



PACKAGING & CONSUMER

BUYING BEHAVIOR: 2020

9 Actionable Insights to Stay Relevant

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**AMAZING
THINGS WILL
HAPPEN
WHEN YOU
LISTEN TO THE
CONSUMER**

- Jonathan Mildenhall

46%

of consumers are more likely to try new brands than they were five years ago^[1]. This data stands as a defining market trend and is likely to intensify in the coming future.

How can a brand stay relevant in this volatile consumer-driven market?

The key to staying relevant is for brands to adopt a multi-pronged approach. It would need more than just ramping up of marketing budgets with the expectation of increased sales. It would need a more comprehensive perspective that involves answering questions like

- Do the target consumers relate to our brand?
- What are the products they are searching for?
- How are we differentiating ourselves on the shelf?
- Is our target audience tech savvy?

One of the levers that can facilitate increased brand loyalty is packaging.

At Bizongo, we conducted a market research to establish consumer sentiment. The survey focused on consumer behavior across online & offline channels. We then leveraged our unique position as India's only multi-category packaging platform for enterprises and arrived at 9 actionable insights for brands.



THE MACRO VIEW



79%

of consumers prefer purchasing daily household products from offline stores



63%

of consumers hesitate to shop online due to tampering/counterfeiting.



63%

of consumers agree to have purchased a daily household product because its packaging looked appealing.



84%

of consumers are willing to pay an additional amount of up to INR 3 for sustainable packaging.



38%

of consumers are willing to purchase a newly launched product with clear product information.



39%

of consumers are willing to pick a daily household product from a different brand over their regular one because of discounts/offers.



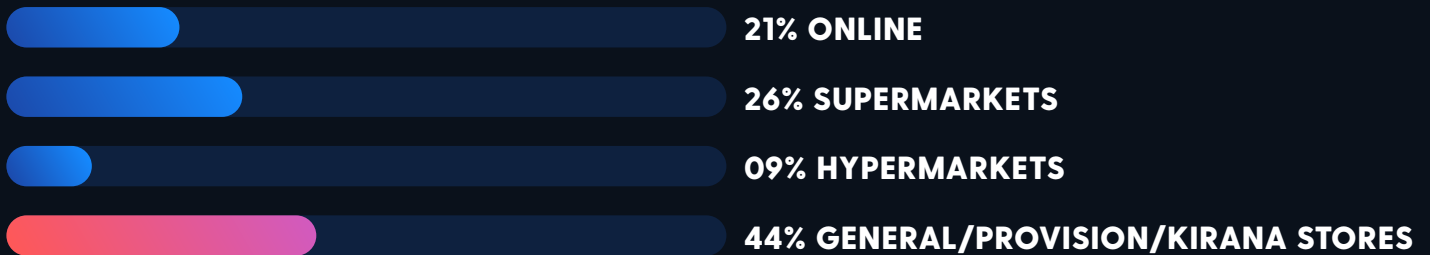
These statistics relay a well defined story of consumer behavior with packaging.

With access to **33,000+**
Consumer Responses &
9 Actionable Insights here's
your opportunity to
influence consumer
behavior and establish
yourself as a market leader.



YOUR CONSUMERS SHOP HERE

INSIGHT - I



Preferred Source for Buying Daily Use Products

With the growing e-commerce trend, one would expect a remarkable adoption of online shopping across categories of products. However, the data on this speaks a different story.



79%

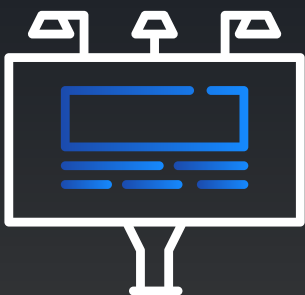
of consumers prefer purchasing daily use products from offline stores like supermarkets, hypermarkets, & provisional stores (commonly known as Kirana stores).



15%

A report by Deloitte suggests that online shopping is likely to increase in the next 5-7 years. Currently however it is trending at 15%^[2] of the existing online population.

KEY TAKEAWAY



Leverage POS marketing collateral like display packs, display stands, & banners to drive up your top line.

INDUSTRY EXAMPLE



Credit- indiamart.com, tarkistore.com

Cadbury Lickables packaging is a brilliant example of POS marketing. The product reaches the retail outlet in a vibrant purple box with the product to be sold inside it. Once at the retail store, the box is opened to create a display stand for the product. Through this dual-purpose packaging design, Cadbury has intelligently saved on costs while establishing a strong shelf presence. Adorned with the trademark Cadbury color and lively graphics this box-cum-display stand makes a strong case for the relevance of packaging on the retail shelf.



