

INFLUENCE OF PRODUCT PACKAGING ON CONSUMER PURCHASES

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ABSTRACT

The 5 P's of marketing (product, price, promotion, place, and packaging) have already been proven to be beneficial to successfully marketing a product. In this study, we explore the relationship between the uniqueness of product packaging and its level of influence on a person buying that product. Participants were given a questionnaire in which they rated the level of uniqueness of a product without knowing the price and rated their likelihood of purchasing that product. In our findings, we saw that a product that was rated with a higher level of uniqueness encouraged consumers to purchase the product, even if the price was inflated.

Keywords: product packaging, uniqueness, beauty, marketing

Introduction

When walking into a store, there are many products sitting on shelves. It is easy to breeze past them without so much of a second glance, but in reality, many marketing teams worked diligently to get that product onto the market.

The question remains: How do retail stores determine what sits on their shelves? A crucial part of that process is research. Marketing research and the use of research to determine business decisions is a key component of building a successful brand (Stiles, 2020). Marketing research is involved for every item consumers purchase, from items sitting on shelves in the grocery store to beauty products found in grocery stores and beauty stores (Stiles, 2020). It is critical to any business trying to take off and become a global market. According to Kelvin Stiles in *Why Is Market Research Important: We Give You 7 Reasons* (2020), he says, "It provides decision-makers with important information to decide the course of the company, launch a new product, or to keep a tab on what competitors are doing." Research helps a company to ensure the steps it must take to keep the business thriving. Well-known brands such as Starbucks, Apple, McDonald's, LEGO, Dove, and Zappos heavily depend on market research (Cullen, 2022). They

use data to keep track of customer satisfaction. In Nicole Cullen's article, *6 Famous Brands That Depend on Market Research (2022)*, she says market research can help corporations achieve the following:

1. Strengthen their reputation and credibility
2. Enhance brand awareness
3. Understand market segments and trends in the marketplace
4. Obtain feedback on customer preferences
5. Establish the effectiveness of marketing and product promotion

Starbucks in particular, has spent more than 300 million USD on market research to ensure the corporation can achieve the highest profit and target their customers' wants and desires (Dudovskiy, 2022). Through research and data collection, Starbucks discovered about 43% of customers who order a tea concoction skip the sugar and 25% of coffee drinkers don't add milk (Whitten, 2016). With that data, Starbucks created two unsweetened iced tea K-cups - Mango Green Iced Tea and Peachy Black Tea - as well as unsweetened and sweetened black iced coffee without milk or additives (Whitten, 2016). Tammy Katz, the CEO and founder of Katz Marketing Solutions, told CNBC that Starbucks can practically double consumption because customers want to order their usual drink when they go in-store and are now able to drink it at home as well. By selling K-cup versions of popular drinks using consumer data-collection, Starbucks was able to significantly increase its profits as well as increase the company's popularity. At the end of 2022, Starbucks had a gross profit of 22.313 billion USD, and its gross profit increased by 5.52% year after year (Pereira, 2023). It is evident that while Starbucks has spent hundreds of millions of dollars on market research, it is worthwhile since the margin of profit to money spent has worked tremendously in its favor, continuing to make the brand the number one coffee franchise in the world, with 35,711 stores in the world in 2022 (Statista Research Department, 2022).

The strategies marketers use to attract customers were coined by Jerome McCarthy and his colleague William D. Perrault who created the term "marketing mix" (McCarthy & Perrault, 1972). It contains the 5 P's: product, price, promotion, place, and packaging, all of which are inherent to putting a product out on the market.

1. The product is the item that catches the eye of a passerby who becomes interested in purchasing the product.
2. The price is the cost of the product that marketers take into consideration when deciding

how cost influences customers' likelihood of purchasing the item.

3. Promotion is how companies show the item off and its relevance.
4. The place is where the product is distributed, making sure it is placed in larger retail stores where it can be noticed.
5. Lastly, the packaging is the gold star of a marketing mix. Packaging is the limelight of a product being that it is what people notice when they first glimpse at a product (ABC Packaging Direct). It is the difference between someone glancing at a product and turning their attention someplace else, or stopping to stare at the product and seeing if it is worth the purchase.

These 5 P's make up the perfect concoction of how to market a product to make it successful as well as the brand itself. In marketing research, product packaging is often neglected as a critical ingredient of what initially catches a consumer's eye (Stiles, 2022).

