

A Dissertation Report On

**EMPIRICAL STUDY ON PACKAGING FACTOR
INFLUENCING CONSUMER BUYING DECISION IN
CONFECTIONERY ITEM**

*Submitted in partial fulfilment of the requirements for the degree of
Master of Business Administration (MBA) by*

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CERTIFICATE

This to certify that the project entitled **EMPIRICAL STUDY ON PACKAGING FACTOR INFLUENCING CONSUMER BUYING DECISION IN CONFECTIONERY ITEM** submitted by **ALOK KUMAR NAIK** bearing Roll Number **313sm1006** for the partial fulfilment of the requirement for the degree of Master of Business Administration embodies the genuine work done under his supervision.

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Place: School of Management, NIT, Rourkela

Date:

DECLARATION

I do hereby declare that this project report entitled, “**Empirical Study on Packaging Factor Influencing Consumer Buying Decision in Confectionery Item**”, has been submitted by me in partial fulfilment under the guidance of Dr.Rajeev Kumar Panda, Assistant Professor, School of Management, National Institute of Technology, Rourkela is my own and has not submitted to any other institution or published anywhere before.

Place:

Date:

Alok Kumar Naik

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Alok Kumar Naik

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ABSTRACT

Packaging has become a vital means for differentiating item and as well as attracting customer attention from other items. Packaging has become an important aspect in marketing and it is treated as one of the most influential factors concerning consumer purchase decision at the point of purchase. When consumer goes for shopping and search for the product information on the package, this can become relevant and useful information for the consumer which leads to buying decision of the product.

Packages also deliver brand identification and label information like usage instructions, contents, and list of ingredients or raw materials, warnings for use and directives for care of product. Visual package elements play a major role, representing the product for many consumers, especially in low involvement, and when they are rushed.

The importance of packaging design as a vehicle for communication and branding is growing in competitive markets for packaged food products. This research helps to understand consumer buying behaviour in confectionery item and how packaging elements can affect buying decisions.

The objective of this study is to determine role of packaging factor such as verbal and visual attributes on food packaging on consumer's buying decision in confectionary items. The purpose of this research is to examine the essential factors, which are driving the success of a brand. This is the primary research and data has been collected through questionnaire and for analysis purpose SPSS software has been used. In this study samples of 515 respondents has been collected and tested the reliability of the model.

According to the finding of the research study, it has been observed that the packaging is the most important factor. It is further concluded that the packaging elements like its Graphics and Font Style, Colour, Shape, Size, Packaging Material and Information on the Package are all important factors when consumers making any buying decision. Finally it has also been concluded that the Packaging is one of the most important and powerful factor, which influences consumer's purchase decision.

CHAPTER 1
INTRODUCTION

1. INTRODUCTION

Today, in the world of advancement and technological development, the production and distribution of food products has led to a massive proliferation in the number and brands of food products available on the market which have increase in brand parity within a product category that means that when brands become similar and difficult to differentiate from the other product, consumers may face difficulty in selecting which brand to purchase. Therefore, food producers need to differentiate their products from similar type of product from other competitor. Consumers often look at the packaging of the products which is an aid in the purchase decision making process.

Products are developed and indeed are expected by consumers to taste good; therefore, it is not astonishing that consumers will increasingly make their initial choices based on aesthetic value (Schmitt and Simonson, 1997; Dumaine, 1991). The question commonly faced by many food retailers is that how they will differentiate their product from competitor products. During the 1980s, UK food retailers began to enhance the pack design of their products which ultimately discovering that improvements in packaging design and product quality enabled them to compete directly with food manufacturers. In the competitive world of food retailing, packaging has to work harder than ever if the product is to be noticed through the congestion of competitive products and surprisingly few food retailers appreciate the power of packaging as a piece of direct communication.

Packaging is the container for a product – encompassing the physical appearance of the Container and including the design, colour, shape, labelling and materials used”. Packaging has a huge role to play in the positioning of products. Package design shapes consumer perceptions and can be the determining factor in point-of-purchase decisions which characterize the majority of shopping occasions. Some marketers believe that packaging is actually more influential than advertising in influencing consumers, as it has a more direct impact on how they perceive and experience the product. For products with low advertising support, packaging takes on an even more significant role as the key vehicle for communicating the brand positioning

As per as Vidales (1995) Packaging refers to the container or wrapper that holds a product or group of products. Packaging also protect the product from damage during Storage and distribution, and it is an important sales tool in promoting the product to the consumer. Pilditch (1972) has defined packaging as the silent salesman in the store and it was the only communication medium between a product and the final consumer at the point of sales.

Packaging is an ultimate selling proposition that stimulates impulse buying behaviour (Kuvykaite Et. all 2009). It is being said that a good packaging design is regarded as an essential part of successful business. Rundh(2005) also emphasis that Besides the package providing versatility, sustainability and convenience to consumers, most importantly packaging enables marketers to better enhance the appeal of their products and attract consumers to the shelves.

Prendergast and Pitt (1996) said that Packaging seems to be one of the most important factors in purchase decisions made at the point of sale, where it becomes an essential part of the selling process (Rettie and Brewer, 2000).

With the move to self-service retail formats, packaging increases its key characteristic as the “sales representative on the rack” at the point of sale. The critical importance of packaging design is growing in such competitive market conditions, as package becomes a primary and essential vehicle for communication and branding (Rettie and Brewer, 2000).

Understanding consumer reaction to packaging in Asia is critical to food companies competing all around the world, and India is one of the main markets for such trends.

In India, the quick development of modern retailing, where packaging plays a critical role in merchandising and communication, is an important driver of the dynamic competitive environment for fast moving consumer goods (FMCG) as per as The Nation(2002). Expansion of modern retailing is common across Asia, even in very low income countries (Speece and Luc, 2002), but is more advanced in India than in most parts of developing Asia.

Western and domestic chains show a similar mix of Supermarkets and convenience stores, the other major outlets for packaged food products. These patterns have encouraged a considerable amount of product and packaging innovation.

A key to maximizing package impact is understanding consumer response to packaging. Many observers, e.g. AC Nielsen, a leading international consumer research company, believe that consumer's worldwide are prone to have generally a comparable reaction to numerous FMCG, in spite of social contrasts (The Nation, 2002)

The basic function of packaging is to "preserve product integrity" by protecting the actual food product against potential harm from "climatic, bacteriological and transit hazards" (Stewart, 1995). However, the first to define packs as the "quiet sales representative" was Pilditch in 1957, who argued that the pack must come alive at the point of purchase, in order to represent the salesman (Vazquez et al., 2003).

Lewis (1991) expanded further on Pilditch's views, stating that "good packaging stands far more than a salesman, it gives a brand of recognition and a symbol of values". Given that only a small minority of brands are strong enough to justify the investment that national advertising requires, for the rest, packaging represents one of the most important vehicles for communicating the brand message specifically to the target purchaser (Nancarrow et al., 1998).

Marketers not only focus the visibility of the packaging of the product in the market but also ensure that the packaging is able to communicate the specific benefits cues of the product and facilitate the consumers in product selection from among the variety of brands available on the market. Environmental concern in respect of packaging is been an increasing trend. Governments have prohibited the use of harmful materials and also imposed requirements for packaging to be reduced, reused or recycled.

Perhaps the most influential class of laws that affect packaging is the one related to labelling, which requires the manufacturer or packer to declare on the packaged food the nutritional facts, added ingredients and best before date, etc. The reason for this requirement is to ensure that the product meets the stipulated quality standard, and, at the same time, provides necessary information on the packaging to facilitate consumer purchase decision. Having discussed the importance of packaging and the latest requirements concerning packaging, it is pertinent to discuss consumer behaviour towards food packaging. Food that comes in packaged forms has become an essential component of the modern lifestyle. This is due to the greater demand for convenient, portable, easy-to-

prepare meal solutions that lessen the hassles of grocery shopping and preparing a meal. Consumer behaviour towards food packaging indicates certain trends in recent years.

Although the India market condition is getting better, there is a need to study the importance of factors affecting the sales of packaged food products. Therefore, the aim of this study is to examine the significant attributes of packaging that influence consumer purchase decisions. The results will guide managers to adopt an effective and appropriate packaging strategy for processed foods, which, ultimately, will help to improve brand recognition and sales of the processed food products.

1.1 IMPORTANCE OF PACKAGING

Food Packaging Material is designed to successfully meet complete packaging needs of food products. It safeguard the packed food products from possibilities of tampering as well as from chemical, physical or biological contaminants and also it ensure that the high packaging standards packaging also protect the food items from compression, temperature as well as offer optimum barrier support against dust, moisture, oxygen, water vapour and other contaminants that can spoil the food. The use of quality packaging assists in achieving extended shelf life for products and ensures contents are maintained in clean, fresh as well as safe condition.

The Common Packaging Material Structures: PET / MET-PET / POLY; PET / POLY; PET / MET BOPP; PET / MET CPP and MET PET (TWIST WARP).

1.1.1 FEATURES:

- The better sealing quality also helps in maintaining freshness of the products packed inside
- Quality packaging that maintains nutritional values, colour, flavours of contents packed inside for longer time duration
- Packaging delivered also helps in enhancing shelf life of products packed inside
- Attractive packaging quality that helps in enhancing brand image & market presence of the confectionery manufacturers
- Safeguard from contaminants like moisture and air
- Supporting the requirement of maintaining freshness in tastes of food items

1.2 CONFECTIONERY ITEMS

Confectionery Items are the food items that are rich in sugar and carbohydrates. In general, though, confectionery is divided into two broad categories:

1. Bakers' confections
2. Sugar confections.

Bakers' confectionery, also called flour confections, includes principally sweet pastries, cakes, and similar baked goods.

Sugar confectionery includes sweets, candied nuts, chocolates, chewing gum, sweetmeats and other confections that are made primarily of sugar.

In some cases, chocolate confections are treated as a separate category, as are sugar-free versions of sugar confections. The words candy (US and Canada), sweets (UK and Ireland) and lollies (Australia and New Zealand) are common words for the most common varieties of sugar confectionery.

1.2.1 BAKERS' CONFECTIONERY

Bakers' confectionery includes sweet baked goods, especially those that are served for the dessert course. Bakers' confections are sweet foods that feature flour as a main ingredient and are baked. Major categories include cakes, sweet pastries, doughnuts, scones, and cookies.

1.2.2 SUGAR CONFECTIONERY

Sugar confections include sweet, sugar-based foods, which are usually eaten as snack food. This includes sugar candies, chocolates, candies and nuts, chewing gum, and sometimes ice cream.

1.3 CONFECTIONERY MARKET IN INDIA

The confectionery market of India is divided into three segments: chocolate, sugar confectionery and gum market, which is further divided into sub-segments. There are certain factors that have predominantly worked towards enabling the confectionery sector to grow in recent years. These include higher disposable incomes that have enabled consumers to enhance their purchasing power, rapid urbanization that has led to busy lifestyles and subsequent inclination of consumers towards premium range of confectionery and aggressive marketing campaigns by all the players to break the product clutter and attract consumers through brand loyalty initiatives. In addition to these, the other factors which are contributing towards the rapid growth of the

industry include the growing gifting culture within the country, fast expanding retail network and developing rural sector.

Confectionery categories are chocolate like Eclairs and toffees, sugar confectionery or hard Boiled Candies Lollipops, Mints & Lozenges, Bubble Gum and Cereal Bars.

The Indian confectionery market which is ranked 25th globally in value terms in 2009 is expected to grow at a rapid pace and jump up to 14th position by 2014, said a report from Datamonitor. The report further added that over 30% of the Indian population is in the 0–14 age group, which is the primary target segment for confectionery manufacturer and also the market grow at an even faster rate, of over 12% during 2009-14, and compound annual growth rate (CAGR) of 10.5% during 2004–09 by data monitor.

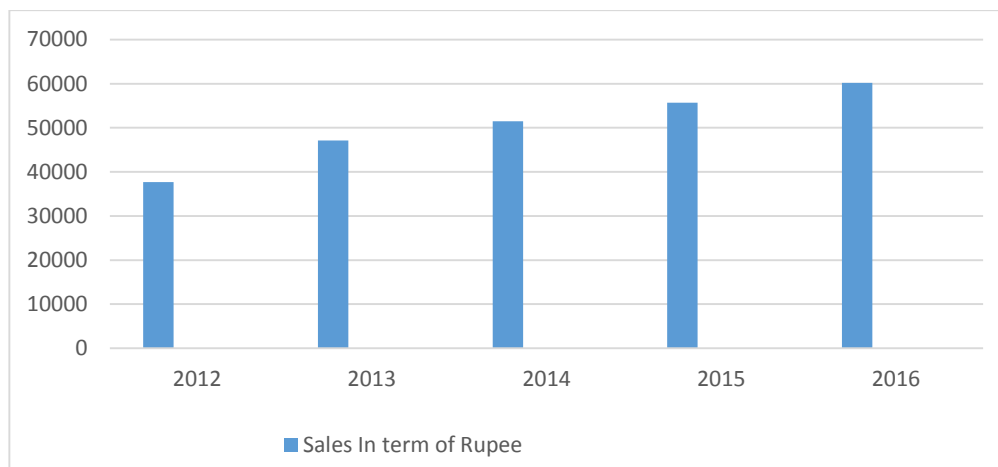
The organised market for confectionery in India is valued at ₹ 2,000 crore. As per the study by Euromonitor, the Indian sugar confectionery market is projected to expand at a compounded annual growth rate (CAGR) of 10%.

