapted in all the places. Adaptability is very essential in packaging.
5. **Dependability:** The packaging should be dependable. Dependability indicates the positive idea of a customer about the manufacturing of the product. It is very important to have dependability in the products
6. **Handsome design:** The packaging should have a handsome design. The handsome design attracts the customers to buy the products. To get touch with the taste and fashion of the customers, a constant renewal of design is required. It is very necessary to design the products for making the consumers attracted towards It.

Functions of packaging

1. **Protects the contents:** The basic function of packaging is to protect the contents from damage, dust, dirt, leakage, pilferage, evaporation, watering, contamination and so on. Packaging helps in the protection of the contents of the products. Seasonal fluctuations in demand may be smoothed out through

packaging. Packaging helps to protect the contents of all the available products.

2. **Provides product density:** Packaging helps to provide product density. It implies selecting such package materials, design, and shape that helps to use The limited space in the best way. It Improves relations with common carriers, permits better use of Space in storage and usage and Increases the grace and poise of arrangement.
3. **Act as promotional tool:** Good packaging can sell the product more easily and quickly as it works as a promotional tool. As a promotional tool, it does self-advertising , displaying, publishing and acts as an advertising medium. It is the package, size, design., color combinations and graphics that decide its ability to attract the valuable attention of customers or the prospects.
4. **Provides user convenience:** Packaging helps to provide the user convenience. The good packaging does this in a greater degree. As a result, the marketing functions of the transportation, Storage, and handling are performed with ease and without wastage. Consumers are greatly assisted so long as the product is in usage. Neat packaging has brought a home reduction in inventory costs, packaging costs, space and time costs.
5. **Facilitates product identification:** Packaging helps to facilitate the identification of the product. This process of product differentiation is furthered by affective product identifiers; one is branding and another is packaging. The product package identifies the product no matter where you see It, under what circumstances you see it, or when you see it. A package is products personally, its reality. Product identification goes easy with distinguished packaging as it adds to its personality or image.
6. **Allows easy product mix:** Product mix relates to the product lines and an assortment of sizes, colors, measures, grades etc. Offered by the selling house. Change in product mix can be possible as packaging helps to influence weight, size, and dimensions of the product. Packaging helps to allow the product mix easily for the consumers.

IMPORTANCE OF PACKAGING

The importance of packaging are as follows:

1. **Creation of demand:** Packaging plays an important role in the creation of demand by attracting the consumers. The customers become Known with the product through advertising. It helps to increase the demand of the customers.
2. **Protection of the product:** Packaging helps to protect the product from heat, light, moisture, evaporation, dust etc. during its long passage from the factory to the target customers. It protects the products from breakage, leakage, Spoilage etc.

3. **Transportation:** Packaging facilitates transportation of products from one place to another. It ensures easy transportation and better handling of products in transit.
4. **Guidelines to customers:** Packaging helps as a guidelines for the customers. From the informative Literature regarding the quality and use of the Product, the customers get the guidelines. The customers are ensured about the quality of the products.
5. **Better storage:** Packaging acts as a better storage of the products. Goods with good packages can be stored in the retail shop also in lesser price
6. **Facilitates for carrying:** Packaging plays an important role in carrying the goods in transit and from one place to another. It is made in different sizes and it facilitates provisions for easy and open Carrying.
7. **Identification of product differentiation:** Packaging helps to identity the product differentiation easily. It ensures the individuality of the products and one product can be easily differentiated with each other products in the market. The customers can easily identify their product of choice at the time of purchase. This helps the customers to prevent substitution of goods by other customers.
8. **Economy:** Packaging helps to reduce the cost of marketing the goods by reducing losses from damages. As packaging Is helpful for sales promotion, so it helps to attain economy in the cost structure of the producers and marketers.

PACKAGE DESIGN.

They are designs done on the wraps of some products to protect them. Package design involves the creation of a products container and how it looks to consumers who might purchase it. They do carry captions that are meant to advertse such product. Such designs must be well executed because the more attractive they are the better for the product for the ever competitive market. The leterings (words) and illustrations images) are very important. Not all package designs carry pictures, there are some with name of the product and usage's package designs are cut out and folded into packets with many sides, this is transformation from two dimensional form the fat design) into three dimensional solid pack. Package design are part of market strategies which must be capable of arousing peoples curiosity and interest to buy.

Function of package design.

1)For advertisement.

- 2) For protection of the product.
- 3) For durability especially during transportation and storage.
- 4) They serve as physical protection.
- 5) Used for containment.
- 6) For identification.
- 7) Barrier protection e.g dust and water.
- 8) Convenience.

An important distinction is to be made here between two types of packaging

- **Transport packing:** The product entering the trade need to be packed well enough to protect against loss damage during handling, transport and storage. e.g. fiberboard, wooden crate etc.
- **Consumer Packing:** This packaging holds the required volume of the product for ultimate consumption and is more relevant in marketing. E.g. beverages, tobacco etc.

Hazards of Transport

There are four main hazards of transport

- Drops and impacts.
- Compression forces.
- Vibration.
- Climatic variations.

Various mechanical tests

Drop Test: This test help to measure the ability of the container and inside packing materials to provide protection to its contents and to measure the ability of the container to withstand rough handling.

Vibration Test: This test is to determine the ability of the container to withstand vibration and the protection offered by materials used for interior packing.

Compression Test: This test is carried out, generally, on empty containers, to measure the ability of the container to resists external compressive loads applied to faces or applied to diagonally opposite edges or corners.

Inclined Impact Test: This test help to study the extent of damage in a way of crushing, breaking, cracking, distortion, and shifting during handling storage and transport which occurs to the container and its content.

