

THE IMPACT OF PRODUCT PACKAGING ON CUSTOMER SATISFACTION,  
A CASE OF CROWN BEVERAGES COMPANY KAMPALA, UGANDA

BY

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A RESEARCH PROPOSAL SUBMITTED TO THE SCHOOL OF BUSINESS  
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## DECLARATION

I, ONDIEKI M. MELORD, declare that this dissertation is my original work and has not been presented for the award of a degree in any other university.

..........

..... ONDIEKI M. MELORD

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Date 10/10/07.

## APPROVAL

This is to certify that this work has been submitted for examination with my approval as the supervisor.

Michael Michael

Michael  
Date 10/10/07.

## DEDICATION

I dedicate this project to my parents, for their love and devotion that has inspired and motivated me by their support, advice and interest in my education.

# TABLE OF CONTENTS

DECLARATION .....	i
APPROVAL .....	ii
DEDICATION .....	iii
ACKNOWLEDGEMENT.....	iv
TABLE OF CONTENTS .....	v
LIST OF TABLES.....	vii
LIST OF FIGURES.....	viii
DEFINITION OF TERMS.....	ix
ABSTRACT .....	x
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.0 Background to the Study .....	1
1.1 Background of the study.....	2
1.2 Statement of the problem.....	4
1.3 Purpose of the study .....	4
1.4 Objectives of the study .....	4
1.5 Research Questions .....	5
1.6 Scope of the Study.....	5
1.6.1 Geological Scope of the Study .....	5
1.6.2 Academic Scope.....	5
1.7 Conceptual Framework .....	6
1.8 Significance of the study .....	7
<b>CHAPTER TWO: LITERTURE REVIEW.....</b>	<b>8</b>
2.0 Introduction.....	8
2.1 Product Packaging.....	8
2.1.1 Objectives of Packaging.....	9
2.1.2 Role of Packaging .....	9
2.2 Customer satisfaction .....	10
2.3 Packaging and Customer satisfaction.....	12
<b>CHAPTER THREE: METHODOLOGY.....</b>	<b>14</b>
3.0 Introduction.....	14
3.1 Research design.....	14
3.2 Study area .....	14
3.3 Target population .....	14
3.4 Sample size .....	14
3.5 Data collection .....	15
3.6 Data collection Instruments. ....	15
3.6.1 Questionnaires .....	15
3.6.2 Interview.....	15
3.6.3 Observations .....	16
3.7 Data processing and analysis .....	16
3.8 Limitations of the study.....	16

<b>CHAPTER FOUR: PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS.....</b>	<b>17</b>
4.0    Introduction.....	17
4.1    The Demographic characteristics of Respondents .....	17
4.3    Conclusion .....	22
<b>CHAPTER FIVE: SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>23</b>
5.0    Introduction.....	23
5.1    Summary.....	23
5.2    Conclusions.....	24
5.3    Recommendation.....	25
5.4    Room for further Study .....	26
<b>BIBLIOGRAPHY.....</b>	<b>27</b>
<b>APPENDICES.....</b>	<b>28</b>

## LIST OF TABLES

Table 1: General Information of Respondents.....	17
Table 2: A question on the type of soft drink taken frequently .....	18
Table 3: A question on how the soft drink is taken.....	19
Table 4: Whether the customer derive satisfaction from the brands of Pepsi cola in form of packaging .....	20
Table 5: A question on whether packaging is a factor affecting customer satisfaction. ....	21

## LIST OF FIGURES

Figure 1: A Pie Chart Showing the percentage and frequency of the most taken soft drinks .....	19
Figure 2: A Pie chart showing the percentage of customer satisfaction from the brands of Pepsi Cola .....	20



## DEFINITION OF TERMS

Marketing - implies the process of moving the goods and services from the producers to the consumers. It is creative, dynamic and challenging socially useful activity which every business has to undertake.

Packaging - concerned with the putting of the products in bags, boxes, bottles, cans or other categories of special containers before they are dispatched for sale.

Customer satisfaction is a persons feeling of pleasure or disappointment resulting from comparing a product's perceived performance in relation to his or her expectations. High satisfaction or delight creates an emotional affinity with the brand not just a rational preference.

## ABSTRACT

The aim of the study was to examine the impact of packaging of soft drinks on customer satisfaction. The study was carried out in Crown Beverages Company in Kampala Uganda. It is franchise of PepsiCo with it's headquarterd in New York. Having been in existence since the early 1980's it is known to be producing three different types of soft drinks, which are Pepsi-cola, Mirinda Fruity and Mirinda Orange. The study used a descriptive research on effects of packaging on customer satisfaction. This design was chosen because it illustrated clearly the relationship between packaging and customer satisfaction.

This company faces a problem of not having a variety of different product lines and the packaging it uses is the same thus not satisfying its customers. A market research carried out by the researcher showed that Pepsi-cola is the only drink that is taken more often because of its low content of gases.

The product should maximize the brand value. This is also a factor affecting customer satisfaction where Crown Beverages Company should not only look at maximizing of profits but also the brand value. Therefore the company should be able to use the best ways to maximize the brand value; this will create a demand for its products hence an increase in sales.

