

**ICEBM14-136**  
**THE INFLUENCE OF PACKAGING DESIGN TOWARD BRAND IMAGE AND  
THE IMPACT ON COSTUMER LOYALTY**

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**Abstract**

Product's competition in today's era is increasingly competitive, packaging becoming one of the 'weapons' to win the competition. In the face of increasingly intense marketing competition, the manufacturer should not be fixated by the shape of the product that offers the base function only. Generally, competition is now generally occurs at the level of additional value of products include additional functions or services that would set it apart from competitors.

Packaging is one important element for the product. Packaging was not just a wrapper, but the packaging is a branding, identity. Regardless of the type of goods or products ready to be sold (already has given a brand and packaged), it will be reflected on the packaging of brand identification.

Growbox is a form of creative products using a simple box containing oyster mushrooms that can be cultivated by anyone, anywhere, and at anytime which was first launched in September 2012 by a group of students from Bandung. With a simple box-shaped packaging and attractive, Growbox offers a new experience in urban farming activities.

This research analyzed that the influence of packaging design to the brand image and the impact of customer loyalty are significant or not. The focus in this research is located on the packaging design influence to the brand image produced by the company and its impact to the customer loyalty generated by customers of Growbox.

Types of research are a descriptive analysis and verificative analysis. Verificative test the hypothesis to search for truth, while the descriptive analysis of research describes the condition associated with other conditions, the target of the research is to present an overview in a structured, factual and accurate as to facts, properties, and the relationship between the variables studied and further analyzed statistically to later obtained a conclusion by using a regression analysis, correlation, hypothesis testing with the t-test for partial and F-test for simultaneous. And the result of this research showed that packaging design has a significant influencet to brand image and also has a significant impact on customer royalty.

*Keywords:* Packaging design, brand image, costumer royalty

## Introduction

Product competition in today's era is increasingly competitive, packaging became one of the 'weapon' to win the competition. In the face of increasingly intense marketing competition, a manufacturer should not be fixated by the shape of the product that offers the base function only. Competition is now generally occurs at the level of additional value of products include additional functions or services that would set it apart from competitors.

The history of packaging design is closely related to every aspect of human cultural change. The development of technology, materials, production, and conditions of consumer which constantly changing, can effect to enhancement the needs of packaging to protect, store, and ship the goods. Packaging design becomes important to communicate the contents of the product visually. (Marianne Rosner & Sandra A. Krasovec, 2007).

Packaging is one of the important element for the product. Packaging was not just a wrapper, but also its branding. Regardless of the type of goods or products ready to be sold (already has given a brand and packaged), it will be reflected on the packaging of brand identification.

Prestigious brands tend to have strong brand equity. The stronger of the brand equity of a product, the more stronger the attraction is to lead consumers to consume the product. This means it will provide an opportunity for companies to reap greater profits in the future to win customers from competitors and retain customer loyalty by providing greater value. But before it can satisfy the consumer, the first thing a company should do is to understand their needs and desires.

Growbox is a form of creative products using a simple box containing oyster mushrooms can be cultivated by anyone, anywhere, and at anytime which was first launched in September 2012 by a group of students from Bandung. With a simple attractive box-shaped packaging, Growbox offers new experience in urban farming activities.

As a product that puts the user experience, packaging design becomes the important factor in the development of Growbox. Growbox also designed to facilitate the activities of mushroom cultivation. Users only need to break the seal and slashing bag log when starting. For maintenance, we just need spraying plain water 1-3 times a day and keep it out of direct sunlight. In 2-4 weeks, the fungus can already be harvested and consumed. And not only that, the fungus also can be harvested up to 3-4 times (Indonesia Creative, 2014).

Until now, Growbox sell three types of oyster mushrooms. Growbox white oyster mushrooms priced at Rp 40,000 per box, yellow oyster mushrooms for Rp 75,000 per box and pink oyster mushrooms at Rp 75,000 per box. Currently, they can sell about 350 boxes per month with a turnover of Rp 14 million per month and is now spread all over Indonesia and outside Indonesia such as Singapore, Shanghai, Germany, and the UK (Business Opportunities Cash, 2014). Also Growbox has received numerous achievements and awards, including the Shell Live Wire becomes finalist in 2013, Campus Partners BNI, and recently became the 3rd Winner of Global Innovation Through Science and Technology Demo Day 2014 (Indonesia Creative, 2014).

Based on the exposure above, the authors tried to analyze the effect on the image of the brand packaging design by using Growbox as its products and its impact on customer loyalty. The focus in this study is located on the packaging design influence on the image of the brand produced by the company and its impact on customer loyalty generated by

customers Growbox and author entitled: "The Influence of Packaging Design Toward Brand Image and The Impact On Customer Loyalty".