As per a Nielsen report, the confectionery category is estimated to be growing at 8 percent in 2014. While the confectionery market has always been fragmented and continues to be so with more than 3,200 brands operating in the category.

1.4 GROWTH OF INDIAN CONFECTIONERY MARKET

The Indian confectionery market In comparison to other developed markets, is in the initial phase of growth, and will continue to evolve. It is expected to touch ₹55,720.0 million in 2015 and ₹60,188.6 million in 2016 as expected whereas in 2013 the value sales of sugar confectionery grew by 20 percent to reach ₹47,140.4 million and it reached ₹51,458.8 million in 2014 where as in 2012 it was ₹37712 million as per as Indiaretailing.com dated on 15th September, 2014

GRAPH NO. 1.1- SALES VOLUME



Sources:<http://www.indiaretailing.com/FoodGrocer/7/42/44/12054/Indias-confectionery-market-seeing-innovative-products-and-new-brands>

It has been reported that the country's confectionery industry is the largest in the food processing segment. The market is estimated to be about ₹ 1,400 crore, registering a growth of 9% per annum

The Indian confectionery market was valued at around INR 95 billion in 2012-13, growing at an annual rate of 10-12% since 2009-10. Of the total market, sugar confectionery holds a market share of around 46% and the rest by chocolate and gum confectionery segments. Owing to lower unit price than chocolate confectioneries, sugar confectionery segment has registered higher volume sales and it is well-entrenched presence of multinational players such as Mondelez (formerly Cadbury India), Nestle, Perfetti Van Melle, Mars India and Lotte as well as large domestic players such as Amul, Parle, ITC, Ravalgon and Candico. Multinational companies such as Ferrero, Hersheys and Lindt have a strong presence in the premium chocolate market. In the chocolate confectionery segment, Cadbury holds a market share of around 65-70%,

followed by Nestle at around 20% as per as www.consultmcg.com on September 2014.

1.5 GROWTH OF CONFECTIONERY INDUSTRY IN INDIA

It all began in June 2004, with the erstwhile Parry's Confectionery, part of the Chennai-based Murugappa group, was bought over by Korea's Lotte India. This was followed by Godrej Foods & Beverages Limited which acquired Nutrine Confectionery Company Private Limited in June 2006. Close to the heels of this deal was a joint venture effort in April 2007, when the Hershey Company, North America's leading chocolate and confectionery manufacturer, announced the formation of Godrej Hershey Foods & Beverages Ltd., to manufacture and market confectionery across the country. Among the well-known national names are Candico which is engaged in the development of a range of products. Naturo Food & Fruit Products Pvt. Ltd in the outskirts of Bangalore is one of the largest Indian confectionery companies known for its innovative fruit based products.

1.6 CHALLENGES IN THE CONFECTIONERY INDUSTRY

The rising inflation and food prices together with the growing crude prices would impact the confectionery industry in the coming months. While cost of sugar is a concern, there is also the issue of working out costs in packaging driven by petroleum products as confectionery items are packaged in plastic packs. Therefore the industry will now need to work out a pricing due to big jumps in the cost of raw materials such as sugar which cannot be absorbed by the industry. Added strains on household budgets due to high food inflation in India will indirectly place pressure on the confectionery market, as discretionary spending on comfort food items diminishes

1.7 INDIAN CHOCOLATE INDUSTRY

India's chocolate market is estimated at around ₹3,000 crore while the organised confectionery market is around ₹2,000 crore. The overall chocolate market is growing 15% a year, while the growth in modern retail is almost double of that as per as Economics Times article on consumption of chocolates and candies on August 1, 2013.

As per a recently published report by TechSci Research, India's chocolate market is expected to reach \$3.2 billion by 2018 due to increasing gifting culture in the country and increase in the income bracket.

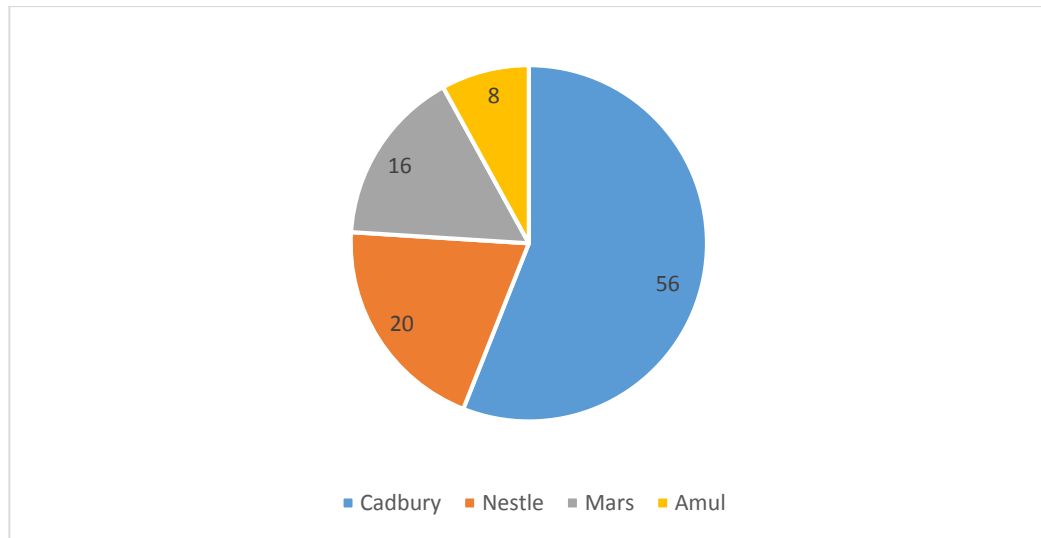
The Indian Chocolate Industry has come a long way since long years. Ever since 1947 the Cadbury is in India, Cadbury chocolates have ruled the hearts of Indians with their fabulous taste. Indian Chocolate Industry. Chocolate market is estimated to be around ₹1700 to 1900 crores growing at 18-20% per annum and is dominated mainly by listed players Cadbury India and Nestle India. The company is one of the oldest and strongest players in the Indian confectionery industry with an estimated 68% value share and 62% volume share of the total chocolate market. It has exhibited continuously strong revenue growth of 34% and net profit growth of 24% throughout the 1990s. The brand of Cadbury is known for its exceptional capabilities in product innovation, distribution and marketing. With brands like Dairy Milk, Gems, 5 Star, Bournvita, Perk, Celebrations, Bytes, Chocki, Delite and Temptations, there is a Cadbury offering to suit all occasions and moods. Indian Chocolate Industry as today is dominated by two companies, both multinationals. The market leader is Cadbury with a lion's share of 70%. The company's brands like Five Star, Gems, Eclairs, Perk, and Dairy Milk are leaders in their segments. Until early 90's, Cadbury had a market share of over 80 %, but its party was spoiled when Nestle appeared on the scene. The other one has introduced its international brands in the country (Kit Kat, Lions), and now commands approximately 15% market share. The two companies operating in the segment are Gujarat Co-operative Milk Marketing Federation (GCMMF) and Central Arecanut and Cocoa Manufactures and Processors Co-operation (CAMPCO). Competition in the segment will soon get keener as overseas chocolate giants Hershey's and Mars

consolidate to grab a bite of the Indian chocolate pie. As per as the IndiaMirror article on Indian Chocolate Industry.

1.8 MARKET SHARE (IN TERM OF %SALES)

As per economics times that was published in 6th April, 2015 it is given as Cadbury leads the market sales of the product with 56% and after that Nestle have a market sales of 20% and mars with 16% and at last Amul has a market sales of 8%.

GRAPH NO. 1.2 MARKET SHARE OF INDIA CHOCOLATE INDUSTRY



Source: Economics Times- 6th April, 2015

1.9 SIZE OF THE INDUSTRY

The size of the market for chocolates in India was estimated at 30,000 tonnes in 2008. Bars of moulded chocolates like Amul, milk chocolate, dairy milk, truffle, nestle premium, and nestle milky bar comprise the largest segment, accounting for 37% of the total market in terms of volume. The chocolate market in India has a production volume of 30,800 tonnes. The chocolate segment is characterized by high volumes, huge expenses on advertising, low margins, and price sensitivity. The count segment is the next biggest segment, accounting for 30% of the total chocolate market. The count segment has been growing at a faster pace during the last three years driven by growth in perk and KitKat volumes. Wafer chocolates such as KitKat and perk also belong to this segment. Panned chocolates accounts for 10% of the total market. The chocolate market today is primarily dominated by Cadbury and Nestle, together accounting for

90% of the market. As per as the indiamirror.com article on India Chocolate Industry.

1.10 BISCUIT AND BAKERY INDUSTRY

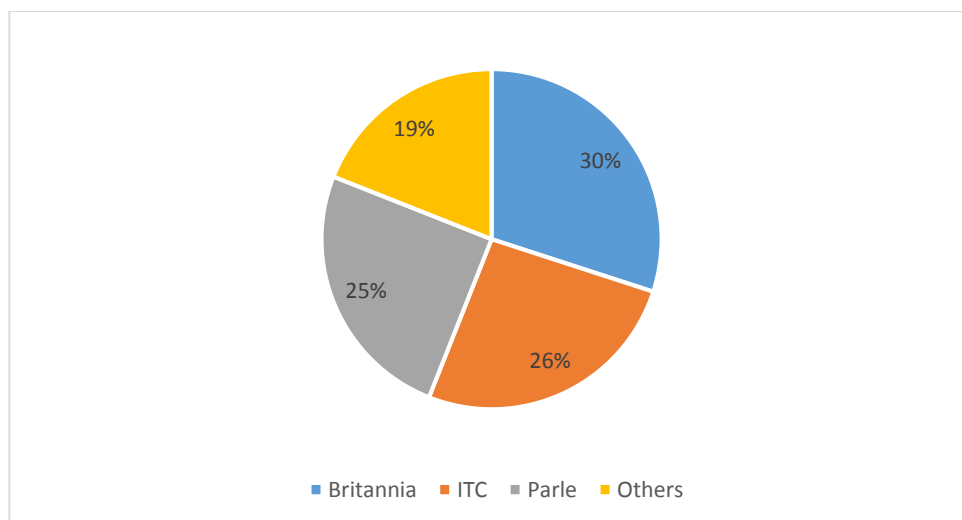
The Nielsen study shows India is the world's leading market for biscuits, ahead of US, Mexico, China and Most of European Countries such as Italy, Germany, Turkey and Spain. India showed a volume market share of 22%, the second slot was occupied by the US at 13%.The top three countries India, US and Mexico contribute over 40% of the total biscuits 10 largest markets for biscuits in volumes sales.

The estimated annual production of bakery products in India is in excess of 3 million tonnes, of which bread accounts for nearly 50% and biscuits 37% in volume terms in the organized sector. The bakery sector in India is one of largest segments of the food processing industries; annual turnover in value terms is approximately \$ 900 million.

1.11 MARKET SHARE BISCUIT INDUSTRY

Britannia, according to industry sources, is the leading player in cookies with an estimated market share of 30 per cent. ITC, on the other hand, is the largest player in creams with an estimated share of around 26 per cent. Parle Products, the number two in both creams (22 per cent) and cookies (27 per cent), takes the top spot when the two segments are combined. It has a share of 25 per cent in the Rs 7,200-crore cookie-plus-cream market.

GRAPH NO. 1.3 INDIA BISCUIT INDUSTRY



Source:[http://www.business-standard.com/article/management/the-biscuit battles-114120800961_1.html](http://www.business-standard.com/article/management/the-biscuit-battles-114120800961_1.html)

1.12 MAJOR PLAYERS IN INDIA

The major confectionery companies in India are:

TABLE NO 1.1 MAJOR PLAYERS IN INDIA

| Company/ Brand | Product Portfolio |
|----------------|--|
| Cadbury | Dairy Milk, Perks Gems 5-Star celebrations Bytes, Dairy Milk Eclairs Eclairs Crunch |
| Nestle | Kit Kat Kit Kat Chunky Munch Munch Pop Choc Milkybar Crispy Wafe |
| Parle | Simply Imlee |
| HUL | ChocoMax Max Magic candy |
| Perfetti | Center Shock Happydent White Alpenliebe Big Babol Chloromint Cofitos |
| Candico | Mint-O Loco Poco |

1.13 GOVERNMENT SUPPORT AND POLICIES

India's food processing sector ranks fifth in the world in exports, production and consumption. Major parts of the food processing sector are milled grain, sugar, edible oils, beverages and dairy products.