Major recommendations from the study include;

- Look at new ways of changing the size of its packaging and increasing or reducing the quantity but the quality should remain constant.
- By the company changing the package of its product is should not be optimistic about the sales as the change may create a decrease in demand due to lack of awareness.
- The company should implement new strategies of advertising its products so as to create awareness and increase the market reach.

# CHAPTER ONE

## INTRODUCTION

### 1.0 Background to the Study

Packaging involves the designing and producing of a container or a wrapper for the product. This facilitates a lot of ease into using the product which may usually influence customer's attitudes towards a product, leading to their satisfaction (Kotler, 1995) this is especially important because customer satisfaction is an important goal of every company (Michael D'Amico, 1989).

According to Phillip Kotler (1995) consumer satisfaction is defined as the level of a person's felt state, resulting from comparing the product is perceived performance in relation to the person's expectations. Customers now have a wide choice of products having been a result of increased competition. This implies that the power of customer's to suppliers of products has increased. Customers are exercising their power of choice of products where packaging exerts a greater influence. This has been evidenced in the main culture of self service developing in Uganda for instance in supermarkets and to other shopping arcades.

The purpose of all these changes, like self-service in the Ugandan environment, has been to change the conditions for business success. This convenience is likely to be realized amongst customers in turn in form of the nature, design, size and weight depending on the material of the package (Berman, 1982). We know that packaging usually helps in safeguarding the product, ease in transportation and identification (William 1997). This is vital to the soft drink industry where several modes of

operation have been altered by competition. Crown Beverages Company Limited, a soft drink industry on the Ugandan market handles packaging in different sizes that is 300ml, 500ml, returnable glass bottles. There are primary packages and safeguarded by the secondary packaging (plastic bottles). This is because customers that have adopted the self-service culture complain of not deriving psychological and convenience satisfaction due to the nature of packaging (returnable bottles).

Today packaging has become sensitive and given due recognition as a truly major competitive force in the struggle for markets. This is especially so given the rapid growing culture of self-service in supermarkets and other shopping centers. However, Crown Beverages Company seems to have thought about changing the nature of packaging, given the overwhelming ambition and interests towards adoption of the new consumer culture talked about. This is what the researcher intended to investigate in this research.

## **1.1 Background of the study**

Pepsi-cola most commonly called Pepsi is a soft drink produced by PepsiCo is sold worldwide in stores, restaurants and vending machines. The brand was established in 1903. Pepsi was originally intended to cure stomach pains. Coca-cola is the company's major rival. One of the strength that has developed Pepsi into such a large corporation is a strong franchise system that its products at the head of household.

Some of the franchises are unwilling to support certain Pepsi products and at times produce their own private label products that are in direct competition with Pepsi products. The franchisees are not willing to make capital expenditures to keep up with Coca-cola. Pepsi is situated in an environment that is ever changing and

dynamic. Pepsi must be concerned of changing taste of the consumer and be able to respond to the need immediately or risk losing market share.

Pepsi came to Uganda in 1982 as a franchise where its company is situated in Kampala a capital city of Uganda. It started as a small company as most people neither did nor recognized it. As years went by it gained to penetrate in the market and by so doing it employed more people and expanded the management by having different departments to facilitate the distribution of the products to wholesalers and retailers.

Pepsi-cola in Uganda is registered as Crown Beverages Company Limited in the International Organization of Standards (ISO 2000) to attract the market it used its prices that is by selling the products lower than the market price. It also offered refrigerators of all sizes to those retailers who sell their products. The company later on carried out a market research and found out that the company's products were not selling as they thought and decided to raise their prices as that of its rival company.

Crown Beverages thought that it was going to be the leader as compared to its franchise in China but this was not the case as the way it packages its products became a barrier. With the introduction of a variety of products this meant that it was going to incur high costs in the production and they could not recover the production costs as a result Crown Beverages Company decided to continue producing its products using the secondary products which is the use of returnable bottles the products include Pepsi-cola, Mirinda Fruity and Mirinda Orange and Mirinda bitter lemon. The company must be able to respond to different cultures in the

international environment. Therefore being a franchise operating in Uganda the company has not exploited the different variety of packages like the plastic bottles, use of cans to derive customer satisfaction. The company has not lived to determine whether packaging derives customer satisfaction.

## **1.2 Statement of the problem**

Despite the cumbersome packaging adopted by Crown Bottling Company (Pepsi-cola) in Kampala Uganda, many people continue to consume their products in large amounts around the country. Nevertheless, do the consumers derive the satisfaction to the best of their expectation, given the problems associated with this kind of packaging? It is unlikely because many customers are getting adapted to the new culture of self-service where they can conveniently pick the product and take it for consumption at their time of convenience (Ferrell, 1985) this has been raised as a main concern in packaging. If we believe this new trend is going to continue in the market, then the packaging of Crown Beverages needs a change. What therefore can Crown Beverages do in order to ensure maximum consumer satisfaction is adapted to self-service? Should the management of Crown Beverages be thinking of changing in their packaging to suit the new trend?

## **1.3 Purpose of the study**

The aim of the study was to examine the impact of packaging of soft drinks on customer satisfaction.

