

**THE ROLE OF PACKAGING AND ITS IMPACT ON  
CONSUMERS' PREFERENCES: A CASE OF AZAM SOFT  
DRINKS PRODUCTS, DAR ES SALAAM**

**THE ROLE OF PACKAGING AND ITS IMPACT ON  
CONSUMERS' PREFERENCES: A CASE OF AZAM SOFT  
DRINKS PRODUCTS; DAR ES SALAAM**

**By**

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**A Dissertation submitted in Partial fulfillment of the Requirement for the  
Award of the Degree of Master of Business Administration ( MBA-Corporate  
Management) of Mzumbe University**

**2013**

### **CERTIFICATION**

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **The Role of Packaging and its Impact on Consumers' Preferences: A Case of Azam Soft Drinks Products; Dar es Salaam**, in partial fulfillment of the requirements for award of the degree of Master of Business Administration (MBA-CM) of Mzumbe University.

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## **DEDICATION**

To my mother Hilda A. Mwisho

## **ABBREVIATIONS AND ACRONYMS**

|       |                                         |
|-------|-----------------------------------------|
| BFPL  | Bakhresa Food Products Limited          |
| CM    | Corporate Management                    |
| FGDs  | Focus Group Discussions                 |
| PhD   | Doctor of Philosophy                    |
| SPSS  | Statistical Package for Social Sciences |
| US \$ | United States Dollar                    |

## **ABSTRACT**

The study was conducted at Bakhresa Food Products Limited (BFPL) at Dar es Salaam. The study area was chosen because of being convenient to the researcher in obtaining data from the management and consumers of Azam products. However, upon these products, less has been done on Azam soft drinks products to explore the role of packaging and its impact on consumers' preferences for the success of the company; hence, requiring a study. The general objective of the study was to explore the role of packaging and its impact on consumers' preferences regarding Azam soft drinks products.

Cross-sectional research design was used in the methodology. A sample size of 120 respondents was involved. Data collected were analysed descriptively by SPSS version 16 computer software.

The findings showed that packaging materials have the function of facilitating storage, use and convenience of the products, protect products and consumers because these are performed not only for physical functions such as transit, but also for environmental influences such as moisture, gases, light, temperature etc. Likewise, social factors, the readily available/timely availability of the product and good packaging done by trained personnel were factors that influenced consumers' preferences and buying decisions. However, high cost of packaging materials and brand familiarity were challenges consumers encountered because some could not distinguish between Azam products and other products produced for example by Pepsi and Coca cola companies.

The study concludes that the mode of payments, colour of the products and the appearance of the product did not attract consumers to buy the products. Yet, after sales services, education of the consumers, high cost of packaging materials and brand familiarity were challenges consumers encountered. Policy makers have to see a need for the adoption of packaging strategies to maximize consumers' preferences by enhancing product quality in order to create a competitive advantage.

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## **CHAPTER ONE**

### **BACKGROUND INFORMATION**

#### **1.0 Introduction**

This chapter provided the background information regarding the role of packaging and its impact on consumers' preferences in reference to Azam soft drinks products. It describes the background information, states the problem, research objectives and questions, the significance, scope, limitations and structure of the research study.

#### **1.1 Background Information**

Among the major developments in the modern competitive market system, one is packaging. It is one of the recent innovations that has acquired a key place in consumer decision making (Pavithra, 2008). The twenty first century consumer seems to be not only bothered about the ultimate benefit that the product provides, rather he/she places adequate weightage on the allied benefits such as quality, delivery, installation, warranty, ease of shopping, using convenience, etc. which are influenced by the packaging of the product (Liu, 2011). Packaging is engaged in the evolution from production orientation to marketing orientation. Packaging performs two major functions; product protection and product marketing (Kotler *et al*, 2005). Given the characteristics of production, mechanical and environmental conditions it encounters in the distribution system, marketers can design a minimum package that can assure its arrival to the consumer in a saleable condition. A minimum package, therefore, is one that protects the products at the lowest possible cost. While major consumer's product companies claim packaging as a marketing aid, they place the control of packaging in the hands of purchasing and production departments (Lurie and Mason, 2007).

Packaging may be defined as a general group of activities in the product planning which involves designing and producing the container or wrapper for a product (Kotler and Armstrong, 2008). Packaging as a marketing tool, which is employed in the competitive strategy of the firm has a recent origin.

However, with the changes in the market conditions, packaging decisions have moved relatively higher in the hierarchy of importance. The traditional marketing mix which constituted four set of decisions viz., product, price, physical decision and promotion is extended with the inclusion of packaging (Kotler *et al*, 2005). The structural changes in the market environment (income, education, awareness, technology, competition) have rendered packaging from being merely a residual decision in the beginning of the twentieth century to a prominent decision today (Silayoi and Speece, 2007). The facts which necessitated increased emphasis on packaging decisions in the overall competitive strategy of the modern competitive firm are oligopolistic structure of the market, impulsive shopping, self-service stores, customer convenience, effective communication, sales promotion, legal requirement and product life cycle (Pavithra, 2008).

Packaging obviously is closely related to labelling and branding because a label often appears on the package and the brand is typically on the label. It is the art, science and technology of preparing goods for transport and sale (Briston and Neil, 1986). Packaging forms an integral part of the cost structure of a product, since there is hardly any product which can pass on from the producer to the hands of the consumer without being packed or without an outer covering or container. It has been rightly remarked that “in a successful product, the packaging is as intrinsic as the raw materials that go to make it up” (Sojka and Giese, 2001). Thus, packaging is an important consideration which should form a part of any scientific production planning and good packaging not only facilitates convenience in transportation and storage but also attracts consumer to pay more. The packaging reduces the marketing cost and protects the quality (Lurie and Mason, 2007). However, packaging must be of good quality, strong enough to withstand the shocks and loadings normally encountered during transport, including trans-shipment between transport units and warehouses as well as any removal from a pallet or overpack for subsequent manual or mechanical handling (Pavithra, 2008).

Packaging must be constructed and closed so as to prevent any loss of contents that might be caused under normal conditions of transport, by vibration or by changes in temperature, humidity or pressure (Panwar, 2004).

Appearance and packaging of food products play an important role in influencing consumer perception and subsequent acceptance because the first taste is almost always with the eye (Frontiers, 1996). Extrinsic packaging attributes provide consumers with social and aesthetic utility and strongly influence expectations of sensory perception (Lamb *et al*, 2004). Those expectations have been shown to be very robust against later disconfirmation when consumers actually taste the product (Ampuero and Vila, 2006). Despite what we know about the underlying psychological influence packaging exerts on product, colour has the power to illicit an emotional response from the viewer (Sekaran, 2004). For example, the colour red commands attention and invokes aggression or a sense of urgency. Pantin-Sohier (2009) in his study on the influence of colour in pharmaceutical packaging asked patients to attribute specific qualities to a medical treatment's properties based on ten different coloured packages. The results showed that 94% of patients believed that they should handle the red package's contents with precaution. In contrast to red, blue is considered passive, calm, and cool. While colour is important when considering general responses, it is also important when considering gender-specific responses; as women have positive reactions to cool hues like pinks, blues, and purples (Panwar, 2004).

Consumers identify needs and desires, afterwards makes a purchase (Anonymous, 2008). The process of identification includes the process of consumption where customers set the product within three stages; pre-purchase, purchase and post-purchase activity. Therefore, the perception and the evaluation of the product, in this case product packaging, assist the customer to make a purchasing decision (Gofman *et al*, 2010). There are many studies that are done in the area of packaging (Panwar, 2004).

Nevertheless, Holmes *et al* (2012) deem that a little is known about the impact of the consumer's experience with the package on the evaluation of the product itself.

As packaging plays a critical role in the purchasing decision, Silayoi and Speece (2007) deem that in cases when the consumer is undecided, the package becomes a vital factor in the buying choice because it communicates to the consumer during the decision making time. The way how the consumer perceives the subjective entity of a product through communication elements conveyed by the packaging also influences the choice and is the key factor for successful marketing strategies (Gofman *et al*, 2010).

Packaging attracts and sustains attention, helping consumers identify with the images presented. The importance of packaging design and the use of packaging, as a vehicle for communication and branding, are growing (Sekaran, 2004). One recent study by Pavithra (2008) estimated that 73% of purchase decisions are made at the point of sale, it means that a majority of consumers switch to one brand to its nearly alternative while purchasing. Small improvements in the packaging or external appearance of your product or service can often lead to completely different reactions from your customers. The product which appears more suitable to a customer a nearest match for his/her needs is bought, whereas others are left (Kotler and Armstrong, 2008). The key factor to convince a customer is to know his needs and to make him/her understand that a particular thing is a perfect match of his/her requirements. Hence, manufactures should use well-designed packaging to highlight their goods (Kosslyn, 1994). If a new product will enter market, the company must make many decisions. Firstly, the company should define the main functions of packaging that protect its products, state its qualities, the brand or company. Then, the company should design the packaging that covers specific elements, such as size, shape, materials, colour, pattern, text and brand mark to capture consumers' preferences (Kotler *et al*. 2005). This study explored the role of packaging done to Azam products and how consumers prefer these products for their consumption.

