

**THE EFFECT OF PACKAGING ON PROMOTING AND MARKETING OF LOCALLY
MADE GOODS IN NIGERIA: A STUDY OF SELECTED SMEs IN EBONYI STATE****OKOCHA REJOICE EBERE**Department of Marketing
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Abstract: *this paper examined the effects of packaging on the promotion and marketing of locally made products among SMEs in Ebonyi State. The paper using a survey approach obtained information with a five point likert scale from nine SMEs spread across the three political zones in Ebonyi state. The data gathered was analyzed with Z-test with the aid of 20.0 version of the statistical package for social sciences (SPSS). The result showed a mean of 0.0000000 which is less than the 0.5 level of significance. The paper recommended among others that Marketing managers and strategist in SMEs should re-examine the packaging system of their products to make them more customer focused and that Intrinsic features of the product (e.g., nutritional content) and extrinsic features of the product (e.g., brand name, packaging), have a potential importance in distinguishing the product, hence should conspicuously be seen on the package.*

Keywords: *Local, Marketing, Packaging, Products, Promotion, SMEs*

Introduction

In today's competitive business environment, retaining customer's loyalty demands that organizations should continually improve their customer's brand experience. This has increased the quest by marketing strategists to leverage on the primary four P's of marketing to vary and enhance customer's satisfaction at a profit. One of the P's that easily come to mind is packaging. Today, virtually all goods that are manufactured or processed require some packaging in some phase of their production or distribution; Packaging decisions are to be considered in early marketing plans as an integral part of the total marketing strategy (Panwar, 2004). Innovative packaging can give a company an advantage over competitors. Packaging must be consistent with the product's advertising, pricing and distribution. Companies usually consider several different package designs for a new product.

In Nigeria, the need to promote the purchase and consumption of locally made products has engaged the attention of the different levels of government especially the federal government over the years. This drive is engineered by the discovery of the economic importance of growing local SMEs to provide a platform for import substitution, thereby growing the economy and reducing unemployment. However, the promotion and marketing of locally made goods has often met a discouraging acceptance and patronage, this may not be unconnected with the prevailing perception on the quality of locally made products especially products from local SMEs. To this end, it has become imperative for SMEs to look inwardly towards finding the right marketing mix that can boost consumers' confidence, raise and sustain their loyalty. Promotion is one of the key elements of the marketing mix, and deals with any one or two-way communication that takes place with the consumer. According to Duncan (2005), promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general public. Every firm or store must cast itself into the role of communicator and promoter. Hakansson (2005) also reports that promotion appears as an issue of how to create an optimal mix of marketing communication tools in order to get a product's message and brand from the producer to the consumer. Kotler, (2007) discovers that Promotions have become a critical factor in the product marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objective. This paper focuses on the packaging effects in promoting and marketing of locally made products from SMEs in Nigeria.

Problem Situation

The design and implementation of packaging in marketing is such that has attracted attention of both researchers and practitioners alike, hence, the focus of its contribution to marketing. However, since marketing involves other elements like price, place and promotion, the measurement of the contribution of packaging as a promotional tool in marketing becomes a problem. This paper is therefore faced with the problem of assessing packaging role in local product promotion and marketing

Review of Literature

Packaging: Packaging now is regarded as an essential component of our modern lifestyle and the way business is organized. Packaging is the enclosing of a physical object, typically a product that will be offered for sale. It is the process of preparing items of equipment for transportation and storage and which embraces preservation, identification and packaging of products. According to Panwar (2004) Packaging is the act of containing, protecting and presenting the contents through the long chain of production, handling and transportation to their destinations in as good a state, as they were, at the time of production Packaging is an important part of the branding process as it plays a role in communicating the image and identity of a company. Due to increasing self-service and changing consumers' lifestyle the interest in

package as a tool of sales promotion and stimulator of impulsive buying behavior is growing increasingly. So packaging has an important role in marketing communications, especially from the point of sales and could be treated as one of the most important factors influencing Consumer's purchase decision. Consequently the role of package in marketing communications increases: it must attract consumer's attention and transmit adequate value of product to consumer in the short period right in the place of sale. Therefore there is a necessity to explore package and its elements in more detail, in order to understand which of these elements are the most important for consumer's purchase decision. On the other hand Lamb et al, (2004), argue that there are four important functions for packaging, and the current study focuses on these functions, to study the role of packaging in Jordanian consumer's perception of product quality at the point of purchase. These four dimensions include all kotlers' dimensions but in other names, these dimensions are: Protection of products and consumer, Promotion of products, Facilitation of storage, use, and convenience of products and Facilitation of recycling and reducing environmental damage.

