

# Package Simplicity Is Complex: When Simplicity Works And When It Doesn't



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## *Problem of practice:*

*As the global product [packaging market](#) is predicted to soar to \$1.1 trillion in 2024, the challenge for retail marketers is “How I can make my packaging stand out on a retail shelf?”<sup>1</sup> And a related question, relevant for all packaged products, is “Can my packaging help not only increase customer acceptance, but also a customer’s willingness to pay?”, implying that the product can command a premium.*

*Recent [research](#) by Lan Anh N. Ton, Rosanna K. Smith, and Julio Sevilla suggests that for most product categories, packaging simplicity enhances a customer’s willingness to pay, as it emphasizes perceptions of quality, purity or other benefits.<sup>2</sup> However, the research also uncovered an exception to the rule: consumer-indulgent products. This essay provides cues for marketers, branding managers, market researchers and senior sales managers who want to enhance customer perceptions and improve their price premium*

<sup>1</sup>. Featured in the October 2023 issue of the *Journal of Marketing*, authors Lan Anh N. Ton, Rosanna K. Smith, and Julio Sevilla in their [article](#): “Symbolically Simple: How Simple Packaging Design Influences Willingness to Pay for Consumable Products” show how packaging choices affect consumer purchase decisions

## Keep It Simple

Acting as the last salesperson on the retail shelf, product packaging must be a captivating communicator, igniting interest and compelling consumers to choose amidst myriad options. Optimizing packaging decisions becomes critical, as the global packaging market is expected to [grow](#) from \$1.1 trillion in 2023 to \$1.4 trillion by 2028 – at an annualized growth rate of 3.9%.<sup>3</sup>

For this huge market, the principle of ‘Keep It Simple’ usually works, according to the research by Ton and team, which focuses on fast-moving consumer goods – items you would usually find at a grocery store, or equivalent e-commerce website. But this insight extends far beyond the grocery aisles, and has been tapped by the likes of Steve Jobs, the visionary behind the success of Apple Inc. As Apple’s debut brochure boldly declared, “[Simplicity](#) is the ultimate sophistication”. Jobs emphasised the importance of simplicity in running the company, designing products and crafting advertising.<sup>4</sup> Apple’s triumph is attributed not solely to cutting-edge technology but also to design simplicity, a principle echoed by Ken Segall, author of *Insanely Simple: The Obsession That Drives Apple’s Success*. Apple extends this principle to its advertising. Stripping away technical details and flashy effects, Apple’s advertisements feature only the product name and a clear image—a testament to the power of simplicity. Simplicity is an inherent human preference, as affirmed by [Francesca Amfitheatrof](#), former design director of Tiffany & Co’s, who exemplified the timeless elegance and simplicity of the jewellery that also extends itself to the iconic blue box packaging.<sup>5</sup>

The research by Ton et al helps to understand this principle in-depth, including when it might not work. Their work is based on a comprehensive field study, which analysed 1,353 product images from a large, US grocery chain’s website, and the associated customer responses.

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The psychology behind preference for simple packaging lies in human judgment, where packaging cues influence perceptions of product purity. Consumers perceive products in simple packaging as having fewer, purer ingredients, from a single original source, especially when in the health food segments

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## When Package Simplicity Works

Consumers exhibit a willingness to pay more for products with straightforward packaging. In the case of a snack, consumers were willing to pay about 25% more when the snack was packaged in a minimalist design compared to a complex bottle. Similarly, hand lotion, when presented in a simple package, saw a 15.6% increase in price willingness to pay, and even non-branded chocolate experienced a 9.6% increase. The psychology behind these outcomes lies in human judgment, where packaging cues influence perceptions of product purity. Consumers tend to believe products in simple packaging contain fewer, purer ingredients, especially when targeting health-conscious segments.

The research is not for just fast-moving consumer products and can be extended to include electronics and other durables. Take the case of iconic Indian motorcycle brand – Royal Enfield. [Shubhramshu Singh](#), its global head of marketing and brand emphasizes that “Simplicity goes beyond comprehension—it breeds trust”.<sup>6</sup> He goes on to explain, “A brand must be obliged to clean the clutter...” and zoom in on the key product features to thrive in the market.

[Apple](#), a consumer durable company, is a definitive study on how simplicity can withstand the test of times.<sup>7</sup> The research does touch upon the fact that Apple’s simple package design is often perceived to be easy to use than its competitors. Another example is Ikea, which is known for its furniture and household goods, and follows a clean and minimalist [packaging](#) design that improves functionality, maximises flat-packing to reduce bulk and cost.<sup>8</sup> Its packaging consists mostly of paper and cardboard, as Ikea aims to go [plastic-free](#) by 2025.<sup>9</sup>

However, human cognition and decision-making are intricate processes, and there are contexts where more than simplicity is needed.

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### Why opt for package simplicity?

- Simple packaging suggests fewer ingredients
  - The products give a feeling of being pure and healthy
  - This makes consumers willing to pay more
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## When Simplicity Doesn’t Work

Consider consumer-indulgent products like chocolates, snacks, and pizza. The heuristic may differ here, as consumers often seek indulgence in these products and are more forgiving of their lack of health benefits. In such cases, package simplicity may diminish consumers’ willingness to pay a premium. Complex package designs resonate with the perception that the product contains multiple ingredients, appealing to consumers’ desire for indulgence. Similarly, minimalist packaging may need more investment and higher quality for store brands. As the complexity of store brand packaging increases, the research found a small increase in consumers’ demand. This counter-intuitive shift is potentially due to the perception that retail firms don’t invest sufficiently in their brands or that certain benefits can only be derived from multiple ingredients. An example of this complexity is a consumer-indulgent snacks like Cadbury chocolate bars, which feature a [maximalist package design](#).<sup>10</sup>

Similarly, a simplistic packaging strategy may backfire for store brand products in a multi-brand store like Carrefour or Walmart or D-Mart. For instance, a store-brand cola like Kroger’s Big-K was found to benefit from more complex packaging. The research found that most consumers perceive store brands as lacking in sufficient investment and quality.





And these retailers are now waking up to the importance of packaging for private labels or store brands as [research by McKinsey](#) shows. As per the report, 'leading retailers are now developing... packaging that not only draws shoppers' attention but also conveys the functional benefits of the brand'.<sup>11</sup>

## Product First, Package Later

Clearly, the decision to go for simple or complex packaging design depends on a number of factors – what the product means to the consumer (utility, health, or indulgence); whether the product is sold in a single-brand store (e.g., Apple store) or a multi-brand environment (e.g., a grocery store); and whether the product is a store brand or a national brand. To navigate these multiple factors, we would recommend one simple rule – consistency. As Steve Jobs once summed up his [design philosophy](#), “Design is not just what it looks like and feels like. Design is how it works”.<sup>12</sup> In other words, product managers should ensure that the packaging is consistent with the larger context of the product – its placement, its brand, and the competitive context.



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