1.13.1 MAKE IN INDIA INITIATIVE

Make in India is an initiative of the [Government of India](#), to encourage companies to manufacture their products in [India](#). It was launched by Prime, [Narendra Modi](#) on 25 September 2014. The initiative also aims at high quality standards and minimising the impact on the environment. The initiative hopes to attract capital and technological investment in India

The Government of India has ultimately taken decision to allow 51% Foreign Direct Investment in multi-brand retails. This decision has been described as a step

forward to open the retail sector for world's renowned brands entry into India. The Govt. has also approved proposals for joint ventures, foreign collaboration, industrial licenses and 100% EOUs envisaging an investment of ₹ 19,100 crores (US\$ 4.80 billion) during the same period. Out of this, foreign investment is over ₹ 9100 crores (US\$ 2.2 billion)

Initiative:

42 mega food parks are being set up in public-private partnership at an investment of INR 98 Billion rupees. The parks have around 1200 developed plots with basic infrastructure enabled that entrepreneurs can lease for the setting up of food processing and ancillary units.

121 cold chain projects are being set up to develop supply chain infrastructure.

1.13.2 FINANCIAL SUPPORT

Investment allowance (additional depreciation) at the rate of 15% to manufacturing companies that invest more than INR 1 Billion in plant and machinery acquired and installed between 01.04.2013 and 31.03.2015 provided the aggregate amount of investment in new plant and machinery during the said period exceeds INR 1 Billion. In order to provide a further fillip to companies engaged in manufacturing, the said benefit of an additional deduction of 15% of the cost of new plant and machinery exceeding INR 250 Million, acquired and installed during any previous year, until 31.3.2017.

CHAPTER 2
COMPANY AND PRODUCT PROFILE

2. COMPANY PROFILE

2.1 CADBURY INDIA LTD

Cadbury India Ltd is the largest manufacturer of chocolate, confectionery and malted food products. It was founded in the year 1824 by John Cadbury and in India it was founded on 19 July 1948.

Cadbury India is a food product company with interests in Chocolate Confectionery, Milk Food Drinks, Snacks, and Candy. Cadbury is the market leader in Chocolate Confectionery business with a market share of over 70%. Some of the key brands of Cadbury are Cadbury Dairy Milk, 5 Star, Perk, Eclairs, Celebrations, Temptations, and Gems. In Milk Food drinks segment, Cadbury's main product - Bournvita is the leading Malted Food Drink in the country.

Cadbury is the world's largest confectionery company and its origins can be traced back to 1783 when Jacob Schweppe perfected his process for manufacturing carbonated mineral water in Geneva, Switzerland. In 1824, John Cadbury opened in Birmingham selling cocoa and chocolate. Cadbury and Schweppe merged in 1969 to form Cadbury Schweppes plc. Milk chocolate for eating was first made by Cadbury in 1897 by adding milk powder paste to the dark chocolate recipe of cocoa mass, cocoa butter and sugar. In 1905, Cadbury's top selling brand, Cadbury Dairy Milk, was launched. By 1913 Dairy Milk had become Cadbury's bestselling line and in the mid-twenties Cadbury's Dairy Milk gained its status as the brand leader. Cadbury India began its operations in 1948 by importing chocolates and then re-packing them before distribution in the Indian market

TABLE NO. 2.1.1 MARKETING STRATEGY

| | |
|------------------------|---|
| Parent company | Kraft Foods |
| Category | Food Products & Confectionery |
| Sector | Food and Beverages |
| Tagline/ slogan | Kuch meetha ho jaye; A whole world of chocolatey fun. |
| USP | One of the biggest and most trusted confectionery and foods brand |

| | |
|---------------------|---|
| Segment | People who buy chocolates for eating or gifting |
| Target group | Children and families belonging to lower, middle and upper middle class |
| Positioning | As a sweet for happy occasions or auspicious beginning |

TABLE NO 2.1.2 SWOT ANALYSIS

| | |
|---|--|
| <p>STRENGTH</p> <ol style="list-style-type: none"> 1. High brand equity and top of the mind chocolate brand 2. Strong brand recall and customer loyalty 3. An employee strength of around 71,000 4. Strong parent brand of Kraft Foods | <p>WEAKNESS</p> <ol style="list-style-type: none"> 1. A few controversies regarding advertising, worms etc made international news 2. A few instances of product recall hampering brand image |
| <p>OPPORTUNITY</p> <ol style="list-style-type: none"> 1. Increase reach in rural markets 2. Increase its reach and penetration in untapped markets 3. Acquire competition 4. Diiversification of product range | <p>THREATS</p> <ol style="list-style-type: none"> 1. Health consciousness amongst people 2. Increase in cost of raw material 3. Inflation can cause reduction in sales |

TABLE NO. 2.1.3 MARKETING STRATEGY CADBURY PERK

| | |
|------------------------|---|
| Category | Chocolates |
| Tagline/ Slogan | Anytime, anywhere; Kabhi bhi kaise bhi; Baaki sab Bhoola de |
| USP | Chocolate covered wafer |
| Segment | People looking to have a chocolate which is high in quality and moderately priced |
| Target Group | All age groups Lower, middle and upper class people |
| Positioning | A energy chocolate which can be had anywhere anytime |

TABLE NO. 2.1.4 MARKETING STRATEGCADBURY 5 STAR

| | |
|------------------------|---|
| Category | Chocolates |
| Tagline/ Slogan | Jo khaaye kho jaaye |
| USP | Bar of chocolate that is hard outside with soft caramel nougat inside |
| Segment | People looking to have a chocolate which is high in quality and moderately priced |
| Target Group | All age groups Lower, middle and upper class people |
| Positioning | A chocolate which takes you to a different world of dreams |

TABLE NO. 2.1.5 MARKETING STRATEGY CADBURY'S TEMPTATIONS

| | |
|---------------------|---|
| Category | Chocolates |
| Tagline | Too Good to share |
| USP | The Cadbury Temptations range is available in 5 delicious flavour variants- Roast Almond Coffee, Honey Apricot, Mint Crunch, Black Forest and Old Jamaica |
| Segment | People looking to have a chocolate which is high in quality and moderately priced |
| Target Group | All age groups Lower, middle and upper class people |
| Positioning | A chocolate which is too good to share |

TABLE NO. 2.1.6 MARKETING STRATEGY CADBURY'S OREO

| | |
|---------------------|--|
| Category | Biscuits |
| Tagline | World's Number 1 Biscuit |
| USP | World's largest selling Biscuits, World's number 1 biscuit |
| Segment | Quality conscious children and adults |
| Target Group | Children and Youth |
| Positioning | the biscuit with goodness of milk |

TABLE NO. 2.1.7 MARKETING STRATEGY CADBURY'S DAIRY MILK

| | |
|---------------------|---|
| Category | Chocolates |
| Sector | Food Products |
| Tagline | The 'Real Taste of Life'; 'Kuch Meetha Ho Jaaye'. |
| USP | Biggest global brand name in the world of chocolates |
| Segment | People looking to have a chocolate which is high in quality and moderately priced |
| Target Group | All age groups Lower, middle and upper class people |
| Positioning | Something sweet' after meals |

2.2 ITC LTD

ITC Ltd is one of India's premier private sector companies with diversified presence in businesses such as Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Greeting Cards, Safety Matches and other FMCG products. Presently, ITC has a market capitalisation of nearly US \$ 15 billion and a turnover of over US \$ 4.75 billion. ITC has been rated among the World's Best Big Companies, Asia's 'Fab 50' and the World's Most Reputable Companies by Forbes magazine, among India's Most Respected Companies by Business World and among India's Most Valuable Companies by Business Today. ITC was incorporated on August 24, 1910 under the name of 'Imperial Tobacco Company of India Limited.

TABLE NO. 2.2.1 MARKETING STRATEGY

| | |
|---------------------|--|
| Category | Consumer Products, Hotels & Services |
| Sector | FMCG |
| Tagline | 100 Inspiring years; 100 years 1 mission India first |
| USP | ITC is rated among the World's Best Big Companies |
| Segment | Products and services for daily needs |
| Target Group | Every Indian household especially the middle class |
| Positioning | Enduring Value. For the Nation. For the Shareholder. |

TABLE NO 2.2.2 SWOT ANALYSIS

| | |
|---|---|
| <p>STRENGTH</p> <ol style="list-style-type: none"> 1. ITC has a strong and experienced management 2. Strong brand presence, excellent products advertising 3. Diversified product and services portfolio which includes FMCG, Hotel chains, paper & packaging and agri-business | <p>WEAKNESS</p> <ol style="list-style-type: none"> 1. ITC is still dependant on its tobacco revenues and people have cheaper substitutes and other brands 2. Hotel industry has not been able to create a huge market share |
| <p>OPPORTUNITY</p> <ol style="list-style-type: none"> 1. Tap rural markets and increase penetration in urban areas 2. Mergers and acquisitions to strengthen the brand 3. Increasing purchasing power of people thereby increasing demand | <p>THREATS</p> <ol style="list-style-type: none"> 1. Strict government regulations and policies regarding cigarettes 2. Intense and increasing competition amongst other FMCG companies and hotel chains 3. FDI in retail thereby allowing international brands |

TABLE NO. 2.2.3 MARKETING STRATEGY MINT-O FRESH

| | |
|---------------------|---|
| Category | Chocolate |
| Sector | Food Products |
| Tagline | Laila ko karna ho impress to majnu ne khaai Mint-O fresh; |
| USP | Active mint deposited candy |
| Segment | People looking to have a sweet after mint |
| Target Group | Youth of Lower, middle income |
| Positioning | For the cool youth |

2.3 NESTLE INDIA

Nestle India is a subsidiary of Nestle S.A. of Switzerland. Nestle India manufactures a variety of food products such as infant food, milk products, beverages, prepared dishes & cooking aids, and chocolates & confectionary. Some of the famous brands of Nestle are Nescafe, Maggi, Milkybar, Milo, Kit Kat, Bar-One, Milkmaid, Nestea, Nestle Milk, Nestle Slim Milk, Nestle Fresh 'n' Natural Dahi and NESTLE Jeera Raita. Nestle was founded in 1867 in Geneva, Switzerland by Henri Nestle. Nestle's first product was "Farine Lactee Nestle", an infant cereal. In 1905, Nestle acquired the Anglo-Swiss Condensed Milk Company. Nestle's relationship with India started 1912, when it began trading as The Nestle Anglo-Swiss Condensed Milk Company (Export) Limited, importing and selling finished products in the Indian market.

TABLE NO. 2.3.1 MARKETING STRATEGY

| | |
|---------------------|---|
| CATEGORY | Food Products |
| SECTOR | Food and Beverages |
| TAGLINE | Good Food, Good Life |
| USP | The biggest health and wellness brand in the world, top brand in Fortune 500 list |
| SEGMENT | People looking for premium quality, and branded products like foods, dairy products, baby food, pet food, confectioneries, etc. |
| TARGET GROUP | Urban middle and upper middle class |
| POSITIONING | A world class brand providing good quality, healthy and tasty food and beverages |

TABLE NO 2.3.2 SWOT ANALYSIS

| | |
|--|--|
| <p>STRENGTH</p> <ol style="list-style-type: none"> 1. More than 140 years in the industry World biggest brand, top brand in Fortune 500 list. 2. Global reach with presence in over 86 countries. 3.Strong supply chain network 4.Strong marketing and advertising power 5.Strong brand loyalty and brand recall | <p>WEAKNESS</p> <ol style="list-style-type: none"> 1. Being a big global brand, Numerous controversies in different countries of operation can cause issues 2.Strong competition by other brands |
| <p>OPPORTUNITY</p> <ol style="list-style-type: none"> 1.Introduce more health based food products to tap the health consciousness amongst consumers 2.Expand with focus on developing economies 3.Continue with acquisitions and joint ventures to increase its market share 4.Try to capture the rural markets | <p>THREATS</p> <ol style="list-style-type: none"> 1.Failure of the complex supply chain 2.Economic instability and inflation in most countries 3.EURO zone crisis, as most of its revenue comes from Europe 4.Increase in cost of raw materials 5.Stiff competition in all product segment |

TABLE NO. 2.3.3 MARKETING STRATEGY NESTLE MILKYBAR

| | |
|---------------------|---|
| CATEGORY | Chocolate |
| TAGLINE | Milky Bar give me the power. |
| USP | Milk Chocolate |
| SEGMENT | People looking to have a chocolate which is high in quality and moderately priced |
| TARGET GROUP | All age groups Lower, middle and upper class people |
| POSITIONING | Power of milk for champions |

TABLE NO. 2.3.4 MARKETING STRATEGY NESTLE MILKMAID

| | |
|---------------------|---|
| Category | Food product |
| Tagline | Doodh badla mood badla ;Good Food Good Life |
| USP | Condensed milk sweet dish ingredient |
| Segment | Homemakers who prepare sweet dishes |
| Target Group | All People especially housewives between 25-50 middle and upper class |
| Positioning | Sweetened milk for making sweets |

TABLE NO. 2.3.5 MARKETING STRATEGY NESTLE KITKAT

| | |
|---------------------|---|
| Category | Chocolate |
| Tagline | Have a break have a Kitkat ;Good Food Good Life |
| USP | Chocolate covered wafer |
| Segment | People looking to have a chocolate which is high in quality and moderately priced |
| Target Group | All age groups Lower, middle and upper class people |
| Positioning | A chocolate to be had whenever one takes a break |

TABLE NO. 2.3.6 MARKETING STRATEGY NESTLE BAR ONE

| | |
|---------------------|---|
| Category | Chocolate |
| Tagline | Kaafi hai; Good Food Good Life |
| USP | Bar of chocolate that is hard outside with soft caramel nougat inside |
| Segment | People looking to have a chocolate. |
| Target Group | All age groups lower, middle and upper class people |
| Positioning | It's enough for one to succeed |

TABLE NO. 2.3.7 MARKETING STRATEGY NESTLE POLO

| | |
|---------------------|---|
| Category | Chocolate |
| Tagline | The mint with a hole |
| USP | Sweet mint tablets with a unique ring shape |
| Segment | People looking to have sweet after mint |
| Target Group | Youth from middle and upper class |

| | |
|--------------------|---|
| Positioning | The mint flavoured chocolate in the shape of a ring |
|--------------------|---|

2.4 LOTTE INDIA CORPORATION LTD

Lotte India Corporation Ltd is primarily a manufacturer and marketer of sugar boiled confectionery, cocoa and milk based toffees, candies and mints.

