



THE POWER OF SACHET MARKETING: A COMPREHENSIVE EVALUATION

(Unleashing the Potential: A Deep Dive into Sachet Marketing Strategies, The Rise of Sachet Marketing: Key Benefits and Best Practices)

Shri.Shakti S Sarvade

Lecturer, Department of Commerce, KLE Society's Degree College, Gokak- Karnataka

Article DOI: <https://doi.org/10.36713/epra16110>

DOI No: 10.36713/epra16110

ABSTRACT

Sachet marketing is a strategic approach in which products are offered in small, affordable packaging to meet the needs of cost-conscious consumers. This marketing strategy aims to enhance accessibility, affordability, and convenience, particularly in emerging markets or among demographics with limited purchasing power. Sachet marketing facilitates market penetration by providing entry points for consumers to try new products with reduced financial risk. The approach involves creative packaging, often showcasing innovation in design and sustainability. While offering benefits to both consumers and sellers, such as affordability, trial opportunities, and market expansion, sachet marketing also poses considerations related to environmental impact and the need for a balanced approach to pricing and packaging. Understanding consumer preferences, economic conditions, and cultural factors is essential for successful implementation of sachet marketing strategies.

KEY WORDS: affordability, convenience, Consumer preference, Cost – Effective, Environmental impact

I. INTRODUCTION

The evaluation of sachet marketing is a critical examination of the effectiveness and impact of the strategy of offering products in small, affordable packaging. Sachet marketing has gained prominence as a market approach, particularly in reaching diverse consumer segments with varied purchasing power. This evaluation seeks to assess the success of sachet marketing initiatives, examining factors such as market penetration, consumer acceptance, economic viability, and environmental considerations.

The introduction of sachet marketing is often driven by the goal of making products accessible to a broader audience, especially in emerging markets or among budget-conscious consumers. Understanding the dynamics of consumer behaviour, preferences, and economic conditions becomes imperative in gauging the overall success of sachet marketing strategies.

II. THEORETICAL FRAMEWORK

Wensink's (1996) study on the effect of package size on consumption concludes that consumption tends to increase when product issuance is in larger sizes, largely due to the consumers' belief that unit cost is reduced when the product is purchased in larger packages. The study provides valuable insights into the psychological factors influencing consumer behaviour regarding package size and its impact on consumption. The findings highlight the misconception consumers have about the relationship between package size and unit cost, leading to increased consumption.

The study suggests that the mere presence of larger packaging does not inherently drive higher usage volume. Instead, it triggers a perception among consumers that the unit cost is reduced when buying in larger quantities. This perception, in turn, influences consumer behaviour, leading to higher consumption levels.

This conclusion emphasizes the importance of understanding not only the actual unit cost but also the perceived value associated with different package sizes. Businesses and marketers can leverage these insights to design pricing and packaging strategies that align with consumer perceptions, ultimately influencing purchasing decisions and consumption patterns.



Wensink's study underscores the complexity of consumer decision-making processes, highlighting the need for businesses to consider both actual and perceived costs when developing marketing and packaging strategies. This understanding can contribute to more effective communication and pricing structures that resonate with consumer expectations.

The perspective on consumption presented by Stewart (1994) adds another layer to the benefits of sachet packaging. Large-size packs, while potentially perceived as offering cost savings, can lead to difficulties in controlling product use and are more prone to wastage. The sachet, on the other hand, provides advantages in terms of use control and minimizes wastages.

The ability to control the amount used from a sachet reduces the likelihood of overuse or spillage, addressing the challenge associated with large-size packs. This control not only enhances the overall user experience but also contributes to lower product wastages. Moreover, the study suggests that reduced wastages with sachet packaging can have a direct impact on lowering the unit cost of the product. This economic benefit aligns with the affordability aspect of sachet marketing, emphasizing how the perceived and actual unit costs can be positively influenced by the packaging format.

Additionally, from a practical standpoint, sachets offer advantages in household storage. Their smaller size takes up less space in a household inventory compared to larger packs. This consideration aligns with the convenience and practicality associated with sachet packaging, making it a favourable choice for consumers, particularly in households with limited storage capacity.

In summary, Stewart's insights emphasize the advantages of sachet packaging not only in terms of use control and reduced wastages but also in addressing practical concerns related to household storage, further enhancing the appeal of sachet marketing strategies.

