

INSTITUTE OF LAW, JIWAJI UNIVERSITY, GWALIOR

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SEMESTER – VI TH

SUBJECT - INTERNATIONAL MARKETING

**UNIT-2 -TOPIC- PACKAGING - FUNCTIONS AND
IMPORTANCE OF PACKAGING AND FACTORS
INFLUENCING PACKAGING DECISION AND SPECIAL
CONSIDERATIONS IN INTERNATIONAL MARKETING**

BY AJAY JAIN


PACKAGING

Packing (also known as transport packing) refers to the protective covering used for transport of the goods, while packaging (also known as product packaging or consumer packaging) refers to the package in which the product reaches the consumer. In export marketing, packaging includes packing demands very careful attention. It is widely believed that poor packaging is a serious handicap from which the exports from developing countries suffer. There are reported to be instances where the exports were handicapped due to poor packaging although the quality of goods was upto the mark. Packaging in international marketing is a much more crucial factor than in domestic marketing because of the varying physical conditions and situations the cargo is exposed to and subjected to, difference in the customer likes and dislikes, differences in legal requirements and regulations, etc.

FUNCTIONS AND IMPORTANCE OF PACKAGING

Packaging has grown in importance over the years. Apart from the basic functions of packaging, certain developments in the marketing system and market characteristics have enlarged the role of packaging. The important functions and reasons for the growing importance of packaging are given below:

Protection: Protection to the product is an essential function of packaging. Apart from the nature of the product, handling requirements and methods of handling, climatic and weather conditions, etc. are, therefore, among important considerations in packaging decision making.



Preservation: The packaging should preserve the quality of the product. The packaging material should not pass to or absorb from the product any flavour or odour or react with it. This is particularly important in the case of food and pharmaceutical products. The interaction between the product and packaging should be totally eliminated.

Promotion/Presentation: Packaging has been widely recognised as an independent aid potential selling tool. In other words, packaging also performs a promotional function.

The need to make packaging attractive and acceptable is, thus, obvious. These can be achieved by giving proper attention to packaging features like shape, design, size, surface-graphics, colour schemes, labelling, branding packaging materials, etc.

Self-service: Shopping through self-service is spreading over in developing countries. Under such an environment, instead, of confronting a salesman, the consumer first confronts a package. The package must now perform many of the sales tasks. It must attract attention, provide information, give the consumer confidence, make a favourable overall impression, and influence the purchase decision favourably.


Consumer Affluence: The steady rise in incomes, particularly in the developed countries, has caused the consumers to attach increasing importance to non-price features. They are willing to pay a little more for convenience, appearance, disposability/reusability, dependability and prestige. Packaging is an important vehicle for providing these attributes.

Integral Marketing Concept: Companies are increasingly trying to endow their brands with distinctive personalities. Packaging must support and reinforce the brand personality the company is trying to build.

FACTORS INFLUENCING PACKAGING DECISION


There are a number of factors that influence decision in respect of packaging features like size, shape, surface graphics, colour schemes, labelling materials, etc. The major factors influencing the packaging decisions are as follows:

- i) **Physical Characteristics:** Packaging decisions are influenced by certain physical characteristics of the product like the physical shape, weight, stability, fragility, rigidity, surface finish, etc.
- ii) **Chemical Characteristics:** Certain physio-chemical factors like the effect of moisture, oxygen, light, flame, bacteria, fungi, chemical action, etc., on the product are very important factors to be considered while making packaging decisions.



iii) Economy: While packaging is very important in marketing, it also involves cost. Indeed, there are a number of cases where the cost of packaging is more than that of the content. The rising cost of packaging has become a matter of serious concern. Every effort should, therefore, be made to reduce the packaging costs as much as possible without impairing the packaging requirements.

iv) Convenience: Packaging should also necessarily possess the quality of convenience from the point of view of consumers, distributors and producer. Hence, apart from the functional needs, a good package should possess certain features, like ease to open and close, ease to dispense, ease to dispose of, ease to recycle, ease to identify. Ease to handle, convenience to pack, convenience to stack, convenience to display, etc.



V) Miscellaneous Factors: Apart from the factors mentioned above, packaging decisions may be influenced by a number of other factors. For example, if there is any statutory regulation in respect of packaging, it will have to be abided by. As has already been indicated elsewhere, the socio-cultural factors could influence packaging decision. Consumer attitudes also have to be given due consideration.


SPECIAL CONSIDERATIONS IN INTERNATIONAL MARKETING

- (i) Regulations in the Foreign Countries:** Packaging and labelling may be subject to government regulations in the foreign countries. Some countries have specified packaging standards for certain commodities as well as labelling standards in regard to the size of the label and the size of each alphabet in the label.
- ii) Buyer's Specifications:** In some cases, buyers, like the importers, may give packaging specifications. While incorporating such specifications, it should also be ensured that packaging meets other requirements like statutory requirements.



iii) Socio-Cultural Factors: While designing the packaging for a product, socio-cultural factors relating to the importing country like customs, traditions, beliefs, etc., should also be considered.

iv) Retailing Characteristics: The nature of retail outlets is a very important consideration in packaging decision. For instance, as pointed out earlier, in some of pointed out earlier in some of foreign markets, as a result of the spread of super markets and discount houses, a large number of products are sold on a self-service basis. The package has, therefore, to perform many of the sales tasks and hence it must attract attention, describe the product's features, give the consumer confidence and make a favourable overall impression.



v) Environmental Factors: Packaging decisions are also influenced by certain environmental factors like weather and climatic factors. The impact of such factors in the place where the product originates, while the product is 'in transit and while in the market etc., should be considered. The package should be capable of withstanding the stresses and hazards of handling and transporting, stacking, storing, etc. under diverse conditions. Besides nowadays, there is an increasing tendency to prefer environment friendly packages all over the world.

vi) Political Factors: Though may not be a major consideration always, there have been instances where the Governments in certain countries have blocked imports of certain products on the ground that either the colour of the package or the shape of package reminded the citizens of the country of the main opposition party in the country, particularly during an election year.



THANK YOU