Globally standardised vs. locally adapted packaging

A case study at Sony Ericsson Mobile Communications AB

Magnus Fagerlund & Jonas Körner

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Preface

This master thesis was constructed by two good friends who got to know each other during the first grade of upper secondary school. The two “boys” first started with different directions of their education at The Institute of Technology at Lund University. However, the opportunity to complete this final part of our lives as students together has been a big pleasure.

We would like to thank our supervisors Fredrik Nilsson and Monica Towman for their contribution to this master thesis. The discussions we have had with them have always helped us find the right direction in our work.

At last, but not least, we would like to thank all the interviewees that have helped us to find the needed information in order to complete this thesis. Special thanks go out to all the people that helped us during our field studies, you know who you are and you are not forgotten.

Magnus Fagerlund

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Februari 2010, Järnåkra, Lund
Abstract

Title
Globally standardised vs. locally adapted packaging
A case study at Sony Ericsson Mobile Communications AB

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Purpose
To explore how the balance of a packaging standardisation and adaptation strategy,
from a distribution and sales perspective on different markets, can satisfy the markets
needs and increase sales.

Method
This master thesis uses an inductive approach as well as it is both explorative and
explanatory. Since the authors wanted to find a broader perspective and analysing
secondary data, the following data collecting methods have been used: literature
research, interviews, questionnaire and observations. Furthermore, a single case study
research approach has been used in the thesis. The case study approach leads to
expanding and generalising theories but does not provide a statistical generalisation.

The literature studies started the master thesis where previous packaging as well as
standardisation vs. adaptation research was examined. Based on packaging logistical
theories, a packaging questionnaire was sent to the case company’s market units.
Furthermore, in-depth interviews were held with employees at selected markets. To
further broaden and deepen the knowledge regarding the perception of the packaging
portfolio at the case company’s markets, field studies at two of the selected markets
were conducted where observations and interviews with different actors were
performed.

Conclusions
It is concluded that successful retailing is impacted by the choice of packaging
strategy and what packaging portfolio to use on different markets. Different markets
have different packaging related needs and in the case of Sony Ericsson, the authors
have identified the need of going towards a more locally adapted packaging strategy.
However, as previously discussed (e.g. see Jahre & Hatteland, 2003), trade-offs exist
between logistical efficiency and marketing potential.
This thesis has shown that there is a need for Sony Ericsson to adapt their packaging portfolio to market specific needs and demands in order to compete successfully. The authors recommend that Sony Ericsson divides their packaging portfolio into two different portfolios, one for pre-sales promotion markets (where the primary packaging is used as a marketing tool) and one for post-sales promotion markets (where the primary packaging should confirm the purchase). The most important variable that separates these markets is the size of the primary packaging. Pre-sales promotion markets need larger primary packaging in order to attract end-customers. This is no need on the post-sales markets.

The authors have developed two models in order to identify how the sales channels are functioning (MAJO model) and how well the current packaging portfolio is perceived at the focus markets (packaging portfolio evaluation model). These models have been of major importance in the analysis and the authors strongly believe that they could be used at other global companies in the fast moving consumer electronics goods industry.

**Keywords**

*Packaging strategy, packaging portfolio, packaging logistics, standardisation and adaptation.*
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1. Introduction

The increased competition puts pressure on global companies to continuously develop new, innovative products attracting customers. Packaging can contribute to a company’s profit and reduce costs by working as a marketing tool and facilitating a more cost-effective distribution. This chapter introduces the reader to the value-adding packaging approach as well as providing a background to the master thesis and discussing the problem and purpose.

1.1 Background

The power of packaging is growing. During the last decade, focus on the packaging and the packaging system have increased enormously. Not only in terms of effective distribution and handling, but also with regards to marketing and from bringing a more value adding approach to the product. (Doyle, 1996; Olander-Roese & Nilsson, 2009)

Packaging affects the cost of every logistical activity (Bowersox & Closs, 1996) and can contribute to a company’s profits through the stimulation of sales and the reduction of costs (Stewart, 1996). Packaging also represents the single most important interface between the products and the logistics system as well as it can communicate end-customer value and maximise sales. Another aspect which is a growing concern is the possibility of reusing and reducing packaging with regard to environmental issues (Saghir, 2004).

The mobile phone business is a fast moving industry, where new products grow old rapidly. Due to that, mobile phone companies need to make as large profit as possible during a limited period of time. Since packaging can contribute to increased sales and lowered costs, maybe it should be a rather high prioritised subject in many companies.

The mobile phone company Sony Ericsson Mobile Communications AB, from now on referred to as SEMC, is a global joint-venture between the two companies Sony and Ericsson aiming at being “THE communication entertainment brand” (SEMC Corporate website, 2009-10-15).

When developing, producing and selling products; two different strategic perspectives are frequently discussed: global standardisation and local adaptation. Standardisation refers to offering the same product/packaging to all customers on every market while local adaptation refers to changing the product/packaging in order to fit the needs of different customer segments (Horská, Ubreziova & Kekälä,
2006; Calantone, Cavusgil, Schmidt & Shin, 2004). Figure 1 below illustrates the reasoning.

![Diagram of Standardization vs. Local adaptation](image)

**Figure 1. Standardisation vs. local adaptation (modified from Towman, 2009a).**

When it comes to retailing, the primary packaging can add value to a product through promotion, either as both pre-sales and post-sales or as post-sales alone. Pre-sales promotion means that the packaging should promote the product and attract end-customers before the product is purchased. However, after the product is purchased, the packaging should confirm the purchase and then the packaging contributes to post-sales promotion. (Towman, 2009a)

Sales channels for FMCEG\(^1\) products differ. On the Swedish market, e.g. mobile phones and digital cameras are usually sold in specialised stores where the products are displayed to the end-customers, allowing them to test and feel the product. The packaging is not shown until the product is purchased. In other markets, the packaging is the first thing you see, and you do not have the same possibility to test and feel the product before purchase.

Besides differences in sales channels, there are differences in possible ways of distribution from market to market. More developed countries have greater potential in offering suitable distribution alternatives than other. Since many FMCEG companies operate globally, there are of course differences in how sufficient the products (or more exactly, the packaging) can be distributed.

One FMCEG company having a clear packaging strategy, balancing between globally standardised and locally adapted is Hewlett Packard. The information technology company previously had a non-uniform packaging image for two of its major consumer-facing business units, the Imaging and Printing Group and the Personal Systems Group, creating a lack of consistency on the different markets. After the change, the new core packaging design is largely the same worldwide, but with room for appropriate localisation. The packaging often involves a template that is 80 to 90 % the same worldwide, the remaining 10 to 20 % space left is for specific region

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\(^1\) Fast Moving Consumer Electronic Goods such as mobile phones and MP3 players

\(^2\) Europe, Middle East and Africa.
communication. In the EMEA\textsuperscript{2} region, one of the trends is to have a more iconic communication with the end-customers instead of printed words on the primary packaging. This means that the need for language translations decreases. However, in contrast to these markets, the North American region still requires a clearer message, where the packaging still has a lot of printed information (Brand packaging website - Global Branding: Achieving Balance, 2009-11-28).

The perspectives of distribution and sales have, based on the discussions above, influenced this thesis and inspired the authors during the writing.

1.2 Problem discussion

The globally standardised vs. locally adapted marketing and distribution strategy debate has been ongoing for some decades (Calantone \textit{et al}, 2004). However, the packaging has not got that much attention in the discussions as the product itself has and can therefore be regarded as a quite unexplored (Horská \textit{et al}, 2006). Some researchers claim that it is impossible to have a global distribution strategy because of big differences in laws & regulations, culture and climate on different markets (Alimiené & Kuvykaitė, 2008) while other researchers mean that it is possible to standardise to some extent (Rosenbloom, Larsen & Mehta, 1997).

At SEMC, the packaging department develops the primary, secondary and tertiary packaging as well as stickers and inserts for the mobile phones. Currently SEMC uses a global standardised packaging strategy, which means that they use the same packaging portfolio on all markets, see Figure 2. (Towman, 2009a) When deciding what packaging strategy to choose, one has to know how and what it will affect and if it fits the company’s overall strategy or not (Lockamy, 1995).

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure2.png}
\caption{Sony Ericsson's current packaging strategy (Towman, 2009a).}
\end{figure}

\textsuperscript{2} Europe, Middle East and Africa.
In the packaging strategy discussions, it is important to understand differences and similarities of the distribution- and sales channels on different markets. Furthermore, it is vital to understand how the packaging systems are affected by these differences. One rather obvious concern when products are sold globally is that the retailing function differs between markets as well as within markets. This is true for SEMC, since their products are sold in both large, fancy stores where the end-customers are able to try out the products before the purchase, to smaller stores where the products only are displayed in the primary packaging without the end-customer having any opportunity of testing the products before the purchase. Are these differences in sales channels contributing to different needs and demands on the packaging? If so, then what are these different needs and demands?

Environmental concerns have made primary packaging decrease in size, thereby allowing less material to be used and increasing the filling rate while transporting. However, smaller primary packaging means less visibility and exposure to end-customer once at the retailer. Therefore, the size of the primary packaging could be one important variable when deciding on appropriate packaging strategy, where trade-offs may occur between logistical, environmental and marketing issues. The size of the primary packaging may also affect the size of the secondary, and in the end, the tertiary packaging. With that said there is a need to take a holistic perspective of the packaging system in order to understand possible trade-offs.

Furthermore, can differences in climate along the supply chain affect the packaging? With a global standardised packaging strategy, the packaging has to protect the product for the most extreme conditions, meaning that the product might be overprotected on markets not exposed to the worst conditions. Also in this case, trade-offs can occur between sufficient packaging and costs.

The examples above show the importance in identifying different needs and demands on different markets in order to find an appropriate packaging strategy and to what extent it should be globally standardised and locally adapted to suit the different market needs. This discussion leads to another interesting research question: How can the packaging system be adjusted to fit different markets and what are the trade-offs when changing the strategy?

As many global companies still regard packaging as a low prioritised, cost-driving area, rather than a value-adding activity, the problem is not only to adjust the packaging in order to meet the needs and demands on different markets, but to actually identify these needs and demands. Some of the demands on the packaging are of regulatory nature, e.g. that labels needs to be but on the packaging, but maybe there are market specific needs and demands depending on e.g. culture? The regulatory demands influence the packaging, meaning that the packaging must meet
these demands in order for the company to compete on that specific market at all. Companies must therefore know about the regulatory demands, but other needs and demands might come in second hand. However, the packaging related information must be gathered from different actors in the supply chain, e.g. distributors and retailers, in order to fully understand the needs and demands from the markets. More important, this information must reach appropriate departments, working on the development of the packaging portfolio. How can this information be allocated and distributed to key persons in larger companies?

For SEMC, the current globally standardised packaging portfolio means that every market receives the same packaging for a specific mobile phone model. However, there may be potential today not realised, in the adaptation of different packaging systems on different markets in order to facilitate a more effective distribution and to increase sales.

Keeping the discussions and questions above in mind, the main research question for this thesis has been formulated as:

Does the current Sony Ericsson packaging portfolio adhere to the markets needs and demands by facilitating an efficient distribution as well as increasing sales?

1.3 Purpose and objectives

Based on the previous discussion and the research question presented above, the main purpose of this thesis is to explore how the balance of a packaging standardisation and adaptation strategy, from a distribution and sales perspective on different markets, can satisfy the markets needs and enhance sales.

The main purpose has been broken down into three objectives that the authors aim to reach during this thesis:

- Identify the different markets’ perceptions of the current SEMC packaging portfolio.
- Identify the actual needs and demands from different markets on the packaging portfolio with focus on distribution and sales as well as, to some extent, environmental considerations.
- Analyse the collected information in order to draw conclusion and create an input to a future SEMC packaging strategy.

1.4 Focus and limitations

SEMC continuously develops new products, mobile phones and accessories, which reaches the markets at a rapid pace. This thesis will examine the packaging systems
for mobile phones, where the five different primary packaging models, representing the packaging portfolio, are in focus. The packaging system for accessories will not be examined.

The thesis will take a worldwide perspective, aiming at identifying needs and demands from markets on a global scale. However, the thesis will be limited to six focus markets, investigated through interviews and field studies, while other data collection methods are aimed at all markets.

Furthermore, the thesis will not look at the entire supply chain, excluding the steps before the products reach the market. Since one of the objectives is to identify the needs and demands on different markets, the focus is from the point in the supply chain where the packaging reaches the markets, i.e. the distribution centres (see Figure 3 below).

![Supply Chain Diagram]

Figure 3. The focus, with regards to the SEMC supply chain for this thesis.

Even though no active investigations are pointed at the end-customer (e.g. consumer surveys or interviews), the perception of the end-customer is still taken into consideration through the eyes of retailers, distributors and SEMC representatives.

Moreover, the thesis will not look at the tertiary packaging level because the requirements on this level are mostly of regulatory nature and are hard to affect. However, this does not mean that tertiary packaging will be unaffected by changes made on primary and secondary packaging level.

1.5 Target groups

There are two main target groups of this thesis: researchers (both students and academics) in the areas of packaging logistics and strategy and employees at SEMC, working with packaging related issues as well as employees involved in strategic decisions. This second target group also includes personnel in the logistics department and designers working with packaging art work.

1.6 Definitions

*Packaging* – Refers to a single package, either a primary packaging (sales item box) or a secondary packaging (master-pack)

*Packaging system* – Refers to the hierarchical system of different packaging (primary, secondary and tertiary).
Packaging portfolio – All of the packaging systems used by a certain company.

Packaging strategy – Describing how a company should reach the best balance, priority and integration between the main functions of the packaging systems.

Sales item box (SI box) – Refers to the primary packaging, carrying the actual mobile phone.

Master-pack – Refers to the secondary packaging, containing ten sales item boxes.

Customer – Refers to every actor in the supply chain receiving the products from another actor.

End-customer – Refers to the last customer in the supply chain, purchasing a product at the retailer.

Retailer – Refers to the stores where the end-customer purchases a product.

1.7 Thesis outline
The structure of the thesis report is provided below together with a brief explanation of every chapter in order to guide the reader through the report.

1. Introduction
After a short background to the thesis, a problem discussion is held, leading to specific research questions focused in this thesis. The focus and limitations are defined and the target group is presented. Finally, definitions of important words and expressions used in this thesis are given.

2. Methodology
This chapter presents the authors’ scientific view and describes the chosen methods in order to reach the purpose of this thesis. Also, the case study methodology is explained as well as the design of the performed case study.

3. Frame of reference
This chapter presents packaging logistics theories needed in order to understand the studied problem as well as illustrating previous research discussions regarding the standardisation vs. adaptation of products and packaging.

4. Model development – The packaging portfolio evaluation model and the MAJO model
This chapter presents two new models which have been constructed by the authors in order to evaluate how the current SEMC packaging portfolio is functioning on different markets.

5. Sony Ericsson and the market needs
In this chapter, a brief company presentation and the empirical findings from interviews, field studies and questionnaires are presented.

6. Evaluating the Sony Ericsson packaging strategy
The results from the questionnaire are presented on a regional perspective and the constructed models are used in order to analyse the functionality of the packaging portfolio on each of the studied focus markets. Furthermore, pattern matching is used in order to facilitate for recommendations to the case company.

7. A changing strategy for changing needs
In this chapter, the results from the case study are presented as well as the authors’ recommendations to the case company regarding the future packaging strategy.

8. Discussion and future studies
In the final chapter of this thesis, the authors discuss the presented results and how to interpret some of the findings. Suggestions for interesting future studies connected to the investigated problem are also presented.
2. Methodology

In this chapter, the chosen methodology is described as well as the author's scientific view. Furthermore, the case study design is presented as well as a discussion regarding the quality of this thesis.

2.1 The use of methodology in research

Methodology in research projects is the foundation of the trustworthiness. In the chapter of methodology, the reader has to be able to find answers to why the authors have taken the decisions they have done and find explanations of how the procedure of the research have been. (Björklund & Paulsson, 2003)

The chapter of methodology must indicate the authors’ awareness of different research methods and show the reader that the results of the thesis are influenced by the choice of methodology. (Björklund & Paulsson, 2003)

A general overview of the author’s choice of methodology is shown in Figure 4 below.

![Figure 4. The methodical view in this thesis.](attachment:image.png)
2.2 The research approach of this thesis

The research has mainly been driven by the collection of empirical data in order to generate theoretical findings, i.e. an inductive approach has been taken (Wahlén 1996). The empirical data in this study comes from the different SEMC market units as well as internal documents and presentations at the case company. The results from the collection will form the basis for the theoretical view. This theoretical view will then be compared to general packaging strategy theories (e.g. Dominic et al, 2000) and standardisation vs. adaptation research (e.g. Horská et al, 2007; Calantone et al, 2004) in order for the authors to draw general conclusions. However, two models have been created during the writing of this thesis (see chapter 4) which are sprung from existing packaging promotion and evaluation theories. Therefore, this thesis is to some extent deductive.

The limited theoretical knowledge in the investigated research area and the form of the research questions makes this study both explorative and explanatory. According to Björklund and Paulsson (2003), explorative studies are relevant when gathering basic knowledge about problems while explanatory studies are used when deeper understanding of the investigated subject is wanted.

The methods mainly used in this thesis in order to meet the purpose are often described as qualitative, as presented in chapter 2.4. Finding a broader perspective, be unable to control the research and handling information that cannot be measured or valued numerically are all indication that the research is built of a qualitative method (Holme & Solvang, 1996). As will be shown further on, the authors have analysed both primary and secondary data. However, analysing and gathering data which can be measured numerically is often described as a quantitative method (Ellram, 1996; Björklund & Paulsson, 2003), which means that this thesis also applies the quantitative method to some extent.

2.3 Design and execution

Together with the supervisor at SEMC, a discussion regarding the expected outcome initiated the thesis. Sprung from these discussions as well as discussions with our supervisor at the division of Packaging Logistics and Innovation, research questions were formulated, leading to the main purpose of the thesis.

The next step consisted of thoroughly examine different methodology literature in order to decide which methods would best fulfil the purpose of the thesis.

As illustrated in Figure 5 below, the steps in the research process started with a comprehensive study of internal documents as well as literature studies. These studies provided a fundamental understanding of the case company as well as existing packaging theories (see chapter 2.3.1). In order to get a first insight and broad
understanding of the needs and demands on different markets, a questionnaire was developed on the SEMC intranet and an invitational e-mail was sent to appropriate employees on every market (see Appendix B for the invitational e-mail as well as the questionnaire in its whole). The response from the questionnaires gave an input to which markets to further examine with interviews and observations before analysing the results and coming with conclusions.

**Figure 5. The different steps in the research process.**

### 2.3.1 Collection of data

According to Yin (2003), the collection of data is one of the most important parts in creating a good case study. As can be seen in Figure 6, different methods of collecting data have been used in order to meet the purpose of this thesis. The different data collection methods consist of literature studies, questionnaire, interviews and observations.

**Figure 6. The different sources of data used in this thesis.**
Secondary data

The starting point for the data collection was a comprehensive study of the internal documents at SEMC (reports, analyses and presentation materials) in order for the authors to gain an insight in the way of working at the case company as well as understanding the current packaging strategy and packaging portfolio used today.

At the same time, a literature study was performed in order to get a general overview of current research performed in the area of packaging strategy and logistics as well as to gain an understanding in how different distribution and sales channels affect packaging (and the other way around). Literature refers to all written material (Björklund and Paulsson, 2003) and consisted of relevant books, academic writings (master, licentiate and doctoral theses) and articles (journals and conference).

The search for relevant articles, academic writings and books was performed through keyword search in the ELIN3 database. Keywords used for this study has been “packaging”, “packaging strategy”, “distribution”, “sales channels”, “marketing”, “logistics”, “standardisation” and “adapted”. The number of hits on different combinations of keywords and search dates are presented in Appendix A. Besides the use of a large database, the supervisor at the division of Packaging Logistics and Innovation provided the authors with relevant articles and books, which further have broaden the knowledge in the studied area.

Information collected from the literature study and company internal material is referred to as secondary data which means that the information has been compiled with another purpose than for the case study (Björklund & Paulsson, 2003).

Primary data

Primary data have also been gathered during the time of the case study and refers to information gathered for the specific purpose of the study. Primary data is appropriate if one wishes to understand a certain research object. (Björklund & Paulsson, 2003)

As can be seen in Figure 6, three methods of gathering primary data have been used in the case study:

- Questionnaire
- In-depth interviews
- Observations

The questionnaire was constructed with the purpose of getting the general perception of the packaging systems from the SEMC markets. Based on the previous literature

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3 Electronic Library Information Navigator, large database at Lunds University.
study and with input from the supervisors from both the case company and the university, a number of conditions affecting the distribution and sales of primary and secondary packaging were identified and categorised in three main areas – logistics, marketing and environment.

After constructing the draft for our questionnaire, feedback was received from both of our supervisors who gave valuable recommendations for improvement. The improved questionnaire was then tested by two of the packaging engineers at the case company. Their feedback led to some final adjustments before testing the questionnaire on one of the market units as a pilot respondent.

According to Ejlertsson (1996), the use of a pilot respondent is important since it indicates if the respondents will interpret the questions in the same way as the designer of the questionnaire. The validity of the questionnaire is also possible to measure by using a pilot respondent (Ejlertsson, 1996). After finding a pilot respondent at the SEMC office market B, who gave superb feedback, the final version of the questionnaire for the case study was constructed.