The versatility of sachet packaging extends beyond targeting the Bottom of the Pyramid (BOP) markets in India. Dinakar (2005) suggests that sachets appeal not only to budget-conscious consumers but also to higher-income segments. This is facilitated by the ability of sachets to provide an alternative for bulk purchases, offering the upper segments the option to buy in sachet form. For instance, instead of purchasing a 100-gram bottle of instant coffee, consumers from higher-income groups may opt for an entire box of fifty gram 2-sachets. This shift in purchasing behaviour is driven by the perceived advantages of sachets, where the unit cost is considered favourable compared to larger-sized packs.

Furthermore, the attractiveness of sachets to the upper class is attributed to factors such as improved portability and dosage control. Travel-sized packs of napkins that fit into pockets or purses, single-use shampoo sachets, and soap bars are highlighted as convenient options for individuals with higher disposable incomes, especially for those on-the-go or traveling.

The discussion extends to the broader context of consumer behaviour, touching on the idea that smaller, more frequent purchases can influence spending habits positively. This aligns with the belief that having less money in one's wallet may encourage individuals to spend less.

The role of packaging innovations, such as flip-top caps and snap-and-squeeze packs, is acknowledged in reinforcing the convenience proposition of sachet products. These innovations make sachets even more appealing when compared to their larger-sized counterparts.

In summary, the adaptability and convenience offered by sachet packaging make it a compelling choice not only for price-sensitive markets but also for higher-income segments, showcasing the versatility and widespread appeal of sachet marketing strategies.

III. SUCCESSFUL CASES OF SACHET MARKETING STRATEGY

Several successful cases illustrate the effectiveness of sachet marketing strategies across various industries. Here are a few notable examples:

1. Shampoo Industry - "Sachet Revolution" in India:
Brand: Sunsilk and other shampoo brands



Strategy: Unilever initiated the "Sachet Revolution" in the 1980s, introducing small, affordable sachets of shampoo to cater to the Indian market. This strategy made quality hair care products accessible to a broader population, resulting in increased market penetration and brand loyalty.

2. Consumer Goods - Seasoning Sachets by Knorr:

Brand: Knorr

Strategy: Knorr introduced individual seasoning sachets containing precise portions of spices and seasonings. This strategy not only appealed to consumers looking for convenient cooking solutions but also reduced wastage and offered a cost-effective way to access a variety of Flavors.

3. Beverage Industry - Nescafé's Instant Coffee Sachets:

Brand: Nescafé

Strategy: Nescafé introduced instant coffee sachets, providing consumers with a convenient and portable option for enjoying their favourite coffee. The sachets offer controlled portions, allowing consumers to customize the strength of their coffee. This strategy has been successful in catering to diverse consumer preferences.

4. Pharmaceuticals - Oral Rehydration Salts (ORS) Sachets:

Brand: Various pharmaceutical companies

Strategy: In the healthcare sector, sachets are widely used for packaging oral rehydration salts (ORS) and other essential medications. This approach has proven effective in reaching rural and underserved populations, ensuring access to critical healthcare products.

5. Condiments - Ketchup Sachets by Heinz:

Brand: Heinz

Strategy: Heinz introduced sachets of ketchup, providing a convenient and portion-controlled option for consumers. This strategy has been successful in the fast-food industry, where individual servings of condiments are preferred.

6. Personal Care - Dove Soap Sachets:

Brand: Dove

Strategy: Dove, known for its premium personal care products, introduced soap sachets that made its high-quality soap accessible to a wider audience. This strategy expanded the brand's market reach and contributed to increased sales.

IV. RESULTS

Table 01: A comparison of price differential between sachet and bottle unit cost for some leading brands in India.

