

The Impact of Packaging on Brands The Case of Cigarettes

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What is a Brand?

- A brand is:
 - a “name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition.”
American Marketing Association (AMA)
- These different components of a brand that identify and differentiate it are brand elements.
- Many practicing managers refer to a brand as
 - something that has actually created a certain amount of awareness, reputation, prominence, and so on in the marketplace.

- Importance of Brands to Consumers
 - Simplifies choices and reduces purchase risk
 - Identification of the source of the product
 - Assignment of responsibility to product maker
 - Risk reducer
 - Search cost reducer
 - Promise, bond, or pact with product maker
 - Symbolic device
 - Signal of quality

- Represent valuable pieces of legal property, capable of influencing consumer behavior, being bought and sold, and providing the security of sustained future revenues.
 - Identification to simplify handling or tracing
 - Legally protecting unique features (Brand Name, Brand Mark, Trademark, Trade Name)
 - Signal of quality level
 - Endowing products with unique associations
 - Source of competitive advantage
 - Source of financial returns

- Two key issues in arriving at the optimal competitive brand positioning are:
 - Defining and communicating the competitive frame of reference
 - Choosing and establishing points-of-parity and points-of-difference
 - Points-of-difference (PODs) are attributes or benefits that consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand.
 - Points-of-parity associations (POPs), on the other hand, are not necessarily unique to the brand but may in fact be shared with other brands.

- Memorability
 - Brand elements should inherently be memorable and attention-getting, and therefore facilitate recall or recognition.
 - Eg; the Marlboro man
- Likability
 - Do customers find the brand element aesthetically appealing?
 - Descriptive and persuasive elements reduce the burden on marketing communications to build awareness.

<http://www.youtube.com/watch?v=gCMzjJjuxQI>

Criteria for Choosing Brand Elements

- **Meaningfulness**
 - Brand elements may take on all kinds of meaning, with either descriptive or persuasive content.
 - Two particularly important criteria
 - General information about the nature of the product category
 - Specific information about particular attributes and benefits of the brand
 - The first dimension is an important determinant of brand awareness and salience; the second, of brand image and positioning.
- **Transferability**
 - How useful is the brand element for line or category extensions?
 - To what extent does the brand element add to brand equity across geographic boundaries and market segments?

Criteria for Choosing Brand Elements

- **Adaptability**
 - The more adaptable and flexible the brand element, the easier it is to update it to changes in consumer values and opinions.
 - For example, logos and characters can be given a new look or a new design to make them appear more modern and relevant.
- **Protectability**
 - Marketers should:
 - Choose brand elements that can be legally protected internationally.
 - Formally register chosen brand elements with the appropriate legal bodies.
 - Vigorously defend trademarks from unauthorized competitive infringement.

Tactics for Brand Elements

- A *variety of brand elements* can be chosen that inherently enhance brand awareness or facilitate the formation of strong, favorable, and unique brand associations.
 - Brand names
 - URLs
 - Logos and symbols
 - Characters
 - Slogans
 - **Packaging**
- The entire set of brand elements makes up the brand identity, the contribution of all brand elements to awareness and image.
- The cohesiveness of the brand identity depends on the extent to which the brand elements are consistent.

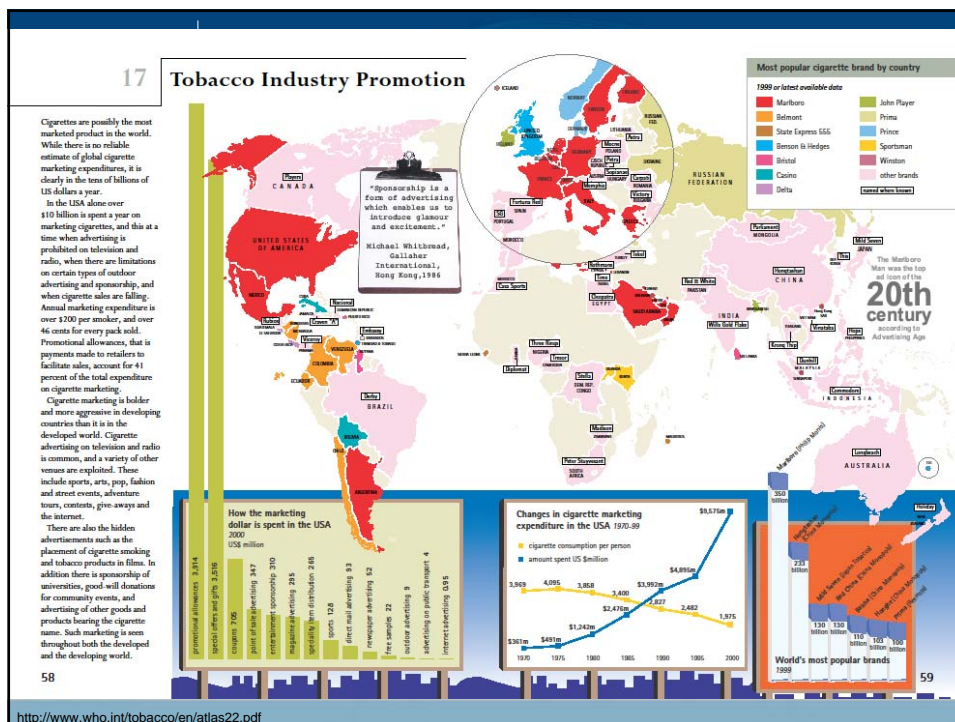
- Involves the development of a container and a graphic design for a product.
- Packaging is often a firm's most distinctive marketing effort and performs a number of functions. It:
 - (1) protects the product during transportation
 - (2) helps a customer identify the product in a crowded space,
 - (3) provides a means of communicating with the customer (Promote the product by communicating its features, uses, benefits and image),
 - (4) may add convenience to a product's use and make storage easier,
 - (5) may enhance disposal (eg, if made of biodegradable or recyclable material), and
 - (6) enhances channel acceptance, especially if technology needed to transport the goods has standard dimensions.
- **These will add value to the product and enhance a product's appeal**