The final version of the questionnaire consisted of totally 31 statements, questions and open-ended answering possibilities (see Appendix B). When presenting the answering alternatives in a Likert-scale4 throughout the questionnaire, the authors wanted to give a familiar feeling to the respondent. Furthermore, this decision was taken in order to facilitate for the analysis. The five graded scale5, where the outer boundaries were Strongly disagree and Strongly agree allowed the respondent to easily answer to the statements. The five graded scale gave the respondent the option to neither agree nor disagree, which the authors felt would decrease the falling of completed responses.

The questionnaire was, after the final adjustments, distributed via a link in an e-mail together with an invitational letter (see Appendix B) to respondents on different market units together with a definite dead-line.

One week after the first e-mail, a reminder was sent to the respondents in order to increase the number of responses. This resulted in a total of 54 out of 211 completed questionnaires.

At the same time as the questionnaire was distributed, criterions were decided regarding which markets to perform in-depth interviews with. These criterions were: Accessibility, Growth potential, Market share, Market size and Market knowledge. The

4 Attitude-scale with statements in the same subject area to which respondents shall agree or disagree to (Ejlertsson, 1996, p. 80).
5 1=Strongly disagree, 2=Disagree, 3=Neither agree nor disagree, 4=Agree and 5=Strongly agree.
evaluation was executed together with the supervisor at SEMC and is presented in Appendix C. As can be seen in Appendix C, the markets chosen to perform in-depth interviews with were market A, B, C, D, E, F, G and H.

If the questionnaire answered the questions of what requirements that affected the packaging systems, the interviews aimed at answering why the requirements were important on the different markets. Therefore, in-depth interviews were held with people working at SEMC on the chosen market units in a semi-structured manner to more in detail understand the requirements that affect the packaging system. In a semi-structured interview, the specific subject is decided in advance, but the questions can be formulated as the interview proceeds. Depending on the respondents’ answers, questions can be modified during the interview and new questions can be formulated. ( Björklund & Paulsson, 2003 )

The semi-structured interview technique is appropriate because it allows the interviewer to adjust the interview to fit the interviewees’ individual preferences and feelings. This allows a genuine discussion to take place and more reliable answers to be given. ( Wallén, 1996; Merriam, 1994 ) Appendix D shows the interview guide used during the interviews.

The last step in the collection of primary data was to perform actual field studies on some of the markets chosen for in-depth interviews where direct observations were performed and semi-structured interviews were held at distribution centres and with retailers as well as at the SEMC offices to gain an even deeper understanding of how distribution- and sales channel requirements affect the packaging system. Direct observation is when the observer does not participate in the scenario to be observed, while participant-observation is done when the observer is taking place in what should be observed ( Yin, 2003 ). Since both of the authors of this thesis worked as observers, the reliability of the observational evidence increased. The visited markets were chosen from the same criterions used when choosing markets to perform in-depth interviews with. Market A and market B were the two markets prioritised for the field studies as they got the highest score in the evaluation (see Appendix C).

2.3.2 Method of analysis

As can be seen in Figure 5, the analysis of the collected information has been performed continuously during the entire thesis time. According to Merriam (1994), this is a typical scenario in case studies and the quality of the analysis is dependent on the researchers’ analytical capability.

Within case study research, analysis of evidence is especially hard since strategies of analysis have not been clearly defined ( Yin, 2003 ). However, the authors found two
applicable strategies/techniques; following theoretical propositions and pattern matching.

The analysis technique of following theoretical propositions was done by returning to the original objective of the case study during the analysis. The proposition sprung from the original objectives and questions functioned as a guide for the authors in order to focus on certain data, organising the case study and defining alternative explanations for examination. (Yin, 2003)

Pattern matching was used in order to identify the theoretical framework and compare it to the empirical material from the questionnaire, the in-depth interviews and the internal SEMC documents. For this thesis, it meant that the empirical material collected through interviews and field studies was gathered and analysed through comparison with theoretical packaging logistics requirements.

Furthermore, the questionnaire was analysed through the use of cross tables, where the responses to several statements were graphically combined in a single table. This method was used in order to illustrate, as well as distinguish, patterns in the perception of the packaging systems between markets (see chapter 6.1).

In order to further analyse and compare the markets needs and demands on the packaging, the authors found it necessary to develop two models. Through the use of these models, the authors could classify the markets according to sales channels and specific requirements on the packaging. This facilitated a simple way of finding patterns and coming to conclusions (see Figure 7).

![Diagram](https://via.placeholder.com/150)

Figure 7. The method of analysis (pattern matching) used in this thesis.
2.4 Sony Ericsson Mobile Communication – a qualitative case study

The method used by the authors of this master thesis, in order to reach a solid conclusion, is a single case study. This method is, according to Ellram (1996), preferred to use when the context of the methodology is qualitative. Furthermore, the case study method is well functioning in area of logistics if adapted correctly (Ellram, 1996).

In order to maximise the output of this thesis, the research question was defined together with the supervisor at SEMC. The question needed to be answered within the timeframe, but most of all, be relevant for the case company. The research questions had the form of “how” and “what”, regarding different perspective of the packaging systems on the SEMC markets. These kind of questions are according to Yin (2003) preferably analysed with a case study methodology. Using a case study methodology leads to expanding and generalising theories but it does not provide a statistical generalisation. Therefore, the case study methodology suits this master thesis well. One of the advantages with using the case study methodology is that it typically combines different data collection methods, which could be both qualitative and quantitative. (Yin, 2003)

In this master thesis, the authors are describing and analysing aspects affecting the packaging systems on different markets. The different markets can be treated as separate cases (multiple case study) with no connection to each other. On the other hand they could be treated as comparable events/markets that contribute to a single company (SEMC). The authors have chosen to view the actual case as a single study, where the markets represent effects with comparable cause on one company. This is in case study literature referred to as embedded single case study design. According to Yin (2003) the events/markets must be handled with the same focus, but can differ from each other in terms of how they are functioning. (Yin, 2003) The single case study is illustrated in Figure 8 below.
To create an understanding for the choices taken during the research time, there have to be opportunities to step back from the data, analyse it objectively, creatively develop explanations and search for patterns in a critical way. (Ellram, 1996) This means that there is a great need of documenting the procedure, so that the researcher can be able to step back and go through activities that have been done during different periods of the project time. Therefore, throughout the time of the thesis, two different kinds of documentation have been made.

The first one consists of raw data where, e.g. survey responses and notes from interviews have been kept. This unanalysed data has served as a database where the authors have had the opportunity to go back to see what the raw information looked like. Yin (2003) refers to this as a case study database.

The second document is what Yin (2003) refers to as a case study protocol and has been constructed to increase the level of reliability of the thesis. In this document, information about the thesis has been kept. Procedures of how information has been collected have been a major part of this document, since the authors wanted to be able to show “how” and “when” data has been gathered. Also an overview of the thesis can be found in this document. This overview has given a structure where relevant issues and literature analyses are the major key parts. Furthermore, questions about how to proceed, thoughts about how the collected information was to be analysed and the authors’ thoughts about the usefulness regarding data and information have been written down in this document.

According to Yin (2003), this procedure to document steps during a research project in order to increase reliability will guide the authors and allow them to find rules to
relate to. The case study protocol also facilitates the analysing part of the case study and is therefore highly recommended in the case study methodology. (Yin, 2003)

2.5 Scientific foundation

When choosing research approach, one has to think about the relations between theories and empirics and consider the actual problem. A “problem” does not necessarily need to be a problem in common sense, but “something that you search knowledge in which can be formulated clearly enough in order to direct the choice of methods and, in the end, be able to tell if the answer has been reached or not” (Wallén, 1996, p. 45). When the problem has been identified, this directs the choice of research approach, methodology and material.

Reaching the purpose of this thesis can be done in different ways, much depending on the researcher’s background and the chosen way to approach the problems. The authors of this thesis believe that the truth is dependent on each individual and that, when researching; the outcome is to some degree affected by the researchers’ former knowledge and personal background. This “soft” approach to science goes hand in hand with hermeneutics, i.e. the “learning of interpretation”. The scientific orientation of hermeneutics considers human situations and acting when reaching for knowledge compared to the opposite direction, positivism. Positivism is a scientific orientation where everything but absolute truths is discarded. Everything that cannot be empirically tested and measured should not be seen as knowledge at all and/or as something irrational. (Wallén, 1996)

The scientific orientation that hermeneutics represents fits the purpose of this thesis well, since the input to a large extent depend on the information given by the different employees working in the SEMC market units. This information from the different market units needs to be interpreted by the researchers. The thesis can therefore be regarded as social science.

Furthermore, the SEMC supply chain investigated can be regarded as a system of different actors (distributors, retailers and customers) and flows (material and information). In compliance with systems theory literature, the supply chain has been delimited (see chapter 1.4). According to Wallen (1996), systems theory is regarded as a more effective way of describing and explaining compared to positivism, even though the scientific ideal are quite alike (rationalism, measurement and comparing).

The scientific orientation practiced by the authors of this thesis can therefore be regarded as hermeneutically based, applied with systems theory.

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6 Social science is a discipline or branch of science that deals with the sociocultural aspects of human behavior.
2.6 Research design quality

In order for the master thesis to reach as high quality as possible, there have been important methodical aspects for the authors to relate to. First of all, there has to be evidence to the statements so that the reader can rely on the research. This has been done by connecting the different steps in the research, from the formulation of research question to research report. These two are connected through the *case study protocol* and the *case study database*.

To allow the reader to connect the research question with the report in this way facilitates an increased quality to the research, especially when the reader can be able to follow them through. This documentation is mostly known as *chain of evidence*, illustrated in Figure 9 (Yin, 2003).

![Diagram](image)

*Figure 9. Maintaining a chain of evidence (Yin, 2003, p. 106).*

In order to perform the case study, the authors had to use different techniques to gather information and data. By doing that, the conclusions and findings in the research are more convincing. As discussed by Yin (2003), there is a need of using different kind of techniques when gathering data, which is referred to as
triangulation, when performing a case study. The triangulation of data used in this thesis is illustrated in Figure 10.

![Triangulation diagram](image)

**Figure 10. Triangulation (Modified from Yin, 2003).**

By using both triangulation and chain of evidence, the validity of a case study increases (Ellram, 1996), which is true also for this master thesis. In addition, the authors have described the reality of the markets where SEMC is present. Furthermore, the authors have discussed why the markets look like they do related to packaging in order to bring explanations and a deeper understanding. This reasoning increases the validity of the research (Merriam, 1994; Ellram, 1996).

The single case study has been well documented, not only in this report, but also in the case study protocol and the case study data base. Ellram (1996) and Yin (2003) argues that using these procedures improves the reliability (the degree of repeatability of the results).
3. Frame of reference

This chapter provides the reader with the theoretical frame of reference needed to understand the subject of this study and the problems associated to it as well as previous research findings.

The frame of reference is structured as Figure 11 below illustrates.

![Diagram of frame of reference]

**Figure 11.** The structure of the frame of reference.
The frame of reference starts from theories of packaging, including the main packaging functions. Furthermore, the fundamentals of packaging logistics, which say that packaging should be regarded as an integrated part of the supply chain, are described. In order to meet the purpose of this study, different actors in the supply chain are taken into account. The packaging strategy can therefore be regarded as a supply chain issue, where packaging affects (and is being affected by) the different actors in the supply chain.

The supply chain actors have all different packaging requirements which can, according to literature, be divided in environmental, logistical and marketing (Dominic et al., 2000), where previous research has pointed out trade-offs between the different requirements (Prendergast & Pitt, 1996).

In this chapter, the reader is introduced to the standardisation vs. adaptation debate of distribution and marketing channels and its connection to packaging.

Finally, the packaging scorecard is presented and described as it is one way of evaluating the functionality of a packaging system. The packaging scorecard is later on in this thesis working as an input to one of the developed models (see chapter 4).

3.1 Packaging

Lockamy (1995) argues that packaging is a crucial aspect of the global trade and commerce. Without the packaging, these activities would be inefficient (Lockamy, 1995). Its fundamental functions are to protect, contain and communicate the product, but it should also protect the surrounding environment from the product (Paine, 1981). Furthermore, packaging is important from a sales and marketing perspective as well as from a logistical perspective, through the distribution and handling of packaged goods. Packaging can be regarded as the integral part of the product passing through the supply chain. (Olander-Roese & Nilsson, 2009)

3.1.1 Definition of packaging and the packaging system


“Packaging shall mean all products made of any materials of any nature to be used for the containment, protection, handling, delivery and presentation of goods, from raw materials to processed goods, from the producer to the end consumer. Non-returnable items used for the same purpose shall also be considered to constitute packaging”

Another definition by Bjärnemo, Jönsson and Johnsson (2000) refers to packaging as:
“...a means of ensuring safe and efficient delivery of the goods in a sound condition to the ultimate consumer, supplemented by efficient reuse of packaging or recovery and/or disposal of the packaging material at minimum cost”

The packaging system refers to three hierarchical levels of packaging (Dominic et al, 2000):

- **Primary/consumer packaging** – In direct contact with the product and the one that the end-customer receives.
- **Secondary/retail packaging** – Designed to contain several primary packaging.
- **Tertiary/transport packaging** – Consists of an assembly of primary and secondary packaging.

These levels can be viewed independently of each other, but they interact when studying the packaging as a system. The packaging system levels are illustrated in Figure 12 (Hellström & Saghir, 2007).

![Diagram of packaging system levels](image)

**Figure 12. The levels of the packaging system (modified from Hellström & Saghir, 2007).**

The authors of this master thesis see packaging in the same way as Dominic et al (2000), as a hierarchical system, where the tertiary packaging includes the pallet. Even though the packaging definition of Bjärnemo et al (2000) stresses the environmental aspects of packaging, it does not include the presentation of the product. Therefore, the authors agree more with the definition given by the European Union (European Parliament and Council Directive 94/62/EC).
3.1.2 Packaging functions

In order to develop a framework for how to assess strategic packaging decisions, Lockamy (1995) has pointed out six primary functions that packaging should meet:

- **Containment** – Restrained the contents of the packaging.
- **Protection** – Protect the contents from outside environmental influences, such as temperature and vibrations. Furthermore, also protect the environment from the content of packaging.
- **Apportionment** – Reduce the input from large scale, high volume industrial operations to a manageable size for the end-customer.
- **Unitisation** – Permit the primary packaging to be unitised into secondary packaging and the secondary packaging to be unitised into tertiary packaging in order to give efficient movement.
- **Convenience** – Simplify the use of the product for the end-customer. Prepared foods in microwavable packaging are one example of convenient packaging.
- **Communication** – Allow the end-customer to instantly recognise products through distinctive branding and labelling. Furthermore, contribute to more effective handling at the retailers, distribution centres and warehouses.

These functions can be directly linked to a firm’s competitive edges and not only to product design, manufacturing, transportation, distribution and marketing (Lockamy, 1995).

3.1.3 Packaging requirements

The packaging is highly affected by requirements in the supply chain, not only from the product, but also from the surroundings. These requirements can, according to Dominic et al (2000) be divided in three aspects: Logistics, Marketing and Environment as Figure 13 illustrates.
The three aspects are divided in sub-categories which are of major concern when evaluating the packaging system. These sub-categories are presented below.

**Marketing requirements**

The marketing requirements refer to value-adding features of the packaging, which intend to increase the attractiveness of the product (Dominic *et al.*, 2000). Furthermore, Dominic *et al* (2000) argues that the marketing function is designed to select alternatives in formats for adapting to current legislation and requirements (amount, dosage etc.) from end-customers and the marketing channel. The marketing requirements are divided according the following by Dominic *et al* (2000):

- *Product information* – The description of the product and the packaging.
- *Selling ability* – The design, layout and communication of the packaging.
- *Security* – The demands on e.g. safe and theft proof packaging.

**Logistical requirements**

The logistical requirements refer mostly to the logistical flow such as transport, handling and storing (Dominic *et al.*, 2000). However, throughout the supply chain, the packaging is affected by handling and the logistical requirements put on the packaging contribute to facilitate this handling. According to Dominic *et al* (2000), these are:

- *Product protection* – The product's durability is connected to the packaging's quality of protection and the effects from distribution environment.
• **Logistical information** – The packaging should through labelling and “signals” contribute to the product being sent to the right place and handled correctly.

• **Volume and weight efficiency** – The volume efficiency is defined as how well the available volume is utilised and the weight efficiency is defined as the product weigh related to the utilisation of the load carrier.

• **Suitable quantity and correct size** – The packaging system should be designed to meet the inquiry of quantity along the distribution channel since there are different needs from the customers.

• **Handle ability** – The packaging should be well adapted to handling in the different steps in the distribution channel.

**Environmental requirements**

The environmental requirements on the packaging are of high importance and should contribute to decrease environmental stress, decrease the use of resources and facilitate the recycling of the packaging (Dominic et al, 2000). There are also environmental demands on the packaging from institutions as the European Union. The requirements, stressed by Dominic et al (2000), are the following:

• **Economy of resources** – Reduction of quantity of material/energy during production.

• **Reduce hazardous material** – Reduction of hazardous material in the packaging material and during production.

• **Minimizing the waste** – Facilitate the recycling of the packaging.

### 3.2 Packaging logistics

Packaging logistics is a concept that has its roots in the close relationship between packaging and logistics. The relationship is pointed out to be important since packaging and logistics affect each other in several ways and therefore packaging logistics has become a research area of great interest (Dominic et al, 2000; Johnsson, 1998).

Throughout the supply chain, where logistic activities such as transport, inventory, warehousing and communication occur, there are interactions between packaging and these logistical activities (Hellström & Saghir, 2007). The packaging should be treated as a part of the supply chain and not as an isolated part with protection of the product as its only function (Lumsden, 2006). In Figure 14 below, the interactions between the supply chain and the packaging system are illustrated, as well as the interactions between the packaging system and the product.
Furthermore, the packaging system affects the efficiency of the logistical activities in the supply chain. All actors in the supply chain are affected by the packaging, and should therefore be treated as customers for which the packaging should be developed. (Dominic et al, 2000) Therefore, in order to create an efficient supply chain, there need to be focus on the interactions between the packaging and the supply chain since their performances are affected by each other (Hellström & Saghir, 2007).

There are different definitions of packaging logistics. The one formulated by Packforsk⁷ which is influenced by the definition of logistics from CSCMP⁸ is:

“Packaging logistics is an approach that aims to develop packages and packaging in order to support the logistic process and meet the demands of the consumer/user.” (Dominic et al, 2000)

Another definition formulated by Saghir (2002) is:

“The process of planning, implementing and controlling the coordinated packaging system of preparing goods for safe, efficient and effective handling, transport, distribution, storage, retailing, consumption and recovery, reuse or disposal and related information combined with maximizing consumer value, sales and hence profit.”

The Saghir definition takes a wider perspective than CSCMP on the concept of packaging logistics, including the overall business performance and stressing

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⁷ Packforsk (Innventia) perform research and development relating to pulp, paper, graphic media, packaging and biorefining (http://www.innventia.com).
⁸ Council of Supply Chain Management Professionals is an organization working for the supply chain profession.
packaging as something value adding. This more extent definition goes in line with what the authors believe and is therefore used further on in this thesis.

3.3 Trade-offs in packaging

According to previous research, the many packaging perspectives (logistics, marketing and environment) mean that there need to be trade-offs between the different requirements (Prendergast & Pitt, 1996). This implies that an increase of the packaging value with regard to one requirement may result in reduced benefits with regard to another. Packaging should therefore be optimised with regards to all of the different requirements (Jahre & Hatteland, 2003).

Kassaye and Verma (1992) discuss that finding a balance between environmental concerns and essential packaging functions is probably the biggest challenge for manufacturers. Furthermore, they argue that another challenge is that manufacturers want less packaging (lower costs) which results in less advertising space, less protection and less sales revenue. Today, the impact of packaging on the environment is highly recognised by customers, especially when it comes to use of resources, energy consumption and pollution (Prendergast & Pitt, 1996). Therefore, manufacturers have to provide packaging that is environmentally acceptable without losing its practical functions in terms of protection, attractiveness, handling and promotion (Livingstone & Sparks, 1994).

Even though most previous research argues that there must be trade-offs between logistical, environmental and marketing aspects of a packaging, an empirical study made by Prendergast and Pitt (1996, p.69) shows that there not necessarily must be trade-offs:

“...making a sales packaging more environmentally friendly does not necessarily make it more difficult to protect or handle the product, or make the sales package less appealing to customers”

Even though the result of the Prendergast and Pitt study (1996) showed that there not necessarily need to exist trade-offs, there are problems noted. For example, as Jahre and Hatteland (2004) points out, large packaging sizes (good for marketing) increase the complexity of ordering, handling and delivery (bad for logistics).

3.4 Packaging from a marketing perspective

From a marketing perspective, packaging has gained an increased attention in recent years. Firms have noticed that innovative packaging does not only attract end-customers, but could even change a product’s perception and create a new market position. In many markets it is also obvious that packaging plays a major role as a marketing tool by protection, promotion and user convenience. (Rundh, 2005)
The marketing aspect of packaging is attracting end-customer attention to the product and is able to reinforce a product’s image. If the end-customer instantly can recognise a product through distinctive branding or labelling, it enables supermarkets and other retail outlets to function on a self-service basis. (Prendergast & Pitt, 1996)

According to Rundh (2005) there are several factors and market trends that are suggesting an increased importance for packaging of products as a marketing tool. One factor is that end-customers have increased their interest in packaging and Rundh (2005) argues that packaging promotes end-customer choices and that packaging sells. This is done through the packaging of today enables and promotes brand identification. Furthermore, the packaging contributes to displaying and describing the product which it contains. This means that the packaging is the final interface between a company and its end-customers (Sara, 1990) and that the packaging can function as the industry’s silent salesman (Dominic et al, 2000).