## **1.2 Statement of the Problem**

Today, virtually all goods manufactured or processed require packaging at the end of their production. Packaging decisions have to be included early in marketing plans as an integral part of the total marketing strategy (Panwar, 2004). For competitive viability packaging plays a vital role as it protects the quality and quantity of the products. Furthermore, it stimulates sales. After all, it is the first thing seen before making purchase choices and it is widely recognized that over 50% of purchasing decisions are made at the shelf or point of purchase (Frontiers, 1996). Numerous market trends suggest a growing packaging role as a brand communication vehicle. Once a brand becomes familiar, companies do not have to spend much on advertising because consumers will reach the brand automatically (Panwar, 2004). The big challenge that a marketer in today's world faces is to translate the attraction from the packaging to a purchasing decision. In this vein, companies just have to manage timely deliveries, so that meanwhile a consumer may not switch to the nearest competitors due to unavailability of the product (Belch and Belch, 2001).

Packaging communicates and is capable of attracting consumer's attention. It can communicate images that influence consumer perception, appeal to the consumer's emotions and motivate desire for the product and should also be considered as a promotional tool, especially within the retail environment (Sekaran, 2004). Bakhresa Food Products Limited (BFPL) which is a subsidiary company of Bakhresa Groups of Companies based in Dar es salaam, Tanzania; produces Azam products the best thirst quenching drinks using the finest food ingredients which adhere to consumers' wants and desires through good packaging of its products. However, despite all these externalities emanating from good packaging, there have been consumers' complaints regarding packaging designs utilized to pack Azam soft drinks in relation to other competitors which have posed a need to explore the role of Azam packaging and its impact on consumers' preferences for the success of the company.

Therefore, this study focused on exploring the role of packaging and its impact on consumers' preferences regarding Azam soft drinks products in order to come out

with suggestions which would provide directions towards better quality packaging improvements for its consumers.

### **1.3 Objectives**

The objectives of this study were addressed as follows; general objective and specific objectives.

#### **1.3.1 General Objective**

The general objective of the study was to explore the role of packaging and its impact on consumers' preferences regarding Azam soft drinks products.

#### **1.3.2 Specific Objectives**

The specific objectives of the study were to:

- (i) Identify the functions of packaging materials for the safety of Azam products
- (ii) Examine the factors that influence consumers' preferences and buying decisions on Azam packed products
- (iii) Identify the challenges of packaging and consumers' preferences for Azam packed products

### **1.4 Research Questions**

- (i) What are the functions of packaging materials for the safety of Azam products?
- (ii) What are the factors that influence consumers' preferences and buying decisions on Azam packed products?
- (iii) What are the challenges of packaging and consumers' preferences for Azam packed products?

### **1.5 Significance of the study**

The study provided knowledge regarding the role of packaging and its impact on consumers' preferences that help customers meet their expectations. Moreover, the

findings of the study created awareness to the management of BFPL on the needs and expectations of the targeted customers and facilitated the improvement of the quality of its packaging designs. This study was very important as it enabled users to use theoretical knowledge in different institutions performing the same and became a reference material for academic endeavours. Furthermore, study was important for the researcher for the fulfillment of Master degree in Business Administration (CM) as the requirement of Mzumbe University.

### **1.6 Scope of the study**

The study focused on exploring the role of packaging and its impact on consumers' preferences regarding Azam soft drinks products. In this regard, BFPL employees and consumers of Azam products were involved in this study.

### **1.7 Limitations of the study**

The limitations of the study were as follows;

a) Financial Constraints

The financial support was expected from researcher's pocket money. For that case, the researcher was limited to attend all consumers of Azam products in order to gather or collect data as it was not easy to reach all respondents. Thus, a sample was a right approach out of the population.

b) Time factors

The time allocated for data collection was very short compared to the importance and tedious work of collecting data.

c) Response rate

The response rate was low due to the fact that respondents were busy with their activities thereby affecting the study and made the researcher to have continuous follow-ups.

## **1.8 Structure of the study**

The research consisted of five chapters. The first chapter provided the Background Information. The second chapter presented the Literature Review, the third chapter discussed the Research Methodology used, the fourth chapter focused the Results and Discussions of findings and the fifth chapter presented the Summary, Conclusion and Recommendations. The research came to an end with the references and appendices attached with this report.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter provided detailed theoretical and empirical literatures regarding the concept, the role of packaging and its impact on consumers' preferences as advanced by different authors and their perceptions. It ends with the provision of conceptual framework.

#### **2.1 Theoretical Literature Review**

##### **2.1.1 Meaning of packaging**

The definitions of 'packaging' vary and range from being simple and functionally focused to more extensive, holistic interpretations (Belch and Belch, 2001). Packaging can be defined quite simply as an extrinsic element of the product i.e. an attribute that is related to the product but does not form part of the physical product itself (Singh *et al*, 1995). Packaging is the container for a product – encompassing the physical appearance of the container and including the design, colour, shape, labeling and materials used (Murphy, 1997). Kotler *et al* (2005) define packaging as "all the activities of designing and producing the container for a product." Packaging is the outer wrapping of a product. It is the intended purpose of the packaging to make a product readily sellable as well as to protect it against damage and prevent it from deterioration while storing. Furthermore the packaging is often the most relevant element of a trademark and conduces to advertising or communication. Panwar (2004) defined packaging as the act of containing, protecting and presenting the contents through the long chain of production, handling and transportation to their destinations in a good state as they were at the time of production.

As there is always scarcity of sources and abundance of wants to generate symmetry between wants and supplies, a wide range of similar and nearly alternative products are offered with varieties of price, packing style, brand name etc. by various companies, which provide customers multiplicity of choices (Kotler *et al*, 2005).

Since, in perfect competition every individual or firm has rights to enter the market (or leave the market) at any time and produce and sell goods according to their own will, every producer tries his/her level best to captivate consumers' attention by emphasizing qualities of his/her products among many almost similar products, hence it becomes essential to use multiplicity of packaging style, size and colour of likely products, so that specific brands may be distinguished among others (Liu, 2011). Sometimes a small packaging could make a big difference (Kotler *et al*, 2008).

### **2.1.2 Elements of Packaging**

There are six variables that must be taken into consideration by producers and designers when creating efficient packaging namely; form, size, colour, graphics, material and flavor (Kotler *et al*. 2005). Similarly, Kotler (2003) distinguishes six elements that according to him must be evaluated when employing packaging decisions namely; size, form, material, colour, text and brand. For example, colour plays an important role in a potential customer's decision making process as certain colours set different moods and can help to draw attention. Another good example of successful use of colour psychology is in the Apple iPod advertisements (Lurie and Mason, 2007). They use simple tri-tone colour schemes of black, white and a bright background colour. The bright background colour is to give the advertisement a fun feel and the contrasting white on black is to focus attention (Kotler *et al*, 2005). Colour affects human behavior such as some colours make us happy whereas others make us sad. While making purchase decision, colour scheme becomes more obvious. The effect of colour has been studied widely to know the consumer's perception (Kotler and Armstrong, 2008). Consumer opinions of an adequate colour are associated with discernments of other quality features such as taste, aroma, satisfaction and nourishment levels. Positive effect can be gained by using one or more packaging variables.

In some products clear packaging is used to allow consumers to view food colour, incident light and taxonomy (Lamb *et al*, 2004). Packaging size and shape are also significant elements in designing the package. A consumer interacts with these two elements in order to make volume judgments, e.g. consumers perceive more elongated packages to be larger (Silayoi *et al*. 2007).

### **2.1.3 Types of Packaging Materials**

The most widespread types of packaging material are paper, glass, and aluminum, fiber board, plastic and steel as given by Kotler *et al* (2005).

#### **a) Paper**

Paper is one of the most extensively used packaging materials, because of being light in weight, cheap in price and easily available. The use of corrugated cardboard, instead of wooden boxes has reduced weight of packaging materials on one hand and made safe and easy transportation on the other hand.

#### **b) Glass**

The use of glass, as packaging material has almost been given up, especially for food items e.g. for beverages because any slight jerk or shock causes it to break into pieces, which is not only material loss but also is harmful for human health; as the results usage of glass has been replaced with Tin and Plastic. Glass is the most common form of packaging waste, although it has been returned to the factories now days for recycling, yet because of its insecure nature, it is being avoided as packaging material.

#### **c) Aluminum:**

It is commonly used in packaging of food items, such as cans of soft drinks and in tin packed provisions as foil to protect food stuff from decomposition by preventing access of oxygen. The used aluminum as scrap is sold on high price because aluminum is recycled economically because 20 recycled aluminum cans, can be made with the energy it takes to manufacture one brand new one.

**d) Steel:**

Currently steel is being used as packaging material for foods, beverages and paints as well as aerosols. Steel is recycled in great extent to minimize product cost. A survey declares that around 16% of energy saving is observed because of recycling of steel.

**e) Plastic:**

The use of plastic as packaging material brings so many advantages for instance plastic is light weighted, long lasting and easily available material. The cost of plastic is a bit cheaper as compare to aluminum and steel.

**f) Mixed materials:**

Instead of using a single material for packaging, the trend to use mixed materials is proven more beneficial in form of reducing energy consumption although combining different materials makes reprocessing difficult. Lack of facilities and necessary technologies to separate mixed materials have become great obstacle to recycle because without separating these materials contamination cannot be avoided (Kotler and Armstrong, 2008).