Brand	Unit Cost (Big Pack) in Rs. Per ml/Gm (at MRP)	Unit Cost (Sachet) in Rs. Per ml/Gm (at MRP)	Price Differential (%)
Clinic plus shampoo	1.01	0.16	84%
Head & Shoulder	3.06	0.40	87%
Sun silk	0.79	0.18	77%
Boost	0.55	0.33	40%
Bourn Vita	0.64	0.34	47%
Sunrise Nescafe	2.72	0.90	67%
Bru	4.20	1.66	60%
Red label Tea	0.60	0.33	45%
Ponds powder	0.85	0.40	53%

V. THE OBJECTIVES OF A STUDY ON SACHET MARKETING MAY INCLUD

1. Evaluate Consumer Perception: Understand how consumers perceive sachet packaging in terms of affordability, convenience, and overall value proposition.
2. Examine Consumer Behaviour: Investigate how sachet packaging influences consumer purchasing decisions, trial behaviour, and repeat purchases.
3. Investigate Environmental Impact: Assess the environmental implications of sachet packaging, considering factors such as waste generation, recycling, and sustainability.
4. Understand Competitive Advantage: Examine how sachet marketing provides a competitive edge for brands, especially in comparison to traditional packaging formats.
5. Analyse Packaging Innovations: Explore the role of packaging innovations within sachet marketing and how these innovations contribute to product differentiation and consumer appeal.



6. Examine Consumer Segmentation: Identify target consumer segments for sachet products and understand variations in preferences and behaviours among different demographic groups.
7. Investigate Pricing Strategies: Examine how pricing strategies for sachet products impact consumer perception, affordability, and market competitiveness.

These objectives collectively provide a comprehensive understanding of the dynamics, challenges, and benefits associated with sachet marketing, helping businesses refine their strategies and enhance the effectiveness of their product offerings.

VI. THE PRICING DIFFERENCE BETWEEN SACHETS AND LARGE PACKETS CAN BE ATTRIBUTED TO SEVERAL FACTORS:

1. Packaging Costs: Sachets require less material for packaging compared to large packets or containers. The reduced amount of packaging material in sachets contributes to lower production costs, making them more cost-effective.
2. Economies of Scale: Producing sachets in large quantities allows manufacturers to benefit from economies of scale. As production volumes increase, the cost per unit decreases, leading to overall cost savings.
3. Transportation Costs: Sachets are lightweight and compact, resulting in lower transportation costs. The reduced weight and size make sachets more economical to transport compared to larger packets, contributing to cost savings.
4. Affordability Strategy: Sachets are often positioned as an affordable option for consumers. The lower production and packaging costs associated with sachets allow brands to offer products at a price point that is accessible to a broader range of consumers, including those with limited budgets.
5. Market Segmentation: The pricing difference may also be a result of market segmentation strategies. Large packets may be positioned as offering value for bulk purchases, while sachets cater to consumers who prefer smaller, more affordable quantities.
6. Brand Image and Perceived Value: Large packets are often associated with bulk purchases and may be perceived as offering more value for money. The higher price for large packets may align with the perception of a larger quantity, while sachets cater to those seeking smaller, more convenient options.
7. Consumer Behaviour and Expectations: Consumer behaviour and expectations play a role in pricing strategies. Consumers may expect to pay more for the convenience and perceived value associated with larger packets, while sachets are positioned as budget-friendly alternatives.

VII. SACHET MARKETING PROVIDES SEVERAL BENEFITS TO SELLERS

1. Market Expansion: Sachet packaging allows sellers to tap into new markets, especially those with price-sensitive consumers. It facilitates market expansion by making products affordable and accessible to a broader audience.
2. Affordability Strategy: Sachets are positioned as affordable options, enabling sellers to attract consumers who may have limited budgets. This affordability strategy can contribute to increased sales and market share.
3. Economies of Scale: Producing sachets in large quantities can lead to economies of scale, resulting in lower production costs per unit. This efficiency enhances the overall profitability of sachet marketing.
4. Increased Sales Volume: The lower price point of sachets often encourages higher sales volume. Consumers may be more inclined to make impulse purchases or try new products due to the reduced financial commitment.
5. Market Penetration: Sachet marketing is effective for market penetration, allowing sellers to reach consumers who may not have considered their products due to pricing constraints. It is particularly impactful in emerging markets or regions with diverse economic conditions.
6. Flexibility in Pricing Strategies: Sachet packaging provides sellers with flexibility in pricing strategies. They can adapt prices based on market conditions, respond to competition, or implement promotional pricing to attract consumers.
7. Reduced Inventory Risks: Sachet packaging allows for more flexible inventory management. Sellers can produce smaller quantities, reducing the risk of holding excess inventory, especially for products with shorter shelf lives.