Packaging can with this background be regarded as a strategic value for a firms marketing strategy and, if market requirements is taken into account, the “right” packaging can lead to competitive advantages. From this view of packaging, Rundh (2005) describes that packaging needs to gain more attention from firms since:

- Packaging is, to a growing extent, becoming a marketing tool for the firm.
- Packaging is, to a growing extent, contributing to the market performance for the firm.
- Packaging can be the competitive advantage that makes a difference in the market place for a firm.

Previously, it was argued that end-customers buy the package and uses the product. However, Nickels and Jolson (1976) goes as far as saying that the package, for a wide variety of goods, is the product until the end-customer uses the goods for its desired purpose. With that said, Nickels and Jolson (1976) argues that packaging should be given organisational attention that is at least equal to other marketing variables.

The increased importance of packaging as a marketing tool is further stressed by Löfgren and Witell (2005), as end-customer expectations change due to increased competition. Packaging can be used to provide increased end-customer value through provision of information and functions.

3.5 Distribution

According to Aronsson et al (2003), distribution is about making the finished products available for the customer in the most cost-efficient way, but also to secure as high level of delivery service as possible.

Gadde (1980) implies that there are three perspectives of distribution:
• *Distribution as a synonym to marketing.* This view means that distribution bridges the gap between producer and buyer.

• *Distribution as a competitive weapon within marketing.* This view means that distribution is connected to the marketing mix, where distribution is one of the four P.s, *Place.* This means that distribution is a part of marketing and not a synonym to the same.

• *Distribution as the pure physical distribution.* As well as including the pure physical distribution, this category also include the material flow from suppliers through the production process until finished product.

The definition of distribution given by the CSCMP is:

“The activities associated with moving materials from source to destination. This can be associated with movement from a manufacturer or distributor to customers, retailers or other secondary warehousing/distribution points” (CSCMP Glossary of Terms and Definitions: Distribution, 2009-11-15).

This definition points out that distribution is about the physical transportation of material and products and says nothing about the marketing perspective.

Abrahamsson and Brege (1995), however, agree to Gadde’s (1980) last perspective and compare the term of distribution with marketing, involving all the activities from producer until the product reaches end-consumer.

As the reader might have noticed, distribution can be regarded as the connection between logistics and marketing. However, the authors of this thesis see distribution, in line with the CSCMP, as the physical transportation of goods and do not include the marketing function in the concept.

### 3.5.1 Distribution channels

On a global market, a crucial and overriding challenge is to establish reliable and aggressive distribution channels in order for a product to reach the right target (Luk & Li, 1997). However, depending on which perspective on distribution you have, the term of distribution channel differ (Abrahamsson & Brege, 1995).

The definition of distribution channel is, according to the Council of Supply Chain Management Professionals

“One or more companies or individuals who participate in the flow of goods and services from the manufacturer to the final user or consumer” (CSCMP Glossary of Terms and Definitions: Distribution channel, 2009-11-15). This definition follows the distribution perspective which refers to the physical flow of goods, and not distribution as a marketing synonym or competitive marketing weapon.
Abrahamsson and Brege (1995) divide the term of distribution channel in two sub-categories: logistics channel and sales channel. Logistics channel involves the physical distribution while the sales channel activities involve marketing measures such as sales promotion and marketing communication.

The distribution channel can be structured in a number of ways where the product can be transferred from the producer to the consumer. The four most common structures of distribution channels are (Aronsson et al, 2003):

1. Direct distribution to the consumer.
2. Distribution via wholesaler.
3. Distribution via wholesaler and retailer.
4. Distribution via retailer.

These different ways of distributing the product to the consumer are illustrated in Figure 15.

![Figure 15. Different distribution channel structures (Aronsson et al, 2003).](image)

The term distribution structure should be noted as it includes how logistics-, marketing- and sales activities are organised in the distribution channel. The focus is on the organisation of the activities in the supply chain, which is divided between different channel members such as producers, wholesalers and retailers (Abrahamsson & Brege, 1995).

The roles of the intermediaries in the distribution channel structure differ. The wholesaler's role is to carry a lot of different products from different suppliers. This is often referred to as the wholesalers having an assortment function. Another function of the wholesaler is the spread function which means that the suppliers’ products reach a large number of customers. This is an easy way of reaching a large market. Without a wholesaler, the producer needs to sell and distribute the products to the retailer on their own. Retailers have a similar function in the distribution channel,
but the difference is that they always sell the products to the end-customer. One important factor for the retailer is the closeness to the end-customer as well as the assortment function. (Aronsson et al, 2003)

The length of the distribution channel (the number of intermediaries used) depends on a number of factors. According to Aronsson et al (2003), intermediaries are suitable when the customers are spread over a large geographical area, when the customers buy small quantities and when the assortment function is important for the end-customer. However, when the products are customised, cannot be stored or when support is needed when delivering, it is more appropriate not to use any intermediaries.

3.6 Packaging strategy
The purpose with having a clear packaging strategy is to support the common company- and business strategy as well as to look at the full role of the packaging and its functions. This strategy should describe how a company should reach the best balance, priority and integration between the main functions of the packaging. A packaging strategy that points out the frames for in which the packaging portfolio is to be developed is important for the effectiveness of the company. (Dominic et al, 2000)

3.6.1 Standardisation vs. Adaptation strategies
Standardisation refers to entering new markets without changing the physical product or packaging. This strategy can keep the costs low through economies of scale, but the product and/or packaging may not satisfy the customers. The strategy is suitable for global market segments, where the customers’ needs and wants are similar (Horská et al, 2007; Calantone et al, 2004).

Adaptation in this sense means that the products and/or packaging’s physical characteristics are changed in order to fit the needs of different segments and countries better. This strategy is usually associated with increased costs in development, manufacturing, packaging and distribution. The product must therefore increase sales in order to cover for the extra costs that such a strategy is associated with (Horská et al, 2007; Calantone et al, 2004). Adaptation can also help companies to evaluate and effectively use cultural differences of foreign markets as well as separate products, their properties and possibilities of usage (Alimienė & Kuvykaitė, 2008). For example, there are legal requirements that differ from market to market, which means that products and packaging must be adapted in order to meet these. These mandatory changes can also be such as accepted product standards. The opposite of mandatory changes are discretionary changes that include change in size, ingredients or features, which are needed in order to meet customer needs on
particular markets (Calantone et al., 2004; Alimienė & Kuvykaitė, 2008). According to Calantone et al. (2004), the more a product is tailor-made for a specific market, the better it will fit the needs of customers. The degree of adaptation is, however, costly.

There is an ongoing debate among researchers regarding standardisation vs. adaptation strategies when competing on a global market. However, the adaptation of the physical product and packaging has, to a large extent, not been investigated (Horská et al., 2007).

Due to differences in such things as legal environments, distribution channels, climate, topography, levels of market and technological development and competitive and cultural factors, offering the same product/packaging on different markets may not always be the right way to go. These differences as well as different customer requirements and conditions increase the need of another strategy in order to satisfy the customers on different markets. (Calantone et al., 2004)

However, a total adaptation or total standardisation strategy is never possible to use and therefore adaptation should be regarded as a matter of degree, not a matter of state. The main decision a company which operates in foreign markets must take, is the degree of adaptation/standardisation. (Alimienė & Kuvykaitė, 2008)

The discussion regarding standardisation vs. adaptation in marketing literature has often been polarised, but there is a choice of having a simultaneously strategy between the two extremities of total adaptation and total standardisation. However, these hybrid strategies are more costly and complex to manage. The question is to find the most efficient way to segment, where different segments should have different combinations of product standardisation and adaptation. (Horská et al., 2007)

Previous research results suggest that markets that are culturally alike, in terms of value base, tradition, history and language, are easier to satisfy with a standardised product. They also suggest that markets which are geographically close can be satisfied from a single production unit and where the transport time is short it can be too costly to have a lot of different product variations (Horská et al., 2007).

In a study made by Horská et al. (2007), all of the 107 investigated companies used a combination of standardisation and adaptation when offering their products to a foreign market. The combination of standardisation and adaptation was often the result of consumer information. Regarding the packaging, modifications occurred in nearly 40% of the cases. The packaging modifications observed were:

- A change of primary packaging size (smaller or bigger than the home market).
• A change of colour or graphic design of the package in interest to respect local customer's aesthetic feelings.

• A change of package graphic design with an aim to address specific target segment.

Moreover, in the study it was concluded that the primary packaging size and retail price have an important relationship in countries with lower purchasing power; changing the packaging size repositions the product also in regard to price. In several cases, producers use the packaging graphical design as a tool to distinguish between discount and premium market segments within one national market. The change of size and colour of the packaging is also more important the further away from the home market the product is being sold. Moreover, Horská et al (2006) concludes that the further away in distance between markets, the more differences there are in culture which needs to be taken into consideration.

Dominic et al (2000) describes the advantages with having a standardised packaging strategy:

• A uniform packaging layout can be a good way of profiling the company and create a uniform image towards the market.

• The time of development for new packaging can be shortened if a common packaging base is constructed.

• Fewer variants need to be kept in stock which decreases tied up capital.

• Larger volumes of purchase for the single packaging variants make it possible to put pressure on the supplier of material which lowers the price as well as allows for a better relation with few suppliers. By having a few suppliers instead of many, the development process can to a larger extent be put at the supplier.

• Decreased set up times when changing from one variant to another when packing and filling.

• A large utilisation of volume in transport and stock-keeping can be reached by choosing a module system for the size of the packaging.

Even though there are a lot of advantages with having a standardised packaging strategy, there are some disadvantages as well (Dominic et al, 2000):

• The marketing department’s space for changing the packaging, with purpose of increasing the marketing potential, might decrease.

• A uniform packaging towards several markets means that the requirements for the packaging are adjusted for the roughest conditions of distribution. This
means that the packaging might be over packed (unnecessarily strong or too much material) on several markets which are conflicting with environmental requirements of the use of less resources.

- The packaging’s inner filling degree can decrease.

### 3.7 The Packaging Scorecard model

Olsmats and Dominic (2003) have developed and presented the Packaging Scorecard model which is a way of evaluating a packaging system and its role and functions subjectively at different actors in the supply chain with regard to different criteria (see Figure 16).

![Figure 16. Criteria for the packaging scorecard (Olsmats & Dominic, 2003, p. 10)](image)

By letting the different actors in the supply chain subjectively weigh the different criteria and then evaluate packaging performance for each of the criteria on a scale from 0-4 (where 0 means “not applicable for the package” and 4 means “met excellently”), an average score is given, showing how well the packaging is performing according to the different actors (see Figure 17).

![Figure 17. Supplier Packaging Scorecard (example) (Olsmats & Dominic, 2003, p. 11)](image)
With this evaluation method the strength and weaknesses with the packaging system is easily identified in the different steps in the supply chain in a holistic manner. However, the packaging scorecard is based on a subjective evaluation at the different actors which means that the result is heavily influenced by which person is responding to the scorecard. One way of reducing this problem would be to let several persons respond to the packaging scorecard and use an average of the answers. Since there is a risk for incorrect conclusions due to the subjective answers, the presentation of the results recognised in the packaging scorecard study is extremely important. Another weakness is that the scorecard does not provide any solutions to the improvements suggested. (Olsmats & Dominic, 2003)
4. Model development – the packaging portfolio evaluation model and the MAJO model

This chapter introduces the reader to models which have been modified from existing models or fully constructed by the authors, in order to illustrate the important aspects needed to take into consideration when evaluating the success of a packaging portfolio on different markets in the mobile handset industry.

During the writing of this thesis and the performed case study, the authors realised that there is a lack of suitable models for evaluating packaging portfolios with regards to marketing, logistics and environmental aspects on different markets. These aspects have been discussed previously by e.g. Dominic et al (2000) and Lockamy (1995). Therefore, two models have deductively been created, with input from previous research.

4.1 The packaging portfolio evaluation model

The first model has been named the packaging portfolio evaluation model and is working as a tool when evaluating a certain company’s packaging portfolio with regards to either a specific market or different markets. The model is divided in three different segments of a circle, where the current packaging portfolio’s functionality with regards to the three requirement areas described by Dominic et al (2000) as well as some of the packaging functions described by Lockamy (1995), presented in chapter 3.1, is to be evaluated. According to the authors, many of the functions presented by Lockamy (1995) are included in the requirements described by Dominic et al (2000) except for Apportionment and Communication. These functions are in the packaging portfolio evaluation model regarded as marketing requirements.

The difference between this tool and the Packaging Scorecard model is that the packaging portfolio evaluation model tries to illustrate how well the packaging portfolio is functioning through illustrative patterns, compared to the Packaging Scorecard model which only illustrates how well the packaging system is performing according to different actors in the supply chain. Another difference is that with the packaging scorecard, the packaging system is subjectively evaluated by different actors in the supply chain, while the packaging portfolio evaluation model can be performed by a single person, working with packaging related issues. The input, however, comes preferably from different parts of the supply chain, but the information is interpreted by the person working with the model. However, the key
difference between the Packaging Scorecard and the packaging portfolio evaluation model is that the latter looks at the overall packaging portfolio and not a specific packaging system. As with the Packaging Scorecard model, the presentation and evaluation of the material is important in order to not draw any incorrect conclusions.

Furthermore, the packaging portfolio evaluation model must be regarded as a mix of science and social science since it aims to form a basis of discussion and analysis of the studied packaging portfolio. The model together with the discussion/analysis will then guide the evaluator to the answer if the packaging portfolio is appropriate for the specific market. In Figure 18 below the model is illustrated.

![Figure 18. The packaging portfolio evaluation model.](image)

The way of working with the packaging portfolio evaluation model is the following:

1. Packaging information from the specific market is collected from a marketing, logistical and environmental point of view, respectively. The information gathered is preferably collected through interviews with key persons, with the most accurate knowledge regarding these areas within the market. It is important to note that the questions should be divided according to the different requirements (see Appendix D for the interview guide used in this thesis).

2. The collected information is evaluated in relation to the different requirement categories (see chapter 3.1.4) according to a scale from 1 to 5. 1 means that the packaging portfolio does not meet the requirements at all and/or that the
evaluator sees potential in improving the packaging portfolio in order to fit the specific market. 5 means that the packaging portfolio fully meets the requirements and/or that there are no potential in improving the packaging with regards to this specific requirement. Since there most certainly are other requirements from a market, not exactly in line with the requirements and functions presented in chapter 3.1, these must be handled together with the one requirement that it similar to. A more detailed description of the grading follows:

a. If the packaging portfolio fully meets a certain requirement and/or there is no potential in improving the packaging portfolio with regards to a specific requirement, it is awarded with a 5.

b. If the packaging portfolio almost fully meets a certain requirement and/or there is little potential in improving the packaging portfolio with regards to a certain requirement, it is awarded with a 4.

c. If the packaging portfolio neither meets nor do not meet a certain requirement and/or there is some potential in improving the packaging with regards to a certain requirement, it is awarded with a 3.

d. If the packaging portfolio does not meet a certain requirement and/or there is potential in improving the packaging with regard to a certain requirement, it is awarded with a 2.

e. If the packaging portfolio does not meet a certain requirement at all and/or there is very large potential in improving the packaging with regard to this requirement, it is awarded with a 1.

3. A line is drawn between the different scores of each requirement. This gives a clear illustration of how well the packaging portfolio is perceived on the market, not only in general, but also in distinct terms of marketing, logistical and environmental requirements (see e.g. Figure 52 in chapter 6.2.).

4. The pattern illustrates how the packaging portfolio is functioning on a specific market. By comparing patterns on different markets, conclusions can be drawn whether or not similar markets, in terms of sales- and distribution channels, have the same comprehension of the packaging portfolio. When comparing patterns, it is preferable to use the average score of each segment (marketing, logistical and environmental) in order to get a more understandable illustration with fewer lines.

5. The results from the model are to be analysed and discussed thoroughly in order to find the answer if the evaluated packaging portfolio is adapted for the market or not. Furthermore, if more than one market is evaluated, similarities between them could hopefully be found.
4.2 The MAJO model

The second model, the MAJO model\(^9\), has been created in order to illustrate the
differences in sales channels on different markets as well as defining markets
according to how the products are sold. On some markets, the products can be tested
by the end-customer before purchase and the packaging is first seen after the product
is bought. However, on other markets, the products cannot be tested, nor seen,
before purchase and all there is to illustrate the product and its features is the sales
item box. These differences mean that there might be different demands on the sales
item box. At the packaging department at SEMC, there is a discussion about the
packaging having different value adding functions – post vs. pre-sales promotion
(Towman, 2009a; Interview with Monica Towman). Post-sales promotion means
that the sales item box is seen first after the purchase and the packaging then needs to
confirm the purchase and go in line with the overall feeling of the product. If the
sales item box is seen before the purchase, the packaging department at SEMC talk
about pre-sales promotion, which means that the sales item box needs to work as a
promotion tool to a larger extent (Towman, 2009a).

When visiting different markets and looking at different sales channels, the authors
understood that there is more to the discussion regarding post- and pre-sales
promotion because of the fact that there are several ways in which the product is
visible and testable to the end-customer before the purchase. Figure 19 below shows
the constructed model illustrating the different combinations between product and
packaging visibility before purchase.

---

\(^9\) Representing the two first letters in the authors' first names, MAgnus and JOnas.
Figure 19. The MAJO model.

The product visibility (vertical axis) is divided in three steps, from “none” to “actual product”. “None” on this axis means that the product is not displayed at all before the purchase while “dummy” means that the end-customer can feel and look at a dummy-product. The dummy-product does not allow the end-customer to try out the actual functions, but it allows the end-customer to get the overall feel of the product before purchase. The third step, highest on the vertical axis (“Actual product”), means that the product and all of its functions can be tried out by the end-customer before purchase. The horizontal axis, “Packaging visibility”, illustrates to what degree the packaging is visible to the end-customer before purchase. High packaging visibility means that the packaging is displayed at the retailer and used as pre-sales promotion. Low visibility indicates that the packaging is not displayed at the retailer, instead is the packaging used as post-sales promotion and it confirms the purchase, rather than sells the product.

In order to facilitate the understanding of the MAJO model, the six different boxes of the model is further explained with examples below.

- **Full post-sales promotion.** Buying a mobile phone in a Sony Ericsson flagship store, all features can be tested and the packaging is not visible in the store until after the product is purchased.
• *Post-sales promotion.* Buying a mobile phone in a store where the end-customer can see and feel the product, but not try its functions. The packaging is not displayed.

• *Low post-sales promotion.* Buying a mobile phone through the internet, the end-customer can neither try the function nor see the primary packaging before the purchase.

• *Low pre-sales promotion.* Buying a mobile phone in a store where all features can be tested and the packaging is clearly displayed and functions as one of the marketing tools.

• *Pre-sales promotion.* Buying a mobile phone in a store where the end-customer can see and feel the product, but not try its functions. Furthermore, the packaging is displayed in the store.

• *Full pre-sales promotion.* Buying a mobile phone in a store where the end-customer is not allowed to see the product but the packaging is clearly displayed and works as a marketing tool.
5. Sony Ericsson and the market needs

In this chapter, the case company is briefly described. Furthermore, the collected empirics from the case company and the investigated markets are presented as well as the responses from the packaging questionnaire.

5.1 Sony Ericsson Mobile Communications AB

Sony Ericsson Mobile Communications AB was founded in October 2001, as a joint-venture between the consumer electronics company Sony and the telecommunications leader Ericsson. SEMC released their first mobile phones in March 2002. At present employing around 8500 people world-wide, with the headquarters situated in London, the company is a global provider of mobile multimedia devices, including feature-rich phones and accessories. The grand vision is to “become THE communication entertainment brand” by enabling everyone to create and participate in entertainment experiences. (Sony Ericsson corporate webpage - About us, 2009-10-15)

SEMC divides the global market in different regions. These regions are further on divided into markets, mostly according to countries, where SEMC is present. Besides the different regions, certain employees work on Global Customer basis, meaning that they are responsible for the largest global operators worldwide or several markets.

5.1.1 Packaging at SEMC

Global Packaging is the department at SEMC responsible for providing the packaging system for every mobile phone model developed as well as inserts, labels, stickers and plastic bags.

Today, the company offer the same packaging portfolio to all markets and the packaging strategy can therefore be regarded as globally standardised. This means that SEMC does not make market specific packaging. (Towman, 2009a; Interview with Monica Towman 2009-11-02)

The design of the primary packaging has changed a lot over the years, not only in size and shape, but also in what it should communicate. Earlier, it was important with a brand focused packaging in order to establish SEMC as a brand on the market. However, today the main focus of the packaging is on the product while the brand comes in second place. The art work has also been refined during the last years allowing for the new brand values to be expressed on the primary packaging. (Towman, 2009a)
Packaging Development

According to Towman (2009a), there are many aspects affecting the construction of the primary packaging; one of them being the size. The size is decided from different requirements, divided in outer and inner requirements (see Figure 20 below). From the outer perspective, the requirements come from the tertiary and secondary packaging, with size, height and numbers of multiples to be used are the major ones. Furthermore, from the inner perspective come the requirements from the size of the phone, manual, charger, insert and accessories.