**2.1.4 Consumers' Preference**

This is an art whereby the consumers show their interest on the product and react on it by buying (Lamb *et al*, 2004). The performance of the consumer mostly is done by informing and sometimes persuading by telling the advantages of using the product. The performance of the consumer can be done through personal selling and television advertisements (Liu, 2011).

**2.1.5 Functions of packaging for the safety of products**

Packaging has an important role in marketing communications, especially from the point of sales and could be treated as one of the most important factor influencing consumer's purchase decision (Draskovic *et al*, 2011). As the role of packaging 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. Lamb *et al*, (2004) argue that there are four important functions or dimensions for packaging. These include all Kotler's 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. However, apart from those four functions Anonymous (2008) provide others such as;

*i) Packaging as the quality measurement.* The quality of the package and the quality of the actual product are the core elements of purchasing decision making. When the consumer forms an opinion towards the new package, the packaging design variables are highly important. The consumer makes a quality evaluation based on the packaging attributes and the overall package. Here, the consumer may perceive the usefulness of the package and judge the favorability of the new product. Packaging is a quality measurement for the products. When the consumers view the new package on the shelf, they are usually forced to make a quality evaluation of the product through experience with the package (Holmes *et al*. 2012). Quality judgments are influenced by product and package characteristics. When the package communicates high quality, frequently the consumer assumes the product itself as a high quality item. If the package gives the impression of low quality, the consumer perceives the actual product as a low quality item. Underwood *et al* (2001) suggest that consumers instinctively can imagine how the product looks, tastes, feels, smells, and sounds while viewing pictures and images on the package.

Packages should be exciting and safe and have a high quality at the same time. Food product expectations are created by packaging elements such as labeling and product information. Here, the colour element also plays an important role. Colours on the package can be perceived and associated with quality attributes, such as flavor and nutrition (Singh *et al*, 1995). Imram (1999) believes that a positive effect can be gained by combination of packaging elements; color, clear packages and incident light. In food service, the food products chosen for display are selected for their color and appearance attributes (Silayoi *et al.*, 2007). The quality combined with product

price can influence the purchase intention. The price of lower-priced packaged goods receives less attention than high-priced goods. The attitude towards the package and expected product quality has influence on the consumer's purpose to buy a low-priced packaged product in the supermarket (Holmes *et al.* 2012)

*ii) Packaging as a communication instrument.* Packaging design impacts the consumer at the point of sale as well as at the point of future handling and using the product. It becomes a part of the consumers' experience and influences the future purchasing decisions. According to Stewart (2004) the way the package can be opened and closed, the way it fits neatly onto the refrigerator, all these factors and qualities can provide emotional feedback which reinforces the brand value and assists product satisfaction.

*iii) Packaging as a tangible object.* The package design contains visual and sensual attributes which communicate to the consumer. Visual elements relate more to the perception and attractiveness, whereas sensual refer to the physical sensation (Kotler *et al.*, 2005). The way how the consumer interacts with the object, its surface and material can influence the evaluation of product content and quality. Hence, the designing of the package as a physical object is very important as is the creation of attractive visual elements. From a physical point of view, a package is a container that directly contacts the product, protects, preserves and identifies it. Vidales (1995) identifies three types of packaging. First, primary packaging which is in direct contact with the product.

Secondary packaging consists of one or more primary packages and has the role of protection, identification and communication tools. Tertiary packaging consists of two previous packages and its function. The task of the third type of package is to distribute, unify and protect products throughout the commercial chain (Ampuero and Vila, 2006)

Good package design requires knowledge of materials, their properties, manufacturing methods and conversion process (Stewart, 2004). The materials that can be used for producing packages are wood, paper and board, plastics, glass, metals, and textiles. Here, the choice of material depends on the nature of the product, production process, and equipment. The product shelf life, storage and transit requirements also have an impact on the material choice (Panwar, 2004). At the start of every design project, marketers and designers need to have knowledge of the material categories, limitations and possibilities for a particular type of a package, and its conditions and requirements. When the sensual part of the package is well designed and made in a proper way, it is easier to include visual elements with appropriate and selected information and a message which will attract the consumer and evoke an interest in the product (Lamb *et al*, 2004).

#### **2.1.6 Factors that influence consumers' preferences and buying decisions**

When consumers purchase something, they are influenced by cultural, social, personal and psychological characteristics (Kotler *et al*. 2005). In other words, while they are purchasing something they consider their own culture, their social status, lifestyle, as well as other factors. Therefore, if marketers want to be successful, they should understand these characteristics and satisfy different needs of the consumers.

##### **2.1.6.1 Cultural factors**

Cultural factors which include culture, subculture and social class are very important issues affecting on consumer behavior (Kotler *et al*. 2005).

##### **a) Culture**

As the most basic factor that affects consumer behavior, culture can be defined as a person who contacts basic traditions, taboos, values, attitudes, perceptions, wants, and behaviors from the family and society since childhood to grow up (Kotler *et al*., 2005). In addition, aesthetics represents beauty, good taste, or an appreciation of color and form. Marketers must understand the positive and negative aspects of the packaging design of products.

Furthermore, marketers also should try to recognize the local preferences and tastes, and develop the products to tailor local preferences (Jobber and Lancaster, 2000).

Marketers also need to be acquainted with cultural shifts, and imagine new products to satisfy consumers. Cultural shift also represents the complexity of consumer behavior and international variety (Kotler *et al.* 2005)

### **b) Subculture**

Subculture can be defined as a group of people share value systems due to common life experiences and situations; subcultures include nationalities, religions, racial group and geographic regions (Kotler and Armstrong, 2008). For example, there are different preferences and taboos of patterns and colors in different nations and religions. So subcultures cannot be ignored. Many clever marketers often design products based on subcultures factor to tailor different needs of consumers.

### **c) Social class**

The people of social classes share similar values, interests and behaviors (Kotler *et al.* 2005). The social class is determined by the combination of occupation, income, education, wealth, and other various aspects (Kotler and Armstrong, 2008). The expensive and top brands are status symbols. That is to say, the richer and higher status the consumers are, the more expensive brands they would purchase.

## **2.1.6.2 Social factors**

Social factors which include groups, family, roles and status can affect consumer responses. Therefore, marketers also need to design their strategies based on social factors (Kotler *et al.* 2005)

### **a) Groups**

Membership groups technically can be defined as certain amount of people that have direct influences to each other and belong to actual groups. The regular but informal interactions are called primary groups, such as family, friends, neighbors and fellow workers.

Moreover, the secondary groups show more formality but have less regular interaction, such as religious groups, professional associations and trade unions (Kotler *et al.* 2005). Reference groups, also called leader or model groups, can be defined as certain amount of people that have direct or indirect influences on attitudes and behavior among each other (Kotler *et al.* 2005)

### **b) Family**

Sometimes, family that can also be called a primary reference group, along with family and marital status might also play an important role in consumer behavior (Jobber and Lancaster, 2000). There are two types of families, one is family of orientation, and the other is family of procreation. The first type, family of orientation means parents give their children an orientation that including religion, politics and economics, and a sense of personal ambition, self-worth and love. However, the second type, family of procreation means the purchasing behavior has a more direct influence by spouse and children. Furthermore, the majority of wives purchase for their families; such as food, household products and clothing. But if it involves expensive products, husbands and wives usually make joint decisions (Kotler *et al.*, 2005).

In addition, there are five consumers' purchasing roles. These are the initiator who is the person first has suggestions or ideas about buying something; the influencer means the advices of a person could influence purchasing decision; the decider is the person who finally makes decisions to buy or not; the buyer is the person who really buys; the user is the person who uses the product, in many cases the user is not the buyer (Kotler *et al.*, 2005)

### **c) Roles and status**

A person has different positions in the family, group, company and organizations. Different roles and society status of a person will influence his or her purchasing behavior, people usually buy suitable goods for their roles and status (Kotler and Armstrong, 2008).

## 2.2 Empirical Literature Review

Gofman *et al* (2010) in their study contended that packaging elements like packaging colour, background image, packaging material, font style, design of wrapper, printed information and innovation are taken as predictors. Due to increasing self-service and changing consumers' lifestyle the interest in packaging as a tool of sales promotion and stimulator of impulsive buying behavior is growing increasingly. So packaging performs an important role in marketing communications, especially in the point of sale and could be treated as one of the most important factors influencing consumer's purchase decision. Yet, the role it plays has not been precisely expressed when it comes to customers who don't distinguish the packaging variables for their choices. According to Kuvykaite (2009) package attracts consumer's attention to particular brand, enhances its image, and influences consumer's perceptions about product. Also package imparts unique value to products, works as a tool for differentiation, i.e. helps consumers to choose the product from wide range of similar products and stimulates customers buying behavior (Underwood *et al*, 2001).

However, the value of the product could be determined according to ones perception not in terms of differentiation. Kaurshal *et al.* (1976) found that educational level significantly influenced the brand loyalties in use of washing soaps. Educated people based their loyalties on easy lather formation, convenience in handling and soaps not affecting skin, while less educated people on the basis of price, attractive packaging and early availability in the market. Sellers can adopt suitable marketing strategies dividing high quality products among educated and cheap products among illiterate class. Yet, this study could not provide the approaches which could be employed to distinguish how educated and illiterate people could use when becoming loyal to different brands.