TABLE NO. 2.4.1 MARKETING STRATEGY

| | |
|---------------------|---|
| Category | Food processing |
| Sector | Food and Beverages |
| USP | It has brands that children have grown up with. |
| Segment | People looking to have gum and candy |
| Target Group | Children and families belonging to lower, middle and upper middle class |
| Positioning | Positioned as a brand that children have grown up with |

2.5 PERFETTI VAN MELLE INDIA LTD

Perfetti Van Melle India Pvt. Ltd. (PVMI) is a renowned manufacturer, distributor and marketer of several high quality sugar confectionery products. With close to a 25% market share, it is the leading player in the organized confectionery business in India today. The company has a diverse portfolio of brands across segments (i.e. candies, gums & chewies) which it sells through various retail channels across the country. As a marketer, PVMI has always been known for its iconic, eyeball grabbing and entertaining advertising. PVMI is a fully owned subsidiary of the global confectionary conglomerate Perfetti Van Melle, headquartered in Lainate, Italy and Breda (the Netherlands). Perfetti entered the Indian market in 1994 by offering its first brand Center Fresh, followed by Big Babol and Alpenliebe in 1995. Alpenliebe Creamfills, Alpenliebe POP, Centre Fruit, Juzt Jelly, Mangofillz, Chlormint, Chocoliebe, Fruittella, Happydent White, Protex Happydent, Marbels, Mentos are among the range of the PVM global and regional brands that are produced and marketed in India. PVMI enjoys a huge brand recall among its consumers contributing to a total estimated market size of ₹.5, 500 cr.

TABLE NO. 2.5.1 MARKETING STRATEGY

| | |
|---------------------|---|
| Category | Food Products |
| Sector | Food and Beverages |
| Tagline | Caring for excellence |
| USP | A trusted brand name in the confectionary and gum industry with a number of popular subsidiary brands |
| Segment | People who like to have sweets or gum |
| Target Group | Kids, youth and middle aged people |
| Positioning | a good confectionary brand available at affordable price |

TABLE NO. 2.5.2 MARKETING STRATEGY ALPENLIEBE

| | |
|------------------------|-----------------------------------|
| Category | Chocolate |
| Tagline/ Slogan | Lallach aa lap lap |
| USP | A rich milky caramel toffee |
| Segment | People looking to have sweet |
| Target Group | Youth from middle and upper class |
| Positioning | It's for the child in everyone |

TABLE NO. 2.5.3 MARKETING STRATEGY BIG BABOL

| | |
|---------------------|--|
| Category | Chewing Gum |
| Tagline | Bade Kaam ki Cheez |
| USP | Soft chewy sweet flavored gum |
| Segment | People looking to have mint and gum |
| Target Group | Children and youth middle and upper class people |
| Positioning | Fun filled chewing gum for fun loving children |

TABLE NO. 2.5.4 MARKETING STRATEGY CENTRE FRESH

| | |
|------------------------|---|
| Category | Chocolate |
| Tagline/ Slogan | Rakhe Zubaan pe lagaam; A Fall of freshness |
| USP | Liquid filled chewing gum |
| Segment | People looking to have mint and gum |

| | |
|---------------------|--|
| Target Group | Children and youth middle and upper class people |
| Positioning | Its taste keeps your tongue busy(Zabaan pe Lagaam) |

2.6 PARLE PRODUCTS PVT LTD

Parle Products Pvt Ltd is a manufacturer and marketer of cookies, sugar boiled confectionery, and cocoa and milk based toffees. Parle Products has been India's largest manufacturer of biscuits and confectionery for almost 80 years. Makers of the world's largest selling biscuit, Parle-G, and a host of other very popular brands, the Parle name symbolizes quality, nutrition and great taste. With a reach spanning even to the remotest villages of India, the company has definitely come a very long way since its inception.

Many of the Parle products - biscuits or confectioneries, are market leaders in their category and have won acclaim at the Monde Selection, since 1971. With a 40% share of the total biscuit market and a 15% share of the total confectionary market in India, Parle has grown to become a multi-million dollar company. While to the consumers it's a beacon of faith and trust, competitors look upon Parle as an example of marketing brilliance.

TABLE NO. 2.6.1 MARKETING STRATEGY

| | |
|---------------------|---|
| Category | Food Products |
| Sector | Food and Beverages |
| Tagline | G means Genius. |
| USP | One of India's most trusted, affordable and most sold foods brand |
| Segment | People looking for an affordable foods brand |
| Target Group | Lower and middle class families in rural and urban areas |

TABLE NO. 2.6.2 MARKETING STRATEGY PARLE G

| | |
|---------------------|---|
| Category | Biscuits |
| Tagline | G means Genius; Aao Banaye kal ke Genius |
| USP | India's most trusted top of the mind brand |
| Segment | People looking to have biscuits anytime |
| Target Group | All age groups lower, middle and upper class people |

| | |
|--------------------|--|
| Positioning | For children who are genius in every field |
|--------------------|--|

TABLE NO. 2.6.3 MARKETING STRATEGY MELODY

| | |
|---------------------|---|
| Category | Chocolate |
| Tagline | Melody khao khud jaan jao; Melody hai chocolaty |
| USP | Caramel with chocolate filling |
| Segment | People looking to have a chocolate which is high in quality and moderately priced |
| Target Group | All age groups Lower, middle and upper class people |
| Positioning | The most chocolaty chocolate |

TABLE NO. 2.6.4 MARKETING STRATEGY HIDE & SEEK

| | |
|---------------------|--|
| Category | Biscuits |
| Tagline | Tasty itna ki dil aa jaye |
| USP | Chocolate Chip Biscuits |
| Segment | Quality conscious children and adults |
| Target Group | All age groups middle and upper class people |
| Positioning | World's best molded chocolate chip cookies |

2.7 HINDUSTAN UNILEVER LIMITED- MODERN BEARD

Modern Beard has a heritage of over 42 years and has presence across India. Modern was the first brand to operate a fully mechanised bakery. Modern has evolved to keep in step with the changing needs of consumers by constantly renovating its offering to make it relevant for all segments and to meet various needs, occasions and usages by consumers.

Over the years Modern has evolved into a vibrant brand for 'Happy Starts & Good Times' meeting today's consumer diverse needs at multiple price points & touch points complemented with a rich portfolio of health & wellness breads and chapatis. The Modern range includes:

a) White Sandwich / Regular Variants: Family Shakti, Oven Fresh, Regular

b) Premium Variants: Milk Classic, Butter Special, Kairali Special, Bread & Butter

c) Sweet Variants: Sweet Plus, Milk Plus

d) Health & Wellness Variants : Atta Shakti, 7 Must, Whole Wheat, Brown, Bread with Heart Healthy Omegas

e) Fun / Taste Variants Fruity, Fruit / Sweet Buns, Cream Rolls & RTE Sandwiches

f) Cakes, Cookies & Rusks

KEY FACTS

- India's No 1 Bread
- Touches the lives of 3 million families

TABLE NO. 2.7.1 MARKETING STRATEGY

| | |
|---------------------|---|
| Category | Consumer Products, Food & Beverages |
| Sector | FMCG |
| Tagline | Small Actions, Big Difference |
| USP | India's largest fast-moving consumer goods company |
| Segment | Products and services for daily needs |
| Target Group | Every Indian household especially the middle class |
| Positioning | Being the largest FMCG Company, their little efforts make a huge difference in the lives of people. |

CHAPTER 3
REVIEW OF LITERATURE

3. REVIEW OF LITERATURE

In the decision making process packaging play a critical factor as it communicates to the consumer (Estiri Et. Al 2010). Decision making is a continuous cognitive processes while there are several alternative in the surrounding while making to a final choice (Lysonski Et. al, 1996). The decision making process consumer will buy that product which makes them feel that it will satisfy their need and desire while consuming the product (Kupiec & Revell, 2001).

But in the pre decision customer sometimes consider other factor such product, the packaging of the product, the store which they are buying and the purchase method (William, 1994).

In this study emphasis will be given on packaging elements which influence the consumer to go for buying intention.

Packaging is defined as the container to hold, protect, preserve and facilitate the handling and commercialization of products.

According to Rundh (2005), when there is change in consumption patterns and habits of the consumer they basically buy that product which have innovative packaging solutions in retail outlets and that result in higher demand of the product and also (Kuvykaite et al., 2009) has said that Packaging plays a major role in marketing and therefore treated as most important factors influencing consumer purchase decision at the point of sale.

Wells, Farley and Armstrong (2007) analysis shows that there is a strong relation on the packaging which influences the purchase decision of the product which they stated that 73 % of consumer gave a positive response of packaging factor at the point of purchase.

Packaging has becoming an increasingly important factor for several reasons, with this Underwood et al. (2001) and Underwood (2003) proposed that with reducing in adverting budget and also while brand building expenses are reduced, traditional mass media and communication efforts are concentrated on sales promotion and point of sales communication and also for the perishable goods there is an increase in the purchasing decisions made directly in the shop Similarly, top management in the company are increasingly recognising that packaging can create differentiation and identity in view to similar type of goods and proliferation of the number of brands in the market and the varied offer that purchasers find at the point of sale will have differentiation from the other brand.

However, packaging is defined as the container that is in direct contact with product itself, which holds, protects, preserves and identifies the product as well as facilitating handling and commercialisation Giovannetti (1995) and also he has said that there are three types of packaging, that are Primary packaging, Secondary Packaging and Tertiary Packaging.

Primary packaging is defined as there is direct contact with the product, such as perfume bottles.

Secondary packaging is defined as it contains one or more primary packages and serves to protect and identify them and to communicate the qualities of the product. And it is discarded when the product is used or consumed. Following the previous example, this would be the cardboard box that contains the perfume bottle.

Tertiary packaging is defined as, which contains the two previous ones and its function is to distribute, unify and protect products throughout the commercial chain this would be the cardboard box that contains several bottles.

Ivan~ez Gimeno (2000) Said that packaging for a company product is defined from the market research undertaken by the company defining the product functionality, structural and graphics design of the product that will result in the product to occupy in the market.

Underwood (2003) stated that packaging is related to the strategic decision of the marketing mix.

Vidales Giovannetti, (1995) stated his research From the consumer perspective, he said that packaging also plays a major role when products are purchased: packaging is crucial, given that it is the first thing that the public sees before making the final decision to buy and this has been increased with the arrival of self-service sales systems which have caused packaging to move forward in attracting attention and causing a purchase and also Sonsino (1990), self-service has transferred the role of informing the customer from the sales assistant to advertising and to packaging. This is why packaging has been called the “silent salesman”.

McDaniel and Baker (1977) stated that in the current Scenario, packaging provides manufacturers an opportunity to persuade possible buyers to go for purchase.

Behaeghel (1991) and Peters (1994) said that they consider that packaging could be the most important communication medium for the following reasons:

1. It reaches almost all buyers in the category;
2. It is present at the crucial moment when the decision to buy is made; and
3. Buyers are actively involved with packaging as they examine it to obtain the information they need.

Deasy (2000) stated the consumer look out on the characteristics of a product and its positioning of the product in the market

- (1) Point of sale;
- (2) Transporting the product home;
- (3) Home storage;
- (4) Opening;
- (5) Serving the product for consumption;
- (6) Reclosing or putting away; and
- (7) Disposal.

Despite to all this, Consumer also look out on the other things which are stated by researcher which are been expressed (Sonsino, 1990; Vidales Giovannetti, 1995; Hine, 1995; Ivan~ ez Gimeno, 1995; Underwood et al., 2001; Cervera Fantoni, 2003).

Generally speaking, a distinction is made between two blocks of components:

- (1) **GRAPHIC COMPONENTS:** colour packaging, typography, the graphical shapes used and the images introduced; and
- (2) **STRUCTURAL COMPONENTS:** shape, size of the containers and the materials used to manufacture them.

