Unwrapping the Good News: Packaging Pays, and How!

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a) provide empirical evidence for the influence of packaging on product valuation and product attitude;
b) study the judgments and emotions elicited by different kinds of packaging; and

c) propose and test a conceptual framework to illustrate the role of packaging in impacting product perceptions. We find that more appealing packaging positively impacts product valuation. Our conceptual model of packaging proposes that its impact on attitude and behavior is mediated by dual logical and affective reactions. This research is a significant first step toward a full understanding of the conceptual role of packaging in the entire product experience.

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Unwrapping the Good News: Packaging Pays, and "How"!
The Role of Packaging in Influencing Product Valuation
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ABSTRACT
There is little to no research studying the role of packaging in consumer choice behavior and product experience. In this paper, we a) provide empirical evidence for the influence of packaging on product valuation and product attitude; b) study the judgments and emotions elicited by different kinds of packaging; and c) propose and test a conceptual framework to illustrate the role of packaging in impacting product perceptions. We find that more appealing packaging positively impacts product valuation. Attitude toward the product is superior when presented in appealing packaging. Emotions evoked by appealing packaging are stronger and more positive than those evoked by ordinary packaging. We propose a dual logical-affective route of how (more appealing) packaging may positively impact product valuation and attitudes. This research is a significant first step toward a full understanding of the conceptual role of packaging in the entire product experience. While it may be possible to extract more consumer surplus via exposure to appealing packaging before purchase, superior packaging may also play a significant role in enhancing the post-purchase product usage experience by evoking positive judgments and emotions, which impact product satisfaction and loyalty measures, possibly strengthening long-term ties with the brand or product in question.

Keywords: Packaging, product valuation, product attitude, emotions, judgments, post-purchase usage experience.

EXTENDED ABSTRACT
Packaging for a product is more than a mere medium of protection and storage or another convenient forum for advertising. Judging by the significant investments made by marketers (example, Apple) on the packaging of their products, one would have to posit that industry believes packaging to have substantial influence on consumer choice behavior and product experience. Despite this, there is little academic literature studying these interactions and no clear theory of exactly how packaging impacts product valuation. Apart from work on package size, shape and their effect on perception of quantity and product consumption, and some limited research on package graphics, the marketing literature has by and large relegated the role of packaging to mainly a medium of advertising, especially at the point of purchase, whereas in reality packaging has a distinct role as compared to advertising. On the one hand, packaging may indeed be treated as a specific form of advertising because it can be used as a tangible medium of communication to convey valuable information about the product inside. However, consider that the packaging may not actually be visible before or during the purchase decision for a large number of purchase situations. Also, consider that it is “part and parcel of” the delivered product and is hence more inherently linked to the product before (and possibly during) actual use or consumption as compared to advertising. A consumer interacts with a package through the powerful sense of touch, even if it is to simply open the package, take out the product inside and then discard the container. Engaging in touch can create positive attitudes and ultimately lead to positive behavior (Peck and Wiggins 2006). Moreover, unwrapping the packaging is typically the consumer’s first point of contact with the product. All this argues for examining the role of packaging in particular. There are comprehensive academic theories of how advertising impacts brand attitudes, the emotions it evokes and how that impacts brand/product perceptions (e.g. Edell and Burke 1987, 1989; Holbrook and Batra 1987), but there is no such systematic study of the role of packaging. For example, does packaging influence consumers’ willingness-to-pay? Does it impact their brand choice? Do different kinds of packaging evoke different reactions in consumers? Are there external manifestations of these reactions in terms of their purchase behavior? Does packaging influence consumers’ attitudes toward the product or brand? Does it play any role in enhancing the post-purchase product usage experience in terms of satisfaction and influencing repeat purchase? We seek to answer some of these questions in this paper. In particular, we a) provide empirical evidence of the influence of packaging on product valuation and product attitude; b) study the judgments and emotions elicited by different kinds of packaging; and c) propose and test a conceptual framework to illustrate the role of packaging in impacting product perceptions.

In our proposed model of the role of packaging we portray the mediating role of judgments or thoughts (logical reactions) and emotions or feelings (affective reactions). This model is adapted from Holbrook and Batra (1987) which itself draws upon numerous results from the literature on advertising and its influence on product and brand perceptions. Exposure to packaging elicits a reaction toward it (“attitude toward packaging”) which in turn evokes specific thoughts or judgments and feelings or emotions (affective reactions) that elicit an overall reaction toward the featured product (“attitude toward product”), which finally impacts behavior. The key is that both logical as well as affective reactions mediate the impact of packaging on attitude toward the product. This also follows Edell and Burke (1987) and Burke and Edell (1989)’s characterization of attitude to advertising as consisting of “cognitive and affective elements”. The different versions of the dual-process models of cognitive processes proposed in recent judgment and decision theory all have the underlying commonality that such processes can be broadly partitioned into two main families- intuition (automatic cognitive operations or “System 1”) and reason (controlled cognitive operations or “System 2”); see Kahneman and Frederick (2005). According to these theories, both systems may be active concurrently in cognitive processes, although the relative contribution of the two may differ by context. In our model we will also try to determine the relative contributions of judgments and emotions in impacting attitude and behavior. In the spirit of Zajonc (1980), we hypothesize that the more spontaneous, faster affective reactions may predominate over the more involved, slower judgment or logical reactions. We go a step beyond the traditional attitude models and also demonstrate the impact of product attitude on actual behavior, in terms of product valuation and willingness-to-pay (WTP).
In summary, we aim to study whether and how packaging impacts product valuation and to develop a theory of how this interaction works. We postulate that the role of packaging may be more subtle than other product-related stimuli (product design, advertising etc), yet the impact on product perceptions may be substantial. The impact may be via a logical or affective route or both. Our results show that better packaging does indeed positively impact product valuation. In two separate studies, it was found that appealing packaging led to increased selling price and choice/purchase price for an object as compared to the same object in an ordinary package. Attitude toward the object was also superior when it was presented in the appealing packaging. Emotions evoked by the appealing packaging were stronger and significantly more positive than those evoked by the ordinary packaging. Upfront, subjects did not volunteer 'packaging' as a factor that influenced their selling price, however, when prompted later, the stated importance of packaging was higher in the condition of the appealing packaging versus the ordinary packaging. Through a series of analytical models we propose a dual logical-affective theory of how (appealing) packaging may positively impact product valuation and attitudes.

We present this research as a significant first step toward a full understanding of the conceptual role of packaging in the whole product experience, and toward giving packaging its due importance in the academic literature.

**Keywords:** Packaging, product valuation, product attitude, emotions, judgments, post-purchase usage experience.

**FIGURE**

A conceptual model of how packaging impacts product valuation via a dual logical-affective process

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