

FMCG Packaging Strategies: An Exploratory Study

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Abstract

Generally, Packaging Strategies are the part of marketing strategy in India. The trends show that the consumers are inclined towards the packaging which makes the product economical, easy to handle, easy to store, different from competitors, more stylish and attractive. Main objective of the study is to analyze specific packaging strategies & innovative strategies for rural consumers of personal care products.

Keywords: Packaging, Packaging strategy, Packaging attribute, Consumer, Sachet.

I. INTRODUCTION

FMCG companies are using many packaging attributes in the personal care category to catch the attention of the customers and persuade the customers. The trends show that the consumers are inclined towards the packaging which makes the product economical, easy to handle, easy to store, different from competitors, more stylish and attractive. Generally, Packaging Strategies are the part of marketing strategy in India. Through this study we explore packaging strategies like unique shape and design, functional, better protective, easy to use, multi-packs, brand reinforcement promotional, etc.

II. REVIEW OF LITERATURE

A review of earlier literature reveals that there is a vast difference in various studies done so far on rural markets & packaging. A vast number of studies concentrated on the consumer behavior & consumption pattern of rural consumers & evaluated the achievement of the objectives of the concern studies.

Manjunatha.K (2004) put forth that the consumption pattern of rural people is increasing in recent years. The rural consumer wants to acquire the urban life system in their buying behaviour and it is reflected in their buying decisions. While Subrahmanyam & Harnath.G (2005) revealed that the amount of purchasing toffees/candies in piece is affected by consumers' monthly income and their family size. Consumers are giving different preference to different purchasing pattern (piece basis, pouch basis). Size of pouch for toffees/candies are not affected by consumers' monthly income & their family size. In another study,

Mishra.B & Sakkthivel.A.M (2005) explored that the life style products from FMCG category make their deep impact among rural markets. Thanks to Velvette International, the pioneer in Sachetizing FMCG products with the trial attempt on shampoos. This effort opened several iron gates for corporate that struggled to identify the profile of rural consumers. They further state that consumption pattern & purchasing frequency is directly related to the income & need of the consumers. Maruthamuthu.K, Kumar.K.K & Vasan.M (2006) stated that the consumers are highly complex individuals, subject to a variety of psychological & sociological needs apart from their survival needs. Needs & priorities of different consumer segments differ drastically & there is no significant association between influencers & purchase decision. Selvaraj.A (2007) explored that the factor of nearness (proximity) plays vital role & most significant factor to purchase the non durables in rural market. Further he states that media communication should be such that to disseminate the facts about non-durable goods to all consumer. Satisfaction belongs to price, quality, quantity, colour and availability to rural consumers. It is found that high price is an important problem of rural consumers. Further Anandam.C, Prasanna.M & Madhu.S (2007) revealed that the quality is the major driver to prefer a particular brand in the rural market. It is found that there is a significant relationship between the age of the respondents and the factors influencing the customers' brand preferences. Shende.R (2007) stated that all the income groups purchase the FMCG products but their brands differ from each other. The place of purchase, which the rural consumer prefers is the weakly market, which is a good channel of distribution of FMCGs moreover, the youth are influenced by the city culture & it is reflected in their purchase decisions.

Garg.B (2007) put forth that the factors influencing brand preference of hair oil are fragrances, attractive packing, small packs & low price. Rural consumer emphasize on core utility of product in lesser price. Chandan.P (2009) revealed that the human beings are creatures of habit. Many of our actions are repetitive and require little conscious thought or effort however, according to a new study, by predicting our behavior we can actual reinforce good habits and break bad ones. Indu.P & Gupta.V (2010) stated that "Unilever" believed that its

innovative packaging practices enabled its products to stand out among the several similar products of its competitors. A company like Unilever, continuous improvisation & innovations in packaging were necessary to compete effectively in high competitive FMCG industry. In emerging markets like India, Unilever's products like shampoos were sold in small pouches or sachets of 8ml to 10ml volume. These sachets were affordable and accounted for almost 70% of total consumption in India. In their study Wang and Chou (2011) concluded that we can understand the message of the packaging by visual elements. In another study Behura and Panda (2012) concluded that most FMCG companies used to treat rural markets as a complement to its urban and rural consumers as a homogeneous mass without segmenting based on target market and brand positioning.

