

9.8: Creating Value through Packaging and Labeling

Learning Objectives

By the end of this section, you will be able to

- Describe how an organization creates value through packaging and labeling.
- Explain how packaging is used as a marketing tool.

Creating Value through Packaging and Labeling

If you have ever purchased from Apple, you know the power of sleek packaging. Apple is known for its simple white design packaging with metallic logos. Products are visually appealing in their packages, and unboxing an Apple product feels like an experience. Apple's packaging is as innovative as its products, which brings us to an important lesson in packaging. The package and label must represent the brand effectively (see Figure 9.10). While not one of the 4Ps of marketing, packaging is an important element of the marketing mix based on its close tie to the product. Packaging is also a critical shopper marketing tool as related to place. And, certainly, effective packaging can be its own form of promotion.



Figure 9.10 Product packaging can be a powerful promotional tool because of its close product connection, as demonstrated by Apple packaging. (credit: "iPad Pro & Apple Pencil" by Brett Jordan/flickr, CC BY 2.0)

A package essentially serves as a container for the product. It has a functional purpose to protect the product from harm. Package designers are first and foremost concerned with protecting the product and secondarily with designing an appealing package and label that piques interest on store shelves and online retailers' websites.

There are a variety of benefits to effective packaging and labeling. The first is that consumers see packaging before seeing a product. This provides a sensory experience that can influence a purchase. Colors, fonts, and logos can appeal to the eye, while packaging material can appeal to the sense of touch. These clues give a customer a sense of what to expect inside the package.

Additionally, the package reflects the brand, cuing the customer into the brand feeling. For example, LaCroix is flavored carbonated water sold in brightly colored cans. The cans, as seen below, attempt to make the customer feel the excitement of opening a tasty, carbonated beverage (see Figure 9.11).



Figure 9.11 The LaCroix can is a product container that reflects the brand and creates a feeling of fun and excitement for the customer. (credit: "Grapefruit La Croix + Flowers" by www.quotecatalog.com/quotes/inspirational/flickr, CC BY 2.0)

The functional benefits of packaging are numerous. First, a package serves to store the product to protect it from harm in transit from manufacturer to customer. Items such as foam and cardboard shield the product from damage and keep it clean. Second, packaging can also serve as convenience and safety for customers to carry items and store them in the home. For example, Tide Pods are sold in a plastic container with a child-locked lid. This packaging is convenient for customers to store the pods at home safely.

Third, packaging can aid in the product's usability or become a part of the product experience itself. For example, drinkable yogurt is sold in small bottles. The bottles become part of the product experience when a consumer takes a sip of the yogurt. Fourth, packaging and labeling can aid in a brand's compliance with the law. For example, the Federal Trade Commission Act of 1914 stipulates that false, misleading, or deceptive labels or packaging may be upheld as unfair competition (Encyclopedia Britannica, 2024). Thus, packaging and labeling allow a brand to be clear, accurate, and transparent in communication with customers.

Packaging can also have perceptual benefits to customers as they seek to associate with brands. Brand packaging containing logos might indicate the customer's status or signal the customer's values pertaining to quality. Tiffany & Co. is known for its "little blue box," a package that indicates status and a quality product inside (see Figure 9.12). Tiffany has copyrighted the blue color of the box as part of its brand's intellectual property (Tiffany & Co., 2020).



Figure 9.12 Known for its distinctive shade of blue, Tiffany's little blue box shares the company's brand value with consumers via a perceptual connection. (credit: "Tiffany & Co - Boxes" by ajay_suresh/flickr, CC BY 2.0)

Packaging Used as a Marketing Tool

Packaging can be used to differentiate a brand, either through design or functionality. For example, beautifully designed packages, such as Tiffany's little blue box, differentiate the brand through its status. Meanwhile, functional packaging, such as potato chip bags filled with air, serves as differentiation to deliver un-crushed chips.

Packaging can also create a customer experience. Unboxing a product can contribute to the positive emotions associated with a brand. Artisans who sell goods on Etsy understand packaging as a contributor to customer experience. Artisans often take special care to package goods beautifully with a handwritten note of gratitude. Personalization and packaging make Etsy customers feel involved in an experience.

Packaging can display the value of a product. A well-designed, attractive package demonstrates value instead of a package that frustrates a consumer. For example, American Girl dolls are packaged in a box with a window to show the doll's face and serve as a keepsake for the owner. The packaging is so popular that some collectors purchase the package without a doll.

Knowledge Check

It's time to check your knowledge on the concepts presented in this section. Refer to the Answer Key at the end of the book for feedback.

1.

How can a brand capture attention with packaging?

- a. Location in store
- b. Supply chain
- c. Colors, fonts, and logos

d. Printing the price on the package

2.

Which of the following functional benefits of packaging is at play when the package becomes a part of the product?

- a. Storage
- b. Convenience
- c. Safety
- d. Usability

3.

Which of the following functional benefits of packaging is at play when the package protects the customer from personal harm?

- a. Storage
- b. Convenience
- c. Safety
- d. Usability

4.

Maria purchased a Louis Vuitton purse for her mom because of the dust cover that protects the purse from wear and tear. This is an example of packaging used as a marketing tool for _____.

- a. brand differentiation
- b. creating customer experience
- c. displaying value
- d. encouraging people to purchase

5.

The brand team at a technology company created product packaging that was enjoyable to unbox. This is an example of packaging used as a marketing tool for _____.

- a. brand differentiation
- b. creating customer experience
- c. displaying value
- d. encouraging people to purchase

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