Product packaging is often misunderstood because it provides a quick and simple way to aid customers in differentiating between parallel products and increase their impulse to buy a product (Wells et al., 2007). For instance, there are many different types of pens and brands that create them. It becomes increasingly difficult to tell apart a good pen from a bad one when they practically all write the same. At some point, there really is no difference. There becomes a tendency for people to lean toward purchasing a pen their eyes are more attracted to (Behe et al., 2013). Therefore, many consumers begin to look at the packaging of the pen, specifically the color, shape, and design of the pen. The more visually appealing it is, the higher the likelihood the person is going to buy the pen. The more ordinary and traditional the pen is, there is a lower chance of someone buying the pen and instead looking elsewhere for something that not only works well, but appeals to the eye.

One industry that relies heavily on captivating packaging is the cosmetics industry. Since many beauty products are very similar, packaging becomes a way to aid consumers in differentiating between similar products and increases their desire to buy a product (Wells et al., 2007). For example, there are many different types of moisturizers and brands that create them. It becomes challenging to tell apart two moisturizers that contain the same ingredients and are advertised to improve skin in the same way. For this reason, there is an inclination for people to purchase items their eyes are more drawn to (Behe et al., 2013).

Questions regarding the packaging of beauty products are of key economic importance, as the cosmetics industry is a multi-billion dollar business with the market having a revenue of 136.4 billion USD in 2020 and is estimated to amount to 181.5 billion USD in 2027 (Statista).

With many brands trying to keep up in the competitive industry, companies are trying to find new and innovative ways for the product to become more unique. For instance, a bottle of Caudalie Radiance and Complexion Correcting serum is a traditional-looking bottle with a dropper (see Image A below). Other products contain unique packaging that is the signature of the brand. For example, the Glow Recipe Niacinamide Dew Drops serum is a bottle in the form of a raindrop (see Image B below). Now, this serum is famed not just for its watermelon scent, but also for the innovative shape of the bottle. The notorious packaging catches the eye but can also be a symbol of recognition for the brand.



Image A:

Caudalie Radiance and Complexion Correcting Serum



Image B:

Glow Recipe Dew Drops

A well-known marketing principle is the “unique selling principle” (Rosenblum, 1961). A term conceived by Rosser Reeves, a successful US advertising executive and chairman of the Ted Bates agency, who wrote his three principles for unique selling propositions in his 1961 book *Reality in Advertising* (Bergh & Behrer, 2016):

1. Each advertisement must display a benefit proposition to persuade the customer.
2. The proposition must be a unique one that rival companies do not offer or are unable to offer.
3. The proposition must be solidified so that it is able to affect millions of people.

As many beauty products are similar, companies want a signature look to their products that will make people more drawn to them (ABC Packaging Direct). Bergh and Behrer (2016) argue that uniqueness in product and presentation increases this likelihood. Companies that have a certain degree of uniqueness are the most successful and have a greater chance of becoming a globally

renowned brand (Johnson & Soenen, 2003). With the beauty market being viciously competitive, companies are constantly using colors, shapes, and designs, to deliver happy feelings to a consumer (Raheem et al., 2014). Graphics, specifically, are a necessary component to creating a unique look for a product (Oaya et al., 2017). Graphics display a product's individuality and emphasize the brand's name, which helps it stand out on shelves (Oaya et al., 2017). Customers are able to familiarize themselves with a brand by recognizing the unique graphics of the brand. Color is arguably one of the most important aspects of marketing a product. Color can differentiate brands and give them an element of color ownership in which other brands are unable to replicate or it becomes difficult to recreate (Oaya et al., 2017). The makeup brand Urban Decay is known for its metallic tones in its packaging (see Image C below) and Patrick Ta's brand is known for its rose gold reflecting product packaging (see Image D below). In addition, certain cultures use color to represent many different ideas. The Chinese culture, for instance, has the color red deeply embedded in its culture to symbolize happiness and joy (Kutuzova, 2020). Charlotte Tilbury's brand celebrated Chinese New Year by creating a setting spray that had red flowers on the cap. A product's packaging becomes a "salesperson" as the product is trying to appeal to a passerby (Oaya et al., 2017). By introducing colors of people's cultures, companies are able to attract people of those cultures as well as others who have an appreciation for different cultures' symbols. For those reasons, product packaging is quintessential to a company's branding and its eventual success. About 106.88 million women use makeup daily according to a statistics report in 2020 (Statista Research Department, 2023). With that being said, companies would like as many of that percentage to buy their products.

With careful deliberation on product packaging as well as other factors, companies have the potential to make their brand a globally renowned name.