Karimi, Mahdiah and Rahmani (2013) in their work investigated that the more manufacturers pay attention to packaging elements and try to improve it and can increase the customers and sales.

III. OBJECTIVE

The purpose of this study is to investigate the FMCG packaging strategies so the primary objective of the study is to examine the existing packaging strategies of selected FMCG companies in personal care products for rural consumers of western-U.P.

IV. RESEARCH DESIGN

The present study is considered as an exploratory research design. Exploratory research helps in knowing more about the problem. The study is exploratory as few studies have been conducted in the area of packaging as FMCG packaging strategies especially for Indian rural consumers. Moreover, the prevalent packaging strategies used by the marketers have been explored. Sample of hundred production & marketing professionals have been selected. The primary data have been collected from the selected respondents with the help of structured and non disguised close ended questionnaires.

V. SPECIFIC AND INNOVATIVE PACKAGING STRATEGIES

The specific and innovative packaging strategies used by the FMCG companies have been discussed in detail.

A. Unique Shape & Differentiation Packaging Strategy

Shape is very important attribute as the shape of the package can become important packaging and marketing strategy. In case of shampoos, the bottle is the package so the shape of the bottle becomes its brand identity. The shapes of packages of different brand of shampoo have got

different shapes. Even in case of cosmetics every brand has different shapes so the shape of package can become an innovative packaging strategy creating an iconic brand image.

Colour plays a very important role in packaging. The package colours give brand unique identity and differentiation. Companies have re-packaged and re-launched its products with different-different colours of pack in editions to attract consumers and appeal to compassionate adult consumers and to enhance shelf presence in retail stores. Even in cosmetics the colour of packaging plays a significant role.

B. Easy To Use Packaging Strategy

The ease of handling the product has also emerged as a very important tool in packaging attributes. The success of the following examples is the testimony to the fact that more and more effort is being made to make package easy to handle.

Easy to open packaging: rather than tearing the package with help of mouth, easy to open packaging is coming, in which when pressure is put on a specific point it opens up very easily like shampoo and hair oil sachets.

Sachets with nozzles: now sachets are coming with nozzles, which make it very convenient to use, example fair & lovely and pond's beauty cream.

Flip Top Cap: Flip top caps make the usage of the product easier. Many oils, shampoos, conditioners, lotions and other cosmetics are available with this feature of packaging. Parachute used such bottles to enhance the safety and protect the purity of Parachute oil.

Easy Jar: Parachute designed jar with wide mouth to facilitate usage especially during winters.

Reusable Sachet: Few years back some of the shampoos were launched in a special transparent reusable sachet. When these sachets were pressed the required quantity of shampoo came out of a small hole and the remaining could be kept to be used again.

Easy-to-squeeze pump jar: Many shampoos and cosmetics are coming in the easy-to-squeeze jar option. This feature helps to take the required lotion without opening the lid and by using single hand only. P&G launched Olay Total Effects, in an attractive, convenient, easy-to-squeeze pump jar, perfectly sized for every woman's handbag. The lid of the bottle is curved which gives it a stylish look. The other examples are chik and head & shoulders shampoos.

Soft Squeeze Lamitubes: Soft Squeeze lamitubes are used in a variety of products from tooth pastes, shampoos and many cosmetics. The replacement of tin packs with flexible, soft pack makes the product usage very convenient, just by pressing a little the required amount of the product can be obtained.

Unbreakable Bottles: Light weighted unbreakable bottles replaced the glass bottles like Dabur Almonds hair oil. Even Dabur India Limited launched DaburGulabari Premium Face Freshener in a stylish, contemporary, convenient and easy-to-carry packaging, which could be sprayed directly on to the face and then wiped with a cotton ball.