Haripuram (1986) studied the factors influencing the purchase of biscuits for a sample of 470 respondents. The study revealed that taste was given the highest preference, followed by freshness, crisp bite, brand name, variety, price and availability.

It was found that consumers preferred packed biscuits to loose ones and small pack size to big packs. Further, the decision makers and buyers of biscuits were observed to be elders even though the children considerably influenced the decision making process. However, his study could not put forward the approaches which could be used by elders to accept their children convictions. Likewise, Gluckman (1986) studied the factors influencing the consumption and preference for wine. The explicit factors identified were, familiarity with the brand name, price of wine, quality or the mouthy feel of the liquid. Taste with regard to its sweetness or dryness and the suitability for all tastes. Some of the implicit factors identified through extensive questioning were colour and appearance. Most consumers seemed to prefer white wine to red wine. Packaging, appearance, colour, ornateness, use of foreign language and graphics were taken as important clues for quality and price. However, their studies could not identify the functions of packaging materials for the safety of products.

Panwar (2004) argued that when purchasing anything from the market every 73 out of 100 people go for apparently good things rather than brand and only 27% people strictly stuck for brand. Sojka and Giese (2001) in their research focused on humans' processing ability and preference for verbal and visual information which embraced various innovations attractive to buyers. Jarvenpaa (1989) showed that there are lower cognitive elaboration costs and higher benefits for graphic relative to verbal information. Furthermore, visual representations can enhance problem-solving capabilities without overloading decision makers.

Kosslyn (1994) discussed how humans have developed visual and spatial skills and better retrieve information with visual cues. Lurie and Mason (2007) compared the context of visual versus verbal information which showed vividness, evaluability and framing increased with visual information; that is, "a picture is worth a thousands words". On the other hand, Subasinghe (2003) studied the different innovations used by food processors to add value to aquaculture products mainly, shrimps in order to survive in a highly competitive market environment.

Some of these innovations were focused on the packaging and presentation of the shrimps, whereas others focused on pre-processing/processing, such as peeling, preparation of breaded products, and application of batters and production of other shrimp-based products which influenced consumers' buying decisions. However, these studies could not examine the factors that influence consumers' preferences and buying decisions on packed products.

Several researchers accentuate the impact of packaging elements on consumers' purchase decisions. The fundamental reason is to meet customer needs and expectations in relation to their preferences (Pavithra, 2008). Holmes *et al* (2012) in their study on wine packaging argued that for the rating based conjoint analysis combining four attributes such as origin/grape variety, label layout, bottle form and bottle colour with either two or three levels in photographic bottle representations. Label style showed the overall largest effect with an importance of 40%, followed by origin/grape variety (30%), bottle colour (19%) and bottle form (12%).

Here neither brand nor prices were included in the conjoint design. Silayoi and Speece (2007) used a rating based conjoint study for packaged ready-to-eat products in Thailand and found a strong overall importance of packaging shape, packaging colour and packaging graphics. They also confirmed strong consumer heterogeneity with distinct segments focused either on visual aesthetics or verbal product information on the label.

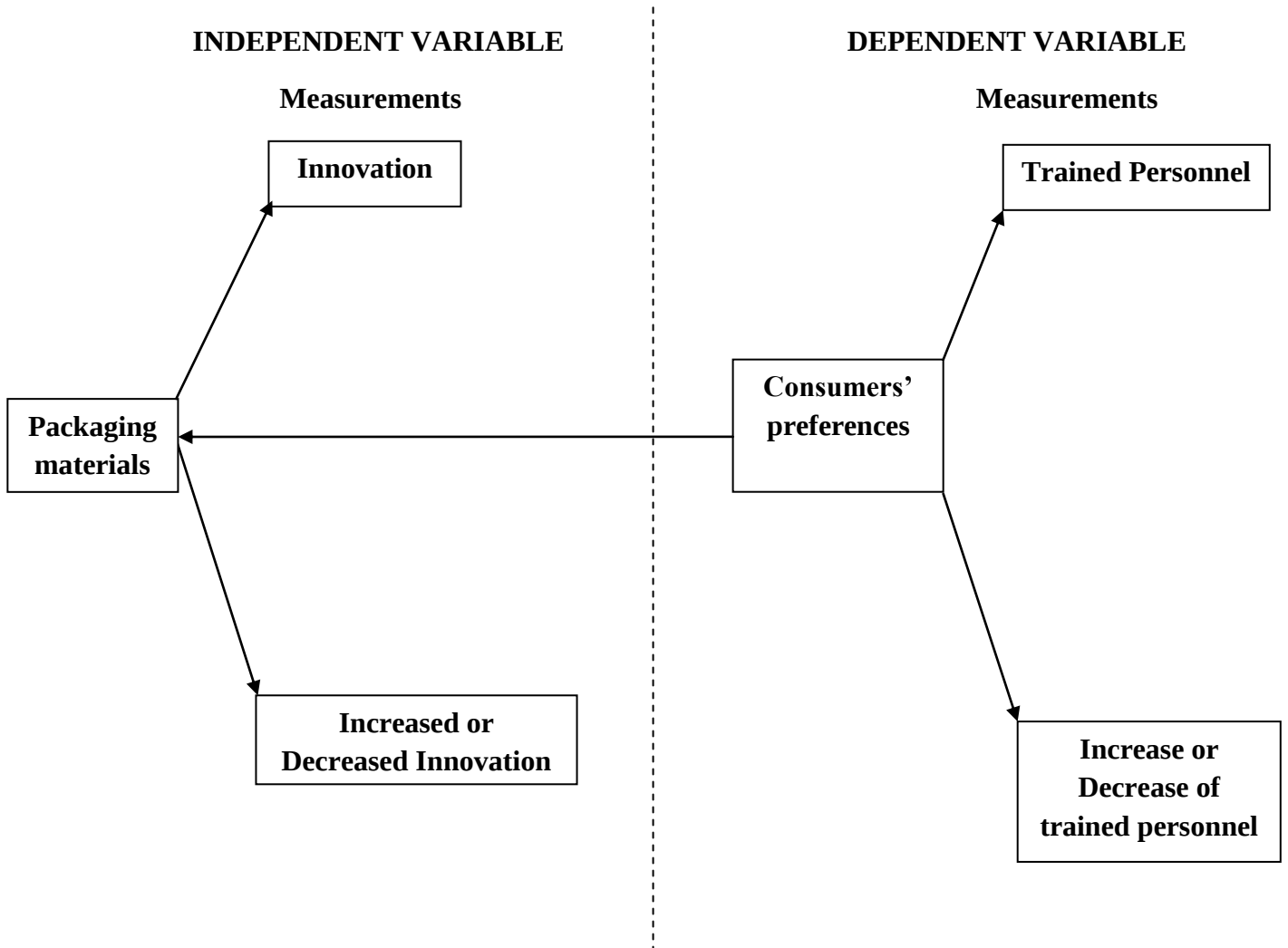
Mensur (2008) in his research on analysis of consumer buying behavior in regard to dairy products in East Africa especially in Tanzania came out with the reasons for choosing milk products upon supply. The perception of consumers about dairy products was assessed using different variables i.e. habits, trust, price, quality, package, age of consumer, origin of product, type of shop, brand and gender of consumer. It was concluded after analysis that the packaging has great effect on the purchase of dairy products. Likewise, Silayoi and Speece (2004) in their study affirmed that quality judgments are largely influenced by product characteristics reflected by packaging, and these play a role in the formation of brand preferences.

If the package communicates high quality, consumers frequently assume that the product is of high quality. If the package symbolizes low quality, consumers transfer this "low quality" perception to the product itself. All the above research works and their relevance show that quality judgments are largely influenced by product characteristics reflected by packaging, and these play a role in the formation of brand preferences. However, their studies could not identify the challenges of packaging and consumers' preferences for packed products.

### **2.3 Conceptual Framework**

Figure 2.1 provides the conceptual framework. This is defined as an abstract idea or a theory used to develop new concepts or to reinterpret existing ones (Kothari, 2004). It gives the relationship between the independent and dependent variables.

**Figure 2.1: Conceptual Framework**



*Adopted from Kikula (2012)*

The variables are elaborated as follows

**i) Packaging materials**

These are materials/instruments which are used to pack the product for the easiest to carry or transport from one place to another. The product can be packed in the glass material, box, aluminum etc. (Panwar, 2004)

## **ii) Increased or Decreased Innovation**

This involves the process of translating an idea or invention into good and quality services for competition in the market. Certain products can be affected by the increase or decrease of the innovation if there is a shift in competition of the product. If this happens the management will try to innovate different designs of the product so as to attract customers and safeguard their products (Sojka and Giese, 2001).

## **iii) Innovation**

This is the process of translating an idea or invention that creates value for which customers will pay for. To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need. Innovative packaging may actually add value to the product if it meets a consumer's needs such as portion control, recyclability, tamper-proofing, child-proofing, easy-open, easy-store, easy-carry and non breakability (Kotler *et al*, 2005). Manufacturers today strive to have packaging that maintains the key equities of the brand, stands out appeal on the retailer's shelf and is sustainable but with lower production costs. The customer can adopt the product on the basis of its innovative packaging which shows the relation between buying behavior and innovation of packaging.