![Diagram showing outer and inner requirements on primary packaging](image)

**Figure 20.** Outer and inner requirements affecting the size of the primary packaging (Towman, 2009a).

Current packaging portfolio

The current packaging portfolio at SEMC includes five different sales item box models. These models all have the shape of a rectangular parallelepiped, but with different dimensions. Below is a list of the model names, from smallest to largest box models (Häggman, 2009):

- Cuboid
- Mini Cube
- Cube
- Beat/Widget box
- Jewelry box

The Beat and the Widget box have the same dimensions. The only difference is that the Beat box has a design of the opening lid which facilitates for the carrying of the
instruction manual and CD for the specific mobile phone. Therefore, in the questionnaire used in this thesis, these two models were referred to as a Widget box.

The sales item boxes present on the markets today are the results of two different box directives, one from 2006 and one from 2009. Models developed during the 2006 directive are on their way to vanish from the market, resulting in that the box models developed during the latest directives are the only ones that will be found in market in some time from now. The latest directive has resulted in the developing of smaller sales item boxes. (Key, 2006 and Rigby, 2009)

In Appendix E, all the models are illustrated together with additional technical information.

5.1.2 The Green Heart initiative
The Green Heart initiative at SEMC affects the whole company. It is a concept which will guide the company to be more environmental friendly, something that has influenced the company from the start. (Towman, 2009a)

Since some of the goals with the Green Heart initiative are to reduce CO₂ footprints for all activities and the CO₂ lifecycle impact of the mobile phones, this also affects the packaging. There are recommendations that smaller packaging and reduced material should be used in order to decrease the effects on the environment. Furthermore the goal is that the material used in the Green Heart packaging is to be 100% recycled material for box concepts by 2010. (Klingberg, 2010)

5.2 Packaging questionnaire
As previously described (see chapter 2.3), the first step in collecting primary data was the development of a questionnaire on the SEMC intranet, which key-persons (responsible for logistics, sales and marketing) on different markets got the chance to respond to through a link in an invitational e-mail. The total number of responses, after reminding letters, was 54 out of 210 (25.7 %). The invitational letter as well as the questionnaire can be seen in Appendix B.

As can be seen in Table 1, responses were gathered from all different regions where region 10 dominated by adding a total of 33 % to the total of responses.
Table 1. Number of respondents to the packaging questionnaire per region.

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region 1</td>
<td>3</td>
<td>5.6%</td>
</tr>
<tr>
<td>Region 2</td>
<td>5</td>
<td>9.3%</td>
</tr>
<tr>
<td>Region 3</td>
<td>8</td>
<td>14.8%</td>
</tr>
<tr>
<td>Region 4</td>
<td>2</td>
<td>3.7%</td>
</tr>
<tr>
<td>Region 5</td>
<td>3</td>
<td>5.6%</td>
</tr>
<tr>
<td>Region 6</td>
<td>1</td>
<td>1.9%</td>
</tr>
<tr>
<td>Region 7</td>
<td>7</td>
<td>13.0%</td>
</tr>
<tr>
<td>Region 8</td>
<td>3</td>
<td>5.6%</td>
</tr>
<tr>
<td>Region 9</td>
<td>4</td>
<td>7.4%</td>
</tr>
<tr>
<td>Region 10</td>
<td>18</td>
<td>33.3%</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

As illustrated in Table 2 below, some of the respondents answered N/A to specific statements, especially for the statements including the Jewelry box. One reason for this might be that this sales item box model is more unusual than the other models and some respondents have not been in contact with this specific box model at the time for this questionnaire. Other reasons for why respondents have answered N/A on certain statements could be because some respondents are logisticians, not knowing how the sales channels are functioning. Furthermore, some respondents might be marketers, not being able to answer to statements related to logistics. In the following presentation and analysis of the questionnaire, N/A answers are taken into account.
Table 2. The overall perception of the packaging portfolio for all markets. 1 means strongly disagree, 3 means neither agree nor disagree and 5 means strongly agree.

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>N/A</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>I see potential in packaging in order to increase sales at Sony Ericsson!</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.39</td>
</tr>
<tr>
<td>No of respondents</td>
<td>1</td>
<td>9</td>
<td>19</td>
<td>13</td>
<td>9</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Percentage</td>
<td>1,9%</td>
<td>16,7%</td>
<td>35,2%</td>
<td>24,1%</td>
<td>16,7%</td>
<td>5,6%</td>
<td></td>
</tr>
<tr>
<td>Overall, the sales item box meets the needs and demands on my market:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Cuboid box</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.62</td>
</tr>
<tr>
<td>No of respondents</td>
<td>3</td>
<td>2</td>
<td>13</td>
<td>14</td>
<td>10</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Percentage</td>
<td>5,6%</td>
<td>3,7%</td>
<td>24,1%</td>
<td>25,9%</td>
<td>18,5%</td>
<td>22,2%</td>
<td></td>
</tr>
<tr>
<td>• Mini-cube box</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.85</td>
</tr>
<tr>
<td>No of respondents</td>
<td>2</td>
<td>4</td>
<td>10</td>
<td>14</td>
<td>17</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Percentage</td>
<td>3,7%</td>
<td>7,4%</td>
<td>18,5%</td>
<td>25,9%</td>
<td>31,5%</td>
<td>13,0%</td>
<td></td>
</tr>
<tr>
<td>• Cube box</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.98</td>
</tr>
<tr>
<td>No of respondents</td>
<td>0</td>
<td>3</td>
<td>12</td>
<td>15</td>
<td>17</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Percentage</td>
<td>0%</td>
<td>5,6%</td>
<td>22,2%</td>
<td>27,8%</td>
<td>31,5%</td>
<td>13,0%</td>
<td></td>
</tr>
<tr>
<td>• Widget box</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.70</td>
</tr>
<tr>
<td>No of respondents</td>
<td>1</td>
<td>3</td>
<td>15</td>
<td>9</td>
<td>12</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Percentage</td>
<td>1,9%</td>
<td>5,6%</td>
<td>27,8%</td>
<td>16,7%</td>
<td>22,2%</td>
<td>25,9%</td>
<td></td>
</tr>
<tr>
<td>• Jewelry box</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.62</td>
</tr>
<tr>
<td>No of respondents</td>
<td>2</td>
<td>3</td>
<td>12</td>
<td>13</td>
<td>9</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Percentage</td>
<td>3,7%</td>
<td>5,6%</td>
<td>22,2%</td>
<td>24,1%</td>
<td>16,7%</td>
<td>27,8%</td>
<td></td>
</tr>
<tr>
<td>The master-pack meets the needs and demands on my market.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.82</td>
</tr>
<tr>
<td>No of respondents</td>
<td>0</td>
<td>2</td>
<td>15</td>
<td>17</td>
<td>11</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Percentage</td>
<td>0%</td>
<td>3,7%</td>
<td>27,8%</td>
<td>31,5%</td>
<td>20,4%</td>
<td>16,7%</td>
<td></td>
</tr>
</tbody>
</table>

Table 2 above presents the overall perception of the packaging portfolio/strategy and the sales item boxes as well as the master-pack on all markets in general. As can be seen, most of the respondents believe that packaging can contribute to sales for the company (more than 40 % of the total respondents agree or strongly agree to the statement). Furthermore, the different sales item boxes are, in general, well received on the market. However, the boxes achieving the lowest score are the Jewelry, Cuboid and Mini-cube with a total of 9.3 %, 9.3 % and 11.1 % respectively strongly disagreeing or disagreeing to the statement “Overall, the sales item box meets the needs and demands on my market” even though Jewelry, Widget and Cuboid in average are the box models scoring lowest. When it comes to the master-pack, the current packaging is well received on the markets, where only 3.7 % of the respondents disagreed to the statement “Overall, the master-pack meets the needs and demands on my market”. The results from Table 2 as well as the average result from these three statements are presented in Figure 21 below, illustrating the average perception of the packaging portfolio on all of the SEMC markets participating in the questionnaire.
In the questionnaire, the respondents had the opportunity of writing their own comments regarding the packaging portfolio. Some of these comments were:

“Good feedback regarding the size of our products and especially for the Green Heart products since they gain space [end-customer increasing Green Heart purchase] in the shelves.” – Respondent from one of the markets in region 3.

“Less is best... More modular, catering for all inbox variants. Less print - need to reduce lead times for RTL.” – Respondent from one of the markets in region 10.

“Our packaging is considered very safe compared to competition which is an advantage to competition. Maybe we should be more flexible in making small order sizes possible.” – Respondent from one of the markets in region 8.

“I would like to have more models packaged like the S312 Mini Cube design as these save space in retail at hypermarkets & also save on shipping cost for export customers.” – Respondent from one of the markets in region 8.

“The quality of the boxes where the folds form the box need to be reviewed. We have noticed when you form out the box, the outer layer often does not do a clean fold.” – Respondent from one of the markets in region 9.
“For swap units issued to Customer Service, the handsets need not be in the regular sales item box. Perhaps this can further save money for the company.” - Respondent from one of the markets in region 2.

These highly mixed comments suggest that there are differences in the perception of the current packaging portfolio from market to market.

5.2.1 Marketing
The questionnaire allowed respondents to answer to statements regarding the sales item box from a marketing perspective, including issues of size and information as well as art work. Statements regarding marketing also included intervals where the respondents had the opportunity to grade the sales item boxes visibility (from 0-100 %) for the end-customer before purchase at the retailers. This statement was used in order to understand if the markets use the primary packaging as post- or pre-sales promotion. Table 3 below presents the answers to this statement.

Table 3. The answers to the statement "The consumer sees the sales item box to ...." divided according to regions.

<table>
<thead>
<tr>
<th>Region</th>
<th>0-10%</th>
<th>11-20%</th>
<th>21-30%</th>
<th>31-40%</th>
<th>41-50%</th>
<th>51-60%</th>
<th>61-70%</th>
<th>71-80%</th>
<th>81-90%</th>
<th>91-100%</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region 1</td>
<td>33.3%</td>
<td>33.3%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Region 2</td>
<td>20%</td>
<td>20%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Region 3</td>
<td>50%</td>
<td>25%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>12.5%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Region 4</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Region 5</td>
<td>33.3%</td>
<td>33.3%</td>
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<tr>
<td>Region 6</td>
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<tr>
<td>Region 7</td>
<td>57.1%</td>
<td>14.3%</td>
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<tr>
<td>Region 8</td>
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<tr>
<td>Region 9</td>
<td>25%</td>
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<tr>
<td>Region 10</td>
<td>38.9%</td>
<td>11.1%</td>
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<td>11.1%</td>
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Figure 22 below illustrates the average result from the statement presented in Table 3. As can be seen, the three regions where the primary packaging is most often visible for the end-customers before purchase are region 6, region 8, region 5 and region 4. The average scores in this figure have been calculated by taking an average of each of the individual scores for each respondent. If a respondent answered 0-10 % on the statement, it meant that the average was put at 5 %, for 11-20 %, the average score was put at 15 % and so on. By doing so for all of the respondents, the average score, as illustrated in Figure 22, could be calculated. The red line in the figure illustrates the average for all respondents, regardless of region, which is 39 %. This way of calculating the degree of packaging visibility at the retailer before purchase will be used further on in this thesis when looking at the questionnaire results on a regional level.
Another statement on the marketing topic referred to the size of the sales item boxes. As illustrated in Figure 23, the size of the sales item box generally score high (over 3 on the Likert-scale), where the respondents agree to the statement “The size of the sales item box is adjusted for retailing on my market”. However, there are differences between regions, and also between the different sales item box models. The three sales item box models achieving the lowest scores are the Jewelry box (3.36 in average), the Widget box (3.40 in average) and the Cuboid (3.41 in average).
The size of the sales item box is adjusted for retailing on my market divided according to sales item box models.

In Figure 24 below, the results from the same statement is presented, but divided according to regions instead, further illustrating the different perception of the size of the sales item boxes in relation to retailing. As can be seen in this figure, the three regions least satisfied with the size of the sales item box from a retailing perspective are region 9, region 6 and region 2.
5.2.2 Logistics

The logistical statements referred much to the handling and protection of the product, the sales item box and the master-pack. As can be seen in Figure 25, the master-pack scores an average of 3.82 (red line in the figure) on the statement “Overall, the master-pack meets the need and demand on my market”, clearly indicating a well-perceived current master-pack solution. Regions scoring much below average are region 4, region 2, region 1 and region 8.

![Figure 25](image)

**Figure 25.** The answers to the statement “Overall, the master-pack meets the need and demand on my market”.

When it comes to protecting the product, one of the basic packaging functions, the sales item box is also scoring high (see Figure 26), indicating a packaging portfolio that is well protecting the products.
Figure 26. The answers to the statement “The sales item box is protecting the product on my market” according to sales item box model.

In Figure 27 below, the result from the same statement is presented, illustrating the overall perception of the protection of the sales item box. The only region clearly pointing out the lack of sufficient protection is region 6, where the Cuboid, Mini-cube and Cube box scores much below average.

Figure 27. The answers to the statement “The sales item box is protecting the product on my market” according to region.
5.2.3 Environment
When it comes to illustrating the environmental needs on the different markets and regions, the respondents were asked to consider the statement of “The sales item box is adjusted to the environmental needs on my market”. There were no remarkable answers to this statement as illustrated in Figure 28 below, where the average score to this statement for all respondents and all sales item box models is illustrated. The average score is just above “Neither agree nor disagree”, 3.43 (see red line in Figure 28). The only regions that differ much from the rest are region 6, scoring low, and region 8, scoring high.

![Figure 28. The average score for all respondents to the statement “The sales item box is adjusted to the environmental needs on my markets”.

5.3 Field studies
One of the components of the case study was thoroughly performed field studies at two different markets. In this way, the authors could achieve a greater understanding of how the packaging portfolio is perceived at those particular markets and through that contribute to the validity and reliability of the case study. The markets chosen for specific field studies were market A and market B.

5.3.1 Market A
The market A field study contained in-depth interviews with SEMC representatives, studies and interviews at two large distribution centres as well as retail market visits. During this field study the authors found several issues, key findings, indicating in
what way the current packaging portfolio could be changed in order to better fit market A. These are presented in Table 4 and described in detail below.

### Table 4. Key findings from market A.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Sales item box</th>
<th>Master-pack</th>
</tr>
</thead>
</table>
| **Marketing**| • Used as a marketing tool.  
• Size needs to increase.  
• Feature information needs to be clearer.  
• Art work needs to be more “eye-catching”.  
• Material needs to be stronger. | N/A                                        |
| **Logistics**| • Material needs to be stronger.  
• Clear instructions on how to open the box is needed.  
• Replacement boxes are needed to avoid lost sales.  
• The Cuboid box is not protecting the product. | • Stronger material.  
• Number of sales item boxes per master-pack adapted according to price range.  
• Information – only one bar code and larger labels.  
• Increased protection in the corners of the master-pack. |
| **Environment**| • No specific requirements. | • No specific requirements. |

Market A is a retail market when it comes to mobile phone sales. This means that the mobile phone business in this market is not as controlled by operators as the case is in e.g. Sweden. To a large extent, all the retailers in market A are smaller corner shops, more or less specialised in mobile phone sales. There are only few stores (for example Sony Ericsson flag-ship stores) where the end-customer actually can try the product and its functions before purchasing. However, many of the smaller stores have “dummy” phones in order for the end-customer to get a feeling about the product. The dummy phone is a good marketing tool and is not too expensive for the stores to display compared to the actual phones. In Figure 29, a typical retailer is shown.
Figure 29. Retailer on market A.

SEMC sell their products through distributors. There are three main distributors on market A, who are in control of the flow down the supply chain. They sell the products further to main dealers, retailers or selling them at their own stores.

The physical distribution is done by different modes of transport depending on distance and geography. Due to the fact that market A is a country consisting of many islands, air transport is used between them. However, when it is possible, truck or car are the most frequently used modes of transport for longer distances. Furthermore, in the cities it is quite common that both mopeds and even cycles are used to reach the retailers. Figure 30 illustrates the distribution structure on market A.
The mobile phones arrive to the distributor’s main warehouse in a tertiary packaging, either in wooden or cardboard boxes placed on a wooden pallet. From the main distributor to the regional distribution centres, the products are usually transported in a master-pack (secondary packaging), but the master-pack is not necessarily fully loaded with SEMC products. Furthermore, the same scenario is common in the next step, from the regional DC to the retailer. The reason for this is that the one who orders does not want to take a risk by ordering too many products, which is often the case with high-end products. This problem is often solved by the distributors through mixing different products (even competitors’ products) in one master-pack so that it is full, in order to increase transport efficiency and product protection.

Since market A is located in a very humid geographically area and the products are exposed to this condition at many different steps in the supply chain, it has an impact on the packaging. Even though most of the stores are air-conditioned, the packaging arrives from e.g. a hot truck or car. This sudden heat change can have negative impact on the packaging (cracks and condensation).

Marketing requirements
The impression of the SEMC packaging portfolio is not particularly good at the SEMC office on market A. There is a sense that the overall quality of the portfolio has decreased in recent years. As the Head of Marketing expressed:

“I think it has gone from good to bad to worse”
This perception originates from a sales perspective where a lot of attributes on the packaging are not adjusted in order to increase sales in the market. Since most retailers on market A do not allow the end-customer to try, feel or even see the product, the market can be classified as a pre-sales market. It is important that the sales item box has the needed attributes in order to increase sales. However, currently this is not the case in. The Head of Marketing explained:

“Our current packaging does not help us to sell the product”

According to the Head of Marketing, the sales item box lacks three very important attributes in order to help the product to sell more: size, information and art work. This was further confirmed when the authors visited different retailers on the market. Size is the most important attribute and there are many reasons for that. First of all, the end-customers want a sales item box that represents the product they are going to purchase. Since a mobile phone is a luxury product, they want to receive a packaging that is in a reasonable large size. If the size is too small, the end-customers feel that the product has low quality and is cheap.

Secondly, the size is important in order to draw end-customers’ attention at the retailers. Most retailers have four or five products of each model on the shelf, which means that if the size of the sales item box is small, it is given less shelf space than the competitor who uses a larger box. Furthermore, the general end-customer is attracted by larger boxes.

The problem that the size of the sales item box is too small is not uniform for the product portfolio. For the cheapest models and the most expensive models the problem is not as big as for the mid segment. The Head of Marketing explains:

“We encounter problem for products that are quite premium, typically products that are 150 US $ - 300 US $. That is small packaging that is not well received. But for cheaper products, products that are < 100 US $ it is actually OK. Because the product itself is cheap”

As previously stated, the sizes of the competitors’ sales item boxes are generally bigger. There are numerous examples where two models in the same price range, one from SEMC and one from a competitor, heavily differ in size. In Figure 31, one example of this scenario is illustrated. Therefore, since the sales item boxes need to be large in order to draw end-customer attention, it is a huge disadvantage for SEMC.
Figure 31. Size difference in the same price segment for a Samsung and a Sony Ericsson mobile phone model.

The second attribute on the packaging that makes the sales item boxes not fully adapted to market A according to SEMC representatives, distributors and retailers is the information about the products’ features. These features should be easily identified through at least well indicated symbols, but also through explanatory text together with the symbols. In that way there would be no problems for the retail personnel to tell the end-customers about the product. However, maybe even more important is that the end-customer can read about the features in order to understand what can be expected from the product.

According to the Head of Marketing, this was not a big problem some years ago, because then the features were listed on the box. This made the job for the retail personnel much easier. Since most of the stores carry more than five brands and each brand has more than 10 models (SEMC alone is selling more than 40 different models on market A) there are too many models to remember for the sales personnel. When the features were well documented through lists on the side of the box, the sales personnel could easily describe the products. Nowadays, when that is not the case, it is much harder for them to explain the features for the end-customers. The Head of Marketing means that:

“The front liners [sales personnel] will sell whatever they remember.”

Other attributes that the sales item boxes lack, is a question of material and art work. One thing that makes the SEMC packaging less well received compared to competitors, is that the material is thin, which gives the end-customer the feeling
that it is a cheap product. Another thing about the art work is that most of the boxes do not have any “eye-catching” pictures and colours. The end-customers tend to look at sales item boxes with those attributes when at the retailers.

The attributes described above (size, information and art work) is repeatedly being described as a huge problem during the visit at the market’s SEMC office. The interviewees really wanted the authors to understand how important these attributes are in order to compete successfully on market A. This can be summarised through the following quote from the Head of Logistics at distributor 1:

“They [the customers] want a package [with regard to size and style] that is at least big and classy enough for the price they are paying. The more expensive phone, the more expensive the packaging should look. Firstly it is a size issue, but also a material and design issue. The information about the features are not good enough either, more and larger pictures and also text boxes that show what the customer receives if purchasing the phone”

Logistical requirements

From a logistical point of view, the current packaging portfolio is quite adapted to market A. There are issues that could be adjusted, but not at all to the same extent as from a marketing perspective.

Some of these problems occur because of the material of the sales item box is too weak. This can lead to squeezed boxes or at least broken edges since the material cannot handle the pressure at different steps along the supply chain. Furthermore, the boxes break quite easily when opened. This occurs often at the distributors who are performing re-work, such as adding stickers and labels on products and warranty cards inside the sales item boxes. An addition to this problem is that many boxes lack a clear instruction of how to open them. It seems as though they are able to be opened from two different sides, even though only one side is developed for opening. When the boxes get damaged it is impossible to sell the product at full price, and it needs to be sold at a discount. The distributors would really like the opportunity to purchase extra boxes, something that is not possible today.