C. Sachet and Small Size Packaging Strategy

Some of the success stories in the Indian market because of sachet packaging include:

Soaps: In late 2003, HLL introduced 50 gm Lifebuoy soap priced at Rs. 2. A one rupee or five rupee sachet of the Hamam aided in inducing consumer trial. Both Hindustan Unilever and ITC have focused in their advertising for Lux and Vivel soap brands, respectively, on the Rs 10 price point instead of brand attributes. Margo was also launched in 40 g small package. Mysore sandal soap is also available in travel pack. Godrej introduced Cinthol, Fair glow and Godrej soaps priced between Rs 4-5 in 50g sizes for economically weak states like MP, UP and Bihar.

Toothpaste: In 1993, Sachets formula was used by HLL to break into Colgate's fort. The Close Up sachets was priced at Rs. 3 per unit and it offered 20 uses, which means that a family of five could use it four times each. Colgate introduced toothpaste in sachet form not targeted at lower income segment, but towards children, which has become popular in hotels.

Shampoo: The pioneering initiative in sachet marketing strategy goes back to 1976, when CavinKare launched its 'Velvet' brand of shampoo in sachet form, and more recently in 1999, it launched a 50 paise shampoo sachet under the brand, 'Chik', which made the market share of this brand jump from 5.6% in 1999 to 23% in 2003. This strategy was matched by its competitor HLL who responded with the launch of several of their shampoo brands in sachets. Since shampoo has witnessed the maximum action in sachet marketing strategies. Almost all the brands of shampoos like Head & Shoulders, Pentene, Sunsilk, Dove etc. are available in sachets. In 2012, 87% of shampoo sold in India is in sachets.

Hair Oil: Marico Industries launched Parachute Mini - a bottle shaped small pack being sold at an MRP of Re. 1 and a small sized 20 ml Parachute - a Rs. 5 SKU that enables loose oil users to upgrade to Parachute. Small packs help attract new users into a

category, says V S Sitaram, COO of Dabur India, which rolled out Amla hair oil in Re 1 sachet.

Cosmetics: Even in cosmetics to make the product available in smaller packs, making them affordable. In the fairness and beauty creams market, the competition between Hindustan Lever and CavinKarehotted up with both players introducing 9 ml sachets priced at Rs 5. Other players followed suit with Amway and Oriflame foraying into sachets. In 2006 Marico launched Parachute Advanced aftershower Hair Cream in a sachet at Rs. 3. Around 30 per cent of HLL Consumer Products business comes from Rs. 5 and Rs. 10 packs so, it makes sense to have sachets as packaging strategy.

D. Easy To Store Packaging Strategy

Ease of storing the product, keeping it fresh and using the remaining quantity of the product is becoming crucial for the marketers. Some of the important packaging strategies related to the ease of storing the products are:

Stand-up Caps: The broadening of caps make the storage of the tubes easier as the package can stand upside down. 1993 was the year when HLL tried to woo the customers by innovative packaging it introduced "Stand Up Pump dispensers" for metro cities. In 2004 the packaging of new Close-up Active Gel with Vitamin Fluoride System was completely changed. It came with a stand-up cap and a metallic tube. The stand-up cap made the storage of the tube easier. Today many toothpastes, shampoos, and Beauty creams are available with this feature.

Re-closable Zipper packages, Lockable packaging, Vacuum toptainer, Package as container, Snap-fit cap are the easy to store packaging strategies.

E. Functional Packaging Strategy

If the packaging has more than one function, ensure that it performs all of its functions. For example the packaging used as container like surf-excel, the packaging of hair dye has two packs. The packaging enables consumers to decide how to mix their colour and is therefore interactive. Packaging for food products must preserve the product for a period of time- tetra pack, Tea bags.

F. Better Protective Packaging Strategy

The packaging must be tested to make sure consumers can safely use it and store it. The packaging should also safeguard people living with the consumer such as children. For example medicine bottles are designed with caps that children cannot remove easily. Packaging for food products must preserve the product for a period of time- tetra pack. Whilst packaging for fragile products should protect the product during storage and transit.

G. Multi-Packs Packaging Strategy

Multi-pack products are an innovative way to enhance consumers' purchase weight as well as

raise assortment purchase. A multi-pack product also reduces the cost involved in the packaging of the product. Discounts offered on multi-packs leads to bulk buying like Godrej No1, Lux, Rexona and others come up with this strategy (pack of 4), Vaseline body lotion, Colgate paste (pack of 2).