### **Theoretical Background**

According to Kotler (2008: 207) that "Packaging involved designing and production of container or wrapper for a product. Basically, the main function of packaging is to save and protect the product. But today there are many factors that make the packaging become an important marketing tool. Competition and the increasingly crowded store shelves retailers means that packaging must now perform many sales tasks-from attract customers' attention, describing the product, up to make the sale. "

According Tjiptono Fandy (2001: 106) packaging (packaging) aims to:

- a. To provide ease of use (operating), such as not to spill, as a tool holder, easy spraying, (such as insect repellent, perfume) and others.
- b. Helpful in reuse (reusable), for example, to be refilled or to another container.
- c. Provide an incentive (promotion) is such an artistic aspect, color, shape, and design.
- d. As identity (images) products, such as sturdy or durable image, soft and luxurious.
- e. Distribution (shipping), for example, easily prepared, easily calculated, and easily handled.
- f. Information (labeling), which is related to the content, usage, and quality.
- g. As product innovation and technological advancement relating to recycling.

Based on previous research with the title "The Visual Communication Studies at Snack Packaging" compiled by Rahmatsyam Lakoro, S.Sn, that aspect of visual communication design in the packaging consists of:

1. Logos and trademarks on packaging design

Logos and trademarks in packaging is the main identity of the product to be recognizable consumer. The form can be symbols, pictographs, logotype, or a combination there of. A brand prosecuted offer value because that feeling is emotional and intuitive. In expressing the brand to the public, used the means of words or visual nature as symbols, logos or trademarks.

2. Color on packaging design

Color is a very important sensory stimulus to create visual appeal. Colors play a role in creating sales because it is able to attract customers, be able to present the identity of the product and are able to reinforce the image of a strong and consistent product.

3. Shapes on packaging design

Shapes of packaging is a key driver that sets up a whole creates visual appeal. But there is no standard principles that determine the physical form of a package, because it is determined by the nature of the product, mechanical considerations, conditions of sale, display of consideration, and the way people use such packaging. Although the shapes are part of the design, packaging shapes remain focused on the needs of marketing.

Uniqueness is raised by this shapes will be the identity and earmark of the packaging. It is easier recognizable packaging products among other products.

#### 4. Usage of typography on packaging design

Typography is the form letters to visually communicate a spoken language. Form of typography can be individual letters or characters, words, shapes, or symbols. On packaging design, typography is the primary medium to communicate the names, functions, and product facts for consumer (Klimchuk & Krasovec, 2007: 87).

#### 5. Usage of illustrations on packaging design

Classical functions of illustrations packaging of the product is explained in it. This function evolved with the development of methodologies in marketing communication and understanding of the brand and product branding activities. Illustration is not just a problem of representation of a product contained in the packaging, but also the problem of how a package can have a strong visual character. Techniques developed in the illustrations are very diverse ranging from the use of photography, the use of iconic images, geometric shapes, natural forms, elements and even cartoon characters.

#### 6. Packaging design as promotion media

As part of the marketing of the product, the packaging should not be regarded only as a means of protection product, but must be able to have a function as a promotion media that gives information about the contents of the product. Packaging must be able to attract the attention of customers in a short time and build familiarity with the product. The message must be instant and immediate, kicked and emotionally connected.

According to (Kotler, 2008: 346) that the brand image are a perceptions and beliefs made by consumers, as reflected in the associations that occur in their memory. Brand image can be considered as a type of association that comes to mind of consumers when considering a particular brand. The association simply can appear in the form of thought or a particular image linked to a brand, just as when we think about other people. This association can be conceptualized by type, support, strength, and uniqueness (Shimp, 2003: 12).

These are the elements that need to be noticed in a brand based on Gary Hamel and CK Prahalad (2000:299), are:

1. Recognition, namely the level of a brand known by consumers. If a brand is not known then the product must be sold with the brand by relying on a cheap price. Brand awareness has four levels, namely top of mind, brand recall, brand recognition and unrecognized brand.

2. Reputation, which is a level or state of a brand because it is proven to have a good track record.

3. Affinity is the emotional relationships that exist between a brand and the customers. A product with a brand favored by consumers will be easier to sell and a product that is perceived to have a high quality will have a good reputation.

4. Domain, which is related to scope of a product that uses the brand.

Having a loyal customer is the goal of all companies. But most companies do not know that customer loyalty can be established through several stages, ranging from prospecting to potential customers and partners into advantage. According to Griffin (2009:

4) "loyalty is defined as non-random purchase expressed over time by some decision making unit". Based on these definitions can be explained that more loyalty refers to a form of behavior of purchase decision maker by continuously for goods or services of a company that is selected.