## **iv) Consumers' Preference**

This is an art whereby the consumers show their interest on the product and react on it by buying. The performance of the consumer mostly is done by informing and sometimes persuading by telling the advantages of using the product (Lamb *et al*, 2004).

## **v) Increase or Decrease of Trained personnel**

The number of trained personnel can increase or decrease depending on the performance of the product in the market. If the product will be highly demanded in the market automatically the production of the particular product will increase resulting into high demand of personnel so as to move with the need of customers and vice versa.

If the number of personnel will increase, the management of the company will have a need to train new personnel as to produce high quality products (Frontiers, 1996).

**vi) Trained Personnel**

These are staffs of the company who are trained to become skilled in different sections of production and selling of the products e.g. skilled in the packaging process of the product while others being skilled in selling by preparing different advertisements according to customers' preferences (Underwood *et al*, 2001)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter provided the methodology to be adopted in conducting this study which included; study area, research design, population and sample size, sampling procedures, data collection methods and data analysis techniques.

#### **3.1 Study Area**

The study was conducted at Bakhresa Food Products Limited (BFPL) at Dar es Salaam. The study area was chosen because of being convenient to the researcher in obtaining data from the management and consumers of Azam products. BFPL offers goods and services of international standard affordable to the majority of people. It produces and packs high quality, delicious and nutritious Azam brand ice creams, fruit juices (Azam premium) such as mango juice, mixed fruits juice, orange juice, guava juice etc, frozen chapattis and uhai (means life in Kiswahili) brand pure drinking water and carbonated soft drinks such as Azam cola, Azam soda (pineapple), Azam soda (orange) and Azam soda (Fursana) (BFPL progress report, 2011). However, there have been consumers' complaints regarding packaging designs utilized to pack Azam soft drinks in relation to other competitors which have posed a need to explore the role of Azam packaging and its impact on consumers' preferences for the success of the company; hence, requiring a study.

Bakhresa Food Products Limited (BFPL) is a subsidiary company of Bakhresa Group of companies based in Dar es salaam, Tanzania. The Bakhresa Group of companies is the leading industrial houses in East Africa with an annual turnover in excess of US \$ 250 Million per annum (Bakhresa progress report, 2011). BFPL has a fully automated plant for producing non carbonated fruits of flavoured beverages or soft drinks. All the beverages are produced under strict hygienic conditions. The products produced are packed in 300-500 ml bottles that are shrink wrapped in pack of 12.

The products are Mango, Orange, Azamto, Pineapple, Strawberry, Passion and Lemon. The products have unique fruity and refreshing taste. The products are fortified with Ascorbic Acid (Vitamin C) and are the best thirst quenching drinks produced using the finest food ingredients sourced from the market leaders in the world (Marella, 2009).

BFPL's mission focuses on increasing and sustaining the living standards of Africans by providing them with essential products and services of global quality at affordable prices and exceeds customers' expectations through innovation and harnessing technology. However, its vision is be one of the internationally respected and professionally managed companies in the African Continent while spreading wings to other parts of the globe. Yet, its values focus the passion for success, it is determined to be the best at what is done with a compelling desire to innovate. Likewise, its mutual trust relies on respect for and confidence in each of stakeholders namely; employees, customers, suppliers, bankers, financiers and others while believing that mutual trust is the foundation upon which everything else rests on. Furthermore, its social responsibility relies on recognition that corporate responsibility towards the society is an integral part of doing business and engaging actively in community development programmes (Bakhresa Group of Companies Profile, 2011).

### **3.2 Research Design**

Cross-sectional research design was utilized as data were collected at a certain period of time from a relatively large number of cases or units of inquiry under investigation and only a sample of cases was examined. This allowed the collection of data from different groups in a given time (Ndunguru, 2006). Because of time and cost considerations the researcher actually examined only a sample. However, a research design is a plan or strategy to be used to get out the expected results (Kothari, 2004).

### **3.3 Population and sample size**

#### **3.3.1 Population**

Population can be defined as the entire group of people, event, or things that the researcher desires to investigate (Sekaran, 2004). Therefore the population of this study was 450 which consisted of BFPL employees and consumers of Azam soft drinks products.

#### **3.3.2 Sample size**

The sample size which was randomly and purposively selected comprised of 120 respondents (i.e. 10 BFPL employees and 110 consumers of Azam soft drinks products)

Cooper and Schindler (2008) affirmed that, for any valid and reliable study to be carried, its sample shouldn't be less than 25% of its population. As it stands, the sample size is 26.6% of the population; hence fulfilling their affirmations. Table 3.1 shows the population and sample size as hereunder.

**Table 3.1: Population and sample size distribution**

| <b>Category of respondents</b> | <b>Population</b> | <b>Sample</b> | <b>Method to be employed</b> |
|--------------------------------|-------------------|---------------|------------------------------|
| BFPL employees                 | 130               | 10            | Simple random sampling       |
| Consumers' of Azam products    | 320               | 110           | Purposive sampling           |
| <b>Total</b>                   | <b>450</b>        | <b>120</b>    |                              |

*Source: Analysed data, 2013*

### **3.4 Sampling Procedures**

Sampling procedures provide a range of methods that enable the researcher to reduce the amount of data needed by considering only data from sub-groups rather than all possible cases or elements (Saunders *et al.*, 2007). The study used two sampling procedures namely; simple random and purposive sampling.

#### **3.4.1 Simple random sampling**

This method was utilized for the selection of BFPL (from the list) employees. The reason for utilizing this method is that each respondent had the same and independent chance of being selected.

#### **3.4.2 Purposive sampling**

This method was used as it is a non-random sampling procedure in which personal experience of the respondent (regarding the role of packaging and its impact on consumers' preferences) was considered to be key derived from the position one held or the roles s/he played in relation to a particular activity. Thus, respondents who included the consumers of Azam products were purposively selected in order to attain the above objectives.

### **3.5 Data Collection Methods**

Primary and secondary data collection methods were used to get informations from respondents and other sources.

#### **3.5.1 Primary data collection methods**

Primary data collection methods used by the researcher included; interviews and questionnaires.

##### **a) Interview**

The researcher used interview to BFPL employees in order to solicit informations regarding the role of packaging and its impact on consumers' preferences (Appendix 2). With this regard, focus group discussions (FGDs) were employed involving a group of discussants who discussed specific topics or issues under the facilitation of a researcher and sometimes using a tape recorder.

It helped the interviewee to be free to express oneself. According to Yin (2003) the interview tool is very important source of getting informations and it is helpful in handling survey related matters as the research design indicates.

### **b) Questionnaires**

Questionnaires were used to obtain informations from consumers' of Azam soft drinks products. The information asked included; the functions of packaging materials for the safety of products, factors that influence consumers' preferences and buying decisions and the challenges of packaging and consumers' preferences for Azam packed products (Appendix 1). This complemented and supplemented information obtained under interview and documentary review. The questionnaire was prepared in English, and then translated into Kiswahili language by using the back translation method. The reason was to obtain consistency of responses to the questions asked in repeated measurements (Carmines and Zeller, 1979).

### **3.5.2 Secondary Data collection methods**

According to Kothari (2004) secondary data are those data which have been collected by somebody else and have already passed through statistical process. The secondary data used for the study included books and journals (used as literatures) and Azam performance reports (quarterly and annual reports).

### **3.6 Data Analysis Techniques**

Data were analyzed quantitatively using Statistical Package for Social Sciences (SPSS) version 16. Data were displayed using tables for the description of respondent's views on different questions asked through structured questionnaires. Frequency and percentage distributions were used to describe major variables.

Qualitative data from interviews were analyzed using content analysis (by analysing texts regarding authenticity or meaning from respondents' responses on "Who says what, to whom, why, to what extent and with what effect?").

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.0 Introduction

This chapter presented and discussed the research results focusing the role of packaging and its impact on consumer's preferences regarding Azam soft drinks products. The results are presented and discussed in line with the objectives. To start with the researcher presents first the demography of the respondents; secondly, identifies the functions of packaging materials for the safety of Azam product; thirdly, examines the factors that influence consumers' preferences and buying decisions and fourthly, identifies the challenges of packaging and consumers' preferences for Azam packed products.

#### 4.1 Demography of Respondents

The demography of the respondents included; gender (sex), age, level of education, occupation and consumers' working sector. The results show the following as given in Table 4.1.

