

An Assessment of Packaging Practices in Addis-Modjo Edible Oils S.C

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Abstract

Packaging should do more than containing the product which is packed. It is supposed to attract the buyer; it should say something about the product (be it quality or otherwise); it should have concern to the environment, and it should be unique and portable to carry it from place to place. However, from observation not much of the manufacturing companies are considering these facts. This study aims at assessing the packaging practice of Addis-Modjo Edible Oils S.C. It was conducted in two phases: in Phase one- data was gathered from customers and in Phase two- interview was conducted among staff members. Then, the data obtained was processed and analyzed using different statistical analysis methods. The information which is summarized below can be used as a reference to come up with a better product package that can enhance the performance and functions of the package.

Introduction

Background of the Study

You cannot escape the ubiquitous package – it is everywhere. We may not pay much attention to it, and we certainly do not give packages much intellectual thought, but they are there at every step of our lives: morning, noon, and night. Life without packaging is unthinkable these days (Meyers and Gerstman 2005).

Whether it is our ancestors' use of leaves to wrap wild berries or contemporary sophisticated methods of containing spent nuclear fuel, packaging is the means by which we aim to fulfill a wide range of needs which centered on product protection. Such a diversity of needs outlines the importance and intricacy of packaging as an integral system in a complex web of systems that we employ to sustain the lifestyles that we choose to lead (Denison and Yu Ren 2001).

As Hahn (2003) stated packaging is the ultimate final dialogue with the consumer. It must call attention to itself, and set the product apart from the category and other products in its own line.

Hand in hand to that of a package to be attractive, it also provides with a brand image. As Davis and Baldwin (2005) discussed, packaging is part of the journey that is concerned with the safe and enticing delivery of the product to the consumer. It adds to the brand experience by providing yet another opportunity to project the emotion and character of the brand, setting expectations for discovery, consumption and customer delight. Packaging is like a book cover – it can draw you in even if you're unfamiliar with its contents.

When environmental issues such as global warming, renewable energy are major issues and concerns throughout the globe, packages should be given a focus besides impressing the customer with its attraction.

Selke (1997) highlights on the ideas of different parties saying that the basic purpose of packaging is to enable the right goods to get the right place at the right time in an acceptable condition. Of course, the users of packaging want to do this as economically as possible; the marketers want the package to attract consumers; the environmentalists want to minimize the environmental

impacts of producing and discarding the package; and other parties have other jobs for the package to perform, as well.

Statement of the Problem

The case company's package might be imperfect in the design (shape and size), safety to the product and to the users too, and convenience for handling and home usage, plus to that oil by nature increases or decreases in volume due to the increment or decrement of temperature respectively. This may lead to variations in filling process at the end which may disappoint customers. The packaging company may not provide with an environmental friendly package, and the delivery time can also be affected.

Research Questions

The study attempts to address the following questions:

1. To what extent the company's packaging incorporate all the basic elements of package?
2. How far the company considers customer's interest in its product packaging?
3. To what edge the company's packaging give competitive advantage over the case company's rivals?
4. What benefits do customers associate with the company's packaging?
5. How far the packaging develops the company's brand image?

Objective of the Study

The general objective of the research paper is to assess the packaging practice of Addis-Modjo Edible oil S.Co. The specific objectives of the study are:

- To describe the basic elements of company's packaging;
- To identify customer's interest in the company's packaging;
- To examine the competitive advantage of the company through its packaging;
- To identify the customers benefit association of company's packaging, and
- To examine the company's packaging in relation to its brand.

Significance of the Study

This research study may contribute significantly to the following parities:

- ❖ This paper can provide information to the company as part of an input in further investigation in the subject matter;
- ❖ It can give explanations on building successful packaging;
- ❖ It is likely to provide a base line to other interested researchers on packaging, and
- ❖ It can develop students' knowledge regarding packaging.

Review of Related Literature

An Overview of Packaging

As packaging is part of a product, it is necessary to say something about what a product is. In simple terms, a product is anything that will be provided to customers in order to solve or satisfy a problem or need.