Mitul Deliya & Bhavesh Parmar (2012) has studied the “Role of Packaging on Consumer Buying Behaviour – Patan District”. The aim of the paper was role of packaging while consumer goes out for buying and to find out the factor which influences them for buying the product. The purpose of this research is to know the relationship between independent variable and dependent variables. The consumer buying behaviour is dependent on the packaging and on its features. Packaging elements like Packaging colour, Background Image, Packaging Material, Font Style, Design of wrapper, Printed Information and Innovation are taken as independent variable. And he found out that Due to increasing self-service, package act as a tool of sales promotion and stimulator

of impulsive buying behaviour is growing increasingly. So package performs an important role in marketing communications, especially in the point of sale.

Prendergast and Pitt (1996) view on the functionality of packaging, in marketing function package is a method to convey message about product characteristics to consumer through attractive packaging. Which pull put the attention of the consumer from the self service system which gives a positive intend to the customer to buy the product. And intend to buy the product depends on the degree to which consumer will feel that the product will satisfy their need while consuming it Kupiec and Revell, (2001). And how they perceives depends on the communication element present in the product packaging and quality of the product are seen from the product characteristic which are reflected in the packaging, if the product packaging is of high quality then consumer think that product is also of high quality and also if the product packaging is of low quality then consumer think that product is also of low quality

Underwood et al. (2001) suggest that consumers are more likely to spontaneously imagine aspects of how a product looks, tastes, feels, smells, or sounds while they are viewing a product picture on the package. Consumer decision-making can be defined as a mental orientation characterizing a consumer's approach to making choice (Lysonski et al., 1996). This approach deals with cognitive and affective orientations in the process of decision-making. Four main packaging elements potentially affect consumer purchase decisions, which can be separated into two categories: visual and informational elements

Rita Kuvykaite (2009) did a descriptive research, she stated that package attracts consumer's attention to particular brand and it enhances brand image, and influences consumer's to buy the product. (Underwood, Klein & Burke, 2001; Silayoi & Speece, 2004), said that package imparts unique value to products and it differentiated the product from other product.

Thus package performs an important role in marketing communications 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 behaviour became a relevant issue.

Kotler (2003) distinguishes six elements that according to him must be evaluated when employing packaging decisions: size, form, material, colour, text and brand.

Underwood et al. (2001), Garber et al.(2000), Goldberg et al.(1999), Schoormans & Robben (1997) all came up with a similar concept that Packages are found to attract attention

Pictures on packages are emphasized to attract attention, particularly when consumers are not very familiar with the brands (Underwood et al., 2001). Furthermore, packages are claimed to attract attention when their appearances are not typical within a product class (Garber et al., 2000; Schoormans & Robben 1997). In other words, past research has discovered that deviating packages attract attention. Other studies show that deviating package colours and shapes attract attention (Garber et al., 2000; Schoormans & Robben 1997

Rundh (2005) conveniently summarises the different functions of packaging and shows how these link to particular business and marketing functions as shown in Table1

TABLE 3.1 – PACKAGING AND MARKETING FUNCTIONS

| FUNCTIONS OF PACKAGING | FUNCTIONS OF MARKETING |
|--|---|
| <p>PACKAGING PROTECTS</p> <p>During distribution Packaging of the good has to been done in such a way that it must be able to withstand robust physical handling , so that the goods are received by consumers in the same function they left the factory</p> | <p>Physical distribution and storage</p> <p>Product quality</p> |
| <p>PACKAGING PRESERVES</p> <p>To preserve the product from deterioration, Packaging forms and materials should be used</p> | <p>Physical distribution and storage</p> <p>Product quality</p> |
| <p>PACKAGING FACILITATES DISTRIBUTION</p> | <p>Physical distribution and storage</p> |

| | |
|--|--|
| <p>In ensuring that goods reach their destination in optimum condition Well-designed packaging and effective packaging methods to be used</p> | <p>Supply chain management</p> |
| <p>PACKAGING PROMOTES CUSTOMER CHOICE Packaging enables and promotes brand identification and competition</p> | <p>Promotion and selling Marketing communication</p> |
| <p>PACKAGING SELLS In sales process packaging is an integral part. It displays and describes the product it contain. It gives the consumer to choose which product is best suited his or her taste. This, together with the visual appeal of the package, is often a decisive feature in the purchasing situation</p> | <p>Promotion and selling Marketing communication. Design</p> |
| <p>PACKAGING INFORMS AND INSTRUCTS Packaging communicates additional messages to the consumer</p> | <p>Marketing communication</p> |
| <p>PACKAGING PROVIDES CONSUMER CONVENIENCE Changing lifestyles has created a demand for packages that gives time-saving features and easy efficient handling</p> | <p>Standardization/differentiation and distribution. Customization</p> |
| <p>PACKAGING HELP CONTAIN PRICES Consumer goods would be more expensive if it were not for cost-effective packaging. The packaging of products in packs of various sizes allows the consumer to purchase the most convenient quantity</p> | <p>Pricing</p> |

| | |
|--|---|
| PACKAGING IS INNOVATIVE | |
| In many cases, the packaging industry responds to new demands which arise for specifically packaged foodstuff products | Packaging/package development Customization Package design in relation to relevant market demand/need |

3.1.1 ELEMENTS OF PACKAGING

A package appearance is composed of many elements which represent brand and package attributes.

Table 2 summarises the findings from a number of recent studies classifying the elements of packaging. These studies have mainly focused on analysing the effectiveness of some key elements of packaging in achieving the goal of communication with customers.

TABLE 3.1.2 ELEMENTS OF PACKAGING

| AUTHORS | MAIN EMPHASIS | PACKAGING ELEMENTS | YEAR |
|------------------|---|--|-------------|
| Rettie & Brewer | Proper positioning of elements, which includes verbal on right-hand side and non-verbal on left hand side of the package. | Verbal: Brand slogan Visual: Visual appeal, picture, etc. | (2000) |
| Kotler | Elements should be evaluated when employing packaging decision. | Size, form, material, colour, text and brand | (2003) |
| Underwood | Elements in packaging design help the producer in creating and communicating brand identity. | Structural and Visual elements: Brand logo, colour, fonts, material, pictorials, product description and shapes. | (2003) |
| Smith and Taylor | Distinctive elements to be considered by producers and designers when | Form, size, colour, graphics, material and flavour (Similar | (2004) |

| | | | |
|----------------------------|---|--|--------------|
| | creating efficient packaging. | to Underwood, 2003, in focusing on structural and visual rather than verbal elements of packaging) | |
| Silayoi & Speece | Emphasis on consumer communication and branding. Visual elements are related to affective aspect of consumer's decision making process, while informational elements are related with cognitive ones. | Visual: Graphics, colour, shape, and size Informational: Information provided and technology | (2004; 2007) |
| Vila & Ampuero | Emphasis is on packaging as the key variable of positioning (product) in the marketing mix. Packaging plays an essential role when it comes to configuring the positioning of a food product. | Graphic components: Colour, typography, shapes used, and image Structural components: Shape, size of the containers, and materials | (2007) |
| Butkevicienė <i>et al.</i> | Importance of packaging elements in communicating and influencing decision making process. Visual elements of the package transfer non-verbal informational and affect emotions. Verbal | Non-verbal: Colour, form, size, imageries, graphics, materials and smell Verbal: Product name, brand, producer/ country, information, special | (2008) |

| | | | |
|-------------------------|--|---|--------|
| | information, which is transferred with informational elements, affects cognitive orientation of consumer. | offers, instruction of usage | |
| Kuvykaite <i>et al.</i> | Detailed evaluation of verbal and visual package elements and their impact on consumer's purchase decision. Taking into consideration involvement level, time pressure or individual characteristics of consumers, is necessary in order to implement efficient packaging decisions. | Visual: Graphic, colour, size, form, and material Verbal: Product information, producer, country-of-origin and brand | (2009) |

3.2 VISUAL ATTRIBUTES – GRAPHICS

Wells et al., 2007) stated that over 43% of consumer claim to use packet photography as an indication of product quality and also Silayoi and Speece (2004) stated that the graphics of packaging influence the choice of product and also by looking to the picture on the packaging generates consumer attention by breaking through the competitive clutter about the product (Silayoi & Speece, 2004). Even Vila and Ampuero (2006) result stated with the conclusion that with respect to packaging images, safe guaranteed products and upper class products are associated with pictures showing the product. Therefore, a graphic attribute that attracts consumers at the point of sale will help them make purchase decisions quickly.

3.3 VISUAL ATTRIBUTES – COLOUR

Grossman & Wisenblit (1999) said that in consumer purchase decisions making a product's colour play an important role, and colour was one of the most highly noticeable factors contributing to a positive shopping experience (Silayoi & Speece, 2004).

Martindale and Moore (1998) claimed that consumers prefer certain colours over others for various product category choices. To help consumers to locate the product on the shelf, Colour can also be used to differentiate a product, to build its own associations and (Grossman & Wisenblit, 1999).

In addition to that, based on their own cultural associations consumers are believed to have colour preferences for various product categories (Grossman & Wisenblit, 1999). Understanding consumer views on how the colour attribute plays a role in their purchase decision is critical for food companies competing globally.

3.4 VISUAL ATTRIBUTES – SHAPE

On consumer purchase decisions, Packaging shape has some influence (Silayoi & Speece, 2004). A unique shape can be a very powerful weapon in differentiating a brand and/or conveying fun (Young, 2003). To make products more appealing and distinguish them from their competitors, Innovation in packaging shape can help it. In product differentiation changing the shape of product packaging can play an important role (Sherwood, 1999) and at the sales register it bring in significant profits (Prince, 1994). An unusual container more successfully competes for the viewer's attention than the norm (Silayoi & Speece, 2004). According to Silayoi and Speece (2004), distinctive packaging shapes are considered more attractive for children's products. It has been reported that children preferred to try products in different packaging shapes. The packaging shape can be a key element of a package that contributes to the emotional experience. In predicting purchase behaviour, packaging shape has been found to be positively significant Wansink (1996) claimed that the shape of the packaging is an essential factor for success in the marketplace for various products

3.5 VISUAL ATTRIBUTES – SIZE

When making a purchase decision, Packaging size is one of the main visual attributes (Kuvykaite et al., 2009). The packaging size is related to usability, as consumers appear to use this visual criterion as a heuristic that helps to make volume judgments (Silayoi & Speece, 2004). Consumers use the height of the container or its elongation to simplify volume judgments (Raghubir & Krishna, 1999). A bigger package shows better value but consumers from smaller households are not interested in buying larger packages (Silayoi & Speece, 2004). The larger packaging size is easily notice in the shelf and it communicates higher value according to Silayoi & Speece (2004). Many

Research has shown that many products need to be sold in different package sizes due to the market demand for flexibility (Rundh, 2005).

3.6 VISUAL ATTRIBUTES – PACKAGING MATERIAL

When making a purchase decision, Packaging material is one of the main visual attributes (Kuvykaite et al., 2009; Silayoi & Speece, 2004, 2007). Research indicates that consumers want all packaging to be environmentally friendly (Prendergast & Pitt, 1996). Consumers demand for more environmentally friendly packaging or packaging that is recycled and reused more easily (Rundh, 2005). In terms of convenience, customers demand for packaging of the product that offers easy shop ability, open ability, reclosability, portability and disposability (Ahmed, Ahmed, & Salman, 2005). Combinations of different materials can encourage people to touch the package and thereby be inspired to try the actual product (Rundh, 2009)

