

6.16 The Impact of Packaging on Customer Buying Decisions: with Special Reference to the Fast Moving Consumer Goods (FMCG) Sector in Sri Lanka

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ABSTRACT

Packaging is one of the most important factors in the face of purchasing made at the point of sale, where it becomes an essential part of the selling process. The package standing out on the shelf affects the consumer's buying decisions, and package design should be more favorable in the eyes of the consumers. Packaged FMCG products are moving into ever larger supermarkets and hypermarkets, and there is a proliferation of products, offering consumers vast choice. The competitive context is ever more intense, both in the retail store and household. With the move to self-service retail formats, packaging increases its key characteristic as the "salesman on the shelf" at the point of sale.

The study examines how packaging influences buying decision of local consumer. The primary data were collected from a sample survey that was conducted in the areas of Colombo, Gampaha, Kurunegala and Kandy. Two hundred respondents were selected for the survey and respondents were asked to answer the prepared structured questionnaire. The questionnaire was designed to obtain the information of customer's perception on packaging among rural and urban consumers. Package was grouped into two variables namely Visual element and informative elements. The visual elements consist of graphics and size/shape of packaging, and relate more to the affective aspect of decision-making. Informational elements relate to information provided and technologies used in the package, and are more likely to be addressed in cognitive aspect of decision. The study revealed that both rural and urban consumers perceived certain value from packaging and this plays different roles in different circumstances. Further there is a positive correlation between freshness of the products and the good packaging.

Key Words: Packaging, Buying Decisions, Perceived Value, Cognitive Decisions