WHAT'S ON THE OUTSIDE IS ON THE INSIDE

A good product will always be a trigger for repeat purchases. The challenge lies in getting a customer hooked on to your product. From our survey we found three factors to influence purchase decisions.



Packaging
Design



Product
Information



Discounted
Prices

PACKAGING DESIGN

INSIGHT - 2



63%

of consumers agree to have purchased a daily household product because its packaging looked appealing.



70%

of consumers find graphics, colour, & shape the most attractive aspects of packaging.

KEY TAKEAWAY



Visual triggers are the most crucial in sensory marketing. Use the right visual triggers to translate your brand identity onto your packaging.

INDUSTRY EXAMPLE



Credit- [amazon.in](https://www.amazon.in), [pinterest.com](https://www.pinterest.com)

In March 2019, Coca Cola refreshed Maaza's packaging design with the intent of creating packaging which is as desirable as the beverage inside. Pam Partridge, design director said^[3], "Using the market insights and learnings, we identified the fact that Maaza's intrinsic product credentials enabled a moment of 'innocent indulgence' in consumer's everyday busy lives." Every aspect of packaging like color, graphics, and structure was designed keeping in mind consumers and the response it should evoke. Maaza is said to have witnessed strong performance post this packaging redesign^[4]. This increase in sales validates market intelligence and the correlation between packaging design and consumer propensity to make a purchase.

PRODUCT INFORMATION

INSIGHT - 3



80%

of consumers read product labels while making a purchase.



38%

of consumers are willing to purchase a newly launched product with clear product information.

Consumers today are well-informed and information-driven. They now look for information on the products they purchase and consume.

KEY TAKEAWAY



Cater to the new generation of information-driven buyers and engage them with fresh ways of sharing information through packaging.

INDUSTRY EXAMPLE



Learn More

In 2018, Bizongo designed a [label for Liso Chocolatier](#) - a homegrown brand from Kerala. The brand was expanding its market and was looking to communicate its brand story effectively with packaging. We focused on three things while designing the label for the chocolate spread - sharing necessary information, highlighting the brand story, and differentiating the product through its ingredients. A separate label was designed for the lid to ensure brand recognition even when the product is placed on the lower shelves. All these aspects cumulatively resulted in a label design that eventually led to positive results as the brand expanded its market reach.



FOOD FOR THOUGHT

Our questions on food packaging led us to some interesting insights in terms of preferred pack format and consumer experience.

PREFERRED PACK FORMATS IN FOOD PACKAGING

INSIGHT - 5

WHILE PURCHASING BEVERAGES



35%

of consumers prefer tetra packs



34%

of consumers prefer glass bottles

WHILE PURCHASING PACKAGED FOOD



43%

of consumers prefer boxes



30%

of consumers prefer containers

These preferences of packaging format are a by-product of the consumer's need for product safety as well as their own safety after product consumption. For each category, these stats add up to ~70% consumers in each product category.

KEY TAKEAWAY



Start with assessing the feasibility of tetra packs, glass bottles, boxes, and containers for your line of edible products.

CONSUMER EXPERIENCE WITH FOOD PACKAGING

INSIGHT - 6

User experience can be delivered through two types of attributes. The first is the threshold attributes - these are the must-haves to make any packaging acceptable for its consumers. The second is the excitement attributes that will help you stand out from the crowd and provide a distinct value offering. In our consumer pulse survey, here's how these two attributes rated.



25%

of consumers consider opening mechanism to be a problem with packaging.



60%

of consumers consider usability an important aspect of packaging



38%

of consumers would like to establish food freshness before purchase.



37%

of consumers would like to taste food products before purchase.

KEY TAKEAWAY



In a volatile consumer market slacking on threshold attributes would mean the risk of losing customers. In contrast, adopting experiential packaging can create a position of market differentiation for you. Understand the consumer's interaction with your product and embed experiences at the right touch points.

INDUSTRY EXAMPLE



Credit-pining.com

A classic example of a consumer experience driven through packaging is Heinz' inverted ketchup bottle. The packaging was designed to eliminate the constant problem consumers face while dispensing ketchup, due to its high viscosity. This change made a tremendous impact on the product's sales and market share.



Learn More

Another area of improving consumer experience through packaging is [Smart Labels](#). Applicable to food packaging, the technology enables consumers to check food freshness before making a purchase. It enables fewer bad purchases, lesser dissatisfaction, and happier customers.



Credit- twimg.com

Similarly, Himalayan Sparkling water bottles^[5] moved a step ahead in creating sensory-driven experiential packaging. Designed uniquely, the limited-edition 'sound cap' bottles play the sound of wind from the upper reaches of the Himalayas when you twist open the cap of the bottle.