## **1.4 Objectives of the study**

The objectives of this study were the guiding framework for answering the research questions. The objectives of this study were as follows:

- To determine the best size of packaging Crown Beverage Company should adopt?
- To find out if the company's packaging maximizes the brand value?
- To investigate the relationship between packaging and customer satisfaction of Crown Beverage Company?

## **1.5 Research Questions**

In order for the researcher to achieve the objectives of the study above, the following questions were asked:

- What is the best size of packaging the company should adopt?
- Does the company's packaging maximize the brand value?
- What is the relationship between packaging and customer satisfaction?

## **1.6 Scope of the Study**

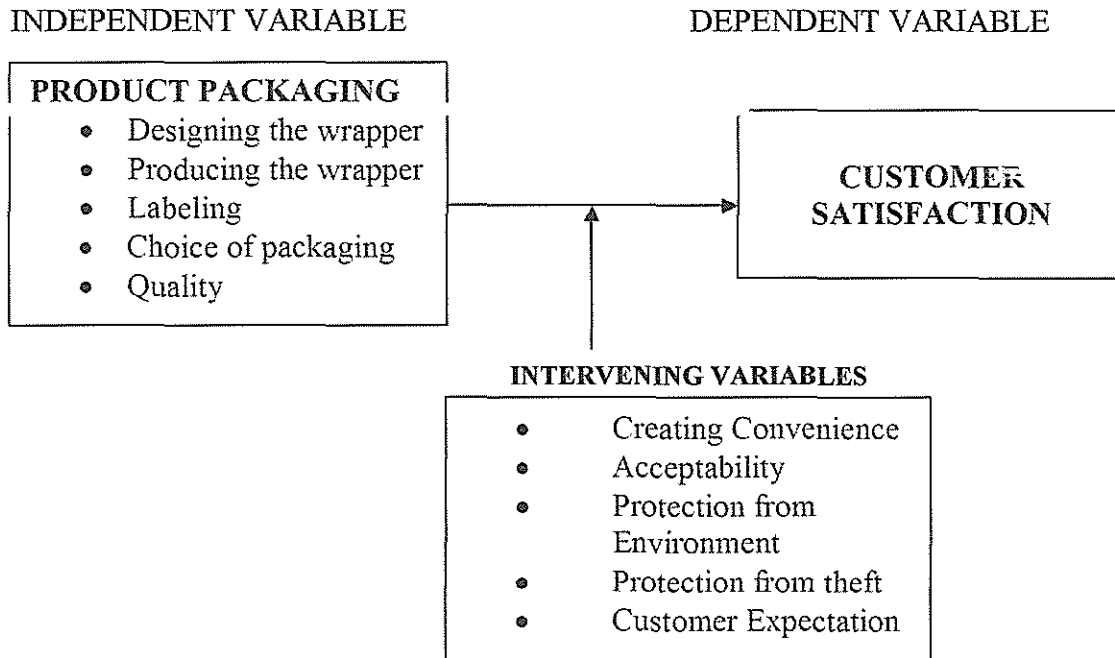
### **1.6.1 Geological Scope of the Study**

The research was carried in Crown Bottling Company head offices in Kampala Uganda.

### **1.6.2 Academic Scope**

The study was limited to the impact of product packaging on customer satisfaction.

## 1.7 Conceptual Framework



**Figure 1: Conceptual Framework**

The conceptual framework showed that the product packaging involved the design of the wrapper, producing the wrapper, the labeling of the product, the choice of the material to be used and the quality of the packaging as well.

When these have been carefully considered, it results in customer satisfaction. The figure 1 above therefore shows that product packaging is the independent variable and customer satisfaction is the dependent variable.

The figure 1 above also shows that customer satisfaction attributed to product packaging is dependent on whether the product packaging creates convenience, acceptability, protects the product from the environment, protects from theft and fulfils customer expectations. These comprise of the intervening/moderating variable.



## **1.8 Significance of the study**

The study will be useful to the company as it would be able to use new strategies to deliver customer satisfaction. It would enable the company be able to compete with its rival companies with the introduced strategies.

The study will act as an eye opener to Crown Beverages Company to see the importance of packaging, in that, a variety of packages retains customers and boosts the company's sales.

To identify common problems perceived as affecting packaging in the soft drink industry.

It will set the pace for more studies to be done in this area.

## CHAPTER TWO LITERATURE REVIEW

### 2.0 Introduction

This chapter reviewed the related literature on the study variables as put forward by various researchers and scholars. This chapter looked at packaging (the independent variable) and its related activities and customer satisfaction as a dependent variable. The relationships between the two variables have been presented.

### 2.1 Product Packaging

Frank (1990) argues that with today's trend where many goods are air freighted, packaging becomes a serious cost consideration in terms of the kind of material used to reach the weight of the product. He discourages glass and metal packages and instead advocated for Pepsi-cola cans and large disposable plastic product.

Phillip (1995) writes that packaging involves all those activities of designing and producing a container or a wrapper of the product aimed at creating convenience for the product. (Janice et al, 1998) stresses packaging as a competitive weapon of the firm that helps to expand the pace of marketing penetration. It is a tool towards gaining competitive advantage through protection, promotion, design, content, visibly and convenience and provision of information.

