

Coffee packaging: Consumer perception on appearance, branding and pricing

*Harith, Z. T., Ting, C. H. and Zakaria, N. N. A.

Faculty of Agro Based Industry, Universiti Malaysia Kelantan Kampus Jeli, 17600 Jeli, Kelantan, Malaysia

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Abstract

In determining consumer's acceptance of any products in the market, packaging appearance, branding and pricing of the products are important. This study focused on consumer's perception towards the outlook of the coffee packaging which resulted in influencing their purchasing decision through survey study. This current study was done on three main issues namely appropriateness of appearance, branding and pricing as reflected by the first impression towards the product's packaging. Survey was done targeting on consumers (n = 100) reside in Kelantan, Malaysia through printed and online questionnaires distribution. Results obtained shows that consumers notice the differences possessed by each coffee packaging in the market and they purchase what they like based on their perception. According to Pearson Correlation, respondents also have the opinion that appearance, branding and pricing are correlated to each other in order to convey the correct messages to the correct group of people (p-value > 0.5). Response from the respondents reflected the behaviour of consumers reside in Kelantan that the overall outlook (packaging appearance, branding and pricing) of a coffee packaging were taken into consideration during their buying process. Therefore, it is crucial for the packaging itself to be able to create emotional attachment in consumers' mind during their first glimpse.

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Introduction

Every time a consumer walks in a store, he will see a huge variety of packages. In fact, packages are everywhere. Almost everything in this modern day comes with a package, let be it a simple, plain or one with nice printing and well developed. The concept of keeping things has started since the age of nomadic hunters and gatherers; where things were kept in natural materials such as leaves, wood pieces, animal skins and nut shells. This concept has later tremendously evolved into the so called packages these days, as a result to support human contemporary lifestyles through every revolutionary stage of human community (World Packaging Organization, 2008). Harris *et al.* (1999) discussed on the development of packages started from the first glass container introduced in Egypt and Babylon around 2500 B.C. and different types of packages such as clothes wraps, paper boxes, canning and plastic one after another as continuously inspired by the situation and lifestyle of human.

In today's society, the activities of packing and keeping goods are further related with technical consideration and another new industry had been introduced as human consider it as important and worth studied in depth. Thus, the term packaging were started to be heard in the modern times. According to Brody (2000), a package is the item or

entity that is used to encase goods where packaging is more towards the practice or principle of packing or generating packages by integrating physical elements or concepts through the availability of technology. When the word packaging is used, people will tend to relate it to safety, shelf life, convenience, appearance, cost of raw materials, transportation costs, handling, law, manufacturing and equipment. However, Harris *et al.* (1999) stated that the whole package also includes art, graphic, marketing and psychology aspects as well.

The appearance of the package will definitely plays a significant role in influencing consumers or to stir up their buying desire as the packages give out images or ideas to consumers and create emotional attachment in consumers towards the products they perceive. Draskovic (2009) are in supportive to this by stating that the communicational dimensions of the packaging being the factor affecting consumers and in the mean time influencing their buying behaviour. Packaging acts as "silent salesman" or "salesman on the shelf" due to its purpose to attract consumers to purchase the products. Therefore, packaging elements including text, colour and shapes are important to change the perception of consumers towards the product. Once the appearance of overall packaging changes the perception of consumers, they might purchase them regardless of the high end brand or not.

*Corresponding author.
Email: zuharlida@umk.edu.my

Talking about first-time purchasing, consumers tend to be attracted by complex and novel external visual graphic design on packages. Knowing how the product attracts consumer's attention from the multitude of commodity packaging marks the first step of success (Wang *et al.*, 2007). Three main issues arise in the study which is the appearance, branding and pricing of a product. This study provides the data of how the consumers perceive these features from the packages they are familiar with and how they could relate these features to one another. This is important for the industry as this enable the industries to evaluate whether their packaging is able to attract their target market. If the packaging of products fails to convey the correct message, the main targeted group might just oversees the products.

This study helps to identify to what extend did the consumers response when they first see the products packaging on the shelf. Consumers response is reflected to their perception towards the acceptance of coffee product based on the packaging itself. This enables the study on consumer behaviour according to different demographic background. It is important to know the behaviour of the consumers from different background as their needs will be better understood and packaging features that draw interest of the targeted group can be better identify. This study perform as a pre-market survey as to identify where the market is as well. Therefore, coffee manufacturers can design their product based on consumer's first perception in order to put their product at par with other successful one. Besides, it will save a lot of havoc as understand of the market also assist in marketing strategies planning. Hence, this study is aimed to understand what consumers perceive from coffee packaging and to discuss the relationship between appearance, brand and price.