As Kotler and Armstrong (2006) explained, product planners need to think about products and services on three levels. Each level adds more customer value. The most basic level is the core benefit, which addresses the following question: what is the buyer really buying? At the second level, product planners must turn the core benefit into actual product. They need to develop product and service features, design a quality level, a brand name and a package. Finally product planners must build an augmented product around the core benefit and actual product by offering additional consumer service and benefits.

According to Laua and Wong (2000) packaging makes food more convenient and gives the food greater safety assurance from micro organisms, biological and chemical changes such that the packaged foods can enjoy a longer shelf life.

Definition of Packaging

Different authors and writers define packaging in different ways; however, the notion is somehow similar. Paine and Paine (1992) viewed packaging as:

1. A coordinated system of preparing goods for transport, distribution, storage, retailing and end-use;

2. A means of ensuring safe delivery to the ultimate consumer in sound condition at minimum overall cost, and
3. A techno-economic function aimed at minimizing costs of delivery while maximizing sales (and hence profits).

History of Packaging

For sure packaging today must have been different from what packaging was in early periods. Packaging has been changing from time to time with the advancement of technology, with changing needs and expectations of consumers and with the availability of resources.

Packaging dates back beyond recorded history. Primitive people used leaves, hollow gourds, and other containers to carry food and water from one place to another. Later, clay pots were used, and then, glass and metal containers were developed. In all these cases, the fundamental function of the package was the containment of the product, enabling it to be moved as a unit. This purpose is still the basic packaging function of today, but packaging has a number of additional requirements as well. There are numerous ways to classify these functions (Selke 1997).

Types of Packaging

Consumer Package

It is concerned generally with small units in large numbers, often decorated in attractive manner. This may include food, pharmaceutical, consumer durables and gifts packages. In the evolution of consumer package, the emphasis is more on sales orientation (Natarajan et.al 2009).

Mauer and Ozen (2008) stated that consumer packages are sold in a grocery store and ultimately reach the consumer. Tom et.al (1987), as quoted in Deliza and MacFie (2001), argues that packaging is the first contact between the product and the consumer, and it is the means by which food producers communicate with consumers. If the packaging attracts consumers to a product and the product itself does not deliver what consumers expect, the product perception may be affected, with drastic consequences for consumption and sales. Thus, it is crucial that food producers first identify the attributes that consumer's desire in a product and then design the critical cues to communicate these desired characteristics.

Industrial Package

These packages are generally heavier, with little attempt to make them appealing to the eyes. This type of package includes machinery and heavy equipment. In their evolution, emphasis is more on performance and economy (Natarajan et.al 2009).

Institutional Package

These packages are intended for selected classes of trade like hotel, hospital, and beauty parlours. Here, the emphasis is given on protection, cost-effectiveness, stacking efficiency and waste disposal (Natarajan et.al 2009).

Military Package

It is a highly specialized package requiring good protective qualities as specified by government and documented in the most intricate and vexing details. The evolution of this type of packaging focuses on safety and security-protective function (Natarajan et.al 2009).

Levels of Packaging

Packaging includes all the activities of designing and producing the container for a product. Packages might have up to three layers. For instance, Cool Water cologne comes in a bottle (primary package), in a cardboard box (secondary package), in a corrugated box form (shipping package), containing six dozen bottles in cardboard boxes (Kotler and Keller 2012).

Components of Packaging

Table 1: Elements of Packaging

Visually aesthetic design element		Functional design element	
Shape	(a) Shape design	Material	(f) Auxiliary packaging material design
Typography	(b) Brand name design	Texture	(g) Texture design
Illustration (including graphics, patterns, and illustrations)	(c) Pattern design (Including lines, patterns, illustrations, photos, etc.)	Structure	(h) Structure design
Color	(d) Color design	Volume	(i) Volume design
	(e) Attached product information design		

Source: (Wang and Chou, 2010)

Functions of Packaging

He Qing et.al (2012) strengthened the above claim saying that the function of packaging is to protect goods, convey product information, make easy for use and transportation, promote sales and increase value-added products.

Packaging is a comprehensive discipline with a combination of goods and artistic duality.