According to O'shaghnessy (1995) packaging involves making decisions about labels, instructions for product use, graphic design and shipping cartons as decisions about the size and types of physical container for intended products. Ferrell (1985) states that packaging involves the development of containers and a graphic design for a product. Reynolds and Janice McMahom (1998) looks at packaging as the end part of the product because of external appearance and finish of a product will have an influence on its ultimate acceptability. Barry

Berman (1982) defines packaging as procedure a firm follows in researching, developing and implementing its package, where a package is used to mean a container, label and inserts.

### **2.1.1 Objectives of Packaging**

Packaging consists of all activities of designing and producing the container or wrapper for a product. It is intended to serve several vital objectives;

- ❖ To protect the product on its way to the consumer. A package protects a product during shipment and it can prevent tampering the product notably medications and food products in the warehouse or retail store. The design and size of package can also help deter shoplifting.
- ❖ To provide protection after the product is purchased. Compared with the bulk items, packaged goods generally are more convenient, cleaner and less susceptible to losses from evaporation, spilling and spoilage.
- ❖ It helps gain acceptance of the product from middlemen. A product must be packed to meet the needs of wholesaling and retailing middlemen. A package's size and shape must be suitable for displaying and stacking the product in the store. An odd shaped package might attract shopper's attention, but if it doesn't stack well, the retailer is unlikely to purchase the product.
- ❖ It helps persuade consumers to buy the product. Packaging can assist in getting a product noticed by consumers: "the average shopper spends twenty minutes in the store, viewing twenty products a second", the package can serve as a "silent sales person".

### **2.1.2 Role of Packaging**

According to Godfrey and Alberken (1988/89), the following are the roles of packaging;

## **Invisible Sales Person**

Packaging design as per Zikmund and D'Amico, (1989), plays a vital role in attracting customer's attention and convey easily identifiable images that are element of shelf impact must exist with developing of self-service culture. However, Phillip (1995) says the importance of packaging cannot be emphasized considering the several functions it performs in attracting and satisfying customers.

## **Packaging as a marketing tool**

According to Appelbam et al, (1990) the original purpose of packaging was protection against damages, spoilage and theft. Today; packaging not only plays the above functions but also has acquired a leading marketing tool next to product, price and promotion. Well designed packages can create convenient value for the consumer and as a marketing tool.

Phillip (1995) looks at the service where an increasing number of products are sold on self service basis at supermarkets and discount houses. In Britain way estimates offers 50 new products each week. Steinberg's Montreal, one of the most efficient supermarket chains in North America states, "We are offered 200 new products every week. Unless their packaging is right, we won't touch them".

## **2.2 Customer satisfaction**

Customer satisfaction is defined by Frank (2000) as the arithmetic difference between quality of service received and the quality of service expected by customers. Gizzamba (2000) also define customer satisfaction as the level of person's felt state resulting from comparing the products perceived performance in relation to the person's expectations. Ingstrup and Crookall (1998) also define customer satisfaction as quality expectations minus performance.

Quality is an attribute of a product or a service which ensures that it is attractive in the eyes of the customer Hannagan (1998) Companies are replacing increased emphasis on customer satisfaction to enhance customer loyalty. To attain customer satisfaction, employees must be able to understand and respond to customer needs (Antreas, 1979).

Through provision of high quality results to convenient packaging (Ugur et al (1997), Boshoff and Tait (1996) Customers will be in a position to respond to customer needs if developed, rewarded and given vision (Gronorous, 1998). Customers are becoming even more demanding and in most markets they have more options to choose from than ever before. Therefore, to ensure highly satisfied customers, though customer satisfaction is critical for identifying precisely where to focus improvement achievable to make the biggest gains in customer satisfaction, the Zenith is customer loyalty.

According to D. Johnson, Michael D Anders Gustafson, (University of Michigan Business School), it is cheaper to keep a customer than to replace one. Just about, everyone understands that customer satisfaction and loyalty are essential to business success.

Therefore, if we are to understand customer satisfaction, we need to consider our customers expectations, how they perceive the nature and kind of product plus the materials used to package it and whether this conforms to their expectations or not. Berry and Parassmuran (1991) companies need to put into consideration grooming the management on how to deal with customers expectations so as to ensure customer satisfaction issues are genuinely reacted to at the top of the employees real working agenda through enforcement of proper packaging of the product.

### 2.3 Packaging and Customer satisfaction

Packaging plays a very important role in the product strategy and its original purpose being that of protection against risks like damage, spoilage and theft, a good packaging helps to sell the product. Appelbam et al, (1986) Marketers pay much attention to how a package will be perceived in the market place. Rayon (1982) in form of the packaging size for instance that changes with personnel disposable income.