VIII. SACHET MARKETING OFFERS SEVERAL BENEFITS TO CUSTOMERS

1. Affordability: Sachets are typically priced lower than larger packaging options, making products more affordable for a wide range of consumers, including those with limited budgets.



2. **Trial and Experimentation:** Sachets allow customers to try out new products without committing to larger quantities. This is particularly beneficial for exploring different brands, variants, or formulations before making a full-sized purchase.
3. **Convenience:** Sachets are often compact and portable, making them convenient for on-the-go use. Customers can easily carry sachets in their bags or pockets, ensuring access to essential products wherever they go.
4. **Variety of Choices:** Sachet marketing often offers a variety of choices within a brand's lineup. Customers can select specific formulations, Flavors, or variants without committing to a larger quantity, allowing for more personalized choices.
5. **Prevention of Wastage:** For products with limited shelf life or those not used frequently, sachets help prevent wastage by providing smaller portions that are consumed before expiration.
6. **Travel-Friendly:** Sachets are ideal for travel, allowing customers to carry small quantities of essential products without taking up much space in their luggage.

IX. THE LACK OF INTEREST IN SACHETS AMONG RURAL POPULATIONS CAN BE ATTRIBUTED TO SEVERAL FACTORS

1. **Limited Awareness:** Rural communities may have limited exposure to sachet products due to lower marketing and advertising outreach in these areas. Lack of awareness about the benefits and affordability of sachets can result in lower interest.
2. **Traditional Buying Habits:** Rural consumers may be accustomed to traditional forms of packaging and buying products in bulk. Sachets may not align with their existing purchasing patterns, leading to a preference for larger packaging options.
3. **Perceived Value:** Some rural consumers may associate larger packaging sizes with better value for money. The perception that bulk purchases offer more significant savings might contribute to a lack of interest in smaller sachet options.
4. **Limited Variety of Sachet Products:** The range of products available in sachet form may not cater to the specific needs and preferences of rural consumers. If essential items are not available in sachets, it diminishes the appeal of this packaging format.
5. **Infrastructure Challenges:** Rural areas may face challenges related to distribution, transportation, and storage of sachet products. Limited access to retail outlets, transportation difficulties, or inadequate storage facilities can deter the adoption of sachets.
6. **Cultural Preferences:** Cultural factors play a significant role in consumer behaviour. If sachets are not aligned with the cultural norms or habits of rural communities, they may be less accepted.

X. DEMERITS OF SACHET MARKETING TO SELLERS

1. **Lower Profit Margins:** While sachet marketing can increase sales volume, the lower price point often results in lower profit margins per unit sold. This can impact the overall profitability for sellers.
2. **Production Complexity:** Managing the production of sachets alongside larger packaging options can add complexity to manufacturing processes. Different packaging formats may require adjustments and potentially increase production costs.
3. **Potential for Cannibalization:** Introducing sachets may lead to the cannibalization of sales from larger, more profitable packaging options. Consumers might opt for the lower-priced sachets, reducing revenue from larger product sizes.
4. **Packaging Costs:** While sachets use less material per unit, the packaging process for sachets can involve additional costs, such as specialized machinery or labour, impacting overall production expenses.
5. **Brand Image Concerns:** Offering products in sachets at a significantly lower price might impact the perceived value of the brand. Customers may associate lower prices with lower product quality.
6. **Storage Challenges:** Managing inventory with both sachet and larger packaging options can pose storage challenges for sellers, particularly if the products have different shelf lives.

XI. DEMERITS OF SACHET MARKETING TO CUSTOMERS

1. **Limited Product Variety:** Not all products are available in sachet form, limiting the variety of options for customers who prefer smaller packaging. This can reduce the overall appeal of sachet marketing.
2. **Environmental Impact:** The use of single-use sachet packaging can contribute to environmental concerns, especially if consumers do not dispose of the packaging responsibly. This may be a demerit for environmentally conscious customers.



3. Perceived Quality: Some customers may perceive products in sachets as lower in quality compared to those in larger, traditional packaging. This perception may impact purchasing decisions, particularly for premium or luxury items.
4. Inconvenience for Bulk Purchases: Customers who prefer bulk purchases might find sachets inconvenient, as they involve handling multiple small units instead of a single, larger package.
5. Potential for Overuse: Sachets, due to their smaller size, may lead to overuse of certain products, especially if consumers do not practice portion control. This can result in a higher overall cost over time.
6. Packaging Waste: The use of single-use sachets contributes to packaging waste. Customers concerned about environmental sustainability may find this aspect of sachet marketing undesirable.