**Table 4.1: Demography of Respondents (N=120)**

| <b>Demography</b>                            | <b>Frequency</b> | <b>Percentage %</b> |
|----------------------------------------------|------------------|---------------------|
| <b>Gender (Sex)</b>                          |                  |                     |
| Male                                         | 48               | 40.0                |
| Female                                       | 72               | 60.0                |
| <b>Age ( years)</b>                          |                  |                     |
| <20                                          | 45               | 37.5                |
| 20-29                                        | 35               | 29.2                |
| 30-39                                        | 20               | 16.6                |
| 40-49                                        | 15               | 12.5                |
| 50 and above                                 | 05               | 04.2                |
| <b>Level of education</b>                    |                  |                     |
| Secondary education                          | 83               | 69.2                |
| Bachelor education                           | 35               | 29.2                |
| Masters/PhD                                  | 02               | 01.6                |
| <b>Occupation</b>                            |                  |                     |
| Professionals (doctors, lawyers & engineers) | 30               | 25.0                |
| Administrators/Executive officers            | 10               | 08.3                |
| Non professionals                            | 80               | 66.7                |
| <b>Consumers' working sector</b>             |                  |                     |
| Public                                       | 40               | 33.3                |
| Private                                      | 80               | 66.7                |

*Source: Analysed data, 2013*

**a) Gender (sex)**

The results in Table 4.1 showed that out of 120 respondents, 60% were females and 40% were males. This indicates that female dominated the study from the fact that, women normally take soft drinks whenever needed as supported by Marella (2009) while men lagged behind. Moreover, both female and male involvement was important because while men highlighted the function of packaging materials as promoting the products due to increased or decreased innovations; women stated the function of packaging as for practical labeling of the product (communication) which is influenced by social factors such as groups, family, roles and status. Likewise, both female and male highlighted the challenges of packaging and consumers' preferences such as brand familiarity and the colour of the product as supported by Silayoi and Speece (2007).

**b) Age**

The age distribution of the respondents which was less than 20 years was 37.5%, 20 and 29 years was 29.2%, 30 and 39 years was 16.6%, 40 and 49 years was 12.5% and those 50 years and above was 4.2%% as presented in Table 4.1. Majority of the respondents 66.7% were between less than 20 and 29 years of age. These gave opinion that the functions of packaging materials are for the facilitation of recycling and reducing environmental damages as campaigned by activists globally as supported by Lurie and Mason (2007) although, they were influenced by good packaging designed by trained personnel while providing the challenges encountered by producers as being high cost of packaging materials. However, those who were between 30 and 50 years and above had of the opinions that the functions of packaging materials are to protect products and consumers influenced by attractive packaging and the taste of the product as supported by Pavithra (2008) while highlighting the challenges of packaging and consumers' preferences as the price of products supported by Liu (2011).

### **c) Level of education**

The results in Table 4.1 indicated that 69.2% of the respondents had secondary education, 29.2% bachelor education and 1.6% was masters or PhD holders. Education of respondents played a vital role regarding the role of packaging and its impact on consumers' preferences. While those who had secondary education were influenced by the reasonable price, taste as supported by Sekaran (2004) and the perception of the product; those with bachelor, masters or PhD holders saw the role of packaging as a communication tool and were influenced by cultural factors such as culture, sub-culture and social class. They highlighted the challenge of packaging and consumers' preferences as after sales services which were provided by producers.

### **d) Occupation**

The results in Table 4.1 showed that 25% of respondents were professionals (doctors, lawyers and engineers), 8.3% were administrators and executive officers while, 66.7% were non-professionals. Those who were professionals pointed out the role of packaging as protecting the product and consumer, and the factors that influenced consumers' preferences and buying decisions such as good packaging designed by trained personnel, reasonable price and readily available/timely availability of products. They highlighted the challenges of packaging and consumers' preferences as education of the consumer and brand familiarity as supported by Holmes *et al* (2012). Likewise, those who were administrators, executive officers and non-professionals identified factors such as increased or decreased innovation of the products, taste and cultural factors as supported by Gofman *et al* (2010) while providing the challenges of packaging and consumers' preferences for the packed products such as appearance of the product and education of the consumer.

### **e) Consumers' working sector**

The results in Table 4.1 showed that 33.3% of the respondents were public servants while 66.7% working in private sectors. Those who were public servants pointed out the function of packaging materials as for the facilitation of storage, use and

convenience of the product as supported by Kotler *et al* (2005). They were influenced by the retailers' influences and social factors while pointing out the challenges of packaging and consumers' preferences as mode of payments and brand familiarity. Those who worked in private sector could highlight the function of packaging materials as promoting the product. Moreover, they were influenced by the readily available/timely availability of the products and reasonable price while pointing out the challenges of packaging and consumers' preferences as brand familiarity and colour of the product as supported by Kotler and Armstrong (2008).

#### 4.2 Functions of Packaging Materials for the Safety of Azam products

The first objective of this study was to identify the functions of the packaging materials for the safety of Azam products. To obtain the information on these functions, the researcher asked the respondents to identify (in terms of Yes or No along with likert scale variables) various functions which they thought could be for the safety of products. Table 4.2 summarises these functions as follows;

**Table 4.2: Functions of packaging materials for the safety of Azam products (N=120)**

| Function                                                                                        | Percentage % |             |
|-------------------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                                 | Yes          | No          |
| Protection of products and consumers (during transportation, display, purchase and consumption) | 82           | 18          |
| Facilitation of storage, use and convenience of the products                                    | 78           | 22          |
| Communication (practical labeling of the products)                                              | 90           | 10          |
| Product attractiveness                                                                          | 84           | 16          |
| Facilitation of recycling and reducing environmental damage                                     | 93           | 07          |
| Product identification                                                                          | 87           | 13          |
| <b>Total</b>                                                                                    | <b>85.6</b>  | <b>14.4</b> |

*Source: Analysed data, 2013*

The results in Table 4.2 showed that the majority of respondents (85.6%) were able to examine the role of packaging materials highlighted according to their understanding for the safety of products; while the minority of respondents (14.4%) being unable as indicated above.

Specifically, the results in Table 4.2 showed that (78%) of respondents stated that, packaging materials have the function of facilitating storage, use and convenience of the products as supported by Silayoi and Speece (2007). This was done in order to satisfy the legal requirements of the product disclosure and enabling consumers to use the package while offering products in various forms convenient for use by different users. Moreover, packaging materials protect products and consumers as reported by (82%) of respondents because this was performed not only for physical functions such as transit, but also for environmental influences such as moisture, gases, light, temperature etc. Likewise, packaging materials promote the product attractiveness as reported by (84%) of the respondents in order to attract consumers' attention and encourage them to examine the product. This became a way for a new product to be noticeable among familiar packages offered by other competitors.

Furthermore, the results in Table 4.2 showed that (87%) of the respondents identified the other function of packaging materials as product identification as supported by Kotler *et al* (2005) which provides the consumer with the information about the product. This described the contents and consisted of product use and the legally required information. It plays a promotion role that stimulates the desire to purchase the product and can also assist product branding. However, packaging materials have the function of communicating the product as reported by (90%) of the respondents which includes the practical labeling of the product. Finally, packaging materials have the function of facilitating recycling and reducing environmental damage as reported by (93%) of the respondents. This helps to minimize waste and the amount of recycled packaging materials in order to promote energy recovery, re-use and recycling of packages.

In general, the results in this part imply that packaging materials have the role of facilitating storage, use and convenience of the products (78%) which is done in order to satisfy the legal requirements of the product disclosure and enabling consumers to use the package while offering products in various forms convenient for use by different users.

Moreover, packaging materials protect products and consumers (82%) because this is performed not only for physical functions such as transit, but also for environmental influences such as moisture, gases, light, temperature etc. Likewise, packaging materials promote the product attractiveness (84%) in order to attract consumers' attention and encourage them to examine the product. However, packaging materials perform a function of product identification (87%) which provides the consumer with the information about the product. Furthermore, packaging materials have the function of communicating the product (90%) which includes the practical labeling of the product. Finally, packaging materials have the function of facilitating recycling and reducing environmental damage (93%) which helps to minimize waste and the amount of recycled packaging materials in order to promote energy recovery, re-use and recycling of packages.

#### **4.3 Factors that influence consumer's preferences and buying decisions on Azam packed products**

The second objective of the study was to examine the factors that influence consumers' preferences and buying decisions on Azam packed products. For this purpose, the researcher asked the respondents to identify/mention (in terms of Yes or No along with likert scale variables) different factors which would influence consumers as Table 4.3 shows.

**Table 4.3: Factors that influence consumers' preferences and buying decisions (N=120)**

| Factors                                                  | Percentage % |             |
|----------------------------------------------------------|--------------|-------------|
|                                                          | Yes          | No          |
| Attractive packaging                                     | 75           | 25          |
| Readily available/timely availability                    | 81           | 19          |
| Perception (interpreting the sensory information)        | 70           | 30          |
| Reasonable price                                         | 90           | 10          |
| Retailer's influences                                    | 72           | 28          |
| Increased or decreased innovation of the products        | 95           | 05          |
| Good packaging done by trained personnel                 | 84           | 16          |
| Taste                                                    | 91           | 09          |
| Cultural factors (culture, sub-culture and social class) | 88           | 12          |
| Social factors (groups, family, roles and status)        | 79           | 21          |
| <b>Total</b>                                             | <b>82.5</b>  | <b>17.5</b> |

*Source: Analysed data, 2013*

The results in Table 4.3 show that the majority of respondents (82.5%) were able to identify the factors that influence consumers' preferences and buying decisions on Azam packed products; while the minority of respondents (17.5%) being unable as indicated in Table 4.3.

Specifically, the results in Table 4.3 show that (70%) of the respondents were influenced by Azam packed products from the perception of the product (interpreting the sensory information). This is consistent with the work done by Kotler and Armstrong (2008) which assisted consumers to understand the surroundings and phenomena of the product while enabling them to get the information automatically and react according to their needs, wishes or experiences. Moreover, retailers' influences (72%) played a great role because some of them had marketing skills to persuade consumers to purchase the products. However, attractive packaging as reported by (75%) of respondents which is the first thing that the consumer sees before making the final decision to buy the product influenced consumers.