Materials and Methods

Experimental overview

In order to know about perception of the consumer toward packages, a survey method was used to obtain the information and opinion from the respondents. After the survey was conducted, the trends in the market of Malaysia was studied as well as the influences of the packages outlook towards the consumers and the consumer perceive that result from different packages ideas. Part A of the questionnaires gathers data of the respondent's personal details that involves questions like background, educational level and monthly income. Part B aims to collect data on the personal behaviour and preference towards coffee consumption. Part C aims to collect data on three (3)

main points that usually a consumer looks for when purchasing a product namely packaging appearance, branding and pricing. These parts require respondents to choose based on 5-points likert scale. Each question on these parts will answer the respondent's perception towards coffee packaging that influence their purchasing decision. Finally, respondents are requested to state their opinion on the relationship between packaging appearance, branding and prices of coffee packaging.

Population and sample

The survey was conducted in two phases; the trial and actual survey. The trial phase was conducted where smaller population was involved in the survey conducted. For the trial phase, 30 respondents ($n = 30$) were chosen randomly and their opinion about the questions and the way the survey was conducted will be taken into consideration for the establishment of the actual questionnaires. Cronbach's alpha test was done to the validity and reliability of the questions.

The second phase was the enlarged version of the first phase where the questionnaire was handed to the community randomly. The questions in the questionnaire in the second phase consist of questions that are modified as where needed. The questionnaires were distributed to 100 respondents ($n = 100$) randomly in order to get better view point about the consumers in Malaysia. The questionnaires were randomly distributed in several areas in Kelantan such as Tanah Merah and Jeli town as well as students from Universiti Malaysia Kelantan whereas the online questionnaires were distributed via e-mail.

The Web-based survey was conducted using a survey software program offered online, "kwiksurveys.com". The program offered many features including unlimited number of survey questions, custom redirects, result filtering, and the capability to export data for statistical analysis. Data analysis was performed using Statistical Package for Social Sciences (SPSS) programme. Pearson correlation test was done to look into relationship between appearance, branding and pricing that may influence the purchasing power of a consumer.

Results and Discussion

Demographic information of respondents

Respondents in this study consist on public people from Kelantan. It is clearly seen in Table 1 that the majority of the respondents are male with 59% and female with 41%. Since Malaysia is a multi racial country, the ethnic group of the respondents came from all ethnic group namely Chinese followed

Table 1. Demographic information of respondents (n = 100)

Variables	Percentage (%)
Gender	
Male	81
Female	19
Ethnic	
Malay	34
Chinese	54
Indian	8
Others	4
Residing area	
Urban	48
Sub-urban	27
Rural	24
Personal monthly income	
Below RM1000	12
RM1000-RM2999	52
RM3000-RM4999	48
>RM5000	15
Others	3
Age of respondents	
18-34	72
35-54	17
45-75	10
>75	1

Table 2. Frequency distribution of personal behaviour and preference towards coffee consumption among respondents (n = 100)

Variables	Frequency Distribution
Coffee drinker	
Yes	81
No	19
Frequency of drink	
Everyday	26
2-3 times a week	25
Once a week	16
Less than once a week	18
Never	15
Place of having coffee	
At home	48
At work	27
At restaurant	24
At coffee shop	41
Other	11
Reason of having coffee	
Coffee addicted	12
Freshness of mind	52
Pleasure	48
Express the lifestyle	15
Trend	3
Other	22
Types of coffee	
Black coffee	36
With milk	45
3-in-1	35
Decaffeinated	5
Flavoured	8
Other	16

by Malay, Indian and others with 54%, 34%, 8% and 4%, respectively. Furthermore, this study focused on the respondents residing area to evaluate whether this parameter affect the perception of consumers towards appearance, branding and pricing of coffee packages.

Results show that 72% of the questionnaires were filled by respondents of age from 18 to 34 years old. From the survey, respondent's behaviour are varies due to their educational background and the states. Thus, their consumer behaviours or purchasing behaviours may also vary due to their personal monthly income and the social environment they are in.