Packaging therefore has not only to act as a barrier, but to come in what the end user perceives as being the right sizes and to be easily identifiable in terms of content and labeling, which packaging perception is mostly in sectors of mineral water and soft drinks in general, (Hampshire Internet). Packaging is sought in terms of sizes, colors, shapes it enhances conveniences, shield life in terms of realigning freshness and the image sought for the brand. New and large sizes have captured high sales Kenneth(1982).This means that if the packaging is competently put in place, the packaging design being preferred will be effective in their capacity to influence customer satisfaction. The introduction of one liter Pepsi-cola, a respondent comments, that it's convenient to cater for the whole family to share the enjoyment together with ease (IE supermarket). The management and employees in general must be well versed with the preferred packaging first and then serve the final customer effectively. Berry (1980) Example, Kotler (1995) advises companies to pay more attention to the growing social concerns about packaging and make decisions that serve societies interests as well as immediate customer and company objectives.

This according to Paliwodda (1992) will attract the attention to describe the products features, give the customer confidence and make a favorable overall impression. Therefore, Garson (1994) being responsive to customer needs will mean they will automatically become loyal to the company and the product is a measure of customer satisfaction derived from good packaging.

Phillip (1995) further explains that customer are willing and ready to pay a little more for the convenience, appearance, dependability and prestige of better packages showing a positive relationship that packaging has a customer satisfaction.

Sefkins (1991) looks at packaging as part of customer satisfaction especially when it is a gift like chocolate, perfume being wrapped. He goes on to say that with development of self service, supermarkets and hypermarkets, packaging plays a vital role in identifying the product quickly and act a client sales person.

D'Amico (1989) says that because of that easily identifiable image where an element of shelf impact must exist, consumers are influenced by what the product is and why it should be sought to allow ease of time spent on searching for the product, hence deriving their satisfaction. Packaging therefore according to Berman (1982) writes that with the growth of mass merchants and self service, companies have come to realize that the value of packaging is a very cohesive factor/tool, that is geared towards ensuring customer satisfaction given the newly repackages of contents into smaller, more convenient units to meet each customer's need.

There is therefore need to further investigate the effect that product packaging has on the customer satisfaction. This will then identify whether current and previous studies by different authors are still applicable in this field.

## CHAPTER THREE METHODOLOGY

### 3.0 Introduction

This chapter forward and described the research methods and reasons that were used in the study. It entails the research design, study area, target population, sample size, data collection methods, instruments, data processing and analysis and limitations of the study.

### 3.1 Research design

The study used a descriptive research on effects of packaging on customer satisfaction. This design was chosen because it illustrated clearly the relationship between packaging and customer satisfaction.

### 3.2 Study area

The study was carried out in Pepsi-Cola a franchise in Kampala situated in Industrial area a few kilometers from the city centre in a place called Nakawa. Kampala is the capital city of Uganda with a population of approximately 1 million (2004), it is the largest settlement in Uganda. It is located in the district of Kampala at 0° 19'N 32°35'E, at 3,900ft (1, 189m) above sea level.

### 3.3 Target population

The target population for the study comprised of customers of Pepsi-cola as their soft drink, the staff and the distributors of Crown Beverages Company Limited.

### 3.4 Sample size

The researcher targeted 60 respondents in total, where 30 were the customers of Pepsi cola drinks, 20 employees and staff of Pepsi Cola Company and 10 were distributors or agents of the soft drink.



### **3.5 Data collection**

The data collected comprised both primary and secondary data:

- ❖ Primary data; this refers to first hand data which was collected through questionnaires, interviews and observation methods of data collection. This data was important to answer questions about the frequency the soft drink is consumed, how often it is taken, whether customers derive satisfaction from Pepsi-cola in form of packaging.
- ❖ Secondary data; this refers to the second-hand data, which was obtained from recorded documents. This data will be collected through desk research where marketing books, journals from Crown Beverages Company, departmental reports and memos were examined. The aim of the secondary data was to the answer the question about the effects of packaging in deriving customer satisfaction.

### **3.6 Data collection instruments.**

Various instruments were used to collect both primary and secondary data, the instruments which included;

#### **3.6.1 Questionnaires**

This instrument was self-administered to the staff of Crown Beverages Company and its customers. Forty employees were involved in answering the questionnaires. The issues investigated under this instrument were;

Whether the customers are satisfied with the form of packaging that the company is using.

Whether the company is thinking of changing the package to satisfy customers.

#### **3.6.2 Interview**

Interviews were carried out with the researcher to the customers and some staff of the company. The issues to be investigated under this instrument will be;

- ❖ Whether Pepsi-cola products are taken and how often. Whether customers derive satisfaction from the products of Crown beverages
- ❖ Company. Whether retailers sell the products of Crown Beverages Company

### **3.6.3 Observations**

Observations were carried in Kampala town and its vicinity to analyse how customers consume Pepsi-cola products and how the various products are packaged. Observation was used to supplement on the interviews and questionnaires by observing the rate at which customers purchase products of Crown beverages Company.

### **3.7 Data processing and analysis**

The data collected included both qualitative and quantitative. The data was analysed manually and with the aid of computer by way of descriptive statistics such as tables, bar charts, percentages and frequencies. Data was edited and coded so as to make it useful and understandable, besides making it accurate and complete.

### **3.8 Limitations of the study**

- Financial constraints due to inadequate money resources to finance the research.
- Top management may be busy with other activities and this may necessitate the continuous postponement of interviews
- Many respondents may not understand the topic which may lead to confusion. This will be dealt with by explaining it to them.