The role of packaging depends mostly, but not totally, on the food product contained. The main functions of packaging are protection, containment, communication, unitization, sanitation, dispensing, product use, convenience, deterrence of pilfering, and deterrence from other human intrusions such as tampering (Brody 2000).

Packaging as a Tool of Brand Imagery

Ambrose and Harris (2011) further added that packaging is often the first point of contact that a consumer has with a brand, so it is hugely important to draw initially their attention and also convey the messages quickly in order to present and support the brand. Communicating a brand message extends beyond the information and visual content of packaging. The physical materials used for packaging products also contribute significantly to the overall brand statement projected. A brand cannot be positioned as a high quality or luxury product if its packaging is fragile and low quality. There has to be a direct correlation between the packaging's physical attributes and the messages that the brand seeks to project.

Strong attractive packaging may stand out above the clutter of brands and communicate brand salience at point of purchase. Packaging change may also signal a changed position in the market, or enable increases in price or product improvements (Dahlen et.al 2010).

Package Environments

The packaging has to perform its functions in three different environments. Failure to consider all three environments during package development will

result in poorly designed packages, increased costs, consumer complaints and even avoidance or rejection of the product by the customer (Robertson 2012). The environment includes **Physical Environment** -this is the environment in which physical damage can be caused to the product; **Ambient Environment**- this is the environment which surrounds the package; **Human Environment**- this is the environment in which the package interacts with people, and designing packages for this environment requires knowledge of the variability of consumers' capabilities including vision, strength, weakness, dexterity, memory and cognitive behavior.

Food Packaging Materials

Choosing packaging materials is very important. For one thing, the product to be packed may require specific material. Second, the material we choose affects the environment and consumers positively or negatively.

Today, a wide range of materials are used for packaging applications, including metal, glass, wood, paper or pulp-based materials, plastics, ceramics, or a combination of more than one materials as composites (Pongrácz 2007).

Consumers stress on packing materials that are recyclable and environment friendly. Some countries give great importance to stop environmental pollution by recycling of products (Khan 2006).

Packaging and the Environment

The concept of environmental impacts encompassed both the work and external environment; it included manageability for consumers, migrations through the packaging materials to the final product, and pollutant emissions to air, soil and water (Ryding 1998).

As Marsh and Bugusu (2007) quoted Smith and White (2000), a comprehensive analysis of the material from production to disposal life cycle analysis is important in determining the environmental impact of a package. The analysis incorporates a quantitative evaluation of environmental costs, considering issues such as material use, energy consumption and waste generation.

Packages as a Silent Sells Man

Through verbal and nonverbal symbols, the package can inform potential buyers about the product's content, features, uses, advantages and hazards. A firm can create desirable images and associations by its choice of color, design, shape, and texture (Pride and Ferrell 2012).

Khan (2006) on the other hand, stated that too much information confuses the consumer, and as a result of much information, poor decisions are often made. Increasing package information adversely affects the ability to choose best brands.

Kotler and Keller (2012) explained that the package is the buyer's first encounter with the product. A good package draws the consumer in and encourages product choice. In effect, they can act as "five-second commercials" for the product. Packaging also affects consumers' later product experiences when they go to open the package and use the product at home. Some packages can even be displayed at home attractively.

Successful Packaging



Fig. 1: Successful packaging design elements (He Qing et.al, 2012)

Well designed packaging has the power to turn a want into a need, and into a purchase. The thought, concept, ideas, colors, shape, type and all the elements of a well-designed package work together to create something more than just a product. Great packaging adds more than just monetary value to a product: it adds emotional value. It has the power to directly trigger the emotions of the consumer, and it is what makes someone fall in love with a product, or even hate it. It is that emotional connection that makes a design a success (Gibbs 2010).

Research Design and Methodology

Research Design

To accomplish the above objectives and seek answer to the research questions, the student researcher used descriptive types of research method. This research method helps in describing and determining the packaging practice of Addis-Modjo's edible oils S.Co. Descriptive type of research method is used in determining the frequency with which an event could

occur. In addition, inferential type of research method is also used to determine the relationships between two variables which are packaging and branding the case company. The student researcher also used the qualitative method. The qualitative measurement helped to interpret ideas which were gathered through interview and open ended questions while the quantitative measurement method helped to interpret ideas which were gathered through close ended questions.