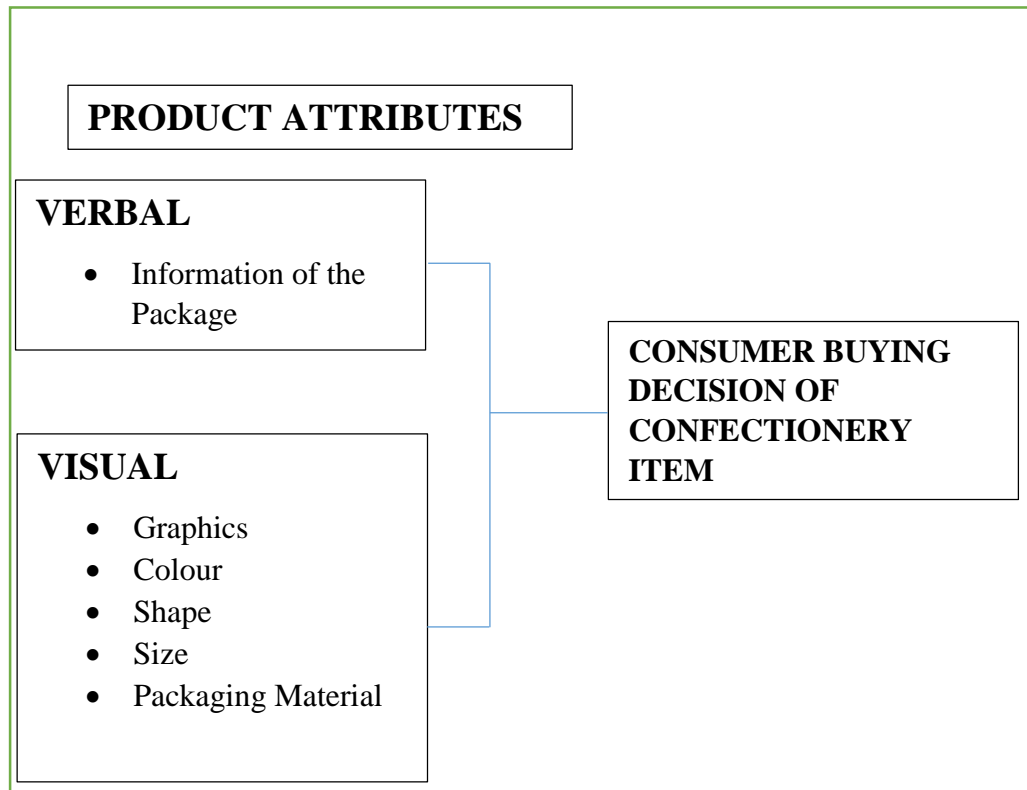
3.7 VERBAL ATTRIBUTES – INFORMATION ON THE PACKAGE

Packaging as the primary vehicle for communication with the consumer provides details about the product at the point of sales including the nutritional value, added ingredients, country of origin, the producer and best before date. Informational elements of the package play a vital role in decision-making (Silayoi & Speece, 2004, 2007; Kuvykaite et al., 2009). Appropriately delivered information on the packaging has a strong impact on consumer purchase decisions, as this information reduces uncertainty and creates product credibility (Silayoi & Speece, 2004). Consumers are becoming more careful shoppers, and have been found to be paying more attention to label information as well as using the packaging information more extensively, as they are more health and nutrition conscious (Coulson, 2000). The packaging may be the only communication between a product and the consumer in the store (Gonzalez, Thorhsbury, & Twede, 2007) and it is the critical factor in consumer purchase decisions (Butkeviciene, Stravinskiene, & Rutelione, 2008).

The previous literature has found that the place of origin was one of the pieces of information on the package that had a significant influence on purchase behaviour (Ahmed et al., 2005; Kuvykaite et al., 2009; Piron, 2000). In addition, according to Kuvykaite et al. (2009), indicating the producer and brand on the product label could not be underestimated.

3.8 THEORETICAL FRAMEWORK MODEL

In this model it is seen that in Verbal Attributes it is Information on the Package which is printed in the Packet and where as in Visual Attributes it has Graphics and Font style, Colour, Shape, Size and the Packing Material of the Packet.



CHAPTER 4
OBJECTIVES AND SCOPE OF THE PROJECT

4. OBJECTIVE

The objective of the study is to have an empirical study on packaging factor influencing consumer buying decision in confectionery item. So to determine this we have investigate the visual and verbal attributes and broadly we can defines as:

To investigate the impact of packaging on purchase decision

1. To investigate the effect of visual attribute of packaging on purchase decision.
2. To investigate the effect of verbal attribute of packaging on purchase decision.

4.1 HYPOTHESIS

As we have to find the effect of visual and verbal attributes in packaging while consumer goes for buying so to determine the emphasis of each factor, we have design it such a way that we can able to know each factor importance and the hypothesis we can obtain is

H1a: The packaging graphics have a positive influence on the purchase decision of packaged food.

H1b: The packaging colour has a positive influence on the purchase decision of packaged food.

H1c: The packaging shape has a positive influence on the purchase decision of packaged food.

H1d: The packaging size has a positive influence on the purchase decision of packaged food.

H1e: The packaging material has a positive influence on the purchase decision of packaged food.

H2a: The information on the package has a positive influence on the purchase decision of packaged food.

4.2 SCOPE OF THE OBJECT

As previous research has stated that 73% of the buying decision in confectionery item takes place at the point of sales so with This project help us to determine what consumer exactly looks out on the package when there are going to buy confectionery item either they lookout Font Style, Colour, Shape,

Size, Packaging Material and Information on the Package in which a company can look out and can tap on these issue.

With all these objectives it will be easy to strive for enhance higher market share as attractive packaging will have impulse buying of the product as it will lure the customer to buy the product which will lead to penetration into the market by high selling of the product and also there will be also high visibility of the product in the market as there will high demand of the product and with all this it will high sales of the product.

CHAPTER 5
RESEARCH METHODOLOGY

5. RESEARCH METHODOLOGY

It is defined as the process used to collect information and data for the purpose of making business decisions. The methodology may include publication Research, Interviews, Surveys and other Research Techniques and could include both present and historical information.

5.1 OBJECTIVES

The objective of the research is to have a study on packaging factor influencing consumer buying decision in confectionery item.

5.2 TYPE OF RESEARCH

A descriptive research methodology is used in this project. Descriptive Research also known as statistical Research, describe data and characteristics about the population or phenomenon being studied.

5.3 SAMPLING

1. **UNIVERSE:** A population or set of entities which are grouped together on the basis of common characteristics from which a representative sample is drawn for comparison or measurement.

As the research had to be done with reference to the domestic consumer so it would be better to take in and around Rourkela.

2. **SAMPLE FRAME:** A sampling frame is the source from which a sample is drawn. It is the list of all those within a population which can be sampled, and may include individuals, household or institutions here the sample frame is 600 out of 2500 student were taken staying in NIT Rourkela hostel took part in the research which results in a response rate of 24% of total population was considered as the sample size.
3. **SAMPLE UNIT:** a Sampling Unit is typically thought of as object that has been sampled from a statistical population. Here the sample unit is 515 members.
4. **TECHNIQUE OF SAMPLING:** Random Sampling is being taken random sampling is a subset of a statistical population in which each member of the subset has an equal probability of being chosen.

A simple random sample is meant to be an unbiased representation of a group.

5.4 DATA COLLECTION

The main inspiration of my research is to Empirical Study on Packaging Factor Influencing Consumer Buying Decision in Confectionery Item and an extensive survey comprising of a 35 questions relating to the objective identified has been carried out. The proposed study will be an empirical one which is purely based on primary and secondary information.

The descriptive nature of research necessitates collection of primary data from persons in NIT Rourkela through set of questionnaires was used consisting of 35 question. The market research was conducted over a period of 30 days.

In this research project data about the priorities are given to the consumer with a 5 point Likert scale. In its final form, the Likert Scale is a five (or seven) point scale which is used to allow the individual to express how much they agree or disagree with a particular statement. It is the mostly widely used approach to scaling responses in survey research, such that the term is often used interchangeably with rating scale or more accurately the Likert type scale, even though the two are not synonymous.

SECONDARY DATA:

1. Different research papers
2. Books
3. Internet
4. Journals

5.5 ANALYSIS TECHNIQUES

Statistical tools and techniques used for the analysis of the data collected through questionnaires are:

5.5.1 MICROSOFT EXCEL:

Excel is an electronics spread sheet program that is used for storing, organizing and manipulating data. It was also used for graphing or charting data to assist users in identifying data trend and sorting and filtering data to find specific information.

5.5.2 SPSS:

IBM SPSS statistics is a comprehensive, easy to use set of data and predictive analytics tools for business users, analysts and statistical programmers. In this study to conduct the analysis if data collected SPSS was

used to conduct the Reliability Analysis, Factor Analysis, Correlation Analysis and Regression Analysis

5.6 LIMITATION

Owing to the time constraints and nature of this study, it was impossible to additionally investigate the importance of packaging design for products which are considered to be lower in terms of experiential benefits: however, further research could be undertaken to investigate this aspect.

Firstly, the research concerned in confectionery item, therefore its results cannot be broadened into other groups of goods.

Secondly, the research did not focus on the detailed identification of the influence of extra-environmental features of packaging on buying decisions.

Thirdly, the research was conducted among the student group in NIT, Rourkela.

CHAPTER 6
DATA ANALYSIS AND INTERPRETATION

6. DATA ANALYSIS AND INTERPRETATIONS

Data analysis is defined as the process of inspecting, cleaning, transforming and modelling of data with the goal of discovering useful information, suggestion, conclusion and supporting decision making.

In this section the results of the different analysis are presented. The first part elaborates the demographic analysis. The second part deals with the descriptive statistics which gives an impression how the several Packaging Factor Influencing Consumer Buying Decision in Confectionery Item. Next, the results of the analysis techniques are presented.

6.1 DEMOGRAPHIC ANALYSIS:

As per as Economics times dated on 6th April, 2015 it is given that the demographics categorization consumption of chocolate and confectionery item starts from 13 to 40 year only . In this research it also taken in this age group as stated in Economics times that starts from 13-19 year as one group segment, 20-25 year as another, 26-30 as one another and at last 30-40 years as the last group segment.

TABLE NO. 6.1 RESPONDENTS'S PROFILE

| VARIABLE | DESCRIPTION | FREQUENCY | PERCENTAGE |
|----------|-------------|-----------|------------|
| Gender | Male | 470 | 91.26 |
| | Female | 45 | 8.74 |
| Age | 13-19 Years | 210 | 40.77 |
| | 20-25 Years | 245 | 47.58 |
| | 26-30 Years | 40 | 7.77 |
| | 30-40 Years | 20 | 3.88 |

- **GENDER:** 515 student out of around 2500 student staying in NIT Rourkela Hostel took part in the research which results in a response rate of 24%. Of these 515 respondents 45 were female and 470 were male.
- **AGE:** Of the 515 respondents 210(40.77%) 245 (47.58%) 40 (7.77%) 20 (3.88%) were in the age group of 13-19, 20-25, 26-30, 30-40 Years respectively.

6.2 ANALYSIS

In this research there are 6 factor that are Graphics and Font Style, Colour, Shape, Size, Packaging Material, Information on the Package and in Graphics there are 7 variables and Colour, Shape and in Size there are 4 variables each and in Packaging Material and in Information on the Package there are 5 variables each and there is one more factor that is Effective Packaging Leading to Purchase decision in this all 6 factor are there which lead to purchase of the product.

6.3 RELIABILITY ANALYSIS

Reliability means that a measure (or in this case questionnaire) should consistently reflect the construct that it is measuring. Joppe(2000) define reliability as the extent to which there result are consistent over times and an accurate representation of the total population under study is to referred to as reliability and if the result of a study can be reproduced under a similar methodology and then the research instrument is considered to be reliable.

Kline (1999) notes that although the generally accepted value of .8 is appropriate for cognitive tests such as intelligence tests, for ability tests a cut-off point of .7 is more suitable. Cortina (1993) notes that such general guidelines need to be used with caution because the value of α depends on the number of items on the scale. Where as α includes the number of items squared. Therefore, as the number of items on the scale increases, α will increase. Therefore, it's possible to get a large value of α because you have a lot of items on the scale

In this we have taken all 35 variable which are of factor Graphics and Font Style, Colour, Shape, Size, Packaging Material, Information On The Package variable's and also Effective Packaging leading to Purchase Decision variables. And the dependent variable which is the consumer buying behaviour factor

6.3.1 RELIABILITY STATISTICS

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .921 | .927 | 35 |

It has been found that Cronbach alpha is .923. In this all 35 variable are taken and reliability test is being conducted and the result it showed that Cronbach alpha

is .921 that means the data is 92.3 % of the variability in composite score is considered to be internally reliable variance.

6.4 FACTOR ANALYSIS

Factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors

Factor analysis is basically used for data reduction purposes:

1. To get a small set of variables preferably correlated) from a large set of variables (most of which are correlated to each other)
2. To create indexes with variables that measure similar things (conceptually).