Protection of products and consumer: A package protects the contents as the product moves through its marketing channel and while it is in use. A packaging also prolongs the shelf life of a product, which is important to producers, middlemen, and final buyers. Increasing attention focused recently on package safety, especially for drugs, household cleaners, and other products that are potentially dangerous, particularly to children (Schoell, 1985). Product safety is an underlying dimension of perceived product quality, is composed of such a vast number of components that it would verge on vagueness to consider it only in general terms. Indeed, a product can be perceived as being need satisfying, hence fulfilling part of the notion of "product quality", for example, a food product may be very delicious (generally accepted as constituting quality), but may be thought to contain artificial additives that are harmful to the consumer (Tse, 1999). Protection of the product should be effective in reducing damage that could influence its usefulness and increase costs. Packages protect from breakage, evaporation, spillage, spoilage, light, heat, cold, and many other conditions Packaging often plays an important functional role, such as protection, or storage of product. Consumer protection is becoming a growing role of packaging .Packaging that fails to fully protect the product has the potential to result in excess damage and waste, diminished shelf life, and loss of flavor or efficacy. Problems associated with insufficient protection are likely to lead to customer dissatisfaction (Bix et al, 2002).The protection accorded to the contents by the package must be available at the following stages during the life span of the product At the end of the product line inside the plant .During storage and handling, During transportation, During storage at the distribution or retailer's warehouse and During the consumption process in the consumer's home.

Promotion of Products: The promotional role of a packaging should be considered. It can be used to attract customers' attention and encourage them to examine the product. Packaging design is critical in supermarket products, where its most important function is to help differentiation the products and consumer spend less time planning the shopping trip and reading than ever, visual images are crucial to attracting them .Promoting the contents is an important packaging objective, especially in self-service retailing. Package must serve as a silent salesperson and attract the shopper's attention. Packaging is becoming an increasingly aspect of marketing strategy. Companies are seeing packaging as a way to attract customers to new and existing brands .Packages use design, colors, shapes, pictures, and materials to try to influence consumer's perceptions and buying behavior (Lamb et al, 2004)

Facilitation of storage, use, and convenience of products: A

major benefit of packaging is the information on it conveyed to the consumer, such as directions on how to use the product and the composition of the product, which is needed to satisfy legal requirements of product disclosure. Packaging convenience is defined by how consumers use the package. Simply put convenience in packaging starts with a package that is easy to open as well as easy to close (Hogan, 2007). Consumers' requirements for storage, use, and convenience cover, Consumers are constantly seeking items that are easy to handle, open, and reclose, although some consumers want packages that are tamperproof or childproof, also want reusable and disposable packages. Surveys conducted by sales & marketing management magazine revealed that consumers dislike-and avoid buying-leaky ice cream boxes, overly heavy or fat vinegar bottles, immovable pry-up lids on glass bottles, key-opener sardine cans, and hard-to-pour cereal boxes. Attractiveness, convenience, and economy are some aspects of a product's utility to final buyers. Reuse packaging means the package can serve other purposes after the contents have been consumed. A major goal of reuse packaging is to stimulate repurchases. Convenience is another function of packaging that consumers often look for at the point of purchase, the size or shape of a package may relate to the product's storage, convenience of use, or replacement rate. Defining convenience in flexible packaging is essential to fully leveraging all of its benefits and ensuring long-lasting consumer-brand relationships. Flexible packaging offers many advantages to consumer, product, and to companies. Flexible packaging can be effective in helping brand owners build a close relationship with consumers. For consumers, convenience is even more critical – serving that draws an initial sale and retains consumer brand loyalty (Hogan, 2007). Packaging may enhance consumer's convenience in several ways:

1. From convenience: by offering the product in various forms convenient for use by different users.
2. Convenience of quantity: by offering the product in various pack sizes.
3. Convenience of time: provided to the consumer through extended availability of goods.