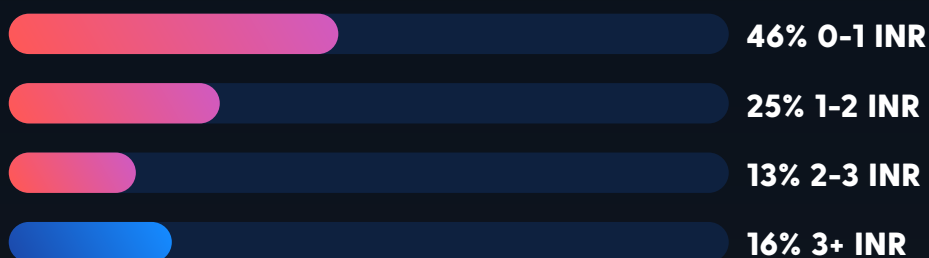


PREPARING FOR THE LONG HAUL

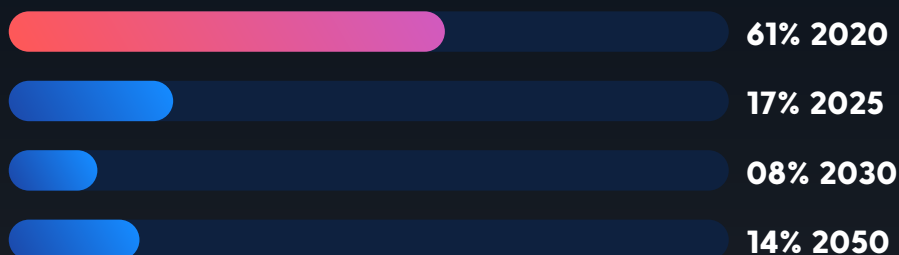
INSIGHT - 7

We asked consumers 7 distinct questions directly or indirectly related to sustainability for both online and offline channels. The story that has formed out of the responses is coherent and points towards one thing - the growing demand for sustainable packaging solutions from consumers.

CONSUMER DEMAND FOR SUSTAINABLE PACKAGING



Additional amount consumers are willing to pay for sustainable packaging



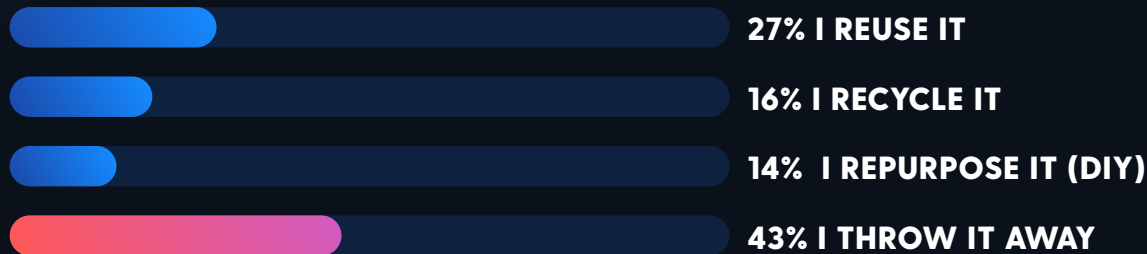
Year by when consumers think plastic should be phased out



Factors to improve online product packaging.

While the demand for these solutions is undeniable there is still a gap that needs to be bridged between demand and supply.

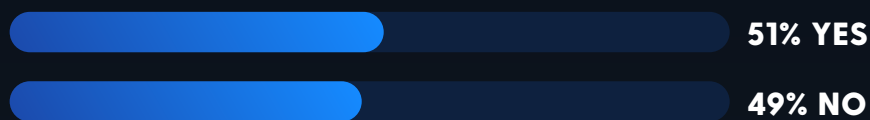
WHAT CONSUMERS ARE DOING WITH PACKAGING?



Consumers' disposal of packaging



Consumers recycling products marked as recyclable



Consumers who check the recycling icon on the packaging

43% of consumers throw away packaging once the need for it is over. 40% of consumers said that current packaging lacks a post-consumption disposal guide. 62% of consumers said that they do not recycle the packaging marked as recyclable and 49% of consumers do not even check the recycle icon on the packaging.

KEY TAKEAWAY



The industry currently lacks eco-friendly solutions and the systems needed for its successful disposal. As an immediate measure, invest in packaging that is biodegradable, compostable, or recyclable. Highlight this on your packaging to attract consumer attention. Provide clear disposal guidance. In the long run curate systems to address the systematic disposal of packaging.