Image C:

Urban Decay All Nighter Setting Spray



Image D:

Patrick Ta Crème Contour & Powder Bronzer

Packaging plays a vital role in catching customers' eyes as the use of color, material, designs,

and other characteristics increases impulse buying behavior and the likelihood of them becoming loyal customers to the brand, and these attributes are all influenced by the graphic design of the packaging (Mazhar et al., 2015). Researchers have even claimed that packaging design is a strategic brand issue that has the ability to attract many consumers and should be part of the primary importance of marketing (Kauppinen-Räsänen, 2014). Product packaging is a brand's signature and can attract many of today's customers. Many companies work with packaging suppliers to find the perfect shape, design, and color of their packaging to represent their product which will ultimately target the most amount of consumers (Mazhar et al., 2015).

This study will elaborate on how product packaging influences the likelihood of a person buying that product. The study is significant in that it examines the roles of price and packaging in a diversified, multi-billion-dollar industry. The purpose of this current study was to utilize consumer behavior and preferences to come to a conclusion regarding price and packaging preferences. Interestingly enough, there is not enough research currently on the effect of consumers' income and their willingness to purchase unique products. Therefore, the current study will use wealth as one measure in our analysis to see if there are any socioeconomic effects in our study.

Hypotheses

Hypothesis #1: Due to the potential impact of uniqueness in packaging, we hypothesize that the more unique a product is, the more likely they are to buy it, even if the price is artificially higher.

Hypothesis #2: The possibility of wealth having an impact on consumer purchasing has led us to hypothesize that people with more income are more inclined to buy expensive products they might find unique.

Hypothesis #3: The impact of uniqueness in packaging could persuade consumers to purchase a product without knowing the price, so we hypothesize that consumers will be interested in purchasing a product based on its packaging rather than focusing on its price.

Hypothesis #4: Age could have a factor in consumer purchasing, so we hypothesize that young women are more likely to keep up with social media trends and influences and be more in tune with a product's uniqueness compared to others on the market.

Method

We recruited 124 participants (F = 121, M = 3) to take an online survey via Google Forms. The average time to complete the survey was 21.3 minutes. The survey was designed to test participants' willingness to buy beauty products based solely on the uniqueness of their

packaging, and above and beyond price (to ensure that brands were not a factor, we hid the brand name on the packaging for every item. We were interested in how participants' ratings of uniqueness would influence their willingness to buy a product, even if the price was increased by 50%. Therefore, half of our sample (Group A) took a version of the survey where the prices for every other item were increased by 50%, and every remaining item's price was reduced by 50%. To ensure a clean counterbalancing of this design, the second half of the sample (Group B), took the same survey and saw the same items. All participants completed the survey in less than thirty minutes.

Results

Hypothesis #1: Due to the potential impact of uniqueness in packaging, we hypothesized that the more unique a product is, the more likely consumers are to buy it, even if the price is artificially higher.

A Pearson correlation coefficient was computed to assess the linear relationship between uniqueness score and willingness to purchase an item even at a price 50% higher than its current market value. Results showed that there was a significant positive correlation between the two variables, $r(122) = 0.82$, $p = .001$. This suggests that participants who rated the items as more unique were indeed more likely to buy those items, even if the price is artificially increased.

Hypothesis #2: The possibility of wealth having an impact on consumer purchasing has led us to hypothesize that people with more income are more inclined to buy expensive products they might find unique.

When examining the responses by income levels, there were no statistically significant differences between group means as determined by a one-way ANOVA ($F(6,118) = 1.397$, $p = .15$). This suggests that there was no significant relationship between participants' income and their desire to purchase more expensive products.

Hypothesis 3: We hypothesized that consumers will be interested in purchasing a product based on its packaging rather than focusing on its price.

A Pearson correlation coefficient was computed to assess the linear relationship between the willingness of participants to purchase an item without knowing the price and their rating of the item's uniqueness. There was no significant correlation between the two variables, $r(122) = -0.0103$, $p = .63$. This result suggests that there was no significant relationship between participants' willingness to buy an item without knowing both the price and their rating of the item's uniqueness.

Hypothesis #4: We argue that age could be a factor in consumer purchasing, such that young women are more likely to keep up with social media trends and influences. Therefore we hypothesize that young women are more likely to keep up with social media trends and influences and be more in tune with a product's uniqueness compared to others on the market.

