

CHAPTER I

INTRODUCTION

A. Background of Study

Identifying consumers' behavior is the primary goal of all companies to stimulate consumer feelings and perceptions when influencing their decision-making (Manijeh Bahrainizad and Azadeh Rajabi, 2018). Marketers try to find out consumer behavior towards purchasing a product to adjust its products to consumers. These adjustments increase the attractiveness of consumers to buy the product. When demand for a product increases, producers will try to fulfil the needs and orders of consumers. Belch and Belch (1999) said, about 20,000 products compete to attract the consumers' attention in the average American supermarket. This statement shows that consumers see many products. Still, sometimes the too-brief session allows no time for them to examine the effects individually; the competition among producers to attract consumers' attention has grown fiercer. Various things like this make marketers try to stimulate consumers' feelings towards their purchasing decisions.

Visual attraction is necessary for sales. According to Kotler and Keller (2009), marketing communication represents the company's voice and brand, opening a dialogue and relationship with consumers. Kotler and Keller (2009) stated that companies might inform, persuade, and remind consumers, both directly and indirectly, of their products through marketing communication. The

packaging is one of the tools used by marketers to convey their message to customers. Besides, they also do this to build a brand image. The packaging is a way for a product to give a notice about the product indirectly. This package becomes a fundamental sales proposition that stimulates buying behavior increases market share and reduces promotional costs. According to Rundh (2005), packaging has several functions that can attract consumers' attention to a particular brand, enhance its image, and influence consumers' perceptions about the product.

Packaging of a product is a combination of different elements, each of which can effectively create a specific image in consumers' minds. The packaging of a product can affect consumers emotionally when making decisions in purchasing. As in food packaging, we cannot taste it, cannot see the food, and cannot smell its aroma. But with the details on the packaging, we can know what food is this. An example is the written on food packaging (example: spicy); our five senses will automatically feel that the food does taste spicy. The packaging can protect the product from external effects such as damage, evaporation, light, heat, and cold, thus extending its shelf life. Also, packaging can indirectly influence their perception and influence brand choices.

According to Keller (2012), packaging is considered a powerful marketing tool that marketers can utilize to promote their products. The importance of packaging design also affects the consumer's sense of attraction while in a store. If the marketer can attract consumers' attention with the packaging they make,

they will be interested in buying it even though he doesn't need it. The consumer will not see whether he needs it or not and how the quality is; it impacts our psychological factors in purchasing decisions. The product's visual elements can affect customers when they have little information or a hard time. In this case, consumers are entirely dependent on what they first see. Packaging plays a vital role in purchasing because this is the most crucial interaction between brands and consumers. The consumer decides which products to buy. The packaging is the main communication instrument that mediates companies to deliver their brand message.

The packaging is the essential factor to communicate the message directly to consumers because it can reach almost all buyers (Wells et al., 2007), and buyers can be actively involved with the packaging when they examine it to get the information they need (Ampuero and Vila, 2006). The packaging information can help consumers purchase decisions because packaging design must represent consumers' curiosity about the product. The appearance of a product's packaging is considered for its quality because it can affect consumer purchasing decisions. Packaging consists of several types such as primary packaging, secondary packaging, tertiary packaging. Primary packaging is packaging that is in direct contact with goods. Secondary packaging consists of several introductory packages to protect and identify products and maintain their quality. Tertiary packaging, which includes the two previous ones and their function, is to distribute, unify, and protect products.

There are many things to consider in product packaging, such as shape, color, material, size, design. These things will determine the identity of the product. Grossman and Wisenblit (1999) stated if color plays an essential role in increasing sales, but most have no clear understanding of developing positive color associations for their products. Colors communicate with our subconscious and connect certain events, feelings, and memories associated with that color. Colors similar to cool colors like blue are perceived to be cold, and hence they suppress appetite; warm colors like orange and red increase appetite.

Rettie and Brewer (2000) stated that the importance of packaging design as a vehicle for communication and branding is growing, as packaging takes a role similar to other marketing communications elements. Packaging has several factors that can influence customer perceptions regarding the use of packaging in a product. Packaging elements can be in the form of brand names, logos, colors, sizes, and shapes of packaging, information and product descriptions, product materials. Each product has a unique package; they will try to make a difference in their packaging. It's happening because they want to create a brand image on their products. By having its uniqueness in a product, customers will easily recognize it. Packaging can represent the customer's assessment of a product. If the packaging is good, the customer will assume that the product is also of good quality. Consumers are more likely to imagine how a product looks spontaneously, tastes, feels, smells, or sounds while viewing a product picture on the package (Underwood et al., 2001). Besides, packaging that can reuse for other

things will add positive value. Packaging that can reuse also has various benefits, such as being used as a container for other goods, decorations, etc. The choice of environmentally friendly packaging is an excellent decision. Customers will be more interested in packaging with more functions than packaging that is just for wrapping the product inside.

According to the background, the researcher is interested in research with the title **“THE EFFECT OF PACKAGING ELEMENTS TOWARDS CONSUMER PERCEPTION OF USABILITY OF PRODUCT PACKAGING (Food and Beverage Product).”**

B. Research Problem

1. Does the brand name affect consumer perception of the usability of product packaging?
2. Does the logo affect consumer perception of the usability of product packaging?
3. Does the color affect consumer perception of the usability of product packaging?
4. Does the size and shape of packaging affect consumer perception of the usability of product packaging?
5. Does the product information and description affect consumer perception of the usability of product packaging?
6. Does the material of packaging affect consumer perception of the usability of product packaging?

C. Research Purpose

1. To analyze the effect of the brand name on consumer perception of the usability of product packaging.
2. To analyze the impact of the logo on consumer perception of the usability of product packaging.
3. To analyze the effect of color on consumer perception of the usability of product packaging.
4. To analyze the effect of packaging size and shape on consumer perception of the usability of product packaging.
5. To analyze the effect of product information and description on consumer perception of the usability of product packaging.
6. To analyze the effect of package material on consumer perception of the usability of product packaging.

D. Benefits of Research

1. Theoretical Benefits

This research expects to provide information and develop marketing knowledge, more experience, especially about consumer perceptions. Besides, it is also likely to be a guide for further study.

2. Practical Benefits

For the researcher

This research expects to increase the knowledge of researchers and be able to apply this knowledge. Besides, it is also likely to assess the level of

understanding of the theory to researchers.

For companies

This study expects to provide additional information to companies to improve product packaging performance and quality to perceive the consumer positively.

E. Systematics of Writing

CHAPTER I INTRODUCTION

This chapter consists of a background of the study, research problem, research purpose, research benefits, and writing systematics. This study expects to provide additional information to companies to improve product packaging performance and quality to perceive the consumer positively.

CHAPTER II LITERATURE REVIEW

This chapter contains basic theory, previous study, hypothesis, and theoretical framework.

CHAPTER III RESEARCH METHODOLOGY

This chapter is about the methodologies of the research. It contains the information about research design, operational definition and variable measurement, source of data, data collection method, population/sample/sampling technique, analysis method, assumption classic test, and hypothesis test.

CHAPTER IV RESULT ANALYSIS AND DISCUSSION

In this chapter, there are data analysis results and the discussion as the implication for this study.

CHAPTER V CONCLUSION

The last chapter covers the conclusion, research limitation, suggestion, and implication of the study.

BIBLIOGRAPHY

APPENDIX