- Packaging can enhance the customer's experience of your brand and is a cost-effective means to building brand equity
- Packaging can influence consumption through:
 - point of purchase,
 - product placements
 - through experience effects and
 - WOM
- Packaging design can be an effective in attracting attention and divert attention away from competitor offerings.
- Packaging can influence taste; value; consumption; how a person uses a product

- Restrictions on tobacco advertising in Australia and other countries have made product packaging an increasingly important vehicle for brand identity and positioning
- New trends in cigarette pack design included limited edition designer packages, sleek packs and splittable packs that become two smaller packs.
- Pack design is used to communicate specific messages to specific demographic groups, chiefly young people.
 - Philip Morris identified packaging innovation opportunities among young people in the 1990s. For example, packs aimed at younger women were designed to be 'slick, sleek, flashy, glittery, shiny, silky, bold'
- Advances in printing technology have enabled printing of on-pack imagery on the inner frame card, outer film and tear tape, and the incorporation of holograms, collectable art, metallic finishes, multi-fold stickers, photographs, and retro images in pack design.

- Examined the effects of plain packaging on 813 adult Australian smokers
 - Using fewer branding elements decreased the appeal of the packs and inferred a 'less satisfying' experience.
 - Smokers of these packaged cigarettes were perceived as less trendy/stylish, cheap, boring, less sociable and less mature.
 - Participants also inferred lower quality tobacco to be contained in those packs.
- Hence, study found that removal of brand elements would remove cigarette brand associations.
- According to these studies, teens are less likely to associate specific brands with specific types of people or groups when packs are plain, and even less so when plain packs also featured photos of human organs.
- However, Germain et al (2008) and similar studies do not disaggregate the participants into loyal brand consumers versus switchers; smoking history; first exposure to smoking (ie., peers, family, celebrity influence, etc...)
 - These factors invariably have an impact on the effectiveness of the removal of these brand elements

- Plain packaging would:
 - consist of the removal of all brand imagery (including corporate logos and trademarks) from cigarette packs, allow manufacturers to only print the brand name in a mandated size, font and place, in addition to health warnings and other legally required product information such as toxic constituents, tax-paid seals, or package contents
 - encompass pack interiors and the cigarette itself,
 - effectively standardise the appearance of all cigarette packages and cigarettes, greatly reducing the status signalling roles and appeal of cigarettes.
- The size and shape of the package would also be regulated in order to prevent novelty pack shape varieties replacing on-pack imagery.



Smoking in Movies as Promotion

- Cigarette use in movies exposes audiences to 'pro-smoking' imagery.
- While the trend fluctuates, it is noteworthy that while smoking in the movies decreased from 1950 to 1990, it increased rapidly in 2002, so that smoking in movies was as common as in 1950.
 - Several studies have demonstrated an association between the glamorisation of smoking in movies with increases in adolescent smoking.
 - Depictions of smoking also enhance positive views of smokers and increase intent to smoke. Teenagers whose favourite stars smoke on the big screen are three times more likely to smoke than those whose favourite stars do not smoke.

– Source: <http://www.tobaccoaustralia.org.au/chapter-11-advertising/11-6-marketing-of-tobacco-in-the-age-of-advertisin#11.6.3.1>

Implications for the Tobacco Industry

- Packaging is not equal to branding
- Drastic packaging changes can have negative influences on the brand as companies risk consumers losing recognition of the product (however, this is unlikely with cigarettes with the continued extensive publicity these legislative changes are likely to receive)
- Packaging influences brand equity through creating
 - points of difference created through the functional or aesthetic elements of a package or
 - indirectly through the reinforcement of brand awareness and image
- While the announced changes to legislation affect the first element, there is still significant scope of influence with the second.

- The tobacco industry is not short of challenges
 - They have adapted to regulatory changes over the decades
- Internet promotion tactics and the use of online communities and networking sites
- Reference group influence
- Stores and merchandising (eg., Marlboro store)
- Accessories used in support of tobacco use are an important means by which tobacco companies can keep their products and brands interesting to the consumer.
 - Items such as cigarette cases, cigar cutters, humidors (for cigar storage), crystals (intended to keep cigars fresh), glass pipes, hookahs, cigarette lighters and odour neutralisers in the form of candles and incense are all trends in the USA.