Rolling Test: This test helps to evaluate the overall strength of the container and the cushioning material provided inside and any failure of the content.

Drum test: This test help to evaluate loaded shipping containers with respect to general overall durability and for the protection afforded to the contents against certain hazards of handling and shipment.

Various climatic tests

Rain Test: This test is conducted in a simulated rain condition to assess its impact on the test area for two hours.

Sand and Dust Test: This test is to evaluate the resistance of a package to the penetration of sand and dust.

Salt Spray Test: This test is to evaluate the resistance of a package to corrosion by salt spray and to serve as a general standard for corrosion.

Fungus Resistance Test: This test is to evaluate all the materials used in the fabrication of shipping containers for fungus resistance.

Type of packaging materials

- a) Newsprint or just plain paper for wrapping glassware
- b) Triwall carton boxes and corrugated carton – various sizes
- c) OPP tapes, or paper gum tapes – various lengths and widths
- d) Ropes, slings or plastic strapping belts – for securing purposes e) Bubble pack, plastic stretch film – for protections against scratches and tidying up loose ends
- f) Plywood case, metal case – for over size items or putting small items together.
- g) PE foam, chips and etc – for protections against moving/shifting within a box or package.

Type of packaging machines Packaging machines assist to speed up the packing process. Automated packaging machines can strapped up pallets with cargo within a few seconds and strap tensioners can do a better job than manual strapping.

IMPORTANCE OF CUSHION MATERIALS

Cushioning is that part of packaging, which protects the article from damage due to shock and vibration. The main functions of cushioning materials can be detailed as follows:

1. Shock protection against vibration.
2. Protection against abrasion.
3. Protection of grease proof and waterproof barriers at point of contact with solid blocks.
4. Protection of moisture vapor barriers at points of contact with sharp edges of the article itself.
5. Protection of small projections.

6. Filling of void space in the container.

PACKAGING COST

The most important aspect of packaging is the packaging cost. Packaging cost include the following:

- **Material cost:** It means the cost of the pack and quality control cost.
- **Storage and handling cost of empty packages:** This include the handling cost of bulky packages, heavy materials of construction, drums etc.
- **Packaging operation costs:** This includes the cost involved in operations like, cleaning the package product filling – closing, labeling – unitizing, stenciling, handling cylindrical slums etc.
- **Storage of filled packages:** This includes the cost incurred to shift the goods from one form of packaging to another.
- **Transportation cost of filled packages:** This involves the transportation cost by sea, air etc. (freight by volume).
- **Loss and Damage cost:** It is related to the loss and damage during operation, transportation delivery etc. **Insurance cost:** It varies depending on the vulnerability of package.
- **Effect of packages on sales:** The package that influence on sales.
- **Obsolescence Cost:** This cost involves when changes in the packaging materials, packages and labels happen.
- **Package developmental cost:** This include the evaluation cost, pilot test cost, field testing cost, consumer research cost, feedback cost, final trial cost etc.

Early Brands and Packaging

The first brand names were inevitably those of the maker;

Yardley in (1770), this one of the oldest firms in the world to specialize in cosmetics, fragrances and related toiletry products;

Schweppes (1792), Schweppes is a Swiss beverage brand that is sold around the world;

Perrier (1863), Perrier is a French brand of natural bottled mineral water;

Smith Brothers (1866), Smith Brothers Farms is a dairy and home delivery service based in Kent, Washington, United States; and

Colgate (1873), Colgate is an umbrella brand principally used to purchase oral hygiene products such as toothpastes, toothbrushes, mouthwashes and dental floss.

The evolving printing and decorating arts applied to “upscale” packages, many early decorations was based on works of art or national symbols or images. Early labels included pictures of pastoral life, barnyards, fruit, and the gold medals. A packaging milestone in 1877, brought about the concept of “persona”. The Quaker personage, or “persona”, gave a description of the package or product as if it were a person. Between 1890 and about 1920, decoration followed the art nouveau style, this being followed by a period of art deco graphics and designs. The first packaging made of plastic (based on cellulose), was created in 1856.

The package from time immemorial had motivational and informational roles. The package had to inform the purchaser as well as the package had to sell the product. Demographics which is considered, the study of population structure and trends, universally became an important factor in designing products and packages. Soon the packaging industry discovered that another criteria was Fast food and other institutional markets. Fast-food appeared and created a demand for disposable single-service packaging. This introduced, two factors to influence packaging: public health care and a rapidly growing trend toward eating out rather than at home. More concern was given to the HRI (hospital, restaurant, and institutional) market as well as Petroleum-derived plastics which was now added to the package designer’s selection of packaging materials.

a. Legislated changes

In the 1970s and early 1980s, many aspects in packaging were legislated: - Child-resistance closures mandated for some products; - Tamper-evident closures; - Labeling laws required listing of ingredients; - International agreements signed to phase out the use of CFCs; - Standards for the acceptance of new packaging materials raised

b. Changing Needs and New Roles.

All historical changes have had an impact on the way products are bought, consumed and packaged. The packaging professionals must always turn their attention to the needs, markets, and conditions of tomorrow. It has been observed that most of goods, not essential to survival, constitute “the good life”. In the second half of the 20th century, the proliferation of goods was so high that packaging was forced into an entirely new role: providing the major purchase motivation rather than presenting the goods itself; the only method of differentiating was the package itself. The trend toward more intensive marketing gave marketers the objective to aim at lifestyles, emotional values, subliminal images, features, and advantages beyond the basic

product itself. Today the package has become the product, and occasionally packaging has become entertainment.

Globalization and the provision of increased tonnages of high-quality food to massive city at affordable prices challenges packagers. A new concern is the removal of the debris generated by a consumer society and the impact that these consumption rates have on the planet's ecology.

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