As the Head of Logistics at distributors 2 said:

“There are currently two-sided sleeves (at the top and the bottom) to open the box, this leads to two disadvantages:

1: We need to put an extra seal on the box, which is an unnecessary cost.

2: Sleeves easily tear down by itself, since the material used is relatively thin”
Regarding the master-pack (secondary packaging) there are three main concerns from a logistical perspective: too thin material, the number of sales item boxes in the master-pack and the information on the master-pack.

Why the thickness of the material is a problem is because it sometimes is too weak, and the sales item boxes inside get damaged. Since the products are distributed by car, truck and airplane within the market, the boxes are handled at many different steps. When the handling of the boxes is not done with sufficient care, the products get damaged. Therefore, mishandling is a big problem. In most cases it is the corners of the master-pack that get damaged, which leads to the sales item boxes inside being damaged. The Head of Logistics at distributor 2 explains:

“The outer box (master-pack) is also made from thin material; highly exposure leads to some dents on the sales item box inside”

The distribution Manager at distributor 1 has the same perception, saying:

“The sales item boxes in the corners of the master-pack gets broken sometimes, maybe the corners could be strengthen in some way”

The second main concern regarding the master-pack is the number of sales item boxes it contains. This is not a problem from the factory to the regional distribution centres, but from the distributor to the retailers. Most retailers do not order full master-packs (ten sales item boxes), which results in the sales item boxes being taken out from the master-pack and many times transported to the retailers by car, moped or even cycle. This, of course, makes the sales item boxes highly vulnerable and may affect the quality of them.

According to both the Head of Marketing at the market’s SEMC and Head of Logistics at distributor 2, this problem is hard to solve. Therefore they would rather enhance the handling earlier in the supply chain by putting 20 sales item boxes in the master-pack for the low-end products and keep the solution of today, with 10 sales item boxes in the master-pack, for the high-end products. This would facilitate the storage at the main DC. The head of Logistics at distributor 2 argues that:

“This gives a positive impact when we are talking about stock keeping”

The last main concern is the information on the master-pack and it can be dived into two parts. First of all, since the distributors need to scan all the products, this becomes a very time consuming activity for them. If there could be one bar code on the side of the master-pack that included all the products in the master-pack, it would really enhance their work. Secondly, the information on the master-pack is
written in very small letters, which makes the stock keeping hard and many mistakes are made from the warehouse personnel.

**Environmental requirements**

When the question of environmental aspects were discussed with SEMC representatives, distributors and retailers, it becomes clear that environmental concerns are low prioritised. Comments like: “The environment is not a hot topic on our market, we throw all waste in the same bin” or “What is green?” were given. This means that there, at the moment, are no environmental requirements on the sales item boxes or the master-pack from the actors on market A.

**5.3.2 Market B**

The market B field study contained interviews with SEMC representatives, studies and interviews with employees at the largest distribution centre as well as retail market visits. During this field study, the authors found several issues, key findings, indicating in what way the current packaging portfolio could be changed in order to better fit the market. These are presented in Table 5 below and described in more detail later in this chapter.

**Table 5. Key findings from market B.**

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Sales item box</th>
<th>Master-pack</th>
</tr>
</thead>
</table>
| **Marketing** | • Used as a marketing tool.  
• Size need to increase and should be arranged according to product price.  
• Feature information needs to be clearer, written text is needed.  
• Art work needs to be more colourful and a picture of the actual product is wanted. | N/A |
| **Logistics** | • Replacement boxes are needed to avoid lost sales.  
• Shrink-wrapping is needed in order to protect the box.  
• The Cuboid box is not protecting the product. | • Number of sales item boxes per master-pack adapted according to price range.  
• Increased protection in the corners of the master-pack. |
| **Environment** | • Green Heart packaging does not sell any products. | No specific requirements. |

Market B is a retail market where the operators only sell around 3 or 4 % of what is sold in total (7 million mobile phones/month). Sony Ericsson is one of the big actors on this market where Nokia is the largest actor. Of the total XX retailers on market B, Nokia reaches out to almost all of them, while Sony Ericsson is present at XX retailers. The key competitive advantage that Nokia have, according to the Assistant Manager, is their distribution structure, much due to their heavy investment on the market during the last 10 years.
The Sony Ericsson mobile phones are sold through distributors throughout the country. Figure 32 below illustrates the distribution structure on market B, where three main distributors control the flow further down the supply chain. Retailing can be divided in organised and unorganised, where distributor 1 and distributor 2 deal with the unorganised retailing and distributor 3 handles the organised retailing. Unorganised retailing (small stores where the products are displayed in the sales item box without the end-customer having any possibility of testing the product before purchase) can represent as much as XX % of the total sales.

![Distribution Structure Diagram](image)

**Figure 32. The distribution structure on market B.**

Even for the small operator market, the end-customer cannot try out the products before purchase in most of the cases. According to the Assistant Manager, market B can therefore be regarded as a 99 % pre-sales promotion based market. A typical retailer on market B is shown in Figure 33.
The mode of transport is by air from producer to the three largest cities (tertiary packaging). From the distribution centres in these cities to other cities, the products go by truck or car, depending on the quantity of the ordered products. However, within cities the transport is mostly done by mopeds or, in smaller cities, by cycle. These ways of transporting the products (on mopeds and bicycles) to retailers represent 80-90% of the total transport modes.

The sales item boxes are usually distributed ten and ten in the master-pack (secondary packaging) from the main distributors to the regional distributors if the volume is high (usually for low-end products). Sometimes, if the distributor needs to put point-of-sale material in the secondary packaging or if there needs to be some bundling\(^{10}\), there are only eight or nine sales item boxes in the master-pack. However, high-end products, like the X1\(^{11}\) model, are often only distributed with four to five sales item boxes per master-pack. From the regional distributor to dealers or retailers, two to five sales item boxes are distributed without additional protection, depending on the price range of the products.

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\(^{10}\) Bundling means that the product is sold together with accessories in the primary packaging.

\(^{11}\) The X1 model is one of the most luxuries, expensive mobile phone models on market B.
Market B is a market with quite harsh environmental conditions like high temperature, humidity and dust, which affect the packaging when handled and transported through all steps in the supply chain. Previously, all the distributors used to shrink-wrap the sales item boxes locally in order to protect them from the harsh environmental conditions as well as rough handling. However, in 2008, the government made it illegal to add anything to a box once it has entered the country, without having a license. This means that only few of the distributors currently shrink-wrap the sales item boxes. The sales item boxes not shrink-wrapped is vulnerable to damage when being handled and transported in the supply chain.

Marketing requirements
According to the Assistant Manager of the Technical Account Team on market B, the sales item boxes are not at all adapted for the market. As previously noted, most of the retailers are very small and they do not have the possibility of showing the handset before the purchase to any end-customer. Also, they cannot afford to have trial phones, where the end-customer can try the functionality of the product. The market can therefore be regarded as a pre-sales promotion market, even though some of the retailers in the bigger cities have dummy phones. According to the Assistant Manager, out of 50 retailers in largest city, five have trial phones, 15 have dummy phones and 30 are left with nothing. In smaller cities it is very rare with dummy products and trial phones. The retailers without any dummy or trial phones cannot open the sales item box in order to show the mobile phone. This is because the mentality of the market’s consumers is that a pre-opened packaging is equivalent to a second-hand product.

Other issues with the sales item box from a marketing perspective are size, information and art work.

When it comes to the size of the sales item box, it is pointed out by SEMC representatives and retailers how important it is for the end-customer that the size corresponds to the price of the product. The size of the box is a price indicator. As the Assistant Manager explained:

“The mentality of the people is that when I invest in something I should get big. A big box. If you give them a big box, they are happy to buy those things even though there is nothing in the box.”

This statement is further confirmed when the authors talk to different retailers in the market’s largest city, where this was the first and most discussed topic. However, this is true for the mid-end price segment, between 100 and 400 US$. For products in the low-end price segment, the end-customer realises that the product is so cheap that the end-customer cannot expect any larger sales item box. Furthermore, when it
comes to products in the high-end price segment, they are sold to end-customers much aware of the product, end-customers who already know about the functionality. Besides, these kinds of products are sold at the few organised retailers where you actually can see and try the product before purchasing it. Figure 34 below is one of many examples of how the size of the SEMC sales item boxes is small compared to competitors' products of the same price. This example shows the SEMC S312 (Cuboid box) with retail price on market B around 150 US$ compared to Nokia 5310 with the same retail price. The second comparison in the same figure is the SEMC Jalou (Cuboid box) with a retail price of 300 US$ compared to Nokia N79 with the same retail price. Even though the price is the same for the models, the size of the SEMC sales item boxes are less than a third of the Nokia boxes. This gives Nokia, in this example, an advantage even though it has nothing to do with the actual product. Furthermore, the size of the sales item boxes needs to be different between price segments in order to not confuse the end-customers. The Assistant Manager gives a clear example of this:

“There should be a difference within our packaging portfolio. W205 and Jalou, for example, has same packaging but totally different price segment.”

Figure 34. Difference in size: Sony Ericsson S312 & Jalou vs. Nokia 5310 & N79.

Furthermore, smaller sales item boxes mean that the given space on the retailer’s shelf is smaller, decreasing the visibility for end-customers when they look at the shelf with the products. Usually, the retailers have three or four boxes of a certain model on the shelf, while the rest of that model is kept in stock. Therefore it is important to gain as much advertising space from those three to four models as possible. This information is further stressed by the Marketing Manager at the SEMC office:
“Shelf space is very precious for the retailers. If we think that giving them small boxes, they will place a large number of units on the shelf, this is not the case. They will only put a few numbers of each model on the shelf. Therefore, my five models will only occupy a small amount of space on the shelf, and the rest will be given to Nokia and Samsung, who have more kind of bigger boxes. So, when losing visibility on the shelf, we will lose customers.”

Another big issue is regarding the product information on the sales item box. The current packaging portfolio uses icons instead of written text for explaining the features, which most of the competitors do (see Figure 35). This is something that, according to the SEMC representatives at the market office as well as retailers in the largest city, makes the end-customer uncomfortable about what the sales item box contains and the features of the product. Furthermore, the icons can be very confusing for the sales personnel and do not allow them to provide sufficiently enough information when selling the products. The Assistant Manager explains:

“If the written text is there, I am sure that the features are there. If it is just an icon of a camera: which camera? 2 MP, 3 MP, recording? Here [on the Nokia box] it is written 2 MP camera. And memory card, how big? Here [on the Nokia box] they have written 1 GB. So it gives you the confidence in the product that you are given all these things.”

Figure 35. Difference in presenting product information: Sony Ericsson Satio vs. HTC T5353. Sony Ericsson packaging use icons, HTC use text.
The third thing with regards to marketing is the art work on the sales item box that needs to be colourful and have a picture of the actual product. As the Assistant Manager explained:

“The art work should look like a point-of-sale; it should be understandable to the end-consumer. The box gives the actual feeling of how the phone is working.”

One example of a sales item box not functioning well on market B due to the art work is the Jalou model (see Figure 34) in the Cuboid box. The art work on this model does not provide any picture of the product. In the end, the art work actually makes the products difficult to sell. As the Assistant Manager at the SEMC market office explained:

“For Jalou, the feedback for this phone, a very stylish and premium phone, is: I don’t know anything about it. If I have a phone or perfume or chocolate in this [sales item box] I don’t know.”

The marketing Manager at the SEMC office goes as far as saying that the packaging is actually more important than the product for the end-customer and summarise the perception of the packaging portfolio in the following quotes:

“What is happening right now is that our market is the same as in Europe [referring to the packaging portfolio], even though the markets are exactly the opposite of each other. To succeed here you cannot save the penny while you lose the pounds!”

**Logistical requirements**

As with the size of the sales item boxes, there needs to be a difference between the number of sales item boxes in the master-pack depending on which price-range the concerned product is in. There is no problem in the distribution from factory to the regional distributors, but when the retailers order in smaller quantities, the master-pack needs to be unloaded. This means that the sales item box is shipped further in the supply chain without any additional protection. The Assistant Manager explains:

“If I talk about 40 to 60 $ phone it is 90 to 95 % chance that it is transported in the master-pack because the order from the retailer is that high. But as we go higher in price range – the quantity ordered by the retailers are less. So if I talk about a 600 $ phone the number of quantity ordered by retailers is much less. 250 $ will be 2 or 3, 600 $ will be 1 or 2.

Combined with the fact that many of the sales item boxes do not get shrink-wrapped and the humid, hot and dusty environment as well as multiple handling points leaves
some of the sales item box in bad shape when arriving at the retailers. The Logistics Manager explains:

“If you send the products from here [largest city] to a city far away, it goes through at least 3-4 handling points where the products gets out and in of different vehicles. So any improvement to the packaging certainly helps to reduce damage.”

Figure 36 and 37 below illustrate how the sales item box could look when arriving at the retailer after being damaged during transportation. According to the Assistant Manager, the material of the sales item boxes is a bit too weak for the market, since it cannot stand the impact that the boxes sometimes are put at.

![Damaged sales item box at the retailer.](image.png)
One of the problems with the sales item boxes being damaged is that there is no way of replacing them. Due to the importance of the box on the market, this means that the products are impossible to sell without leaving a discount. The Assistant Manager explains:

“In our case, we get the handsets back to us and then we sell it to 70 % discount or maybe 40 % discount. So this is very important. It can be a big cost-saving. As it is now, we cannot even order an extra box. We have a lot of boxes that are damaged lying in our office. Products that we cannot sell which is a total loss for us.”

Competitors solve this problem by adding spare sales item boxes in the master-pack with every shipment. In that way, if a sales item box gets damaged, a new sales item box can replace the old one and the product looks brand new again.

Another issue pointed out by the Assistant Manager is the fact that the sales item box does not protect the product sufficiently. This is especially true for the smallest of the sales item box models, the Cuboid, where some mobile phone models get dents and scratches. Why this occur is because of the product and the accessories are so tightly
packed in the box and there is no divider between e.g. the charger and the mobile phone. This leads to that the product may be scratched when reaching the retailers.

According to the marketing Manager, the handle ability of the sales item box is poor from a end-customer perspective. The end-customer has problems knowing how to open the box, due to unclear instructions, especially the Cube box model. Many end-customers opens the box from the wrong side, thereby damaging the box since there is no indication of which side to open it from.

Even though the SEMC representatives mention a lot of issues with the packaging system, it does, according to the Assistant Manager, actually function well from a distribution perspective. Both the primary (sales item box) and secondary (master-pack) packaging are small, compact and easily identified and handled throughout the supply chain through sufficient labelling and information. As the Assistant Manager explained:

“From transport, storage and distribution, the boxes are compact and well-functioning. But in the end of the day, what matters is what you sell to the retailers.”

The Logistics Manager at the SEMC office agrees about the master-pack being made out of good quality, even though sometimes the sales item boxes in the corners of the master-pack get damaged. This means that the master-pack protects the product sufficiently. However, there are issues when the sales item box is transported without the protection of the master-pack.

Discussing the master-pack solution with employees at distributor 3, they agree that the master-pack is well-functioning. It meets their requirements of efficient handling through appropriate size and good labelling (sufficient information). Furthermore, they believe that the material of the master-pack is strong enough even though there are occasions when they receive damaged boxes. Nevertheless, this does not occur often enough to be a big problem and depends more on the human factor than the master-pack itself.

Environmental requirements

When discussing the environmental concerns on market B, it becomes clear that it is not a highly prioritised subject. Even though the government has taken actions, e.g. banning plastic bags, the end-customers are “unaware”. This means that the Green Heart initiative has very low impact on the market. The perception of a Green Heart product for the market’s end-customers is that the product is cheap and has low quality. The end-customers have no problem with the material of the Green Heart packaging being made out of recycled material. However, they have issues with the fact that the size of the sales item boxes needs to be smaller because of it. Even the
competitors on the market is working actively for the environment by using recycled material for the packaging, but they do not decrease the size of the sales item boxes.

5.4 Interviews with target markets

Besides the questionnaire and the field studies, telephone interviews were held with four markets chosen according to their relevance (see Appendix C). These were market C, D, E and F.

5.4.1 Market C

During the telephone interview with the Logistics Manager at the SEMC office on market C the authors noted that there are some concerns regarding the packaging portfolio not being in line with the needs on the market. These are referred to as key findings and are presented in Table 6 below.

Table 6. Key findings from market C.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Sales item box</th>
<th>Master-pack</th>
</tr>
</thead>
</table>
| **Marketing** | • Not used as a marketing tool.  
• Plastic window on the boxes is needed.  
• Customised sleeves – right box model.  
• Correct information on the sales item box is needed. | N/A |
| **Logistics** | • No specific requirements. | • No specific requirements. |
| **Environment** | • No specific requirements. | • No specific requirements. |

Market C is an operator based market, where operator 1 and operator 2 are the largest customers of SEMC. The distribution structure according to the Logistics Manager is illustrated in Figure 38 below. Products are transported by air to the SEMC distribution centre from where they are transported by truck in tertiary packaging to operator 1’s warehouses at different parts of the country. When it comes to operator 2, they pick up the products at the SEMC warehouse by truck. Further down the chain, the products are distributed in full master-packs.
Most of the retailers on market C consist of smaller stores, where dummy phones are available for the end-customer to touch. However, some stores provide trial phones where the end-customer can try the functionality of the products. Furthermore, most retailers do not use the sales item box as a marketing tool which means that the sales item box is not visible for the end-customer before purchase.

In line with current legislation, there are specific locally adjusted stickers that need to be put on the packaging (both sales item box and master-pack) before reaching retailers on the market. However, these are the only specific legal requirements on the packaging.

According to the Logistics Manager, the current packaging systems are well-functioning. There are no specific conditions on the market that impact the packaging, neither the primary nor secondary packaging.

**Marketing requirements**

From a marketing perspective, the sales item box is generally well-functioning. The one thing mentioned is the use of a transparent plastic window on the sales item box which could facilitate a better overview of the mobile phone and the accessories that comes with the purchase. In this way, the end-customer will feel comfortable that everything is included.

For one of the operators, SEMC on market C puts a customised sleeve suitable for the market on the sales item box before distributing. The sleeve is locally customised with labels and the image of the product. This causes some problems since the sleeve sometimes is produced for the wrong box model which means that the sleeve does not fit the box.
The information on the sales item boxes is generally sufficient from a marketing perspective. However, there have been occasions where the information is wrong. The Logistic Manager explains:

“For example we had one problem with W395, where the box says that it includes a memory stick with 1 GB instead of 2 GB. Generally the information is good, but sometimes, it is wrong.”

Logistical requirements
There are no rough conditions (humidity, dust etc.) that strongly have impact on the packaging systems. Some products do, however, get damaged due to rough handling when distributed, but not to any larger extent. If a sales item box is damaged, but the content is perfectly fine, there are spare boxes to replace the damaged sales item box with a brand new.

From a distribution perspective, the size of the sales item boxes works perfectly fine since they always are transported in the master-pack. The master-pack is also very well-functioning on the market with regards to logistical requirements. It protects the sales item boxes well and are easy to handle in every step of the supply chain. Besides, ten sales item boxes per master-pack is a suitable amount for every mobile phone model, regardless of price-range.

Environmental requirements
According to the Logistics Manager, the customers have no big interest in environmental issues. However, the recycled material that the sales item boxes are made of is appreciated.

5.4.2 Market D
The telephone interview with SEMC representatives on market D was held with the Account Manager and the Logistics Manager. During this interview a couple of key findings were found. These are presented in Table 7 below and described more in detail further on.
Table 7. Key findings from market D.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Sales item box</th>
<th>Master-pack</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>• Used as a marketing tool.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fewer variants in order to not confuse end-customers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Size needs to increase and should be arranged according to product price.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Recycled material not better from a marketing perspective.</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>• Plastic window on the boxes is needed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Finishing that does not easily get scratched is needed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Information regarding key product features unnecessary on the boxes.</td>
<td></td>
</tr>
<tr>
<td>Logistics</td>
<td>• Clear instructions on how to open the box is needed.</td>
<td>No specific requirement.</td>
</tr>
<tr>
<td></td>
<td>• The Cuboid box is not protecting the product.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Plastic window on the boxes is needed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Different colours of the sales item boxes make it more difficult when replacing damaged boxes.</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>• No specific requirement.</td>
<td>No specific requirement.</td>
</tr>
</tbody>
</table>

Market D is an operator market where two large operators dominate. The distributors have an important role on the market as they handle re-work and transport further down the chain. Legal requirements say that specific inserts, stickers and labels need to be placed on the product and inside the sales item box before reaching customers. Which leads to that re-work needs to be done.

Figure 39 below illustrates the distribution structure on market D. The mode of transport is usually truck or train all the way to the operators. From the operators, however, it alternates and can be anything from truck to car and motorcycle. Products are always sent in the master-pack to the distributor. The distributors then use their own secondary packaging depending on how many products the retailers order.
Market D is mostly a pre-sales promotion market. Sales item boxes are more or less always visible for the end-customers before purchase and there are only 100-150 larger stores where the end-customers can try the functions of the phones before purchase. Most of the stores have dummy phones available for the end-customers to touch.

On the market, humidity is a big problem, affecting packaging. Some days are very rainy and the master-pack and sales item boxes get damaged in the distribution from distributors to retailer because of this.