Loyal customers are important assets to the company, this can be seen from its characteristics, as revealed by Griffin (2009: 31), loyal customers pick the following characteristics:

1. Makes repeatable purchases (frequency customers make repeat of purchases)
2. Purchases across product and service lines (the desire to purchase various types of products)
3. The willingness of customers giving reference of products
4. Demonstrates immunity to the full of the competition

Customer loyalty has a variety of service classes, the number of competing brands and the characteristics. Brand loyalty is a measure of customer attachment to a brand. This size is able to provide an overview of the possible failure of a customer to switch to another product brand, especially if that brand is found either in relation to a change in price or other attributes. Customers who are very loyal to a brand will not easily move to another brand no matter what happens in the brand. When a customer loyalty to a brand increases, the vulnerability of the customer of threats and attacks from competitor brand products can be reduced.

Generally loyal customers will continue to purchase the brand even though expected on many alternative brands competitor products that offer superior service characteristics seen for various angles attributes. When many customers of a brand in this category means that the brand have the strong brand equity. Instead customers are not loyal to a brand when they do the purchasing will be the brand, in general not based for their links to the brand but rather based on the characteristics of the service, price and convenience of use or various other attributes offered by the brand of alternative products. When most of the customers of the brand including this kataegori brarti possibility of brand equity is weak.

Customers will be loyal if the performance of a product is equal to or exceeds their expectations. This is based on customer perception of a desire that the receipt which will establish loyal to a company's attitude towards to their products. Griffin (2009: 133) said that "loyalty is an overall assessment of the benefits of a product or service, which is based on the customer's perception of what has been accepted by customers and have been given by the product or service". Thus, that a product would be very helpful if the product can fulfill all desires of the customers that would cause the satisfaction and loyalty of customers that would cause the satisfaction and loyalty of customers towards the product.

Emotional relationship that exists between the company's products to customers should be established well, which is useful to keep customers remain loyal to the company's products. The company must add value to the products that can make customers get the benefits and give sacrifices or cost, so that customers can persist and lead to repeat purchase, recommend, and increasing the proportion of purchases either by designing a unique packaging design to make it look so different from the competitors. Thus the element of the product attributes has an affect to the customer loyalty.

## Research Method

This type of research is a descriptive and verificative. Verificative test the hypothesis that search for truth, while the descriptive analysis of research that describes a condition associated with other conditions, the aim is to present an overview in a structured, factual and accurate as to facts, properties, and the relationship between the variables studied and further analyzed statistically obtained the conclusion.

To see the influence of packaging design toward brand image and the impact on customer loyalty will be made to test the hypothesis test a causal relationship between the variables. Hypothesis testing is using regression models. Methods of analysis undertaken in this research is the causality analysis methods, then performed path analysis to determine the effect between the variables. To meet the requirements of the path analysis method for at least the data obtained is interval data.

The population in this study is the area of Bandung local consumers who buy the products and or prospective buyers who are interested in the product Growbox. Because the population is infinite so that should be asked one by one. If anyone happens to match the characteristics of the respondents in the above then obtained as samples. The sample size used in this study is based on a multivariate analysis that is obtained by 225 respondents was conducted in the period July-September 2014.

The process to test the hypothesis using the method of analysis is the method of analysis klausalitas, then performed path analysis. In this case, path analysis is used to determine the influence of independent variables (packaging design), on the dependent variable (Brand Image and Customer Loyalty).

Based on the following hypothesis is proposed conceptual causal structure between variables:

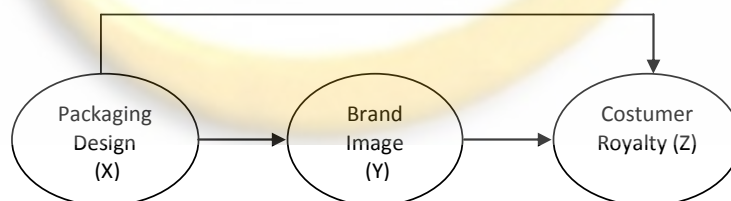


Figure 1. Causal Structure Between X, Y, and Z

Formulated of Hypothesis Test can be written as follows:

1.  $H_0 : \rho_{yx1} = 0$  (Packaging Design has no effect on Brand Image)  
 $H_1 : \rho_{yx1} \neq 0$  (Packaging Design has an influence on Brand Image)
2.  $H_0 : \rho_{yx1} = 0$  (Packaging Design does not affect to the Customer Loyalty)