The construct validity was determined using principal components analysis with Varimax rotation method.

| Component | Initial Eigenvalues | | | Extraction Sums of Squared | | | Rotation Sums of Squared Loadings | | |
|-----------|---------------------|---------------|--------------|----------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 10.244 | 29.268 | 29.268 | 10.244 | 29.268 | 29.268 | 4.309 | 12.310 | 12.310 |
| 2 | 3.950 | 11.286 | 40.554 | 3.950 | 11.286 | 40.554 | 4.301 | 12.287 | 24.597 |
| 3 | 3.559 | 10.168 | 50.722 | 3.559 | 10.168 | 50.722 | 4.184 | 11.955 | 36.552 |
| 4 | 2.296 | 6.559 | 57.280 | 2.296 | 6.559 | 57.280 | 3.748 | 10.710 | 47.262 |
| 5 | 2.172 | 6.206 | 63.486 | 2.172 | 6.206 | 63.486 | 3.714 | 10.612 | 57.874 |
| 6 | 1.579 | 4.511 | 67.997 | 1.579 | 4.511 | 67.997 | 3.543 | 10.122 | 67.997 |
| 7 | .945 | 2.699 | 70.695 | | | | | | |
| 8 | .871 | 2.488 | 73.184 | | | | | | |
| 9 | .770 | 2.199 | 75.383 | | | | | | |
| 10 | .748 | 2.138 | 77.520 | | | | | | |
| 11 | .676 | 1.931 | 79.451 | | | | | | |
| 12 | .667 | 1.906 | 81.357 | | | | | | |
| 13 | .597 | 1.707 | 83.064 | | | | | | |
| 14 | .553 | 1.580 | 84.644 | | | | | | |
| 15 | .522 | 1.493 | 86.136 | | | | | | |
| 16 | .490 | 1.401 | 87.537 | | | | | | |
| 17 | .476 | 1.360 | 88.898 | | | | | | |
| 18 | .448 | 1.274 | 90.172 | | | | | | |
| 19 | .425 | 1.214 | 91.385 | | | | | | |
| 20 | .395 | 1.129 | 92.515 | | | | | | |
| 21 | .388 | 1.107 | 93.622 | | | | | | |
| 22 | .366 | 1.045 | 94.667 | | | | | | |
| 23 | .338 | .967 | 95.633 | | | | | | |
| 24 | .305 | .872 | 96.505 | | | | | | |
| 25 | .286 | .816 | 97.321 | | | | | | |
| 26 | .275 | .787 | 98.108 | | | | | | |
| 27 | .258 | .736 | 98.844 | | | | | | |
| 28 | .219 | .625 | 99.469 | | | | | | |
| 29 | .186 | .531 | 100.000 | | | | | | |
| 30 | 1.767E-015 | 5.048E-015 | 100.000 | | | | | | |
| 31 | 7.266E-016 | 2.076E-015 | 100.000 | | | | | | |
| 32 | -9.687E-018 | -2.768E-017 | 100.000 | | | | | | |
| 33 | -1.512E-015 | -4.319E-015 | 100.000 | | | | | | |
| 34 | -2.923E-015 | -8.350E-015 | 100.000 | | | | | | |
| 35 | -3.665E-015 | -1.047E-014 | 100.000 | | | | | | |

SPSS has identified 35 linear components within the data set (we know that there should be as many eigenvectors as there are variables. The eigenvalues associated with each factor represent the variance explained by that particular linear component and SPSS also displays the eigenvalue in terms of the percentage of variance explained factor 1 explains 29.268% of total variance.

The first few factors explain relatively large amounts of variance (especially factor 1) whereas subsequent factors explain only small amounts of variance SPSS then extracts all factors with eigenvalues greater than 1, which leaves us with Six factors.

The eigenvalues associated with these factors are again displayed (and the percentage of variance explained) in the columns labelled Extraction Sums of Squared Loadings. The values in this part of the table are the same as the values before extraction, except that the values for the discarded factors are ignored.

In the final part of the table (labelled Rotation Sums of Squared Loadings), the eigenvalues of the factors after rotation are displayed. Rotation has the effect of optimizing the factor structure and one consequence for these data is that the relative importance of the six factors is equalized

Before rotation, factor 1 accounted for considerably more variance than the remaining five (29.268%, 11.286%, 10.168%, 6.559%, 6.206%, and 4.511%) but after extraction it accounts for only 12.310% of variance (compared to 12.287, 11.955, 10.710, 10.612, and 10.122% respectively).

6.4.1 ROTATED COMPONENT MATRIX

| | COMPONENT | | | | | |
|-----|-----------|------|------|------|------|------|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| V34 | .927 | | | | | |
| V24 | .800 | | | | | |
| V30 | .800 | | | | | |
| V22 | .709 | | | | | |
| V21 | .692 | | | | | |
| V23 | .686 | | | | | |
| V1 | | .810 | | | | |
| V2 | | .780 | | | | |
| V3 | | .763 | | | | |
| V4 | | .742 | | | | |
| V5 | | .708 | | | | |
| V6 | | .702 | | | | |
| V7 | | .680 | | | | |
| V31 | | | .967 | | | |
| V8 | | | .868 | | | |
| V9 | | | .826 | | | |
| V10 | | | .807 | | | |
| V11 | | | .793 | | | |
| V33 | | | | .946 | | |
| V16 | | | | .781 | | |
| V17 | | | | .738 | | |
| V18 | | | | .670 | | |
| V19 | | | | .652 | | |
| V20 | | | | .635 | | |
| V32 | | | | | .944 | |
| V12 | | | | | .805 | |
| V13 | | | | | .802 | |
| V14 | | | | | .779 | |
| V15 | | | | | .678 | |
| V35 | | | | | | .888 |
| V25 | | | | | | .718 |
| V26 | | | | | | .703 |
| V28 | | | | | | .632 |
| V29 | | | | | | .601 |
| V27 | | | | | | .599 |

The Rotated Component Matrix shows you the factor loadings for each variable. In this research there are total of 6 predefined factor we have taken.

In the factor analysis we can see that in the first factor there are V21, V22, V23, V24, V30 and V34. V21, V22, V23, V24 are 4 out of 5 variables of Packaging Material factor and V30 is the customer preference to purchase product which has good packaging material so we can say these variable has a positive impact on the consumer preference Packaging Material factor and Also in this factor there is V30 which is customer prefer to purchase product by Looking at good Graphics and Fonts, consumer thinks that these factor should also come in the Packaging material factor

In the second factor there it has V1, V2, V3, V4, V5, V6 and V7 where as these 7 variable are of Graphics and Font Style factor and these all are combined to be one factor.

Where as in the third factor it has V8, V9, V10, V11 and V31 whereas the V8, V9, V10, V11 are the variable of the Visual Attributes – Colour factor and V31 is Customer preference to purchase product which have attractive colourful packaging. So we can say that these variable has a positive impact on the consumer preference Colour factor.

Where as in the fourth factor it has V16, V17, V18, V19 V20 and V33 whereas the V16, V17, V18, V19 are the variable of the Visual Attributes – Size factor , V20 is the variable of the Visual Attributes – Packaging Material and V33 is Customer preference to purchase product which has bigger size. So we can say that these variable has a positive impact on the consumer preference Size factor and also consumer thinks that V20 which is the consumer prefer product which are Environment friendly packet comes under the Size factor but in our case it is taken in the Visual Attributes – Packaging Material

Where as in the fifth factor it has V12, V13, V14, V15 and V32 whereas V12, V13, V14, V15 are the variable of the Visual Attributes – Shape factor and V32 is the customer preference to purchase product which has good shape. So we can say that these variable has a positive impact on the consumer preference Shape factor.

Whereas in the sixth factor V25, V26, V27, V28, V29 and V35 whereas V25, V26, V27, V28, V29 are the variable of the verbal Attributes of Information On The Package and V35 is the customer preference to purchase

product by looking at the information provided on the package. So we can say that these variable has a positive impact on the consumer preference on Information on the Package factor.

6.5 CORRELATION

The Pearson product-moment correlation coefficient is a measure of the strength of the linear relationship between two variables. It is referred to as Pearson's correlation or simply as the correlation coefficient. If the relationship between the variables is not linear, then the correlation coefficient does not adequately represent the strength of the relationship between the variables.

| Correlations | | | | | | | | |
|--------------|---------------------|----------|--------|--------|--------|----------|-------------|--------|
| | | Graphics | Color | Shape | Size | Material | Information | Buying |
| Graphics | Pearson Correlation | 1 | .200** | .455** | .222** | .312** | .304** | .404** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 | .000 | .000 |
| | N | 514 | 514 | 514 | 514 | 514 | 514 | 514 |
| Color | Pearson Correlation | .200** | 1 | .247** | .148** | .256** | .443** | .509** |
| | Sig. (2-tailed) | .000 | | .000 | .001 | .000 | .000 | .000 |
| | N | 514 | 515 | 515 | 515 | 515 | 515 | 515 |
| Shape | Pearson Correlation | .455** | .247** | 1 | .227** | .304** | .312** | .550** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 | .000 | .000 |
| | N | 514 | 515 | 515 | 515 | 515 | 515 | 515 |
| Size | Pearson Correlation | .222** | .148** | .227** | 1 | .535** | .331** | .462** |
| | Sig. (2-tailed) | .000 | .001 | .000 | | .000 | .000 | .000 |
| | N | 514 | 515 | 515 | 515 | 515 | 515 | 515 |
| Material | Pearson Correlation | .312** | .256** | .304** | .535** | 1 | .566** | .658** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | | .000 | .000 |
| | N | 514 | 515 | 515 | 515 | 515 | 515 | 515 |
| Information | Pearson Correlation | .304** | .443** | .312** | .331** | .566** | 1 | .656** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 | | .000 |
| | N | 514 | 515 | 515 | 515 | 515 | 515 | 515 |
| Buying | Pearson Correlation | .404** | .509** | .550** | .462** | .658** | .656** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 | .000 | |
| | N | 514 | 515 | 515 | 515 | 515 | 515 | 515 |

** . Correlation is significant at the 0.01 level (2-tailed).

GRAPHICS OF THE PACKAGE AND CONSUMER BUYING DECISION

The output also shows that Graphics is positively related to the Consumer buying decision, with a coefficient of $r = .404$, which is also significant at $p < .001$

So hypothesis H1a is proved.

H1a: The packaging graphics have a positive influence on the purchase decision of packaged food.

COLOUR AND CONSUMER BUYING DECISION

The output also shows that Colour is positively related to the Consumer buying decision, with a coefficient of $r = .509$, which is also significant at $p < .001$

So hypothesis H1b is proved.

H1b: The packaging colour has a positive influence on the purchase decision of packaged food.

SHAPE AND CONSUMER BUYING DECISION

The output also shows that Shape is positively related to the Consumer buying decision, with a coefficient of $r = .550$, which is also significant at $p < .001$

So hypothesis H1c is proved.

H1c: The packaging shape has a positive influence on the purchase decision of packaged food.

SIZE AND CONSUMER BUYING DECISION

The output also shows that Size is positively related to the Consumer buying decision, with a coefficient of $r = .462$, which is also significant at $p < .001$

So hypothesis H1d is proved.

H1d: The packaging size has a positive influence on the purchase decision of packaged food.

PACKAGING MATERIAL AND CONSUMER BUYING DECISION

The output also shows that Packaging material is positively related to the Consumer buying decision, with a coefficient of $r = .658$, which is also significant at $p < .001$

So hypothesis H1e is proved.

H1e: The packaging material has a positive influence on the purchase decision of packaged food.

INFORMATION ON THE PACKAGE AND CONSUMER BUYING DECISION.

The output also shows that Information on the package is positively related to the Consumer buying decision, with a coefficient of $r = .656$, which is also significant at $p < .001$

So hypothesis H2a is proved.

H2a: The information on the package has a positive influence on the purchase decision of packaged food.

6.6 REGRESSION

In statistics, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modelling and analysing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables

Linear regression attempts to model the relationship between two variables by fitting a linear equation to observed data. One variable is considered to be an explanatory variable, and the other is considered to be a dependent variable. For example, a modeller might want to relate the weights of individuals to their heights using a linear regression model.

Linear regression line has an equation of the form $Y = a + bX$, where X is the explanatory variable and Y is the dependent variable.

A stepwise multiple regression analysis was conducted to determine the most effective predictors of Packaging Factor Influencing Consumer Buying Decision in Confectionery Item.

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .836 ^a | .699 | .695 | .332 | .699 | 196.046 | 6 | 507 | .000 |

a. Predictors: (Constant), Information, Graphics, Size, Color, Shape, Material
b. Dependent Variable: Buying

This table provides the value of R and R square for the model that has been derived, R has a value of .836 which have predictor Constant such as Graphics and Font Style, Colour, Shape, Size, Packaging Material, Information

on the Package and this value represents the correlation between Constant and Consumer Buying Decision.

The value of R square is .669 which tells us that Graphics and Font Style, Colour, Shape, Size, Packaging Material, Information on the Package can account for 66.9 % of the variation in Consumer Buying Decision. This means that while Consumer go for buying Confectionery Item, Packaging factor play as important role as much as 66.9% in Consumer Buying Decision.

However it doesn't tell us about the individual contribution of variables in the model. The next table provides details of the model parameters (the beta values) and the significance of these values

Coefficients

| MODEL | UNSTANDARDIZED COEFFICIENTS | | STANDARDIZED COEFFICIENTS | T | SIG. |
|-------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | | |
| (Constant) | -.191 | .143 | | -1.331 | .184 |
| Graphics | .029 | .023 | .036 | 1.266 | .206 |
| Colour | .143 | .017 | .228 | 8.310 | .000 |
| Shape | .180 | .018 | .282 | 9.962 | .000 |
| Size | .125 | .032 | .112 | 3.871 | .000 |
| Material | .339 | .038 | .302 | 9.037 | .000 |
| Information | .214 | .028 | .248 | 7.690 | .000 |

a. Dependent Variable: Buying

- $Outcome_i = (model) + error_i$
- $Factor_i = b_1Variable_{1i} + b_2Variable_{2i} + \dots + b_nVariable_{ni} + \epsilon_i$
- Y is the outcome variable, b1 is the coefficient of the first predictor (X1), b2 is the coefficient of the second predictor (X2), bn is the coefficient of the nth predictor (Xn), and ϵ_i is the difference between the predicted and the observed value of Y for the ith participant.
- Where as in the model it is taken as
- $Y_i = b_0 + b_1X_{i1} + b_2X_{i2} + b_3X_{i3} + b_4X_{i4} + b_5X_{i5} + b_6X_{i6} + \epsilon_i$

Consumer buying decision = $191 + .029 * \text{Graphics and Font Style} + (.143x \text{Colour}) + .180x \text{Shape} + .125x \text{Size} + .339x \text{Packaging Material} + .214x \text{Information on the Package}$.