A Pearson correlation coefficient was computed to assess the linear relationship between age and uniqueness scores across all items. There was a significant negative correlation between the two variables, $r(122) = -0.62$ $p = .02$. This result suggests that younger female participants were more likely to rate items as more unique, therefore supporting our hypothesis.

Discussion

The purpose of this study was to examine the effects of how product packaging influences the likelihood of consumer purchases. By taking into account consumer behavior and preferences, we came to a conclusion regarding price and packaging preferences. There was a significant amount of participants who said uniqueness contributed to their willingness to purchase a product at a price 50% higher than its actual market price. Age and uniqueness also had a significant effect on how participants rated the uniqueness of a product. In comparison, there was no significant correlation between a participant's desire to buy a product without knowing the price and how unique they found the item. While we predicted wealth to have an impact on consumers' buying tendencies, there was no relationship found in this study.

It is evident that given the information found in the study, companies should prioritize creating and developing unique packaging designs for their products. Researchers have claimed that packaging design is a strategic brand issue that can attract many consumers and should be part of the primary importance of marketing (Kauppinen-Räsänen, 2014). Unique packaging gives a unique perspective on how packaging can take different shapes and forms. As mentioned earlier, the Caudalie Radiance and Complexion Correcting serum does not have its own distinct shape. It is a typical bottle and dropper. The Glow Recipe Niacinamide Dew Drops is a pearlescent pink teardrop bottle. When walking into a store, if someone were to see the two side-by-side, their eyes would immediately be attracted to the Dew Drops, the reason for this being the Dew Drops are unconventional-looking. People want to look at something new and different, not something that is too familiar. Ordinary doesn't capture attention, so if companies want to skyrocket their sales, spending time and money on packaging would significantly aid them in their goal.

In our study, we found a significant positive correlation between the level of uniqueness and willingness to purchase a product at a 50% inflated rate than the actual market value. Our study supports our initial hypothesis that consumers lean toward buying products they find unique. The study found that a product that was rated with a higher level of uniqueness prompted consumers

to purchase the product, even if it was expensive. By inflating the price, we were interested to see if consumers were still interested in buying the product based on its packaging. This suggests that price is not a huge factor when browsing for beauty products as people are more tempted to buy the item based on its exterior without having a large consideration for how much it costs. An explanation for this is that unique product packaging attracts consumers' eyes and positively relates to their buying behavior (Mazhar et al., 2015).

When looking into the relationship between age and uniqueness, we found a significant negative correlation between the two variables. The study found young women were more likely to rate beauty products as unique rather than older women. This finding supports our hypothesis that age could have a factor in consumer purchasing. A possible explanation for this is younger women tend to roam social media more often and are more prone to keeping up with beauty trends rather than middle-aged women. Young adults are constantly on social media, with 88% of 90 to 29-year-olds using social media (Hruska & Maresova, 2020). In comparison, only 35% of older age groups use social media (Hruska & Maresova, 2020). For instance, Instagram is a popular social media app that contains many beauty trends and about 50% of its users are between the ages of 18 and 38 (Perrin, 2015). With young women constantly scrolling through social media, those interested in makeup and skincare products are more prone to keep up with trendy products versus middle-aged women who might not have social media, therefore being unable to stay up to date on new products on the market.

No noteworthy relationship was found between the urge for a participant to buy a product without knowing its market value and how unique they find the product. This finding differs from our original hypothesis which stated that consumers were more prone to purchasing products by paying attention to its packaging rather than its price. A possible explanation is that while packaging plays a large role in consumers' purchasing behavior, price is ultimately a large factor that weighs in on consumers' purchasing decisions. The 5 P's of marketing, as mentioned above, includes price. It suggests that price is also a large component of consumer purchasing behavior and consumers are still aware of how much they are willing to spend on an item.

The relationship between participants' income and their desire to purchase luxury beauty products was insignificant. The results of this study contradict our original hypothesis which suggested that a consumer with more income had a higher tendency to buy luxury beauty products. This implies that wealth does not have a huge factor in consumers' purchasing decisions. However, it is possible that wealth does play a factor in the tendency for consumers to buy products but in our study, we had few wealthy people, with only 17 people having more than \$60,000. With a wider range of people, a relationship between the two variables might be found.

For beauty companies wanting to know more, eye-tracking is an effective way to track

customers' visual attraction to a product. Visual stimuli have been proven to influence consumers' purchase behavior and can help companies better understand how to package their products (Clement, 2007). By tracking consumers' visual attraction, companies can confirm uniqueness in packaging has the ability to have longer attention spans on that particular product.

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