Survey had shown that the consumers of age group of this group are very particular about branding and they judge over brands based on the perceived quality, value for money and availability of range; in this age group, there is often huge buying and large amounts of money are spent which may be due to unplanned purchases and directionless purchases as they sometimes lack of clarity and often spend on non-essential merchandises (Sundarraaj, 2011).

Table 2 lists the frequency distribution of

personal behaviour and preference towards coffee consumption among respondents. Most of them are coffee drinker and often have the coffee in their school or workplace and also in coffee house. They consumed coffee for the freshness of mind and some of them adapting coffee drinking due to their lifestyle. Next, the respondents were asked on their personal behaviour and preference towards coffee consumption. Among the respondents, 81% of the respondents were coffee drinker. Most of them prefer to have their coffee at home and coffee shop. The main reason the respondent having their coffee is for freshness of mind since coffee followed by to enjoy the moments while having the coffee. However, only 3% of respondents drank coffee to follow the current lifestyle. Nowadays, the growth of coffee shops has significantly increased as compared to previous years. This has lead to a new lifestyle where people love to spend their leisure time at coffee shop and coffee has become their choice of drink.

Consumers' decisions are determine by personal characteristics such as gender, age, occupation, income, and lifestyle (Bakshi, 2012). Female tends to prefer sweeter taste in their younger age and they may shift their favouritism to decaf as they are more concern about the caffeine effects in their older age. For male respondents, they are black coffee fans while few like 3-in-1 instant coffee. Gender identity is rooted in cultural of the understanding to be masculine or feminine where men were masculine and women were feminine. However, results obtained by consumer behaviour researchers also recognized some men were more feminine than masculine while some women were more masculine than feminine (Palan, 2001).

Respondents' income will be the main reason where they often having coffee and what coffee they are choosing. Most of the people with monthly income of RM 2,000 and above will appear more in coffee house and they would go for better coffee or branded coffee. While people like students who has low income or yet to have income would prefer to have instant coffee at home and cheaper coffee in restaurant. For those with monthly income is between RM 1,000 to RM 2,999 will be having coffee at home and also in coffee house, most probably following their saving plan. Article also reported about a research done in Latvia and says income is the definitive factor of consumer behaviour in Latvia which refers to monetary and natural value, which a person receives from other people or organizations to cover their personal expenditures (Vadim, 2011).

81% of respondents are coffee drinker. They have different behavioural preferences, as in coffee lover

Table 3. Cronbach's Alpha index for the set of questionnaire

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.834	0.840	15

Table 4. Consumers perception towards coffee package appearance, branding and pricing (n = 100)

Variables	Mean
Appearance	
Design of coffee packages is important.	4.02 ± 0.81
Designs of coffee packages convey certain message.	3.93 ± 0.84
Coffee packages are often in dark colours.	3.21 ± 0.96
Appearance of coffee packages help you identify the coffee you want to buy.	4.1 ± 0.73
You would buy coffee with attractive packages compare to dull packages.	3.84 ± 1.05
Branding	
Branding is important for a coffee in the market.	4.26 ± 0.87
Coffee branding defines status of its consumers.	3.86 ± 1.03
Branded coffees are in better quality.	3.44 ± 1.18
You would change your choice of coffee brand from time to time.	3.36 ± 1.02
Successful coffee branding will create current trends.	3.97 ± 0.86
Pricing	
Prices of coffee determine your buying decision.	3.62 ± 0.95
Coffee is a luxury product.	3.09 ± 0.95
Quality coffees are more expensive in price.	4.04 ± 0.75
You would buy expensive coffee rather than cheaper coffee.	3.37 ± 0.96
Price you pay determines the coffee experience you will get.	3.65 ± 0.94

Liking attributes were scored on a 5-point scale which 1 = strongly disagree and 5 = strongly agree.

Table 5. Pearson correlation between appearance, branding and pricing (n = 100)

	Appearance	Branding	Pricing
Appearance	1	0.552	0.500
Branding	0.552**	1	0.617
Pricing	0.500	0.617	1

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

loves the shot of bitterness while non-coffee drinker feels that the bitter taste of coffee is unacceptable. After all, all the results found in this survey are varying due to both demographic factors, consumers' personal and buying behaviour. It cannot solely base on one demographic factor or behaviour to determine their choice and decision. This is also revealed in a survey done with ordered probity models; demonstrate that besides the behavioural preferences, demographic variables like city, marital status, and shopping percent also have significant impacts on consumer preference for several fresh citrus attributes (Gao *et al.*, 2011).