## CHAPTER FOUR PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

### 4.0 Introduction

This chapter deals with the presentation, interpretation, analysis and discussion of the findings of the study.

### 4.1 The Demographic characteristics of Respondents

A total of 60 questionnaires were issued out to the respondents, 25 were completed and returned. In addition 15 people were interviewed, making a total of 40 respondents. The table below shows general information obtained in terms of age, sex, qualifications, and experience

**Table 1: General Information of Respondents**

Variable	Respondents	Number of respondents	Percentage
Age	Below 25 years	0	0
	25-35 years	10	25%
	36-45 years	20	50%
	Above 46 years	10	25%
Sex	Male	28	70%
	Female	12	30%
Qualifications	Certificate	4	10%
	Diploma	12	30%
	Degree	15	38%
	Others	9	22%
Experience	Below 1 year	0	0
	1-2 years	0	0
	3-5 years	15	37%
	Above 5 years	25	63%

Source: Primary Data

Table 1 above shows 50% of the respondents are above 45 years of age; this is a good sample because they are mature and they have enough experience with the company operations. Hence they are able to give sound information. 70% of the respondents were male and 30% female. The table also reveals that 10% of the respondents have certificate qualifications; this percentage shows some weakness in the competence of making the products. While 63% have experience of over 5 years, this again is a good sign because the respondents are conversant with the effects of customer satisfaction. The researcher found out that the company holds meetings and come up with different ideas on how to satisfy its customers and new strategies that are different from the competitors.

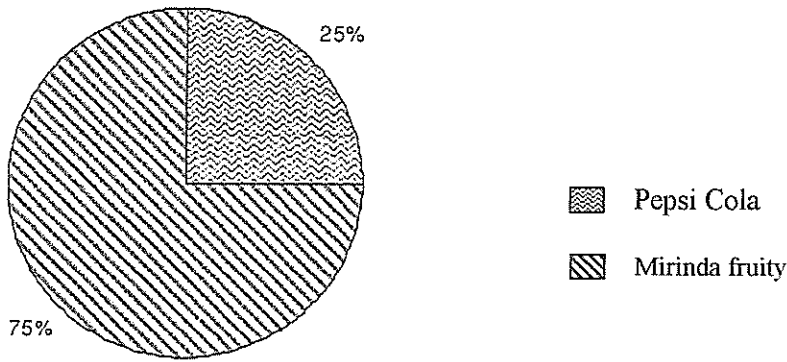
**Table 2: A question on the type of soft drink taken frequently**

Soft drink	Frequency	Percentage
Pepsi-cola	30	75%
Mirinda fruity	10	25%
Mirinda Orange	-	-
Mirinda bitter lemon	-	-
Total	40	100

Source: Primary Data

The table 2 above shows that 75% prefer drinking Pepsi-cola and further added that it has a good taste and it does not have gases like Coca cola. This means that the respondents were more inclined to take pepsi cola than coke cola because they were more satisfied with the product.

**Figure 2: A Pie Chart Showing the percentage and frequency of the most taken soft drinks**



Source: Primary Data

The results showed that 75% of respondents frequently took mirinda while only 25% took pepsi.

**Table 3: A question on how the soft drink is taken.**

Category of response	Frequency	Percentage
Very often	-	-
Often	25	63
Not often	15	37
Rarely	-	-

Source: Primary Data

On the above table 63% of the respondents often take Pepsi-cola products as they say that their prices are affordable. 37% of the respondents don't take the soft drink often because they cannot afford as they do not have a source of income. These respondents live below a dollar and have a large number of families to support as a result they cannot afford to purchase the product. They also added by saying that taking Pepsi-cola is a luxury to them and only take it during occasions.

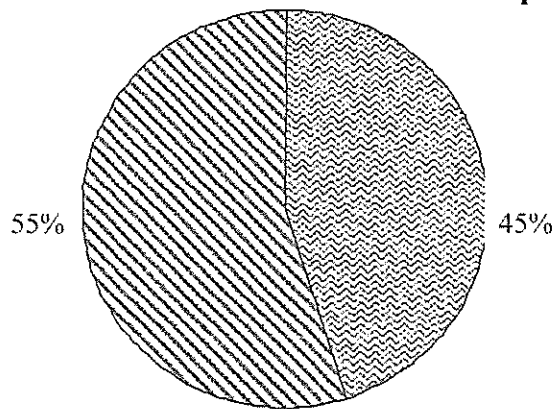
**Table 4: Whether the customer derive satisfaction from the brands of Pepsi cola in form of packaging**

Category of response	Frequency	Percentage
Satisfied	18	45
Not satisfied	-	-
Moderately satisfied	22	55
Dissatisfied	-	-

Source: Primary Data

On the question of whether the customers are satisfied from the brands of Pepsi-cola in form of their packaging 45%of the respondents are satisfied concluding that they take the product because of the quality of the product and not the quantity.55% of the respondents are moderately satisfied saying that the size of the bottle is too small to quench once thirst but because of the quality and no gases they prefer taking Pepsi-cola above all other soft drinks.