**Marketing requirements**

The one thing that is highly stressed from a marketing perspective is that the large numbers of different sales item box models that are available confuses the end-customers. Currently there are 20-30 mobile phone models on the market and each model has 6-7 types of sales item boxes (including colour differences). According to the Account Manager, the end-customers wish to keep it simple and only have 2-3 different models. Furthermore, it is very important on the market that there is a difference between the boxes depending on the price of the product. For the cheapest products (100 Euros or below) the Minicube box is suitable. For products between 100 and 200 Euros, the Cube box is well-functioning and for the most expensive products (350-400 Euros) the Shoebox\textsuperscript{12} model will do. The Account Manager gives a current example illustrating this problem:

\textit{‘Like T715 [mobile phone model], it is very small and Jalou [mobile phone model] is very small, but T715 is 3 times cheaper than Jalou and the packaging is bigger than 12 The Shoebox model was previously in the packaging portfolio. The Jewelry box can be compared to the Shoebox model in a size perspective.}
Jalou. It will confuse the consumer and retailer and they wonder why the design will go for this. It is quite hard to describe to the customer.”

For more expensive products, the sales item box should be fancier and larger in size. Another thing pointed out by the Account Manager is the many colours of the same model of sales item box that are confusing the end-customers. The same product model, but with different colour of the mobile phone, have different colour on the sales item box. End-customers get confused when looking at the shelf of the retailer, believing that the products are different, even though the sales item box is the only thing that differs.

Another issue is that the recycled material of the sales item box that is currently being used looks “dirty”. This is especially pointed out for the more expensive products, like Satio and Aino (Widget box), where end-customers recognise the sales item box to be very “cheap” even though it is a premium, high-end product. This issue is highly stressed by the Account Manager:

“For Satio, market price is very expensive, you know 400-500 euro. So when customers, end-users, are willing to buy the product, the box look very cheap. They don’t feel any premium when they have to spend a lot of money. It does not feel good. The quality is like that, I know we are using recycled material. But for premium, the end-users don’t want this kind of packaging.”

Furthermore, the end-customers need to see the actual product on the sales item box. Previously, there were certain sales item boxes with a plastic window which made it possible to see the actual mobile phone inside the box. These models were very much appreciated on the market since the market’s end-customers could feel secure in that they purchased a brand new product and that no one had opened the box before. Having a window like this also made it easier for the retailer when demonstrating the handset in the stores.

From a retail perspective, the use of a shiny finishing is not well-functioning on the market D since the packaging easily gets scratched in transit, looking old when reaching the retailers’ shelves.

The information on the sales item box from a marketing perspective is unimportant. The end-customer on market D gets all the information from Internet and thereby already knows about the features of the product before reaching the retailer.

Logistical requirements
One of the main issues on the market D with regards to logistics is the fact that there need to be done a lot of re-work with adding local inserts in the sales item boxes. When the sales item box is changed without notice to the distributors, they need to
change their re-work process. This is time-consuming and means that time-to-market for new products increases. The Logistics Manager explains:

“In our distribution centres, there is a lot of re-work here, before we distribute a lot of goods to the market. When they open, they have to open in different ways for different models and it becomes very complicated when re-working. We should have synchronised design for our products. Sometimes we have 1000 or 2000 units to re-work and they have to make it in very short time to take to the market. So if your design is complicated it means that they will have a lot of time for re-working. Then time-to-market will be long, and time-to-market is very important, especially for new handsets.”

Besides the fact that the personnel who do the re-work need to change their working process for different packaging models, some of the new box models are extremely hard to open without damaging the insert of the box. This is mentioned for the Aino and Satio (Widget box model) where the insert, where the product is positioned, is so small that the material often breaks when taking out the mobile phone.

Market D experiences issues with the smallest sales item box model, the Cuboid, not protecting the product sufficiently. Especially for the T715 mobile phone model, where the product and accessories are so tightly packed and do not have any divider between them. Most of the complaints are regarding the battery charger scratching the cover of the handset. However, besides this specific sales item box model, the products are well protected by the primary packaging.

The use of a plastic window is not only important for the retailer when showing the end-customer, but also for the distributor when selling the products to the retailers. There are large fees for guaranteeing that the products are brand new. If the product can be demonstrated as brand new in the sales item box, this will make it a lot easier for the distributor.

Another thing mentioned is the use of different colours on the sales item box for the same mobile phone model, which not only confuse the end-customer, but also cause problems with stock keeping of spare sales item boxes. If one of the sales item boxes gets damaged, the box is shipped to customer services, which has to change the box. This means that it needs to have a large stock of different sales item boxes for every colour and model. The ordering of spare sales item boxes is not a standard process, which means that it is time-consuming.

From a logistical perspective, the distributors very much appreciate the master-pack as it is easily identified and easy to handle in the different steps of the supply chain.
Environmental requirements

Environmental topics are actual and relevant. However, even though the end-customers are aware of and care about the environment, it is separated from the behaviour when purchasing. When it comes to purchasing an expensive mobile phone, the environment is not something that comes into consideration. As the Account Manager explains:

“What they think and what they do is separated. Sometimes it is hard to deal with that. Because if you are asking a consumer to buy a handset for 350 - 500 Euros with a very poor packaging, sometimes we say green, it is hard. It is hot topic here, but if the price is higher, they [the consumers] expect more premium packaging.”

5.4.3 Market E

During the telephone interview with the SEMC Launch Execution Manager, representing market E, the authors found a couple of key issues related to packaging. These are represented in Table 8 below and described in more detail further on.

Table 8. Key findings from market E.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Sales item box</th>
<th>Master-pack</th>
</tr>
</thead>
</table>
| **Marketing** | • Used as a marketing tool.  
|               | • Material needs to be stronger.  
|               | • Art work needs to be more colourful and bright with lifestyle illustrations.  
|               | • Plastic window on the boxes is needed.  
|               | • Size needs to decrease.  
|               | • Model number on every side of the box is needed.  
|               | • Less information on the box is wanted.  
|               | N/A |
| **Logistics** | • Material needs to be stronger.  
|               | • Higher inner filling rate is wanted.  
|               | • Material needs to be stronger in the corners.  
|               | • Stronger seal is needed.  
|               | • Number of sales item boxes per master-pack adapted according to price range.  
| **Environment** | • No specific requirements.  
|               | • No specific requirements.  |

Market E is mainly a pre-sales promotion and retailer market, where the sales item boxes are visible for the end-customer before purchase and works as a point of sale tool. Even though there are both larger and smaller retailers on the market, the features of the products are mostly unavailable for the end-customer to experience, even though the retailer personnel sometimes unpack the sales item box to show the actual product. However, dummy phones are often available for the end-customer to feel and touch.
Conditions on the market affecting the packaging system are extreme heat, sunshine as well as dust. The sunshine does occasionally turn e.g. the colours on the sales item box from blue to green. This is mainly a problem before reaching the retailers, since the retailers are air-conditioned.

Figure 40 below illustrates the distribution structure on market E. Shipments arrive (in tertiary packaging) to the main hub by air before they are transported further down the chain to country specific distribution centres by truck. Even further down the supply chain, the products are transported by truck or car to dealers and retailers.

![Distribution Structure Diagram]

**Figure 40. The distribution structure on market E.**

**Marketing requirements**

Due to the fact that the sales item box often is opened in order to show the products to the end-customer, the material needs to be stronger. Another issue that affects the sales item box while at the retailers is the fact that the sweat from customers’ palms together with dust makes the packaging dirty.

Since a lot of the retailers stores are small and have a limited shelf space, they need small sales item boxes. According to the Launch Execution Manager, the size of the Cuboid box is perfect to fulfil this purpose.

The art work is usually not colourful and bright enough and should contain “lifestyle” illustrations of the target audience in order to create a unique sales point, which is appealing to the end-customers. Like on market D, a plastic window on the sales item box, showing the actual product is much wanted and requested by retailers.

When there are stickers attached to the sales item box to promote some additional, free gifts (like Bluetooth handset or phone stand) with the purchase, these are put
one and one on the boxes. This is unnecessary and could be promoted on one single sticker instead of several.

Regarding the information on the sales item box, the text is too small and contains irrelevant information for the end-customers on the market. However, there should be a printed model number on all sides of the sales item box in order to facilitate easier handling at the retailers.

One remark from the Launch Execution Manager is that the “box type, size, shape, colour can also follow perfume industry packaging logic to be more personal.”

Logistical requirements

Logistical requirements on market E refers mostly to the thickness of the material on the sales item box, which at present is too thin and not strong enough. The boxes easily get cracked during transportation and when exposed to heat. This is also true for the master-pack, where the corners easily and often crack, which means that the sales item boxes get damaged. Furthermore, the seal is not strong enough.

According to the Launch Execution Manager, the inner filling rate of some of the sales item boxes (Cube and Jewelry) could be increased in order to facilitate a more efficient distribution. Furthermore, when discussing the number of sales item boxes in the master-pack, the Launch Execution Manager says that the number of sales item boxes should be depending on the price range of the product. For the low-end segment there should be 20, for the mid-end there should be 10 and for the high-end price segment there should be 5 pieces of sales item boxes in the master-pack.

In general, however, the packaging portfolio is well adapted for the market requirements and needs. The sales item box is e.g. only handled at the retailer, where it is well functioning. Furthermore, the sales item boxes protect the products well and, overall, meet logistical requirements quite good.

Environmental requirements

The environmental concerns are at a very early stage in this market. There is no market for green products yet.

5.4.4 Market F

The interviewee representing market F is a SEMC Sales Planner. During the telephone interview, the key issues illustrated in Table 9 were found. These are described in more detail further on.
Table 9. Key findings from market F.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Sales item box</th>
<th>Master-pack</th>
</tr>
</thead>
</table>
| Marketing    | • Is not used as a marketing tool.  
               • Art work not as good as some competitors’. |             | N/A          |
| Logistics    | • Material could be less fancy (less expensive).  
               • Information, size and handling well adjusted to meet the requirements. |             | • Adjust the number of sales item boxes/master-pack according to price segment.  
               • Improved tape in order to re-close boxes.  
               • Information, size and handling well adjusted to meet the requirements. |           |
| Environment  | • Environmental concerns increasing.  
               • Green Heart concept important in order to enhance sales. |             | • More environmentally friendly material appreciated. |

Market F is mainly an operator market where 70% of the total sales go through the three largest operators and their sales channels. The remaining 30% of the sales are divided between retailers and distributors.

The products arrive either from the factory to the SEMC warehouse on pallets (tertiary packaging). From there, the products are distributed further down the chain in the master-pack. Operators and distributors store and distribute the master-packs further to the operator and distributor owned stores, where the sales item boxes are unpacked and sold to the end-customer. For the retailers, SEMC sells and distributes the sales item boxes directly in the specifically ordered quantity, which means that the products sometimes are distributed without the protection of the master-pack. The distribution structure is illustrated in Figure 41.

![Figure 41. The distribution structure for market F.](image)

Furthermore, market F is a post-sales promotion market, where the end-customer almost always has the opportunity of trying the actual product before purchase and where the sales item box never is used as a point-of-sale. According to the Sales Planner, the sales item box is not at all important for the sales even though it, in
some stores, is visible on the retailers’ shelves. For the operator owned stores, advertising material is often allocated next to the products, promoting the mobile phones.

The opportunity of trying the actual product depends on the end-customers interest in purchasing it. Greater interest from the end-customer means that the retailer is more eager to let him try the actual product. In those cases where the end-customer does not have the opportunity of trying the product, dummy phones are available. This last type of retailers is more common than where the retailer allows the end-customer to try the product.

**Marketing requirements**

The current packaging systems are more than sufficient in order to meet the needs and demands on market F from a marketing perspective. According to the Sales Planner, the end-customer does not care at all about the packaging and therefore there are no specific requirements in terms of size, communication and design.

The art work is not regarded as good as some of the competitors’, but since the end-customer does not care about the boxes and that it does not affect sales to a large extent, this is not any critical issue.

**Logistical requirements**

According to the Sales Planner, the logistical requirements on the packaging systems are well met. The only concerns are about the material and the finishing of the sales item box, which is regarded as too expensive. Due to the fact that the end-customer does not care about the sales item box, there are possibilities to allocate less expensive material and thereby reduce costs, a project that has been initiated and undergoing last year. The Sales Planner explains:

“If you get here and see locally, Nokia or LG or Samsung, you can check the material of the boxes, especially in the mid-price or low-price segment, the material itself is not as good as our boxes, and I believe they are cheaper.”

Of course, the material must meet minimum requirements against the surrounding conditions, but the material does not have to be as expensive as today.

As for today, the sales item boxes protect the product well. In those few cases where the sales item boxes are damaged, this is due to wetness, caused in transit. This could, according to the Sales Planner, be solved e.g. by having some kind of plastic wrapped around the pallets or stronger cardboard material of the tertiary packaging when distributed.

The decreased size of the sales item box is much appreciated, since this reduces transportation and storage costs and makes the products easier to handle.
When it comes to the master-pack, it fully meets the logistical requirements in terms of handling, material and sufficient information even though the tape that is used to close the boxes is not functioning that well. An improved solution to be able to re-close the packaging would be very much appreciated.

The number of sales item boxes in the master-pack could be somewhat adjusted in order to enhance distribution. For low-end price segments, customers order in larger quantities and 20 sales item boxes per master-pack would be suitable for market F. Furthermore, for the mid-end, ten is a good number while for the high-end segment, five pieces of sales item boxes would be appropriate.

**Environmental requirements**

Environmental requirements are increasing on market F and the Green Heart concept is a really good initiative due to the increasing awareness of the end-customers. The Sales Planner explains:

“I really believe it is something that we have to keep in mind that we have to use always a Green Heart product with paper and at least some possible recycled material.”

Even though the current solution with recycled material and packaging that enhances efficient recycling, improved solutions are very welcomed.
6. Evaluating the Sony Ericsson packaging portfolio

The empirical investigations allowed the authors to identify how the current packaging portfolio was perceived on different markets, both from the interviews held as well as from field studies and the questionnaire responses. In this chapter, the responses are analysed and the packaging portfolio is evaluated by the use of the two models presented in chapter 4; the MAJO model and the packaging portfolio evaluation model. Furthermore, the questionnaire is analysed through the use of cross-tables.

6.1 Evaluating the packaging perception on a regional level

This analysis will take its start from a regional perspective, illustrating the requirements on the packaging portfolio with regards to different regions. The input to this analysis is the responses from the packaging questionnaire, distributed to SEMC employees with packaging related experience at most of the SEMC markets.

As the empirical investigations, presented in chapter 5, illustrated, there are different needs and demands on the packaging on different markets. Perhaps the largest difference, and the biggest challenge, for SEMC is that the sales channels differ heavily.

Figure 42 illustrates how the mobile phones are sold at different regions. This figure also illustrates what kind of opportunities there are for the end-customer to try the products while at the retailer as well as to what degree the sales item box is visible. In the figure, the average score from each market is represented. Only the existing sales channels in every region (statements scoring above 2) are shown in order to make the illustration more understandable. For some regions (e.g. region 1) there are many different kinds of retailers since all statements have received similar scores. This is also the case in region 2 and region 3 even though the results point towards some sales channels being more common than others. In both region 1 and region 3 there is in general very low visibility of the sales item box before the purchase. However, the most common sales channels for these two markets differ. In region 1, marketing material is used and the end-customer is not able to either see or try the product. For region 3, the end-customer most often can have the products demonstrated.
Looking at region 6, there are clear results saying that the end-customer never has the opportunity to try the phone and that the mobile phone almost only is displayed through the sales item box. This has a clear connection to why end-customers also see the sales item box to almost 100% before purchase. On the other hand, in region 10 it is more common that the end-customer either can have the products functions demonstrated by a salesperson or at least see the actual phone. This result, together with the fact that the visibility of sales item box at the retailer is low, indicates that region 10’s and even more region 3’s sales channels function very differently compared to the sales channels in region 6.

Two markets that are quite similar are region 3 and region 9, having both low visibility of the sales item boxes and a reasonable good chance to let the end-customer try the functionality of the mobile phone before the purchase.
In order to clarify Figure 42, the scores for the responses to “The mobile phones can be tested by the consumers on their own before purchasing” and “The mobile phones can be demonstrated by salesperson if wanted before purchasing” have been quantified and illustrated in percentage in Figure 43. If all respondents in a certain region have scored e.g. 5 to both statements, it would mean 100 % in product visibility for that region. The results are here compared to packaging visibility (responses to the statement “The end-customer sees the sales item box to...”). As can be seen, most of the regions are placed to the upper left in the figure. This means that for most regions, in average, the packaging visibility is low and the product visibility is high before purchasing a mobile phone.

![Figure 43. Comparing product visibility with packaging visibility for the regions.](image)

There are, however differences within regions. In Appendix F, the model is presented, but on market level where all markets on a certain region is illustrated. For some of the regions, there are obvious differences from market to market. Region 2 is one example, where respondents from market D indicates that the sales item box is visible to 35 % while the end-customer can see the product before purchase every second time. On the other hand, for market I, the sales tem box is always visible (95 %) and the product can always be seen by the end-customer before purchase (100
%), For other regions, such as region 10, the markets are quite similar. Most markets in region 10 are located in the upper left corner (high product visibility, low packaging visibility).

Another comparison is to what degree the end-customer sees the sales item box and if the packaging systems meet the needs and demands in the regions. This is illustrated in Figure 44.

![Graph showing the comparison between the end-customer seeing the sales item box and the percentage of satisfaction in different regions.](image)

**Figure 44.** Comparing the responses to the statements "The end-customer sees the sales item box before purchase to..." and the statements "Overall, the sales item box meets the needs and demands on my market" as well as "Overall, the master-pack meets the needs and demands on my market".

The regions are sorted according to the degree to which the end-customer sees the sales item boxes before the purchase (where the average score is calculated as described in chapter 5.2). As illustrated, there is no clear relation between how often the end-customer sees the sales item boxes before purchase and if the sales item boxes meet the needs and demands in the region. However, both the sales item boxes and the master-pack meet the needs and demands of the regions quite well, scoring 3.75 (sales item boxes) and 3.82 (master-packs) in average. Region 6 is the only region that is really disappointment with the current sales item boxes, giving an average score of 2 to the statement. As can be seen in this figure, region 6 did not respond to the statement regarding the master-pack. The respondent did not have sufficient knowledge regarding the master-pack in order to respond to this specific statement. Therefore, the response from region 6 to this statement is blank in Figure 44.
6.1.1 Marketing requirements

From a marketing perspective, there are many responses from the questionnaire to analyse. The above illustrated figures indicated that the sales channels differ from region to region. From the field studies and in-depth interviews, clear indications were given that the size of the sales item boxes is important for the sales on certain markets. In Figure 45 below, the degree to which the end-customer sees the sales item box is illustrated once again. However, this time it is compared to if the size of the sales item boxes is adjusted to retailing as well as if there is potential in improving the packaging in order to increase sales.

![Figure 45. Comparing the responses to the statements “The end-customer sees the sales item box before purchase to…” and the statements “The size of the sales item box is adjusted for retailing on my market” as well as “I see potential in improving the packaging in order to increase sales.”](image)

The green line, indicating how big potential the region believes there is in improving the packaging in order to increase sales, indicates that most of the regions neither agrees nor disagrees to this statement. However, both region 6 and region 2 indicate that they see potential in increasing sales through an improved packaging at the same time as they are unsatisfied with the size of the sales item boxes. This indicates that a change in size of the sales item box possibly could increase sales in these regions. Other regions, such as region 3 and region 5 are not equally convinced that the packaging can increase sales and are quite satisfied with the size of the sales item boxes.
Another interesting thing is that some regions (region 7, region 4 and region 10) give almost the same score to both statements (around 3). This indicates that they are quite satisfied with the sales item boxes from a marketing perspective.

This is another example of how different regions have different perception of the primary packaging’s role in marketing. Furthermore it indicates how different requirements need to be fulfilled in order to maximise the packaging potential. In this case, the size of the sales item box could be one variable to consider.

**6.1.2 Logistical requirements**

From a logistical point of view, one statement in the questionnaire referred to how many sales item boxes the master-pack should contain for different segments of the product portfolio to fit the needs on the market. In Figure 46 below, the result is illustrated for the low-end products. As can be seen in this figure, 33.3% of the respondents believe that the current solution with ten sales item boxes per master-pack is a good amount. However, almost every second of the respondents has answered that it should contain more than ten. What is really interesting is that 20% of respondents argue that it should contain more than 20 sales item boxes, which indicates that there might be a need for SEMC to look at the master-pack solution. If this could enhance the distribution on several markets, some of the current problems could probably be solved.

![Figure 46. Number of sales item boxes per master-pack (low-end phone segment).](image-url)
In order to understand if there are differences between different segments of the product portfolio, the same question was asked regarding the mid-end as well as for high-end phone segment. The results are illustrated in Figure 47 and Figure 48 below and the results indicate that there is a difference in the number of sales item boxes wanted in the master-pack between different price segments.

![Pie Chart](image)

**Figure 47. Number of sales item boxes per master-pack (mid-end phone segment).**

For the mid-end product segment, a majority of the respondents (57.8%) would like to keep the current solution with ten sales item boxes per master-pack. This indicates that the current number of sales item boxes per master-pack is suitable for the mid-end product segment.

Comparing this result with the same question, but for high-end price segment, the majority of the respondents believe that the current solution is appropriate even for this segment (See Figure 48). However, almost 38% of the respondents believe that the master-pack for high-end products should contain less than ten sales item boxes to meet the needs on the market. This indicates that there are different needs with regards to the number of sales item boxes per master-pack, which might be related to what kind of distribution structure the specific market has.
In order to evaluate if the distribution channels have an effect on the condition of the sales item box and the product, the authors tried to find patterns between the questions that were related to these areas. Figure 49 on the next page illustrates how the answers from the different regions look with regards to modes of distribution from warehouse to retailer. In this figure, only the most frequently used modes of distribution are illustrated (statements above 2) in order to simplify the illustration for the reader. As can be seen in the figure, all modes of transportation are used in some sense even though truck is the most frequently used.