INDUSTRY EXAMPLE



Credit- flexpackmag.com

A distinct take on incorporating sustainable packaging into the ecosystem is the one adopted by Loop^[6]. The company has partnered with many leading brands like Pantene, The Body Shop, and Häagen-Dazs and is piloting the 'milkman model' of delivering products at the consumer's doorstep and then later collecting the empty package for reuse.

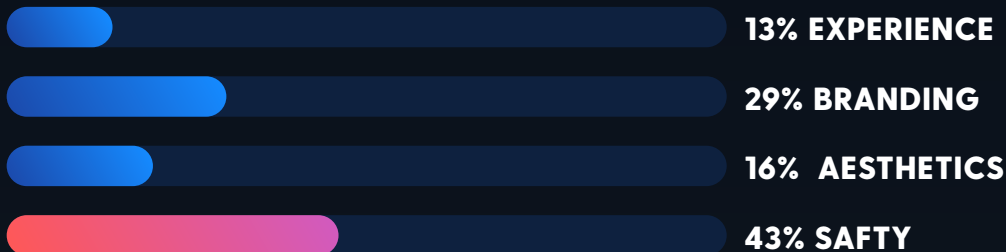


BE SAFE, BE SURE, BE SMART

PRODUCT SAFETY

INSIGHT - 8

When consumers were asked about the role that product packaging played for them, 57% of them responded with options besides safety.



Role of product packaging for consumers

This data narrates a packaging story that has shifted from being perceived just as an instrument for product safety. Now safety is the bare minimum consumers expect. Experience, aesthetics, & branding are now differentiators.

In the online context however, the emphasis on product safety is higher.



48%

of consumers return tampered packages received through online channels.



63%

of consumers hesitate to shop online due to tampering/counterfeiting.

KEY TAKEAWAY



Adopt new age packaging technology to ensure product safety and develop consumer trust.

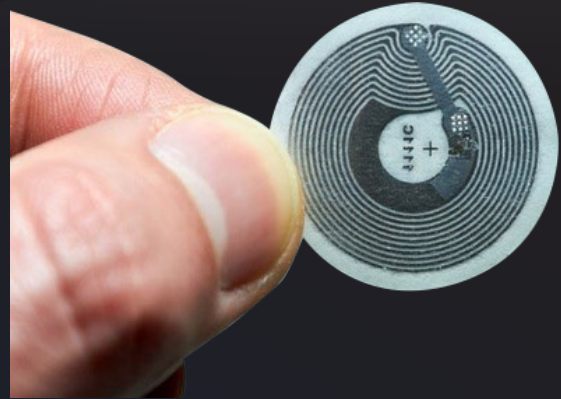
INDUSTRY EXAMPLE



Void Tapes



[Learn More](#)



NFC Tags



[Learn More](#)



Labels



[Learn More](#)



Holograms



[Learn More](#)

With counterfeiting on the rise, here are some tamper proofing products Bizongo usually recommends to clients.

PRODUCT SAFETY

INSIGHT - 9

Packaging technology has seen numerous changes. There's NFC, RFID, Smart Labels, QR Codes. The universe for this is immense and continuously growing.

The challenge, however, is the adoption of technology by consumers which is currently limited.



30%

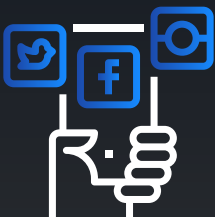
of consumers surveyed for both online and offline channels say they have never scanned a QR code. For a technology as simple as QR codes, this number is high.

The important question for marketers is - how to amplify the use of technology in packaging?

KEY TAKEAWAY



For the consumers trailing behind in the adoption cycle, make your value proposition intuitive and easy to understand. Simplify the product's value proposition through lucid communication.



For the tech-savvy consumers, explore interesting ways of developing two-way communication channels with them.

INDUSTRY EXAMPLE



Tech-enabled packaging can add up to an experiential consumer journey. We incorporated technology in packaging for Recon Oil involving a QR code. On scanning the QR code consumers were given access to recipes which can be made using the oil. This makes for a great channel to add an additional layer of communication with consumers.



Designed by San Francisco's Tactic Studio, 19crimes is a brand that sells wine online. Consumers are delivered with an augmented reality experience on scanning the product packaging label.

Credit- multivu.com



CLOSING NOTE - INDUSTRY VIEW

At a macro level, consumer buying behavior is leaning towards three main aspects of packaging -

***design,
sustainability,
and technology.***

This story is not very different on the [supply side](#). Manufacturers and businesses alike have started to pick up on the initial threads of oncoming change and have started to align themselves with this consumer-driven market.

Understanding consumer buying behavior in the fragmented packaging industry would be imperative in order to stay ahead of the curve and deliver profitable and long-lasting solutions.

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