**Pie Chart showing the percentage of customer satisfaction from the brands of Pepsi cola**



**Figure 3: A Pie chart showing the percentage of customer satisfaction from the brands of Pepsi Cola**

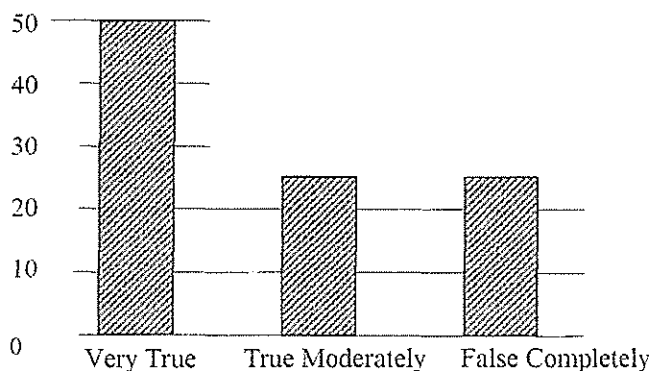
**Table 5: A question on whether packaging is a factor affecting customer satisfaction.**

Category of Response	Frequency	Percentage
Very true	20	50%
True	10	25%
Moderately True	10	25%
False	-	-
Completely False	-	-

Source: Primary Data

On the question of whether packaging is a factor affecting customer satisfaction 50% of the respondents said yes. This is because most customers are normally attracted by how a product has been packaged they take less time to look at the contents and the quality of the product. A customer will look at a variety of products and choose the one that is appealing to their eyes. 25 % of the respondents also agreed with the statement. This can be shown by use of a bar chart.

**A bar chart showing frequency of category of response**



Source: Primary Data

### **Qualitative Analysis**

In response to recommendation to which customers prefer their brands to be in, respondents stated that the size of the package matters and therefore it would be convenient for them to take the product at their own time.

In response as to how the brands the customers buy should be packaged, most respondents prefer them to be in plastic bottles so as to enable them to re-use the product the bottle at the same time avoid depleting the environment with glass. This type of packaging eases in terms of storage and handing the product.

In response as to the size the respondents would like Pepsi -cola to be is that most of them prefer it be in a 2 litre because this would be convenient for a large group to share as the quantity here matters to them. Most respondents had the opinion that a family would share it and enjoy the moments.

In response as to whether the company is thinking of changing the package most respondents were positive about it saying that by this there would be satisfaction by the customer thus there was conclusion that by change of the packaging it would greatly boost Crown Beverages company's sales and it would also retain the customers.

### **4.3 Conclusion**

After data presentation, findings and analyzing them the following conclusion can be made;

- ❖ Majority of the respondents are male.
- ❖ Pepsi-cola products are the ones taken often.
- ❖ Customers are moderately satisfied
- ❖ The size of Pepsi-cola is a factor affecting customer satisfaction.
- ❖ Crown Beverage Company is thinking of changing the package to derive customer satisfaction.



## CHAPTER FIVE SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

### 5.0 Introduction

In regard to the questionnaires issued they took two weeks for the respondents to answer them. Most of the respondents were at work and hence it were able to submit the questionnaire on time. The thirty questionnaires given to the customers 20 were answered as the rest of the customers were not learned. On the side of the employees there was no good response. Of the then questionnaires given to distributors no response was forthcoming from them as they could not submit them immediately as they were working on shift and on this particular day they had taken their off duty.

### 5.1 Summary

The study was carried out in Crown Beverages Company in Kampala Uganda. It is franchise of PepsiCo with it's headquarterd in New York. Having been in existence since the early 1980's it is known to be producing three different types of soft drinks, which are Pepsi-cola, Mirinda Fruity and Mirinda Orange.

This company faces a problem of not having a variety of different product lines and the packaging it uses is the same thus not satisfying its customers. A market research carried out by the researcher showed that Pepsi-cola is the only drink that is taken more often because of its low content of gases. It was also found out that customers are not satisfied with the packaging because the products are in the same size of 300ml and would like it to be increased to 500ml, 1 litres and 2 litres. The respondents also suggested that the company should also change the packaging of the soft drinks and come up with plastic bottles and cans for ease of handling and storage. Hence the company will come up with new strategies to be able to retain its customers and increase the sales as they had also decreased. By changing the

packaging it can create a different perception to the customers in that the customers may think that the quantity of the product has been changed or due the change of the packaging the price will be affected. Hence creating a shift in demand due to packaging.

Crown Beverages Company therefore is carrying out a research on the best packaging it can adapt to attract the market and make it convenient. It also wants to come up with a variety of product lines where the products will target different markets like the vulnerable people in the society like the old and the children.

The company will also target people who hold high positions in the society and are recognized as being in a different class. Crown Beverages Company will also consider people in the society who are conscious on the sugar content in the soft drinks they take a drink they will brand it as Diet Pepsi. Therefore, for Pepsi-cola to succeed in the production of the variety of product lines to target the different market it has to carry out an intensive market research and study the reaction of the market to find out if it is going to increase the sales or not.