On the other hand, social factors (such as groups, family, roles and status) as reported by (79%) of the respondents and supported by Sekaran (2004) influenced consumers because certain people influence each other when belong to the same social groups.

Moreover, the readily available/timely availability of the product (81%) and good packaging done by trained personnel (84%) who produce high quality products were influential factors.

Furthermore, (88%) of the respondents identified cultural factors (such as culture, sub-culture and social class) as among the factors that influenced consumers' preferences and buying decisions because these affected consumers' behaviours such as traditions, taboos, values, perceptions and wants. Moreover, the reasonable price (90%) reported by consumers (respondents) as supported by Gofman *et al* (2010) for Azam packed products influenced consumers' buying decisions because when comparing to other products, Azam products were better off. Likewise, the taste (91%) of Azam products was influential to consumers because, what they produced was what consumers wanted. Finally, increased or decreased innovation of the product as reported by (95%) of the respondents influenced consumers' preferences and buying decisions of Azam packed products. This made the company to translate the invention into good and quality services in order to compete in the market.

In general, the results imply that, the perception of the product (70%) which assisted consumers to understand the surroundings and phenomena, retailers' influences (72%) with marketing skills to persuade consumers to purchase the products and attractive packaging as reported by (75%) of respondents as the first thing that the consumer sees before making the final decision to buy the product influenced consumers. Moreover, social factors (79%), the readily available/timely availability of the product (81%) and good packaging done by trained personnel (84%) were influential factors. Furthermore, cultural factors (88%) as among the factors that influenced consumers' preferences and buying decisions affected consumers' behaviours such as traditions, taboos, values, perceptions and wants while the reasonable price (90%) of Azam packed products, influenced consumers' buying decisions because when comparing to other products, Azam products were better off. Likewise, the taste (91%) of Azam products was influential to consumers because, what they produce was what consumers wanted. Finally, increased or decreased

innovation of the product (95%) influenced consumers' preferences and buying decisions of Azam packed products and made the company to translate the invention into good and quality services in order to compete in the market.

#### **4.4 Challenges of Packaging and Consumers' Preferences for Azam Packed Products**

The third and last objective was to identify the challenges of packaging and consumers' preferences for Azam packed products. To obtain the information the researchers asked the consumers to state and identify (in terms of Yes or No along with likert scale variables) as to which challenges were encountered. Table 4.4 summarises the challenges as follows;

**Table 4.4: Challenges of packaging and consumers' preferences (N=120)**

| Challenges                       | Percentage % |           |
|----------------------------------|--------------|-----------|
|                                  | Yes          | No        |
| High cost of packaging materials | 80           | 20        |
| Appearance of the product        | 75           | 25        |
| Brand familiarity                | 89           | 11        |
| Colour of the products           | 70           | 30        |
| After sales services             | 77           | 23        |
| Mode of payments                 | 70           | 30        |
| Education of consumer            | 92           | 08        |
| Price of product                 | 95           | 05        |
| <b>Total</b>                     | <b>81</b>    | <b>19</b> |

*Source: Analysed data, 2013*

The results in Table 4.4 showed that the majority of respondents (81%) were able to identify the challenges of packaging and consumers' preferences for Azam packed products; while the minority of respondents (19%) being unable as indicated above.

The results in Table 4.4 showed that mode of payments (70%) (for example, to buy the packaging materials is said to be un reliable), colour of the products (70%) which sometimes did not match the tastes and preferences of consumers, and the appearance of the product (75%) which could not attract consumers to buy the products as reported by respondents were among the challenges encountered.

However, (77%) of respondents identified after sales services to be one of the challenges as demanded by consumers when buying commodities in order to stimulate the market demands for competitive viability.

Furthermore, high cost of packaging materials (80%) as reported by respondents and supported by Pavithra (2008) was a great challenge making the price of products to rise anonymously and make consumers hesitate to buying the product. Moreover, brand familiarity (89%) was a challenge to consumers because some could not distinguish between Azam products and other products produced by Pepsi and Coca cola companies. However, education of consumers (92%) was low something which was needed to be enhanced by the concerned.

Finally, the price of product as reported by (95%) of the respondents made some consumers to abide to Azam products because their purchasing power was diminishing.

In general, the results from this part imply that mode of payments (70%), colour of the products (70%) and the appearance of the product (75%) did not attract consumers to buy the products. However, after sales services (77%), high cost of packaging materials (80%) and brand familiarity (89%) were challenges consumers encountered because some could not distinguish between Azam products and other products produced for example by Pepsi and Coca cola companies. Finally, education of consumers (92%) which needs to be enhanced by the concerned and the price of product made some consumers to abide to Azam products because their purchasing power was diminishing.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter provides the summary, conclusion and recommendations along with the policy implications and areas for further research. It starts with the summary proceeded by conclusion and recommendations, policy implications and areas for further research.

#### **5.2 The Summary**

The traditional marketing mix which constituted four set of decisions viz., product, price, physical decision and promotion is extended with the inclusion of packaging. The structural changes in the market environment (income, education, awareness, technology, competition) have rendered packaging from being merely a residual decision in the beginning of the twentieth century to a prominent decision today. The facts which necessitated increased emphasis on packaging decisions in the overall competitive strategy of the modern competitive firm are oligopolistic structure of the market, impulsive shopping, self-service stores, customer convenience, effective communication, sales promotion, legal requirement and product life cycle.

The findings from the study regarding the role of packaging and its impact on consumers' preferences showed that, packaging materials have the function of facilitating storage, use and convenience of the products (78%) which is done in order to satisfy the legal requirements of the product disclosure and enabling consumers to use the package while offering products in various forms convenient for use by different users. Moreover, packaging materials protect products and consumers (82%) because this is performed not only for physical functions such as transit, but also for environmental influences such as moisture, gases, light, temperature etc. Likewise, packaging materials promote the product (84%) in order to attract consumers' attention and encourage them to examine the product.

However, packaging materials perform a function of product identification (87%) which provides the consumer with the information about the product. Yet, packaging materials have the function of communicating the product (90%) which includes the practical labeling of the product. Furthermore, packaging materials have the function of facilitating recycling and reducing environmental damage (93%) which helps to minimize waste and the amount of recycled packaging materials in order to promote energy recovery, re-use and recycling of packages.

On the other hand, the perception of the product (70%) which assisted consumers to understand the surroundings and phenomena, retailers' influences (72%) with marketing skills to persuade consumers to purchase the products and attractive packaging as reported by (75%) of respondents as the first thing that the consumer sees before making the final decision to buy the product influenced consumers. Moreover, social factors (79%), the readily available/timely availability of the product (81%) and good packaging done by trained personnel (84%) were influential factors. Furthermore, cultural factors (88%) as among the factors that influenced consumers' preferences and buying decisions affected consumers' behaviours such as traditions, taboos, values, perceptions and wants while the reasonable price (90%) of Azam packed products, influenced consumers' buying decisions because when comparing to other products, Azam products were better off. Yet, the taste (91%) of Azam products was influential to consumers because, what they produce was what consumers wanted. Likewise, increased or decreased innovation of the product (95%) influenced consumers' preferences and buying decisions of Azam packed products and made the company to translate the invention into good and quality services in order to compete in the market.

Finally, mode of payments (70%), colour of the products (70%) and the appearance of the product (75%) did not attract consumers to buy the products. However, after sales services (77%), high cost of packaging materials (80%) and brand familiarity (89%) were challenges consumers encountered because some could not distinguish between Azam products and other products produced for example by Pepsi and Coca

cola companies. Likewise, education of consumers (92%) which needs to be enhanced by the concerned and the price of product made some consumers to abide to Azam products because their purchasing power was diminishing.

### **5.3 Conclusion**

Since the defined general objective of this study was to explore the role of packaging and its impact on consumers' preferences; it has shown that all the objectives have been achieved as follows;

Packaging materials utilized by Azam products protected the products along with attracting consumers' attention and performed a function of product identification in lieu of other products. The perception of the product which assisted consumers to understand the surroundings and phenomena persuaded consumers to purchase the products produced by trained personnel while making the company to compete in the market. However, after sales services, education of the consumers, high cost of packaging materials and brand familiarity became challenges consumers encountered because some could not distinguish between Azam products and other products produced for example by Pepsi and Coca cola companies.

### **5.4 Recommendations**

From the above findings, the researcher has proposed the following recommendations;

- On the function of packaging materials for the safety of Azam products: it is recommended that the management needs to emphasize and enhance the packaging materials they utilize in order to establish the competitive advantage for the company and increase its market share.
- On the factors influencing consumers' preference and buying decisions: it is important that BFPL and marketers learn more about the attributes that consumers need for their satisfaction that would attract consumers' attention and interest hence; giving the product more attraction.

- On the challenges of packaging and consumers' preference: Challenges of packaging and consumers' preferences need to be eradicated for the purpose of attracting more customers for Azam packed products.

### **5.5 Policy Implications**

Policymakers have to see a need for the adoption of packaging strategies to maximize consumers' preferences by enhancing product quality in order to create a competitive advantage.