Population, Sample Size and Sampling Techniques

In this study customers at large and employees including managers of Addis-Modjo's edible oils S.Co were considered as population of the research study.

Since the exact number and list of the employees and managers were available in the company's record which counts to be 6 in number, the student researcher used census.

Concerning customers, convenience type of non-probability sampling approach was used due to lack of exact number and list. This forced to choose samples based on the student researcher's and customer's conveniences in terms of time and space. Based on the recommendation of Malhotra (2006, p.339) a total of 230 customers were taken as a reliable sample size, of which 130 were selected from Merkato and 100 from Gotera.

Types of Data Collected

The student researcher used both primary and secondary data. The primary data were collected from managers (marketing and operation), customers and employees (sells persons). The secondary data were obtained from the company documentation center, relevant books, articles and journals.

Methods of Data Collection

To get first hand information important to the study, questionnaires were prepared and distributed among the company's customers and interviews were conducted with the company's managers and employees.

Data Analysis Methods

The data which were obtained from close ended questions was analyzed using frequency, percentage and correlation analysis. Responses that were obtained from open ended questions and interview were narrated so as to support the quantitative analysis.

Data Presentation, Analysis and Interpretation

This part of the paper presents the findings of both the quantitative and qualitative data.

Table 1: Ability of Packaging in Giving Direction

Item No	Item	Scale	Number of respondents	Percentage
1	The Oil packaging of the company directs me how to use the product	Strongly agree	-	-
		Agree	56	26
		Neutral	56	26
		Disagree	75	35
		Strongly disagree	28	13
		Total	215	100

Table 1 above shows whether the company's packaging offers direction on how to use direction. The company's product did not provide directions on how to use the product for ease of product consumption. And the color of the package was not also liked by nearly half of (112 or 52%) of the customers.

Table 2: Packaging and Identification

Item No	Item	Scale	Number of respondents	Percentage
1	I recognize the company's product from others by its package	Strongly agree	19	9
		Agree	37	17
		Neutral	66	31
		Disagree	47	22
		Strongly disagree	46	21
		Total	215	100

Table 2 indicates if customers were able to identify a product based on its packaging. The greater part of respondents (103 or 48 %) argued that the package is difficult to dispose. And only a handful of respondents agreed that they recognize the company's oil package from the shelf, identifying from other similar products.

Table 3: Correlations between packaging and brand

		PACKAGE	COMPANY IMAGE
PACKAGE	Pearson Correlation	1	0.820**
	Sig. (2-tailed)		.000
	N	215	215
COMPANY IMAGE	Pearson Correlation	0.820**	1
	Sig. (2-tailed)	.000	
	N	215	215

Table 3 exhibits the relationship between packaging and brand. As it is shown above, packaging has high influence in creating companies brand (.820) or the company's brand image is directly related to the company's package (.820).

Conclusions

Based on the findings discussed above, the following conclusions are drawn.

- Addis-Modjo's oil package is not designed in providing a motivational or impulsive feeling to purchase the company's product. The company's oil package directionality in using the product is hidden from customers or it is not there at all for use. The color of the oil package is not also chosen in a pleasing manner to the company's customers.
- The company's oil package is not easy to dispose for most of the customers, and if it is not disposed properly it might affect the environment as well as the society at large. From the view point of most customers, the company's oil package is not attractive enough, and hence customers might switch between brands sooner or later.

- As to the findings, the oil package of Addis-Modjo is somehow similar to that of competitors and is not used as a silent sales person and shine out from competitor's product in the same shelf. Most of the customers do not prefer company's oil package over others as well as the oil package does not motivate and/or increase customers impulse in choosing and purchasing the company's product and beyond, attracting the competitor's customers.
- From the research findings, the company's oil package does not fully satisfy its customers in one way or another, in which case the customers might tell the company about their dissatisfaction and wait for a response if they are loyal or they simply switch to competitors brand.
- Even though packaging has strong influence in ones company brand, it looks that the company has neglected the fact. As a result, the oil package is not strong enough in creating a good company image in the minds of customers.

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