## **5.2 Conclusions**

The size of the packaging is a factor affecting customer satisfaction. Crown Beverages Company does not consider the size of its products. The company should look for new strategies so as to enhance the size of the soft drink. This will create a positive perception to the customers hence leading to them being retained.

The product should maximize the brand value. This is also a factor affecting customer satisfaction where Crown Beverages Company should not only look at maximizing of profits but also the brand value. Therefore the company should be able to use the best ways to maximize the brand value; this will create a demand for its products hence an increase in sales.

There is a relationship between packaging and customer satisfaction is that it will increase the demand of the products leading to an increase in sales only if the packaging is attractive and of good quality. The change of packaging has both negative and positive perception by the customer there can be a shift in demand and the customers may have different perception of the product which its packaging has been changed.

Lack of different product lines is a factor affecting customer satisfaction whereby most customers always want to have a variety of products or different product line. Different customers have different perception towards different products and therefore there is need for Crown beverages to have different product lines where customers can make a choice.

### **5.3 Recommendation**

As per the researcher's recommendation Crown beverages company in Kampala should:

- Look at new ways of changing the size of its packaging and increasing or reducing the quantity but the quality should remain constant.
- By the company changing the package of its product it should not be optimistic about the sales as the change may create a decrease in demand due to lack of awareness.
- The company should implement new strategies of advertising its products so as to create awareness and increase the market reach.
- The company should not only advertise its products using celebrities but also consider the common man who has no access to the media to know these celebrities.
- The company being a franchise operating in different environments where the society has its culture the company should think of using a language that will

be understood, being in Uganda it can look for ways to advertise in their national language.

- Crown Beverages Company Limited should introduce plastic bottles and cans so as to make it convenient for the customers to use.
- The management of Crown Beverages Company Limited should be made up to date with the latest technology by introducing a website showing different variety of products it offers.
- The location of different depots should be increased and have well stocked products that are having different variety of products or flavors.

#### **5.4 Room for further Study**

The researcher would suggest that further study should be done on the following:

- ❖ Importance of packaging to fast moving consumer products.
- ❖ Factors contributing to effective customer satisfaction and.
- ❖ Factors contributing to effectiveness of packaging.

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## QUESTIONNAIRE

Dear Sir/ Madam,

I humbly ask you to participate in this research on The Effects of Packaging on Customer satisfaction: The case of Crown Beverages Company Kampala, Uganda.

The study is purely for academic purposes and it is a partial requirement for the award of Bachelors of Business Administration of Kampala International University.

Please help by answering the following questions as honestly as possible. The information you will give will be treated confidentially and used solely for the purpose of this study. There is no need for you to disclose your name unless you specifically wish to do so

**To be filled by the staff and distributors of Crown Beverages Company.**

1. Sex:  
Male   
Female
  
2. Age:  
Below 25   
25-35   
36-45   
Above 46
  
3. When did you join the company?  
.....
  
4. How long have you worked with Crown Beverages Company Limited?  
a) Less than a year   
b) 1-2 years   
c) 3-5 years   
d) Above 5 years
  
5. What is position do you hold in the company?  
.....
  
6. What is the highest qualification attained?  
a) Certificate   
b) Diploma   
c) Degree   
d) Others, specify   
.....
  
7. What type of soft drink brands is often taken?  
a) Pepsi-cola   
b) Mirinda Fruity   
c) Mirinda Orange   
d) Mirinda Bitter lemon

## QUESTIONNAIRE

Dear Sir/ Madam,

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The study is purely for academic purposes and it is a partial requirement for the award of Bachelors of Business Administration of Kampala International University.

Please help by answering the following questions as honestly as possible. The information you will give will be treated confidentially and used solely for the purpose of this study. There is no need for you to disclose your name unless you specifically wish to do so.

To be filled by the customers of soft drink

### SECTION A

1. Sex:  
Male   
Female
  
2. Age:  
Below 25   
25-35   
36-45   
Above 46
  
3. Occupation  
.....
  
4. Academic qualification attained  
a) Certificate   
b) Diploma level   
c) University Degree   
d) Others,.....
  
5. What is the name of the organization in which you work?  
.....
  
6. What types of soft drink do you take?  
a) Pepsi-cola products   
b) Coca-cola products   
c) Mineral water   
d) Others, Specify .....
  
7. Which ones do you specifically take?  
a) Pepsi-cola products   
b) Mirinda Fruity   
c) Mirinda Orange   
d) Mirinda bitter lemon   
e) Any other (please specify)

.....

8. Why do you prefer the above particular brands named in eight?
- a) Shape of the package
  - b) The weight of the package
  - c) Materials of the package
  - d) Portability of the package
9. How often do you take them?
- a) Very Often
  - b) Often
  - c) Not often
  - d) Rarely
10. How are the brands you buy packaged?
- a) Plastic bottles
  - b) Glass bottles
  - c) Cans
  - d) Paper packets
11. In this era of self-service in supermarket, do you derive satisfaction from the brands that Crown Beverages Company offers in form of its packaging?
- Yes
- No

If No, why?

.....

.....

.....

.....

12. How would you like the brands to be packaged?
- .....
- .....
- .....
- .....

Thank you for your co-operation.