### **5.6 Areas for Further Research**

The study explored the role of packaging and its impact on consumers' preferences on Azam soft drinks products; it is advised that further studies could be done on the following issues;

- (i) The factors that may affect consumers' perception of product quality regarding its packaging
- (ii) Consumers possession of literacy skills for the choice of products

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## APPENDICES

### Appendix 1: Questionnaires

This questionnaire is simply for the purpose of collecting data for a research titled “The role of packaging and its impact on consumers’ preferences: A case of Azam soft drinks products; Dar es Salaam. The study is conducted for academic reasons only as a partial fulfillment of the requirements for the award of a Master Degree in Business Administration (Corporate Management) of Mzumbe University. The success of this study will depend on you when you complete this questionnaire honestly. In order for the organization to improve the quality of its packaging and satisfy customers’ needs, I kindly request you to respond to the questions to the best of your knowledge and freely. There are no wrong answers. The information gathered will be used solely for academic purpose and not otherwise.

#### PART ONE

##### CUSTOMERS PROFILE

The information requested will enable the researcher to make meaningful interpretation of the data obtained. (Please tick your responses to the following questions).

1. Gender Male [       ] Female [       ]
2. Your age  
Less than 20 years [       ]  
20-29 [       ]  
30-39 [       ]  
40-49 [       ]  
50 and more [       ]
3. Which of the following choice describes the level of your education?  
No formal education [       ]  
Secondary education [       ]  
Bachelor degree [       ]  
Above college/bachelor (Master or PhD) [       ]

- Others, specify [       ]
4. Which of the following describe your occupation?
- Professionals (doctor, lawyer, engineer) [       ]
- Administrative/ executive officers [       ]
- Non professionals [       ]
5. In which sector do you work (consumers' working sector)?
- Public sector [       ]
- Private sector [       ]
6. Which parts of product attract you to buy the soft drinks? (one or multi choices)
- a) packaging design [       ]
- b) brand [       ]
- c) price [       ]
- d) friend's recommendation [       ]
7. Do you think designed packaging has a significant impact on soft drinks?
- a) yes [       ]
- b) no [       ]
8. Are the attracted by nicely designed packaging?
- a) yes [       ]
- b) no [       ]
9. If you are attracted by a nicely designed packaging, would you like to buy this soft drinks?
- a) yes [       ]
- b) no [       ]
- c) Maybe, also think about its price and effect [       ]
10. What kind of packaging design do you like?
- a) Paper, [       ]
- b) Glass, [       ]
- c) Aluminum, [       ]
- d) Fiber board, [       ]
- e) Plastic and [       ]
- f) Steel. [       ]
11. Do you think nicely designed packaging is to

- a) send someone as a gift [       ]
- b) Like and collect [       ]
- c) Just waste money [       ]

12. If you like the packaging design, how much can you accept to spend on the packaging?  
(If the price of soft drink is Tshs. 1,000)

- a) 500 Tshs [       ]
- b) 1000 Tshs [       ]
- c) 1500Tshs [       ]
- d) 2000 Tshs [       ]

13. Which kinds of soft drinks do you like and which are the most impressive in existing soft drinks packaging?

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14. Functions of packaging materials for the safety of products

a. Please indicate your agreement or disagreement regarding the functions of packaging materials as follows; 1) SA=Strongly Agree 2) A=Agree 3) U=Uncertain 4) D=Disagree 5) SD=Strongly Disagree.

| Function                                                                                                | Choice         |       |           |          |                   |
|---------------------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
|                                                                                                         | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| Protection of products and consumers (as to prevent damage during transportation, display and purchase) |                |       |           |          |                   |
| Facilitation of storage, use and convenience of the products                                            |                |       |           |          |                   |
| Communication (practical labeling of the product, what it does and its specifications)                  |                |       |           |          |                   |
| Promotion of products                                                                                   |                |       |           |          |                   |
| Facilitation of recycling and reducing environmental damage                                             |                |       |           |          |                   |

## PART TWO

Please rate your answer on the impact of packaging on consumers preferences by circling from the five (5) points scales below that reflects your view or opinion of the matter in concern.

15. Do you like the packaging of any product/ brand?

- |                      |          |
|----------------------|----------|
| a) Strongly disagree | [      ] |
| b) Disagree          | [      ] |
| c) Normal            | [      ] |
| d) Agree             | [      ] |
| e) Strongly agree    | [      ] |

16. Do you think the products offered by leading brand are always better?

- |                      |          |
|----------------------|----------|
| a) Strongly disagree | [      ] |
| b) Disagree          | [      ] |
| c) Normal            | [      ] |
| d) Agree             | [      ] |
| e) Strongly agree    | [      ] |

17. Do you select products according to your life style?

- |                      |          |
|----------------------|----------|
| a) Strongly disagree | [      ] |
| b) Disagree          | [      ] |
| c) Normal            | [      ] |
| d) Agree             | [      ] |
| e) Strongly agree    | [      ] |

18. Do you like the colour of packaging?

- |                      |          |
|----------------------|----------|
| a) Strongly disagree | [      ] |
| b) Disagree          | [      ] |
| c) Normal            | [      ] |
| d) Agree             | [      ] |
| e) Strongly agree    | [      ] |

19. Does the colour of packaging matters in purchasing a product?

- |                      |          |
|----------------------|----------|
| a) Strongly disagree | [      ] |
| b) Disagree          | [      ] |
| c) Normal            | [      ] |
| d) Agree             | [      ] |

- e) Strongly agree [      ]
20. Do you like beautiful backgrounds?
- a) Strongly disagree [      ]
- b) Disagree [      ]
- c) Normal [      ]
- d) Agree [      ]
- e) Strongly agree [      ]
21. The quality of packaging can protect product better?
- a) Strongly disagree [      ]
- b) Disagree [      ]
- c) Normal [      ]
- d) Agree [      ]
- e) Strongly agree [      ]
22. The product packed in high quality material is more preferable?
- a) Strongly disagree [      ]
- b) Disagree [      ]
- c) Normal [      ]
- d) Agree [      ]
- e) Strongly agree [      ]
23. Does the design of product wrapper inspire you in purchasing?
- a) Strongly disagree [      ]
- b) Disagree [      ]
- c) Normal/Neutral [      ]
- d) Agree [      ]
- e) Strongly agree [      ]

**Product packaging (outlook and physical appearance)**

24. Product packaging brings customer attention
- a) Strongly disagree [      ]
- b) Disagree [      ]
- c) Normal/Neutral [      ]
- d) Agree [      ]
- e) Strongly agree [      ]
25. Product packaging increases product image and value

- a) Strongly disagree [      ]
- b) Disagree [      ]
- c) Normal/Neutral [      ]
- d) Agree [      ]
- e) Strongly agree [      ]

26. Product packaging represent as a good quality product

- a) Strongly disagree [      ]
- b) Disagree [      ]
- c) Normal/Neutral [      ]
- d) Agree [      ]
- e) Strongly agree [      ]

27. When I am not sure about the product I believe on product packaging

- a) Strongly disagree [      ]
- b) Disagree [      ]
- c) Normal/Neutral [      ]
- d) Agree [      ]
- e) Strongly agree [      ]

28. Factors that influence consumers' preferences and buying decisions on Azam packed products

Do you think that the factors given influence consumers' preferences and buying decisions? (*Tick where appropriate*).

| No | Factor                                                                      | Yes | No |
|----|-----------------------------------------------------------------------------|-----|----|
| 1  | Attractive packaging                                                        |     |    |
| 2  | Readily available/timely availability                                       |     |    |
| 3  | Perception (selecting, organizing and interpreting the sensory information) |     |    |
| 4  | Reasonable price                                                            |     |    |
| 5  | Retailers influence                                                         |     |    |
| 6  | Increased or decreased innovation of the products                           |     |    |

|    |                                                          |  |  |
|----|----------------------------------------------------------|--|--|
| 7  | Good packaging designed by trained personnel             |  |  |
| 8  | Taste                                                    |  |  |
| 9  | Cultural factors (culture, sub-culture and social class) |  |  |
| 10 | Social factors (groups, family, roles and status)        |  |  |

## 29. Challenges of packaging and consumers' preferences for Azam packed products

*Please indicate your agreement or disagreement regarding the challenges of packaging and consumers' preferences as follows; 1) SA=Strongly Agree 2) A=Agree 3) U=Uncertain 4) D=Disagree 5) SD=Strongly Disagree.*

| Challenge                        | Choice         |       |           |          |                   |
|----------------------------------|----------------|-------|-----------|----------|-------------------|
|                                  | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
| High cost of packaging materials |                |       |           |          |                   |
| Appearance of the product        |                |       |           |          |                   |
| Brand familiarity                |                |       |           |          |                   |
| Colour of the product            |                |       |           |          |                   |
| After sales services             |                |       |           |          |                   |
| Mode of payment                  |                |       |           |          |                   |
| Education of the consumer        |                |       |           |          |                   |
| Price of the product             |                |       |           |          |                   |

## **Appendix 2: Interview guide questions**

i) What are the functions of packaging materials for the safety of Azam products?

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.....

.....

.....

ii) What are the factors that influence consumers' preferences and buying decisions on Azam packed products?

.....

.....

.....

.....

iii) What are the challenges of packaging and consumers' preferences for Azam packed products?

.....

.....

.....

.....

**“THANK YOU VERY MUCH FOR YOUR CO - OPERATION”**