Facilitation of recycling and reducing environmental damage: The topic of consumer use of environmental product information (EPI) is considered in various disciplines. Whereas much available literature takes the type of information system or product group as a starting point, few studies combine the context and other relevant factors such as consumer attitudes and understanding, which all determine consumer's uptake of environmental product information. Yet other studies describe consumer's characteristics, mainly in so called consumer's segmentation models developed to analyze environmental loyalty and preference of consumers, and their use of EPI (Szatek, 2003). The proliferation of "green products" and "green advertising" suggests that at least some firms believes that consumers are willing to pay a price premium for environmentally friendly products. There are also examples of companies whose sales dropped precipitously as a result of being labeled environmentally unfriendly. According to Stevenson (2007), recycling is an important consideration for designers. Recycling means recovering materials for future use, companies recycle for a variety of reasons: Cost saving, Environmental concerns and environmental regulations.

Product Promotion: Promotion has been defined by Belch & Belch, (2009) as the coordination of all seller initiated efforts to set up channel of information and persuasion in order to sell goods and service or promote an idea. While implicit communication occurs through the various elements of the marketing mix, most of an organization's communication with the marketplace take place as part of a carefully planned and control promotional program. Traditionally the

promotional mix has included four elements: advertising, sales promotion, publicity and personal selling. In the modern perspective, direct marketing and internet marketing is the major promotional mix elements. Each element has different forms and advantages. Organization uses a variety of tools and media (broadcast, print, outdoor, in store, digital and others) to engage their audiences and generate brand awareness.

Theoretical Framework

The theories that underlies this study includes;

Kano's Theory of Attractive Quality: Inspired by Herzberg's M-H theory in behavioral science, Kano and his coworkers developed the theory of attractive quality. The theory of attractive quality is useful to better understand different aspects of how customers evaluate a product or offering (Gustafsson 1998). Over the past two decades, this theory has gained exposure and acceptance through articles in various marketing, quality, and operations management journals. The theory of attractive quality has been applied in strategic thinking, business planning, and product development to demonstrate lessons learned in innovation, competitiveness, and product compliance (Watson 2003). According to Kano (2001), the theory of attractive quality originated because of the lack of explanatory power of a one-dimensional recognition of quality. For instance, people are satisfied if the packaging of rice has cooking instructions and dissatisfied if the packaging does not have cooking instructions. To understand the role of quality attributes, Kano et al. (1984) present a model that evaluates patterns of quality, based on customers' satisfaction with specific quality attributes and their degree of sufficiency. On the horizontal axis in the Kano diagram (see fig 1 below) the physical sufficiency of a certain quality attribute is displayed. The vertical axis shows satisfaction with a certain quality attribute. The theory explains how the relationship between the degree of sufficiency and customer satisfaction with a quality attribute can be classified into five categories of perceived quality. According to Kano et al. (1984), their ideas are similar to quality theories suggested by Mizuno and Ishikawa. But instead of only providing general concepts and nomenclature, Kano and his coworkers provide a methodology to use. The categories of perceived quality are:

- Attractive quality
- One-dimensional quality
- Must-be quality: Indifferent quality
- Reverse quality