There are no clear connection between the modes of transport used from warehouse to retailer in the regions and the degree of damaged sales item boxes. For example, bicycles and mopeds are used to distribute the products on market B and there are also a lot of broken sales item boxes. However, there are also quite many damaged boxes in region 4, but in this region bicycles or mopeds are not used, instead is car, truck, railroad and airfreight used. This indicates that the damaged boxes are a result from the handling along the supply chain rather than related to mode of distribution.
Figure 49. Comparing the responses to the statements "The main distribution channel from warehouse to retailer on my market is..." (left axis) and the statements "Overall, the sales item box is protecting the product on my market" as well as "Overall, the sales item boxes are damaged when reaching the retailer" (right axis).

6.1.3 Environmental requirements

As can be seen in Figure 50 below, the different regions are in general satisfied with the packaging from an environmental perspective. The only region that somewhat stand out from the rest is region 6, but as described in the previous chapter, this region does not have any environmental requirements at all. The respondent actually misinterpreted this statement. The average response to this statement on all markets (3.42) is illustrated with the red line in Figure 50.
6.2 The markets' needs and demands in the packaging portfolio evaluation and MAJO model

As illustrated in detail in chapter 5, different markets have different needs and demands on the packaging portfolio. Some of these requirements have been discussed theoretically, while others are market specific. Each market, where in-depth interviews and field studies were made, will in this part of the chapter be analysed by the use of the packaging portfolio evaluation model. The MAJO model will also be used in order to classify the markets according to how the products usually are sold.

6.2.1 Market A

In most cases on market A, the retailers have dummy products visible and touchable, but the end-customer seldom has the opportunity to try the actual functions of the mobile phones. Moreover, the sales item boxes are visible for the end-customer before the purchase and the sales item box is always used as a promotion tool in order to attract end-customers and thereby increase sales. As illustrated in 51 below, market A can be classified as a pre-sales promotion market in the MAJO model.
Figure 51. The MAJO model for market A.

From the perspective of SEMC employees, distributors and retailers on market A, and interpreted by the authors, many packaging requirements are not met in the current SEMC packaging portfolio (see Table 10). This results in a quite poor packaging portfolio evaluation model, where the packaging portfolio is not adapted to the requirements on the market. The result from the evaluation of the packaging portfolio with regards to the packaging requirements can be observed in Table 10.
Table 10. Evaluation of the packaging portfolio with regard to the different requirements on market A.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Explanation</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product information</td>
<td>Requires clear feature info (written text).</td>
<td>2</td>
</tr>
<tr>
<td>Selling ability</td>
<td>Size and art work does not enhance sales at all.</td>
<td>1</td>
</tr>
<tr>
<td>Security</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Apportionment</td>
<td>Size of the SI-boxes does not meet end-customer requirements at all.</td>
<td>1</td>
</tr>
<tr>
<td>Communication</td>
<td>Potential in improving brand focus.</td>
<td>3</td>
</tr>
<tr>
<td><strong>Logistics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product protection</td>
<td>The Cuboid box model does not protect the products enough.</td>
<td>3</td>
</tr>
<tr>
<td>Logistical information</td>
<td>Clearer information on the master-pack. Opening instructions on the SI-boxes needed.</td>
<td>1</td>
</tr>
<tr>
<td>Volume and weight efficiency</td>
<td>Small and compact boxes allows for a volume and weight efficient distribution.</td>
<td>5</td>
</tr>
<tr>
<td>Quantity and size</td>
<td>SI boxes per master-pack not well adjusted.</td>
<td>2</td>
</tr>
<tr>
<td>Handling</td>
<td>Too weak material causes problems.</td>
<td>2</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economy of recourses</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Environmental friendly material</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Facilitates recycling</td>
<td>No issue.</td>
<td>5</td>
</tr>
</tbody>
</table>

**Discussion**

The results from the field study on market A clearly showed that the packaging portfolio, from a marketing perspective does not fulfil the needs and demands on the market. Therefore, it receives low scores in the evaluation. This result is mainly due to the requirements of *selling ability* and *apportionment*, receiving the lowest score possible, not meeting the requirements at all. When it comes to the size (which has an influence on both selling ability and apportionment), this refers to the display surface on the sales item boxes, which is generally much smaller than competitors, especially in the mid-price segment. Comments from both retailers and SEMC representatives indicated that the sales item boxes did not enhance sales which are another reason to why the selling ability got the lowest score possible in the evaluation.

From a logistical perspective, the packaging portfolio is slightly better functioning than from the marketing perspective. The *logistical information* scores low since the scanning of the master-pack is not appropriate and that there is no clear opening instruction on the sales item box which leads to broken boxes. *Quantity and size* are not in line with the requirement since the number of sales item boxes placed in the master-pack makes the distribution less efficient. This means that the packaging risks being damaged since the sales item box either are carried separately or in a non filled
master-pack. Neither is handling receiving a high score; this is mostly since the packaging material of the sales item box is too weak to handle in the different steps in the supply chain that it goes through on its way to the end-customer.

When it comes to the environmental requirements, the current packaging portfolio is scoring high. However, the problem with evaluating the packaging portfolio from an environmental perspective is that environmental issues are not heavily discussed on market A. People are not “aware” and, therefore, there is currently no potential in improving the packaging with regard to these requirements at this moment.

As illustrated in Figure 52, the overall packaging perception is not very good, clearly illustrating unused potential in the packaging from a Marketing and Logistics perspective.

![Diagram](image)

Figure 52. The packaging portfolio evaluation model for market A.

### 6.2.2 Market B

Market B is placed in the bottom right corner of the MAJO model. There are only a few retailers in the biggest cities that have the possibility to use dummy phones as marketing tools and there are no possibilities to try the actual phones. As the Assistant Manager of the Technical Account Team on the market explained, only XX out of XX of the retailers in the biggest cities use dummy phones as promotion tool. In the rest of the country this scenario is very rare. However, the sales item box is always displayed at the retailers as a promotion tool. Therefore, market B is a full pre-sales market in the MAJO model illustrated in Figure 53.
The perception of the packaging portfolio on market B is, as described in chapter 5, not very good. This is also the result when analysing how the current packaging portfolio is functioning on market B through the packaging portfolio evaluation model. As can be seen in Table 11, many of the packaging requirements are not met which gives a huge impact in the packaging portfolio evaluation model, see Figure 54.
Table 11. Evaluation of the packaging portfolio with regard to the different requirements on market B.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Explanation</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product information</td>
<td>Requires clear feature info (written text).</td>
<td>2</td>
</tr>
<tr>
<td>Selling ability</td>
<td>Size and art work does not enhance sales at all.</td>
<td>1</td>
</tr>
<tr>
<td>Security</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Apportionment</td>
<td>End-customers require larger SI-boxes.</td>
<td>2</td>
</tr>
<tr>
<td>Communication</td>
<td>Potential in improving brand focus.</td>
<td>3</td>
</tr>
<tr>
<td><strong>Logistics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product protection</td>
<td>The Cuboid box model does not protect the products enough.</td>
<td>3</td>
</tr>
<tr>
<td>Logistical information</td>
<td>SI-boxes and master-packs are easily identified in the different steps in the supply chain.</td>
<td>5</td>
</tr>
<tr>
<td>Volume and weight efficiency</td>
<td>Small and compact boxes allows for a volume and weight efficient distribution.</td>
<td>5</td>
</tr>
<tr>
<td>Quantity and size</td>
<td>SI boxes per master-pack not well adjusted.</td>
<td>2</td>
</tr>
<tr>
<td>Handling</td>
<td>Too weak material causes problems.</td>
<td>2</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economy of recourses</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Environmental friendly material</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Facilitates recycling</td>
<td>No issue.</td>
<td>5</td>
</tr>
</tbody>
</table>

**Discussion**

As Table 11 implies, the currently used packaging portfolio is not fulfilling the marketing requirements on market B, since the product information (i.e. feature information), selling ability and apportionment is not in line with the market’s needs. The selling ability scores low since the sales item boxes do not fulfil the theoretical aspects regarding layout and design (see chapter 3), but also since there is a need for larger sales item boxes. Furthermore, the promotion of the Green Heart concept (which has a negative effect on sales) and the current art work (not showing the product for every model and not colourful enough) can be regarded as selling ability functions that are not in line with the market’s packaging requirements.

As can be seen in Figure 54, the evaluation of the packaging portfolio means that there is much unused potential in the packaging with regards to marketing.

From a logistical point of view the situation is much better. It is only the handling requirement that is totally unaligned with what is needed. Since the material is too weak in order to allow the handling in different steps of the supply chain, a lot of boxes get damaged. Besides, since there are no replacement boxes to use, these damaged boxes mean that the products need to be sold at discount or discarded. Neither is the quantity and size requirement met, since most retailers on market B order fewer quantities than ten sales item boxes per master-pack. Besides the above mentioned requirements, product protection is scoring average since there has been a problem with some models getting damaged while inside of the sales item box.
However, the two last logistical requirements, *logistical information* and *volume and weight efficiency* receives full score.

Discussing environmental requirements on the market B is not easily done. There are no signs from the market that there could be adjustment in order to improve the packaging according to environmental aspects. Therefore, these requirements must be regarded to have no potential to increase, which means that the packaging portfolio meets the current requirements.

The evaluation of the three requirement areas gives an overall view of how the current packaging portfolio is functioning and the result is quite poor. Even though the area of the pattern drawn in the evaluation model is rather large in some directions, this is no indication that the packaging portfolio is well-functioning on the market. In the areas of marketing and logistics there are clear potential to improve the strategy while the packaging portfolio currently fulfil the environmental requirements.

![Figure 54. The packaging portfolio evaluation model for market B.](image)

### 6.2.3 Market C

Market C is regarded as a post-sales promotion market, since the end-customer in most cases only sees the primary packaging after the purchase. However, it must be mentioned that there are retailers that use the sales item box in promotion purpose which contributes to that the position in the MAJO model could be discussed. Furthermore, most of the retailers have dummy phones as a marketing tool which
contributes to why market C must be viewed as a post-sales promotion market in the MAJO model. Figure 55 below illustrates the market C’s position in the MAJO model.

![Diagram](image)

**Figure 55. The MAJO model for market C.**

On market C, the perception of the current packaging portfolio is quite good. There are no big complaints which give a good result when evaluating the packaging portfolio with regard to the different requirements, shown in Table 12. However, the pattern in the evaluation model, Figure 56, indicates that there is some unused potential in the packaging on the market.
Table 12. Evaluation of the packaging portfolio with regard to the different requirements on market C.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Explanation</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product information</td>
<td>Clearer product information.</td>
<td>4</td>
</tr>
<tr>
<td>Selling ability</td>
<td>Some potential in having better adapted art work. Plastic window is needed.</td>
<td>3</td>
</tr>
<tr>
<td>Security</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Apportionment</td>
<td>Low potential in increasing the size.</td>
<td>4</td>
</tr>
<tr>
<td>Communication</td>
<td>Low potential in improving brand focus.</td>
<td>4</td>
</tr>
<tr>
<td><strong>Logistics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product protection</td>
<td>Few occasions with damaged products.</td>
<td>4</td>
</tr>
<tr>
<td>Logistical information</td>
<td>SI-boxes and master-packs are easily identified in the different steps in the supply chain.</td>
<td>5</td>
</tr>
<tr>
<td>Volume and weight efficiency</td>
<td>Small and compact boxes allows for a volume and weight efficient distribution.</td>
<td>5</td>
</tr>
<tr>
<td>Quantity and size</td>
<td>No potential in improving.</td>
<td>5</td>
</tr>
<tr>
<td>Handling</td>
<td>No potential in improving</td>
<td>5</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economy of resources</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Environmental friendly material</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Facilitates recycling</td>
<td>Low potential in improving</td>
<td>4</td>
</tr>
</tbody>
</table>

Discussion

The main packaging requirements found on the market C are mostly related to marketing. As mentioned in chapter 5, there is a need for plastic windows on the sales item boxes in order to show the phone for the end-customers and there is also a requirement of customised art work. These are related to selling ability and this is the reason to why this requirement is given a 3. However, the overall marketing requirements that are put on the packaging from this market’s perspective are quite well in line with what is given by the current packaging portfolio.

From a logistical perspective, the packaging portfolio is very well adjusted to meet the needs on the market. The only aspect highlighted where there is a need for improvement is that there are some occasions when the product has been damaged. This is why product protection is given a 4.

On market C, the environmental debate is not getting much attention. The only thing that draws some attention is if a packaging is made out of recycled material or not. This is why the environmental requirement environmental friendly material is given a 4 since there is some potential in using sales item boxes that are made out of recycled material. There are, at present, no potential in improving the packaging with regard to the remaining environmental packaging requirements on the market.
The overall perception of the current packaging portfolio can therefore be regarded as quite good on market C. However, there are some potential in improving the packaging portfolio, especially from a marketing perspective.

![Diagram](image)

**Figure 56. The packaging portfolio evaluation model for market C.**

### 6.2.4 Market D

Market D can be classified as a pre-sales promotion market. Most of the retailers have dummy phones available for the end-customer to feel and touch, but there are not many retailers where the end-customer actually can try the real functions of the product. Furthermore, the sales item boxes are almost always visible for the end-customer before purchase. This means that market D is classified as a pre-sales promotion market as illustrated in Figure 57 below in the MAJO model.
Figure 57. The MAJO model for market D.

Information from the interview with the Account and Logistics Managers allowed for the evaluation of the packaging portfolio to be performed. The results from this evaluation with regard to the different requirement classifications are illustrated in Table 13 below.
Table 13, Evaluation of the packaging portfolio with regards to the different requirements on market D.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Explanation</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product information</td>
<td>Sufficient product information.</td>
<td>5</td>
</tr>
<tr>
<td>Selling ability</td>
<td>Correction in size and art work is needed.</td>
<td>2</td>
</tr>
<tr>
<td>Security</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Apportionment</td>
<td>End-customer require larger SI-boxes.</td>
<td>2</td>
</tr>
<tr>
<td>Communication</td>
<td>Distinctive branding less colour variation.</td>
<td>2</td>
</tr>
<tr>
<td><strong>Logistics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product protection</td>
<td>Some problem with the Cuboid box.</td>
<td>3</td>
</tr>
<tr>
<td>Logistical information</td>
<td>Low potential in improving.</td>
<td>4</td>
</tr>
<tr>
<td>Volume and weight efficiency</td>
<td>No potential in improving.</td>
<td>5</td>
</tr>
<tr>
<td>Quantity and size</td>
<td>SI boxes per master-pack could be better adjusted.</td>
<td>3</td>
</tr>
<tr>
<td>Handling</td>
<td>Not sufficient for re-work process.</td>
<td>2</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economy of resources</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Environmental friendly material</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Facilitate recycling</td>
<td>No issue.</td>
<td>5</td>
</tr>
</tbody>
</table>

**Discussion**

As can be seen in Table 13, the issues with the packaging portfolio on market D refer mainly to marketing requirements, where it is primarily the *selling ability, apportionment and communication* scoring low. The marketing issues stressed by the SEMC employees are that there are too many types of sales item boxes, that there needs to be a distinct size difference on the sales item boxes between different product price ranges, and the need for the end-customer to see the actual product on the sales item box (e.g. through a plastic window or a clear illustration). The *product information* requirement is given the score 5 due to the fact that the end-customer most often knows about the product features before going to the retailer.

The transport and logistical issues are mostly handled by distributors on the market, and they do not have any larger problems with the current packaging portfolio according to the interviewees on the market. However, re-work needs to be done with the sales item boxes at the SEMC distribution centres before distributed further down the supply chain, a critical step in order to get the products on the market rapidly. This activity is related to *handling* and is the reason to why this requirement is scoring low. As described in chapter 5, the sales item boxes are sometimes changed without notice, making it necessary to change the re-work process. At the same time, the products that the sales item boxes carry are sometimes hard to take out of the boxes, damaging the boxes in the re-work process. Besides re-work issues, the current packaging portfolio meet the logistical requirement well and the overall logistical
requirement scores quite high, indicating a well functioning packaging portfolio from a logistical perspective.

When it comes to environmental requirements, these were not highlighted as actual requirements in the discussions with SEMC representatives from market D. Therefore, the environmental requirements must be seen as met, with low potential for improvement the packaging with regard to these requirements.

The overall result from the evaluation model is illustrated in Figure 58 below.

![Figure 58. The packaging portfolio evaluation model for market D.](image)

### 6.2.5 Market E

At market E, the end-customer sees the sales item box almost at every purchase and in most occasions there is a dummy phone that facilitates the promotion of the product. Therefore, this market must be regarded as a pre-sales promotion market in the MAJO model (see Figure 59), even though some retailers actually show the real product for the end-customer.
In Table 14, the evaluation of each packaging requirement is illustrated, showing a quite poor functioning packaging portfolio on market E.

Table 14. Evaluation of the packaging portfolio with regard to the different requirements on market E.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Explanation</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product information</td>
<td>Irrelevant information on SI-box.</td>
<td>3</td>
</tr>
<tr>
<td>Selling ability</td>
<td>Potential in having better adapted art work. Plastic window is needed.</td>
<td>2</td>
</tr>
<tr>
<td>Security</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Apportionment</td>
<td>Smaller size of the SI-box is wanted by retailers.</td>
<td>2</td>
</tr>
<tr>
<td>Communication</td>
<td>Potential in improving brand focus.</td>
<td>3</td>
</tr>
<tr>
<td><strong>Logistics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product protection</td>
<td>The weak material is a risk for the product.</td>
<td>3</td>
</tr>
<tr>
<td>Logistical information</td>
<td>Low potential in improving.</td>
<td>4</td>
</tr>
<tr>
<td>Volume and weight efficiency</td>
<td>Smaller SI-boxes would facilitate the distribution.</td>
<td>2</td>
</tr>
<tr>
<td>Quantity and size</td>
<td>SI-boxes per master-pack not well adjusted.</td>
<td>2</td>
</tr>
<tr>
<td>Handling</td>
<td>Too weak material causes problems.</td>
<td>2</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economy of recourses</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Environmental friendly material</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Facilitates recycling</td>
<td>No issue.</td>
<td>5</td>
</tr>
</tbody>
</table>
Discussion

As can be seen in Table 14, the requirements from a marketing perspective are neither scoring high nor low. This indicates that there are unused packaging potential. The selling ability scores low since more colourful art work is wanted to draw end-customer attention and a plastic window is needed to allow the end-customer to see the actual product. The reason to why apportionment also is scoring low is because the sales item boxes are too big. Smaller sales item boxes would facilitate stock keeping for the retailers.

From a logistical point of view, the overall perception is slightly worse than from the marketing perspective. The major concern is that the packaging material (handling requirement) is too weak, contributing to broken packaging (both sales item boxes and master-packs). This puts a risk on the product as well. Another concern is about quantity and size. The number of sales item boxes placed in the master-pack needs to be adjusted so that low-end mobile phones have more and high-end phones have fewer sales item boxes per master-pack in order to facilitate the demand when distributing. This concern can be related to the need for an overall increase of the distribution efficiency, since there also is a need that the sales item boxes should reduce unnecessary volume in order to enhance the distribution. In order to facilitate the handling for the retailers there is also a need to have the model number of the product on each side of the sales item boxes. This is also an argument for why handling does not receive a high score.

The environmental concerns are very poor on the market. Since there are no indications that any environmental aspects need to be improved, the environmental requirements receive full score.

The overall perception of the packaging portfolio means that there are possibilities for improvement. In Figure 60, the perception of the packaging portfolio on market E is illustrated. It is clear that there is potential in improving the packaging portfolio from both a marketing and logistical perspective.
6.2.6 Market F

Due to the fact that end-customers almost always can feel a dummy product before purchase and the sales item box seldom is visible to the end-customer, market F is classified as a post-sales market in the MAJO model (see Figure 61).
As identified through the interview with the Sales Planner on market F’s SEMC office, most of the packaging requirements are well met on the market. However, there are a couple of requirements that are not fully met. In Table 15 below, the packaging portfolio evaluation of market F is presented.
Table 15. Evaluation of the packaging portfolio with regards to the different requirements on market F.

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Explanation</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product information</td>
<td>No potential in improving.</td>
<td>5</td>
</tr>
<tr>
<td>Selling ability</td>
<td>Low potential in improving since competitors have better adapted art work.</td>
<td>4</td>
</tr>
<tr>
<td>Security</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Apportionment</td>
<td>No potential in improving.</td>
<td>5</td>
</tr>
<tr>
<td>Communication</td>
<td>No potential in improving.</td>
<td>5</td>
</tr>
<tr>
<td><strong>Logistics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product protection</td>
<td>Seldom damaged products, low potential in improving.</td>
<td>4</td>
</tr>
<tr>
<td>Logistical information</td>
<td>No potential in improving.</td>
<td>5</td>
</tr>
<tr>
<td>Volume and weight efficiency</td>
<td>No potential in improving.</td>
<td>5</td>
</tr>
<tr>
<td>Quantity and size</td>
<td>SI boxes per master-pack could be better adjusted.</td>
<td>3</td>
</tr>
<tr>
<td>Handling</td>
<td>Some potential in identifying more accurate packaging material.</td>
<td>3</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economy of recourses</td>
<td>No issue.</td>
<td>5</td>
</tr>
<tr>
<td>Environmental friendly material</td>
<td>Low potential in improving.</td>
<td>4</td>
</tr>
<tr>
<td>Facilitates recycling</td>
<td>Low potential in improving.</td>
<td>4</td>
</tr>
</tbody>
</table>

Discussion

As can be seen in Figure 62, the current packaging portfolio is well-adapted to meet the needs and demands on market F, especially from a marketing perspective. The only requirement not receiving full score is selling ability due to the fact that some competitors have a better adapted art work than SEMC, with more colourful sales item boxes.