Validity and reliability issue

To provide additional content validity of the survey instrument, preliminary survey had been formed where 30 respondents (n = 30) were involved and provided input and suggestive feedback on survey items. Respondents were among potential consumers which consist of university students, residents in Jeli and Tanah Merah, Kelantan. Comments from the respondents indicated that the skills listed in the survey were basic/intermediate skills and were appropriate to be conducted with all coffee or non-coffee consumers.

Reliability does need to be addressed for a survey set. Reliability relates to the consistency of the data collected (Wallen and Fraenkel, 2011). Cronbach's

Alpha index was used to determine the internal reliability of the instrument. The Cronbach's Alpha is indexed at 0.834 and is considered as a valid set of questionnaires since the index value is greater than 0.5 (Table 3).

Validity also involves the appropriateness, meaningfulness, and usefulness of inferences made by the researcher for data collection (Wallen and Fraenkel, 2011). According to Patten (2004), content validity is determined by judgments on the appropriateness of the instrument's content and three principles were identified to improve survey's content validity which is to use a broad sample of content rather than narrow sample, emphasize important issues, and write questions to measure the appropriate skill.

Consumer's perception

The background of consumers will determine what they look for at the products, which means that they might have different needs and perspectives. Table 4 shows the overall respondents perception towards coffee package appearance, branding and pricing based on 5 point-scale questionnaires. Generally, they strongly agreed (mean > 2.5) that these 3 elements play important roles towards perception and purchasing behaviour based on the liking scores obtained. However, appearance of packages and branding of coffee stimulates the perception towards the quality and purchasing behaviour of the coffee more than the pricing attributes.

All respondents agreed that the appearance of the coffee packaging is important for consumers' perception. The design of the coffee packaging itself conveys certain message to the consumers. Consumers will have the tendency to choose coffee packaging that is in proper in appearance and design as well as attractive to the consumers' perception. Respondents agreed that branding is important for coffee products to be accepted in the market. International successful branding like Starbucks and Coffee Bean will create a trend among consumers. They also agreed that the brand defines the status of its consumers. In this scenario, consumers would have the perception that having a branded coffee as above will show the higher status of the consumers. Therefore, there is a need for manufacturers to spend for advertising and promotion to make sure their brand is well-known among consumers. Branding plays a big role and it is taken importantly as it is the match maker in the eyes of every marketer. Thus, understanding on consumers' preference about a brand can really make a good start for a product launch. The function and art of branding is a major contributor to the success of a

product or service introduced by the company that markets it (Phillips, 2006).

Respondents have the perception that high quality of coffee are more expensive compared to non-quality ones. However, being a manufacturer should not violate this argument by increasing the price of their product to proof that they are high in quality. Most of coffee drinkers have loyalty to their preferred brand and not easily change their coffee brand. This is responded by an average mean of 3.36/5 of liking scores obtained from the questionnaires. There are different class of consumer with different purchasing power which is why there is categorization of low, medium or high end user. Also, these people have different wants, mostly consistence with their status. From the survey, it shows that opinions differ about idea in pricing. Some is willing to pay for good quality but some will go for whatever is cheaper. Thus, knowing the will and lifestyle of the consumers is enabling better planning for pricing strategies.

Table 5 represents the Pearson Correlation between appearance, branding and pricing. From this table appearance and branding are positively correlated ($r = 0.552$, $p = 0.000$). There is moderate correlation between these two variables. Appearance and pricing shows relatively low relation between these two variables with $r = 0.500$ and $p = 0.000$. When talks about relation between pricing and branding, there are high relation between these variables which are significant with $r = 0.617$ and $p = 0.000$. These results show that the appearance of the packaging, branding of the coffee and pricing are related to each other. Manufacturer will price their products based on packaging and the branding and not simply decide the price of the products without considering these variables.

Conclusion

From the results obtained from 100 respondents reside in Kelantan, it shows that the relation between consumers and the packages do exist either people are aware of it or not and it is a sign that consumers do react towards the packages. Issues arise including appearance of the packages, brandings on the packages and the perception over pricing of the products. Therefore, it is important for each manufacturer to design the packaging of a coffee product that has the sense of belonging to their target group. This study served as a preliminary research to look into consumer's perception towards a coffee packaging and the relationship between appearance, branding and pricing that may influence purchasing behaviour of a consumer. This kind of survey is

important to study the target market of each product and manufacturers should benefit from this.

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