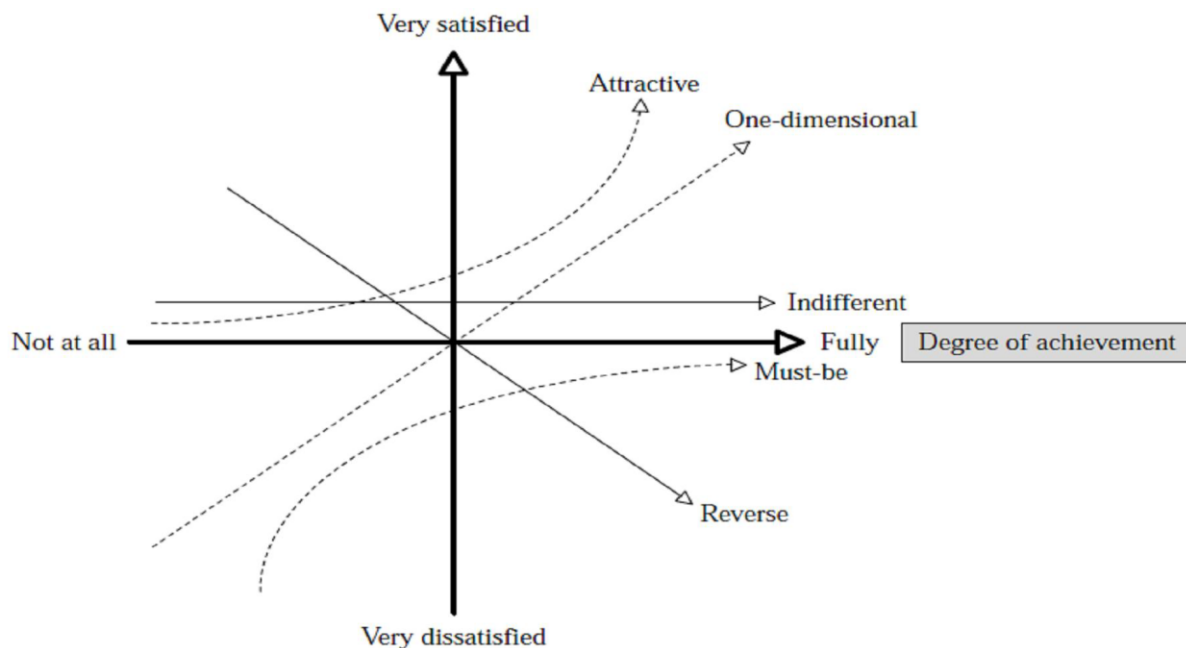


Fig. 1. kano's Model of Packaging. (culled from Hogstrom et al., 2010)

Brand Equity Theory: Two outstanding theories in brand equity literature define brand equity, the Resource Based View (RBV) (Slotegraaf and Pauwels 2008) and the Signaling Theory (Erdem et al. 2006). The RBV theory defines the brand as intangible asset or market-based asset (Srivastava et al. 1998), while the signaling strategy defines brands as effective signals. Besides the above mentioned theories, the consumer-based brand equity literature (Keller 1993) also refers to the cognitive psychological approach. However, according to the authors' present knowledge, cognitive psychology has no developed theory applied to marketing. One of the most-referred-to definitions of brand equity was given by Farquhar (1989). According to it, brand equity is the added value endowed by the brand to the product. This definition stood at the basis of several further instruments measuring brand equity (Srinivasan et al. 2005). In Keller's interpretation, brand equity is the differential effect of brand knowledge on consumer response to the marketing of the brand given by the difference between consumer response to the marketing of the branded and unbranded product. Consumers give a more favorable response to marketing mix in the case of brands with high brand equity than in those with low equity. As a consequence, relative marketing costs decrease as the efficiency of marketing activities increase. The productivity of brand assets comes from both the demand and supply sides (Goldfarb et al. 2009)

METHODOLOGY

The population of the study comprises of 1120 customers of 10 selected consumer products drawn from nine small and medium scale manufacturing firms in Ebonyi state. A five point likert scale questionnaire that covered different areas of packaging, promotion and marketing of locally made product was used to elicit response from the respondents. The statistical tool used for data

analysis is the Z-test using the 20.0 version of statistical package for social sciences (SPSS). Z-test may be described thus;

4. Results, Marketing Implications and Recommendations

Descriptive Statistics

	N	Mean	Std. Deviation
VAR00001	15	224.0000	138.12055
Valid N (listwise)	15		

Descriptive Statistics

	N	Mean	Std. Deviation
VAR00001	15	224.0000	138.12055
Zscore(VAR00001)	15	0E-7	1.00000000
Valid N (listwise)	15		

Discussion of Result and Marketing Implications

The result obtained from the tables above shows that the mean of the Zscore is less than the level of significance (i.e $0E-7 > 0.05$). Thus, it can be said that the extent to which locally made products in Nigeria are successfully promoted and marketed is influenced significantly by their packaging. The situation above requires that marketing strategist and communicators in small and medium scale enterprises in Nigeria should leveraging packaging to promote and market their product since the responds pattern and even the SPSS output shows that customers attach significant purchase decision value on the type of packaging the product carries.

Recommendations

The following recommendations are made in this paper:

- Marketing managers and strategist in SMEs should re-examine the packaging system of their products to make them more customer focused and that Intrinsic features of the product
- Product repackaging must be performed periodically as a marketing strategy to reflect changes in customers' preferences and taste etc.
- SMEs should develop strong market surveillance system that can aid them monitor the activities of competitors in order to respond promptly in conformity with the marketing strategy and goals of the organization.

- iv. Cordial relationship must be initiated and maintained with distribution channel management members and retailers especially to develop interest in distributing and displaying of packaged locally made goods to create the needed market

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