H. Promotional Packaging Strategy

Promotional packaging strategy is use for promotional offers like 30% more, buy one get one free etc and discount offers on package. Packaging must be designed to promote the benefits of the product.

I. Brand Reinforcement Packaging Strategy

The packaging of the product must reinforce not just the product brand but also the corporate brand. When consumers are deciding on which product brand to choose, they will use the packaging to make their decision. Change in colour scheme, fonts, size, shape, product information & ingredient information, promotional offers on package will reinforce the brand and repetitive purchases. Packaging must be designed to promote the benefits of the product.

VI. ANALYSIS OF SPECIFIC AND INNOVATIVE PACKAGING STRATEGIES

Generally, seven objectives are behind the packaging, so marketing professionals are considered them as seven packaging strategies. They are Unique Shape and Design Packaging Strategy, Functional Packaging Strategy, Better Protective Packaging Strategy, Multi-Packs Packaging Strategy, Easy-to-Use Packaging Strategy, Promotional Packaging Strategy and Brand Reinforcement packaging strategy. 96% marketing professionals have applied promotional packaging strategy for rural consumers, 91% marketing professionals have unique shape and design packaging strategy, 74% applied functional packaging strategy, 63% have brand reinforcement packaging strategy for rural consumers.

68% respondents say that there is no difference between rural packaging strategy and urban packaging strategy. 27% say there is a difference between rural and urban packaging strategy and only 5% say that sometime rural packaging strategy is different from urban packaging strategy.

Promotional packaging strategy is very effective and it is 83% effective on rural consumers.

Unique shape and design packaging strategy is effective for increase in sales and profit and it has been responded by 95% of marketing professional. It is also effective for increase in customer base and market share. Easy-to-use packaging strategy is effective for increase in brand loyalty and it has been responded by 95% marketing

professionals. Promotional packaging strategy is also effective for increase in sales and profit and it has been responded by 97% and 98% marketing professionals respectively for increase in sales and profit. Brand reinforcement packaging strategy is also effective for increase in brand loyalty and it has been responded by 97% marketing professionals. It is also effective for increase in customer base and market share. Multi-packs packaging strategy is also effective for increase in sales and profit and it has been responded by 97% & 96% marketing professional respectively. It is also effective for increase in market share and it has been accepted by 70% marketing professional. Functional packaging strategy is also effective for increase in sales and profit and it has been accepted by 79% marketing professionals.

Ninety-eight per cent respondents say that brand reinforce packaging strategy has influenced rural consumer by putting positive impression and giving better recall. 98% respondents say that unique shape & design packaging strategy has influenced rural consumer by putting better recall, and giving better exposure. 97% respondents say that functional packaging strategy has influenced rural consumer by developing interest. 73% respondents say that easy to use packaging strategy has influenced rural consumer by putting positive impression, developing interest and giving better exposure. 97% respondents say that better protective packaging strategy has influenced rural consumer by putting positive impression. 78% respondents say that multi-packs packaging strategy has influenced rural consumer by giving better exposure. 97% & 98% respondents say that promotional packaging strategy has influenced rural consumer by developing interest and giving better exposure respectively.

VII. CONCLUSION

There are many FMCG packaging strategies existing in market like Unique Shape & Differentiation Packaging Strategy, Easy To Use Packaging Strategy, Sachet and Small Size Packaging Strategy, Easy To Store Packaging Strategy, Functional Packaging Strategy, Better Protective Packaging Strategy, Multi-Packs Packaging Strategy, Promotional Packaging Strategy, Brand Reinforcement Packaging Strategy, Fun Packaging Strategy, Gift Packs/Festive Packs Strategy, Reusable Containers Packaging Strategy, Eco-friendly Packaging Strategy but Unique Shape & Differentiation Packaging Strategy, Easy To Use Packaging Strategy, Sachet and Small Size Packaging Strategy and Promotional Packaging Strategy are most prevailing in rural market specially in personal care products for rural consumers of western U.P.. Due to low literacy and average income, Unique Shape & Differentiation Packaging Strategy, Sachet and Small Size Packaging Strategy and Promotional

Packaging Strategy are very effective among rural consumers.

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