The b-values tell us about the relationship between Consumer buying decision and each predictor. If the value is positive we can tell that there is a positive relationship between the predictor and the outcome, whereas a negative coefficient represents a negative relationship.

For these data all six predictors have positive b- values indicating positive relationships

- **Graphics and Font Style (.029):** This value indicates that when graphics and font style in the packet increases by one unit, consumer buying decision increase by 0.029.
- **Colour (.143):** This value indicates that when there is high suitable colour in the packet increases by one unit, consumer buying decision increase by 0.143.
- **Shape (.180):** This value indicates that when shape in the packet increases by one unit, consumer buying decision increase by 0.180.
- **Size (.125):** This value indicates that when size of the packet increases by one unit, consumer buying decision increase by 0.125.
- **Packaging Material (.339):** This value indicates that when Packaging material of the packet increases by one unit, consumer buying decision increase by 0.339.
- **Information on the Package (.214):** This value indicates that when Information on the package in the packet increases by one unit, consumer buying decision increase by 0.214

If the value in the column labelled Sig. is less than .05) then the predictor is making a significant contribution to the model. The smaller the value of Sig. (and the larger the value of t), the greater the contribution of that predictor.

For this model, the Graphics and Font Style ($t=1.266, p<.001$), the Colour ($t=8.310, p<.001$), Shape ($t=9.962, p<.001$) Size ($t=3.871, p<.001$), Packaging Material ($t=9.037, p<.001$) and Information on the package ($t=7.690, p<.001$) are all significant predictors of Consumer buying decision. From the magnitude of the t-statistics we can see that the Shape of the package and packaging

material of the packet play had a similar and very high impact whereas Colour of the packet has a little bit less impact than other two and then comes the information on the package and Size of the packet and Graphics and Font Style in the packet has less impact than the others.

- **Graphics and Font Style (.036):** This value indicates that as graphics and font style of the package increases by one standard deviation then Consumer Buying Decision increase by 0.036 standard deviations. This interpretation is true only if the effects of other factor are held constant
- **Colour (.228):** This value indicates that as colour of the package increases by one standard deviation then consumer buying decision increase by 0.228 standard deviations. This interpretation is true only if the effects of other factor are held constant
- **Shape (.282):** This value indicates that as Shape of the package increases by one standard deviation then Consumer Buying Decision increase by 0.282 standard deviations. This interpretation is true only if the effects of other factor are held constant.
- **Size (.112):** This value indicates that as Size of the package increases by one standard deviation then Consumer Buying Decision increase by 0.112 standard deviations. This interpretation is true only if the effects of other factor are held constant.
- **Packaging Material (.302):** This value indicates that as Packaging material of the package increases by one standard deviation then Consumer Buying Decision increase by 0.302 standard deviations. This interpretation is true only if the effects of other factor are held constant
- **Information on the Package (.248):** This value indicates that as information in the package increases by one standard deviation then consumer buying decision increase by 0.248 standard deviations. This interpretation is true only if the effects of other factor are held constant

The confidence intervals of the unstandardized beta values are constructed with 95% of these samples. So we can say that 95% of these confidence Intervals would contain the true value of b.

CHAPTER 7
OBSERVATIONS AND FINDINGS

7.1 OBSERVATIONS

In this research we observe that all the six factor that are Graphics and Font Style, Colour, Shape, Size, Packaging Material, Information on the Package and in Graphics have a positive impact while consumer goes for shopping in confectionery item that means that people observe all this things very specifically before purchasing the item. When the factor are related to Consumer buying decision it is seen that package material are more correlated with the consumer buying decision and then comes Information of the package , shape of the package colour of the package , size of the packet and then the graphics and font style of the packet are correlated with the consumer buying decision.

7.2 FINDINGS

In this research we came to knows that the factor such as Graphics and Font Style, Colour, Shape, Size, Packaging Material, Information on the Package has 66.9% impact while consumer goes for buying the confectionery item and in the regression analysis we came to know that the T value in the column labelled Sig. is less than .05 then the predictor is making a significant contribution to the model. The smaller the value of Sig. (and the larger the value of t), the greater the contribution of that predictor.in this model, the Graphics and Font Style ($t=1.266$, $p<.001$), the Colour ($t=8.310$, $p<.001$), Shape ($t=9.962$, $p<.001$) Size ($t=3.871$, $p<.001$), Packaging Material ($t=9.037$, $p<.001$) and Information on the package ($t=7.690$, $p<.001$) are all significant predictors of Consumer buying decision.

From the magnitude of the t-statistics we can see that the Shape of the package and packaging material of the packet play had a similar and very high impact whereas Colour of the packet has a little bit less impact than other two and then comes the information on the package and Size of the packet and Graphics and Font Style in the packet has less impact than the others.

SHAPE OF THE PACKAGE

Under the visual attribute which contain shape of the package (such as uniqueness, fanciness, elongated and straightness of shapes are found to be significant predictor in consumer buying decision in confectionery item. Even this study is similar to the previous research done by Silayoi & Speece (2007)

which indicated that packaging shapes could product more appealing to buy and also distinctive packaging shapes are considered more attractive as they are funny and fascinating. A unique shape can create contrast and make product stand out on the shelf and attract consumer attention and also the bigger package reflected better value (Prendergast and Marr, 1997).

PACKAGING MATERIAL OF THE PACKET

Packaging material of the packet (such as Environment friendly packet, high quality packet, easy to open, high quality materials) are found to be significant predictor in consumer buying decision in confectionery item. Even from this research it stated that the previous research also have the similar finding that consumer want product which are easy shop ability, open ability, portability and disposability (Ahmed, Ahmed, & Salman, 2005). So this is the reason which have high impact than other.

COLOUR OF THE PACKET

Under the visual attribute which contain Colour of the packet (such as Colourful, light colour in the product packet, warm colour in the product packet, cold colour in the product packet) have lesser impact than the most significant impact. It is to be said that a colourful pack catches my attention first. But colour also has different meaning: pale packaging is boring and dull. If the pack is dull, the food taste could be guessed as boring as said by many of the respondent. Even consumers are believed to have colour preferences for various product categories based on their own cultural associations (Grossman & Wisenblit, 1999) and also Colour can also be used to differentiate a product, build its own associations and help consumers locate the product on the shelf

INFORMATION ON THE PACKAGE

The research finding also indicated that verbal attributes the information on the package such as labelling, nutrition, quality of the information, country of the origin and manufacturer information) is also significant predictor in influencing the consumer buying decision in confectionery item. Even also previous researcher has said that Information on the package has significant determinant when making purchase decisions (Prendergast & Pitt, 1996; Rettie & Brewer, 2000; Silayoi & Speece, 2007; Gonzalez et al., 2007; Butkeviciene et al., 2008) Consumers often read the information on the package when making their purchase decision they tend to read the message on the label more often to

ensure quality, even though graphics, colour, size or shape may affect their attention at the beginning.

The information on the package that has an impact on the purchase decision includes the nutritional information, country of origin and manufacturer information on the packaged food item. And also many consumers feel that it is important to consider information on the package in order to compare quality and value where as the Size of the packet and Graphics and Font Style in the packet has less impact than the others. That means consumer feel it has less impact on their buying decision in confectionery but it also be said that Poor graphics can lose the sale for many consumers, while attractive graphics gains it and some packages were not convenient because they did not fit to my hands

7.3 RECOMMENDATIONS

Product packaging is very much valuable for brand equity, pricing, market segmentation, new product introduction, product differentiation, and promotional activities. Brand is important and its strategy is in consideration in the units. Brand name using implementation must be effective in single unit. All the marketing strategy for the company must pay attention for good packaging of the unit. They accept that poor packaging is one of the cause of product failure in the market. So management of the company should view this as an important aspect of the product success in the market. So they should keep packaging of the product so that it can keep the product for better protection and promotion of a product.

CHAPTER 8
CONCLUSIONS

8. CONCLUSION

Packaging is an important marketing tool for Confectionery Item and also it has a better reach than advertising does and can also set a brand apart from its competitors. It can promote and reinforces the purchase decision not only at the point of purchase but also every time the product is used and also package can be treated as one of most valuable tool in today's marketing communications, necessitating more details analysis of its element and an impact of those element on consumer buying decision and also Attractive packaging generates consumer attention by breaking through the competitive clutter. Even in the same time a well-designed package helps a consumer to be more confident about the product. It is clear now that both visual and informational package element Packaging attributes (Graphics and Font Style, Colour, Shape, Size, Packaging Material and Information on the Packet) are play an important role to influence consumer purchase decision

This study help to reveal the visual and Verbal packaging attributes that are most significant in influencing consumer buying decision in confectionery item. This study contributes to the literature for future research. The research finding gives us a better understanding of the packaging attributes and their impact on consumer buying decision in confectionery item. This finding indicates that Graphics and Font Style, Colour, Shape, Size, Packaging Material and Information on the Packet have positive influences on consumer buying decision and in that Shape of the package and packaging material of the packet have very high impact whereas Colour of the packet has a little bit less impact than other two and then comes the information on the package and Size of the packet and Graphics and Font Style in the packet has less impact than the others. So practitioner should look into this information and adopt a more effective and appropriate packaging strategy to increase brand recognition and sales of the Confectionery Item in the market.

However this study only focuses on one category of product i.e. confectionery item. Consequently, the result may not generalized to other food item. Future studies could extend this research by considering the importance of packaging attributes on other product categories or additionally, employing a comparative study to possibly identify the different effect of packaging attributes on a variety of types of product.

ANNEXURE – QUESTIONNAIRE

QUESTIONNAIRE

| STATEMENTS: 5-STRONGLY AGREE & 1 -STRONGLY DISAGREE | | 5 | 4 | 3 | 2 | 1 |
|--|--|---|---|---|---|---|
| VISUAL ATTRIBUTES – GRAPHICS and FONT STYLE | | | | | | |
| V1 | I prefer product which have appealing Graphics | | | | | |
| V2 | I prefer product which have Photographs Image | | | | | |
| V3 | I prefer product which have Illustration Image | | | | | |
| V4 | I prefer product which have just Images of people | | | | | |
| V5 | I prefer product which have attractive back ground | | | | | |
| V6 | I prefer product which have attractive Font Style | | | | | |
| V7 | I prefer product which have creative font style in Package | | | | | |
| VISUAL ATTRIBUTES – COLOUR | | | | | | |
| V8 | I prefer product which are Colourful | | | | | |
| V9 | I prefer product which have light colour in the product packet | | | | | |
| V10 | I prefer which have warm colour in the product packet | | | | | |
| V11 | I prefer which have cold colour in the product packet | | | | | |
| VISUAL ATTRIBUTES – SHAPE | | | | | | |
| V12 | I prefer Product which have unique shape | | | | | |
| V13 | I prefer product which have fancy shape | | | | | |
| V14 | I prefer product which have more elongated shape | | | | | |
| V15 | I prefer product which have straight shape | | | | | |
| VISUAL ATTRIBUTES – SIZE | | | | | | |
| V16 | I prefer product which are Visually Larger | | | | | |
| V17 | I prefer product which have multiple pack size | | | | | |
| V18 | I prefer product which are larger refill packs | | | | | |
| V19 | I prefer product which fits to your hand | | | | | |
| VISUAL ATTRIBUTES – PACKAGING MATERIAL | | | | | | |
| V20 | I prefer product which are Environment friendly packet | | | | | |
| V21 | I prefer product which have high quality packet | | | | | |
| V22 | I prefer product which are easy to open | | | | | |
| V23 | I prefer product which are made of high quality materials | | | | | |
| V24 | I prefer product which have quick meal pack | | | | | |
| INFORMATION ON THE PACKAGE | | | | | | |
| V25 | I prefer product while looking at the product Labelling | | | | | |
| V26 | I prefer product while looking at the product Nutrition information | | | | | |
| V27 | I prefer product while looking at the product quality of information | | | | | |
| V28 | I prefer product while looking at the product country of origin | | | | | |
| V29 | I prefer product while looking at the product manufacturer information | | | | | |

| EFFECTIVE PACKAGING LEADING TO PURCHASE DECISION | | | | | |
|---|--|--|--|--|--|
| V30 | I prefer to purchase product by Looking at good Graphics and Fonts | | | | |
| V31 | I prefer to purchase product which have attractive colourful packaging | | | | |
| V32 | I prefer to purchase product which have good shape | | | | |
| V33 | I prefer to purchase product which have bigger size | | | | |
| V34 | I prefer to purchase product which have good packaging material | | | | |
| V35 | I prefer to purchase product by looking at the information provided on the package | | | | |

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