- H1 :  $\rho_{yx1} \neq 0$  (Packaging Design has an influence on Customer Loyalty)
3. H0 :  $\rho_{yx1} = 0$  (Brand Image does not affect to the Customer Loyalty)  
 H1 :  $\rho_{yx1} \neq 0$  (Brand Image has an influence on Customer Loyalty)
4. H0 :  $\rho_{yx1} = 0$  (Packaging Design has no affect to the Brand Image and has no impact to the Customer Loyalty )  
 H1 :  $\rho_{yx1} \neq 0$  (Packaging Design has an influence on Brand Image and has an impact on Customer Loyalty)

### Results and Discussions

Summary of hypothesis testing results based on respondent assessment of the influence of packaging design toward brand image and the impact on customer loyalty are as follows:

Table 1  
*Summary of Hypothesis Test Results*

Hypothesis	Partial (t count)	Simultaneously (F count)	t table F table	Decision
The influence of packaging design toward brand image and the impact on customer loyalty	-947	217.806	1,98 3.05	Ho is rejected and H1 is accepted

Source: Results of data processing (2014)

This means that the packaging design have an influence toward brand image and also have an impact to the customer loyalty simultaneously based on the provisions hypothesis is H1 is received with using the test F because F count > F table. This indicates that customers are loyal or not for Growbox are looking for the packaging designs. Growbox should always pay attention to the packaging design of product by using logos and trademarks that can be easily remembered by consumers as well as representing the product image. The use of color packaging was very influential on the attractiveness of the consumer to buy the product. Also with unique packaging shapes, different from the other products, so that consumers can easily recognize our product without compromising with durability, ease of use, and creative packaging. Creativity packaging is now increasing with the use of illustrations and typography, such as using of comic characters in packaging which is now increasingly favored by almost all people, the impact of the rise of Hollywood movie characters who produced the film adaptation of the comic hero.

While the influence of packaging design through variable customer loyalty to the brand image partially is does not have a influence based on t test result ( $t_{count} < t_{table} = -947 < 1,98$ ). This means that the function of brand image as mediation is not perfect. This indicates that the brand image of Growbox that have been built by the company has pretty good but does not guarantee any customer loyalty. Although the brand is already well known, but if there is only one indicator of the design packaging is not fulfill, then customers tend not to buy the product of Growbox. Companies should always be set not only a unique packaging design, but the benefits of the product should really be considered as well as the ease of use of the product. The more the product is practical in its use, increasingly favored by customers. Practicality of the product must be accompanied with the benefits provided by the product. Later, the customers do not get bored the products, the company should do with more getting variation of product differentiation product types. These things can improve customer loyalty, although the increase is only 2%, but it must be done as it relates to the frequency of purchase given Indonesia's population of over 200 million people.

## **Conclusion and Suggestion**

### **Conclusion**

The conclusion in this study refers to the research objectives. The purpose of this study was to determine the sensitivity and direction of consumers' perceptions of Growbox.

The packaging design have an influence toward brand image and also have an impact to the customer loyalty simultaneously based on the provisions hypothesis is H1 is received with using the test F because  $F_{count} > F_{table}$ . This indicates that customers are loyal or not for Growbox product based on the packaging designs.

Packaging design through variable customer loyalty to the brand image partially is does not have an influence based on t test result ( $t_{count} < t_{table}$ ). This means that the function of brand image as mediation is not perfect. This indicates that the brand image of Growbox that have been built by the company has pretty good but does not guarantee any customer loyalty. Although the brand is already well known, but if there is only one indicator of the design packaging is not fulfill, then customers tend not to buy the product of Growbox.

### **Suggestion**

Based on the conclusions obtained in this study, the suggestions put forward as a complement to the results of research are Growbox should using logos and trademarks that can be easily remembered by consumers as well as representing the product image. The use of color packaging was very influential on the attractiveness of the consumer to buy the product. Also with unique packaging shapes, different from the other products, so that consumers can easily recognize our product without compromising with durability, ease of use, and creative packaging. Creativity packaging is now increasing with the use of illustrations and typography, such as using of comic characters.

Companies should always be set not only a unique packaging design, but the benefits of the product should really be considered as well as the ease of use of the product. The more the product is practical in its use, increasingly favored by customers.

And for the promotion media, today for any information has been ineffective through conventional media because with the internet that can be accessed anywhere and anytime

making it easier for us in the search for information by using the social networking site that facilitates and accelerates the process of marketing a particular product such as using via facebook, or twitter, kaskus, website, and can also make use of Blackberry Messenger, whats up, line, and the others.

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