XII. DATA COLLECTION

1. Literature Review: Conduct a comprehensive review of academic articles, business journals, and market reports related to sachet marketing. Analyse existing studies for insights into consumer behaviour, industry trends, and the impact of sachet packaging.
2. Surveys and Questionnaires: Design surveys or questionnaires to gather quantitative data from consumers, focusing on their preferences, attitudes, and purchasing behaviour related to sachet products. Include questions about factors influencing their choice, satisfaction levels, and perceptions of sachet packaging.
3. Interviews: Conduct interviews with industry experts, marketing professionals, and key stakeholders to gain qualitative insights into the strategies and challenges of sachet marketing. Explore their perspectives on the effectiveness and future trends in sachet packaging.
4. Observational Studies: Observe and analyse consumer behaviour in stores or online platforms to understand how sachet products are chosen, perceived, and interacted with in real-time.
5. Data from Retailers and Manufacturers: Collaborate with retailers and manufacturers to access sales data, market share information, and production statistics related to sachet products. This can provide valuable insights into the economic impact of sachet marketing.
6. Social Media Analysis: Utilize social media analytics tools to monitor online discussions, trends, and sentiment related to sachet products. Extract valuable data on consumer feedback, reviews, and engagement with sachet marketing campaigns.
7. Case Studies: Explore and analyse case studies of successful sachet marketing campaigns in different industries. Identify common strategies, challenges faced, and the outcomes achieved.
8. Industry Reports: Refer to industry reports and market research publications that specifically address sachet marketing trends, growth projections, and competitive landscapes.

CONCLUSION

In conclusion, sachet marketing presents a promising strategy for companies to tap into new consumer segments, increase affordability, and enhance market penetration. Its convenience, affordability, and flexibility cater to the evolving needs of modern consumers, especially in emerging markets. As businesses continue to innovate and adapt their strategies, sachet marketing is poised to remain a relevant and effective tool for reaching diverse demographics and driving sales growth.

REFERENCES

1. Dobhal, Shailesh and Das Munshi, Sujit (2005), "The New Rural Consumer," *Business Today*, 30th January, pp. 73-76.
2. Ramendra Singh, Indian Institute of Management Ahmedabad, India and Rodolfo P. Ang, John Gokongwei School of Management, Ateneode Manila University, Philippines, and Joseph A. Sy-Changco, University of Macau, China (2014), "Buying less, more often: an evaluation of sachet marketing strategy in an emerging market"
3. Sharma, A., & Krishnan, B. C. (2016). *The Role of Sachet Marketing in the Evolving Indian Consumer Market. Journal of Business and Retail Management Research*, 11(2), 126-133.
4. Mishra, S., & Naik, M. (2019). *Sachet Marketing: A Boon or a Bane? International Journal of Management and Humanities*, 4(2), 43-47.
5. Bhatt, D., & Bhargava, R. (2017). *Impact of Sachet Marketing on Consumer Buying Behavior. International Journal of Innovative Research in Management Studies*, 2(11), 19-24.
6. Nnanna, J. O., & Ihekwumere, O. (2018). *Exploring the Influence of Sachet Marketing on Consumer Purchase Behavior in Nigeria. European Journal of Business and Management*, 10(15), 43-49.
7. Gupta, A., & Bansal, N. (2015). *Sachet Marketing: A Conceptual Study. International Journal of Applied Research*, 1(10), 234-239.
8. Sen, S. (2018). *Sachet Marketing: A Strategy to Reach the Bottom of the Pyramid Consumers. Journal of Commerce & Management Thought*, 9(3), 507-512.



9. Chakraborty, S. (2017). *Marketing Strategy of FMCG in Indian Rural Market: A Study on Sachet Marketing. International Journal of Research and Analytical Reviews*, 4(4), 346-353.
10. Rani, G., & Sambath, P. (2019). *A Study on Consumer Buying Behaviour towards FMCG Products in Tamil Nadu with Special Reference to Sachet Marketing. International Journal of Management Studies*, 6(1), 95-102.