When it comes to the logistical requirements, it is in this area where improvements can be made. These requirements refer mostly to the packaging material and the number of sales item boxes in the master-pack. According to the Sales Planner, the packaging material is believed to be too expensive for the market. Moreover, the number of sales item boxes per master-pack should be adjusted to the price range of the products which the master-pack carries. This is the reason for the lower scores for handling and quantity and size.

Finally, the environmental requirements on the packaging are quite well met on market F. As presented in chapter 5, environmental concerns are increasing on the market, and therefore, environmental friendly packaging is increasing in importance. The current packaging portfolio is appropriate, but there are potential in improving the environmentally friendly concept (e.g. increasing the number of Green Heart packaging in the packaging portfolio) which is the reason for why the requirements Environmental friendly material and Facilitates recycling do not receive the highest score.
6.3 Illustrating the similarities and differences on the focus markets

The analysis in chapter 6.2 indicates that the current packaging portfolio does not fulfil all of the packaging requirements on every market. Furthermore, the presentation of product/packaging visibility in Appendix F indicates that every market must be examined independently when deciding upon placement in the MAJO model. There are differences within regions, from markets to markets, and regions cannot be treated isolated.

In Figure 63 below, all of the focus markets’ positions in the MAJO model are illustrated (the intermutual placing of the markets in the MAJO model have no meaning). Three markets are classified similarly when it comes to how the sales channels are functioning. Market A, market D and market E are all classified as pre-sales promotion markets, where the mobile phones are sold in stores where the packaging visibility is high and dummy phones are used as promotion tools. However, even though market B is classified as a full pre-sales promotion market, it has many similarities with the pre-sales markets. E.g. both market A and market B are markets where the mobile phones are sold through mostly small shops where the sales item box is very important in order to draw end-customer attention.
In order to illustrate in what requirement areas the markets experience unused packaging potential, the scores from the evaluation in chapter 6.2 has been summarised and an average has been calculated for each market in terms of marketing, logistical and environmental requirements. In Table 16 below these scores are shown and Figure 64 illustrates all the markets’ average scores.

Table 16. Average scores for the focus markets with regard to marketing, logistical and environmental requirements.

<table>
<thead>
<tr>
<th>Market</th>
<th>Requirements (average score)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Marketing</td>
</tr>
<tr>
<td>Market A</td>
<td>2.4</td>
</tr>
<tr>
<td>Market B</td>
<td>2.6</td>
</tr>
<tr>
<td>Market C</td>
<td>4.0</td>
</tr>
<tr>
<td>Market D</td>
<td>3.2</td>
</tr>
<tr>
<td>Market E</td>
<td>3.0</td>
</tr>
<tr>
<td>Market F</td>
<td>4.8</td>
</tr>
</tbody>
</table>
As shown in Figure 64 the same requirement areas are not fulfilled on market A, market B, market D and market E. At a glance, this indicates that these markets are in a need of a similar packaging portfolio. However, as described in chapter 6.2, there can be different reasons to why two markets are scoring the same for a specific requirement. The problem with size (apportionment and selling ability) is e.g. different between the markets. Market A, market B and market D require bigger sales item boxes in order to draw more attention and to give a clear message regarding the price of the product to the end-customer, while market E wants smaller packages in order to facilitate for the retailers.

Another aspect on the sales item box that is a problem with the current packaging portfolio on some markets is the art work (selling ability). On market A, market B and market E there is a requirement that the art work should be more colourful. According to interviews with SEMC representatives on these markets, a more colourful art work would help to increase sales. The same scenario is found on market D. On this market however, the requirement is that the sales item boxes should have a more shiny/luxury style for the same reason.

The above discussed aspects are all from a marketing perspective and the reason to why the same needs can be found on these markets is that all of the markets are some sort of pre-sales promotion markets. However, an alert reader may wonder why market C, whose classification according to the MAJO model can be discussed, does not
have these requirements. One reason to this is, as presented in chapter 4, that market C uses customised sleeves on their sales item boxes. They actually adapt the packaging locally at present.

A scenario that often occurs on market A, market B, market D and market E is that the sales item box gets damaged by rough handling. There is a need for stronger material of the boxes but also clear information on how to open the boxes in order to avoid this problem. On these markets, there is a lot of re-work which leads to that the boxes needs to be opened before they reach the end-customer. This is not a problem on market C and market F.

Another requirement problematic on all the focus markets, except for market C and market D, is that there is a need of changing the quantity of sales item boxes in the master-pack. The reason for this is that the more expensive models are not ordered in the quantity that the master-packs contain. If there were fewer sales item boxes in the master-pack for the high-end models and more for the low-end models it would solve some of the problems.

The environmental requirements are almost fulfilled on all markets. The reason for this is that this aspect of the packaging is not that highly debated on the markets. The evaluation made in chapter 6.2 points out that there are low potential in improving the environmental requirements of the packaging on the focus markets.
7. A changing portfolio for different needs

The SEMC packaging portfolio does not meet all the needs and demands on the markets. This chapter will, based on the findings from the previous analysis, present the results and the authors’ recommendations and contribution to the case company as well as the contribution to the academy.

The research conducted in this thesis has shown that markets with similar sales channels have similar packaging requirements, especially from a marketing perspective. On markets where the primary packaging is used as a marketing tool (i.e. pre-sales promotion markets), there are more and larger marketing requirements on the primary packaging (e.g. size, art work and product information). However, on post-sales promotion markets, where the primary packaging should confirm rather than sell the product, the logistical requirements are more highly stressed. These results have been found through a case study at a global mobile phone company, but the authors believe that equal results can be found at global companies producing and selling goods with equal sales channels (e.g. for digital cameras, MP3-players and electrical shavers). These kinds of companies should strive towards a more locally adapted packaging strategy, where the packaging portfolio should be divided between post- and pre-sales promotion markets in order to successfully compete on diverse markets. Furthermore, this thesis has illustrated the importance in allocating packaging requirements and understanding end-customer behaviour and its connection to packaging in order to develop successful packaging portfolios. Therefore, this thesis has contributed to the standardisation vs. adaptation debate from a packaging perspective, by illustrating how it is possible to balance the packaging portfolio for global companies, present on diverse markets.

Through the investigations performed in this master thesis, the authors believe that the current SEMC packaging portfolio do not adhere to all the market needs and demands. Furthermore, there are potential in both increasing the distribution efficiency on all the markets as well as there are potential in increasing sales through local packaging adaptation.

As could be seen in previous chapters, the markets needs and demands differ heavily between different markets. The current packaging portfolio does not meet all of them, especially not on the pre-sales promotion markets. The two developed models, the MAJO model and the packaging portfolio evaluation model are important tools when comparing markets and evaluating the packaging portfolio with regard to identified packaging requirements. Results from the case study indicated that markets
with similar sales and distribution channels, to a large extent, have the same perception of the packaging portfolio. For the pre-sales promotion markets, the size of the sales item box is the most frequently mentioned issue. Indications have been given that the current global standardised packaging strategy should move towards a more locally adapted strategy (see Figure 65). The current packaging portfolio is more adapted for post-sales promotion markets where the packaging should confirm the purchase rather than sell the product. These markets, which in the case of SEMC are located in region 9 and region 10 have no specific major problem with the current packaging portfolio, especially not from a marketing perspective. Neither market E nor market F has any major issues with the current packaging portfolio. Based on this discussion, the packaging strategy should be moved towards local adaptation, and the authors recommend that the packaging portfolio is divided between post- and pre-sales promotion markets.

![Figure 65. Towards a more locally adapted packaging strategy.](image)

Practically, the change towards a more locally adapted packaging strategy means that there should be one packaging portfolio for markets where the products and all of its functions can be tried out by the end-customer before purchase and one packaging portfolio for markets where the products are not available for testing before purchase and the sales item box is working as a marketing tool to a larger extent. As discussed by Horská et al. (2006), the most frequently occurring changes on the primary packaging when adapting to local requirements, in their study, were with regards to size, design and art work. Equal results have been found in this study. As illustrated in Figure 66, the authors define the two different packaging portfolios as post-sales packaging portfolio and pre-sales packaging portfolio respectively.
7.1 Post-sales promotion portfolio

For the post-sales promotion portfolio, adjusted to meet the needs and demands on markets where the products are available for the end-customer to try before purchase, the current packaging portfolio is appropriate according to the responses from investigated markets. Results from the questionnaire indicated that markets with sales channels where the end-customer could try the product before purchase are satisfied with the current packaging portfolio both from a sales- as well as a distribution perspective. However, smaller changes are recommended. One of these changes would be to adjust the number of sales item boxes per master-pack. As the current packaging portfolio allows ten sales item boxes per master-pack, adjustments would mean more sales item boxes in the master-pack for low-end products and less sales item boxes in the master-pack for high-end products.

7.2 Pre-sales promotion portfolio

When it comes to the second packaging portfolio, the size of the sales item box has been pointed out as the single most important factor affecting sales on the markets. In practice, this means that the sales item boxes need to increase in size in order to gain space on the retailer shelves, thereby increasing the promotion of the product. Furthermore, the size of the sales item box needs to be adjusted according to the price of the product, where more expensive products should be carried in larger primary packaging. This makes the end-customer less confused and more secure.
about the products. They know that they have bought a product to the right price according to the size of the primary packaging. However, there might be pre-sales promotion markets that do not need a bigger size of the sales item box, as the case is with market E. These markets might be treated as post-sales promotion markets when it comes to what portfolio to use. The size of the sales item box is more important in some price segments than others. Especially for the mid-end price segment, the size of the packaging is important. The high-end products are usually not sold at the most common retailers on many of these markets. Instead they are only sold in stores like Sony Ericsson flagship stores and other premium store, where the products are available for the end-customer to try out. Opposite to the high-end products, the low-end products are too cheap in order for the end-customer to expect a large sales item box. The authors believe that Figure 67 quite well illustrates how the size should be adjusted to price on the pre-sales markets. The figure illustrates the size of the sales item box (the different box models) compared to the price on some selected mobile phone models on market B. The blue line represents how the authors believe the size of the sales item box should be adjusted compared to the price of the mobile phone model which it carries in order to not confuse the end-customer. It is important to point out that the blue line does not illustrate the actual recommended size, but it illustrates the need of an increased size of the sales item box for a more expensive mobile phone. This is especially important for the mid-end price segment, which should contain more sales item boxes than today. Furthermore, they should increase in size. The red line in the illustration indicates how the size of the current packaging portfolio compared to the actual price of specific model is very different from the recommended. Jalou is a typical example, where mobile phones with a lower sales price are sold in a larger sales item box.

One reason for the appearance of the red line is that the sales item box models in this illustration have been developed under different box-directives. If only models from the latest box directive had been illustrated, the red line would be more similar to the blue line. However, the key point is that even if the latest mobile phone models were to be illustrated, there are too few sales item box models for the mid-price segment.
Figure 67. Sales price on market B for mobile phone models compared to size of the primary packaging carrying that mobile phone.

Moreover, the information regarding the product (i.e. key features) should be clearly stated on the primary packaging due to the fact that the sales personnel often do not know everything about the products they sell. In this way, the end-customer can understand the product features without having the support of sales personnel as well as the sales personnel can get the information directly from the packaging. The packaging is thereby acting as the “silent salesman”, an important aspect previously discussed in research by Dominic et al (2000).

Another interesting issue found on the pre-sales promotion markets is the need of spare sales item boxes. Because the sales item boxes are extremely valuable when selling the product, it is a loss for the company if the sales item box is damaged when reaching the retailer. Then the products need to be sold at discount, if they are possible to sell at all. For the investigated pre-sales promotion markets, the distribution channels included some unprotected modes of transports, i.e. bicycle and mopeds, which affects the handling of the sales item box. This furthermore stresses the risk of the packaging being damaged. Providing spare sales item boxes to a low cost could solve this problem easily if they can be shipped either inside the master-pack or in the tertiary packaging.
7.3 Implications for SEMC

The recommended change towards a more locally adapted packaging portfolio puts pressure on the packaging department at SEMC. From previously developing one packaging portfolio, the recommended change means that two different portfolios need to be developed. However, this does not necessarily mean that twice as many packaging systems need to be developed. E.g. the Widget box (see Appendix E) could most certainly function excellent on pre-sales promotion markets, but for a lower product price segment than today. Still, sales item boxes for products in the middle price segment need to increase in size in order to successfully meet the needs once at the retailer. Unfortunately, the suggested recommendations do not go hand in hand with the SEMC environmental initiatives. One of the cornerstones in these is to minimise environmental impact, which means reducing the size of the packaging, thereby reducing needed packaging material and weight, leading to more environmentally friendly transports and of course cheaper sales item boxes. However, the authors believe that the environmental friendly initiatives still can coexist with increasing sales item box size by working actively with environmental friendly material and the global take-back program\(^{13}\). Another alternative is to decrease the size of the sales item boxes for the post-sales promotion portfolio, thereby balancing the needed packaging material for the two packaging portfolios.

The change of the packaging strategy means that trade-offs probably will occur. As discussed by Jahre and Hatteland (2004) a larger primary packaging affects the whole packaging system, where more material is needed and the inner filling rate decreases. Especially on the pre-sales promotion markets, where the authors suggest an increased size of the sales item box, new problems will occur for the distributors and retailers. Larger packaging leads to a need for larger storage and also decreased transportation efficiency. This trade-off is hard to avoid, but from the authors’ point of view it must be made if SEMC want to compete successfully on these markets.

Nevertheless, in order to compete successfully on different markets, companies need to understand end-customer behaviours and the drivers behind purchase. This cannot be done by saving money in the same areas at all markets. In the end, it all comes down to selling the products. The marketing Manager at the SEMC office, on market B put it this way:

“To succeed here you cannot save the penny and loose the pounds.”

What she means with this quote is that the small boxes (save the penny) actually is one of the main reason for poor sales (lose the pounds) on market B.

\(^{13}\) The global take back program says that at least 1 million old mobile phones are to be collected by the year of 2011.
7.4 Contribution to the academy
The authors have in this thesis tried to illustrate the importance of identifying different markets’ needs and demands on the packaging systems and the difficulties with having a global standardised packaging strategy for a global company in the FMCG industry. Moreover, this thesis has made a contribution to the standardisation vs. adaptation debate, looking at the packaging perspective, instead of the actual product and taking a holistic perspective from the actors on the investigated markets. As described earlier, the developed models have contributed to the gap in existing research, where the packaging portfolio evaluation model can function as a basis for a discussion when evaluating a packaging portfolio, instead of a single packaging system. However, this model needs to be complemented with the MAJO model in order to see patterns of the sales channels at different markets to draw conclusions.

7.5 Contribution to the case company
The major contribution of this thesis to SEMC is the market specific information presented in chapter 4. With this information it is possible for the company to create their own analysis in order to decide in what direction to work with the packaging strategy. However, the authors have also presented an analysis of how the current packaging portfolio adheres to the markets needs and the result of the analysis. Hopefully, this analysis will be useful for the case company when further discussing future packaging strategies. At last, the authors wish that this thesis will highlight the great impact packaging has on sales on some markets and that the area of packaging and packaging logistics will increase in importance at SEMC.
8. Discussion and future studies

Results from this thesis indicate the need for a more locally adapted packaging portfolio in order to increase sales for SEMC and to use the full packaging potential. In the final chapter of this thesis, the authors discuss the results found through the study as well as provide suggestions for future studies connected to the investigated problem.

This thesis is looking at the current packaging portfolio at Sony Ericsson Mobile Communications. The results from this study indicate that, for SEMC, the packaging strategy should be going towards local adaptation, depending on differences in sales and distribution channels on different markets, in order to compete more successfully. However, in order to generalise and validate the results, more studies in the FMCEG industry are needed. Products that are sold in similar ways as mobile phones (e.g. MP3-players and digital cameras) might experience the same requirements on the packaging system on similar markets as in the case study of SEMC. Furthermore, benchmarking competitors such as Nokia and Samsung would further provide knowledge to how a packaging strategy could be constructed and how these companies handle the issue of standardisation vs. adaptation in order to meet market needs and demands.

The results presented indicates that two different packaging portfolios should be used, i.e. one for post-sales promotion markets and one for pre-sales promotion markets. In addition, the authors have understood that the pre-sales promotion markets investigated through interviews in this study are all retailer markets\(^\text{14}\). If this is the case globally, which has not been further investigated, this might be interesting information for SEMC to gather before a decision about coming packaging strategies is taken.

The models that were constructed during this thesis and facilitated the analysis have not been tested on other products or companies than mobile phones and SEMC. In order to find the potential in these and also how well they are functioning, they must be tested in other areas within the FMCEG industry.

The authors have had some issues with the collection of primary data. Respondents to the questionnaire were hard to identify and when it was distributed to appropriate persons, the answers were hard to gather. Also, the process of identifying interviewees for in-depth interviews was both harder and more time consuming than the authors could imagine. Some of the persons on markets chosen for in-depth interviews did not respond to e-mails with alternative dates and times for interviews, and some

\(^{14}\) Retailer markets are, in opposite to operators markets, not controlled by mobile phone operators.
respondents answered that they did not have the time for any interview at all. This is the reason why market G and market H were left without any in-depth interview. The authors believe that this lack of interest in giving feedback regarding the packaging is an evidence of the low “status” packaging related topics has at SEMC in general, where the packaging is not regarded as value adding, but more as a cost driver.

It is also important to stress the fact that the primary data consists of the thoughts and opinions from individual employees at the case company as well as distributors and retail store owners. This data might therefore have been different if the in-depth interviews were directed to other SEMC employees at different positions. However, during the field studies, interviews were held with more than one employee as well as different actors, eliminating the risk of getting a purely subjective perception of the markets needs and demands. Therefore, the authors believe the reliability of this thesis is high.

Furthermore, during this thesis, the authors found interesting issues associated in some way to the performed study. When performing in-depth interviews, many of the SEMC employees described how the information regarding the needs and demands on their market had been transferred further up in the organisation. However, packaging related information has not reached the packaging department. A suggestion for future research could therefore be to investigate how companies work towards identifying correct, relevant information to the correct departments within companies, especially when it comes to the developing of future packaging strategies.

Last but not least, this study has not calculated any costs associated with changing the current packaging strategy. The authors are well aware that a cost/benefit analysis, evaluating the effectiveness of a new strategy, must be performed before taking any decisions regarding the changes proposed.
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• *Marketing Manager*, SEMC market C, 2009-12-08.

• *Head of Marketing*, SEMC market A, 2009-12-03.

• *Head of Trade-Marketing*, SEMC market A, 2009-12-03.

• *Head of the Region*, SEMC market A, 2009-12-03.

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• *Distribution Manager*, Distributor 1 market A, 2009-12-04.

• *Logistic Manager*, Distributor 2 market A, 2009-12-04.

• *Logistics Manager*, SEMC market C, 2009-11-19 (Telephone interview).
• **Account Manager**, SEMC market D, 2009-11-19 (Telephone interview).

• **Senior Planner**, SEMC market D, 2009-11-19 (Telephone interview).

• **Launch Execution Manager**, SEMC market E, 2009-11-19 (Telephone interview).

• **Sales Planner**, SEMC market F, 2010-01-28 (Telephone interview).

Electronic sources


Additional sources

## Appendix A – Keyword search on ELIN

<table>
<thead>
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<th>Keyword level 1</th>
<th>Keyword level 2</th>
<th>Keyword level 3</th>
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<tr>
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<td>AND distribution</td>
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<td>58</td>
</tr>
<tr>
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<td>AND marketing</td>
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<td>AND standardization</td>
<td></td>
<td>17</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Adapted</td>
<td></td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Strategy</td>
<td></td>
<td>491</td>
<td>319</td>
</tr>
<tr>
<td></td>
<td>AND standardization</td>
<td></td>
<td>645</td>
<td>355</td>
</tr>
<tr>
<td></td>
<td>AND            Strategy</td>
<td></td>
<td>125</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td>adapted</td>
<td></td>
<td>586</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>AND standardization</td>
<td></td>
<td>85</td>
<td>61</td>
</tr>
</tbody>
</table>
Appendix B – Invitational e-mail and the packaging questionnaire

Dear all!

This email is sent to you since we find that your opinions regarding Sony Ericsson’s packaging portfolio would be of great interest for us.

We are Jonas Körner and Magnus Fagerlund, currently master thesis students at Global Packaging in Lund. Some of you participated in the LEM-meeting with us yesterday, which we were invited to by XXXXX. From XXXXX we have also received your contact information.

As many of you already know, we are about to investigate Sony Ericsson’s packaging portfolio and how it reflects the needs and demands from the different markets. The purpose is to collect and analyse the information from you, regarding the packaging, and this will be done with a survey we have constructed.

We would be very pleased if you could take your time to fill out the survey, it takes approx 15 minutes. We kindly ask you to complete the survey until Friday the 7th of November. This gives you two weeks.

By clicking on the link below, you will be directed to the survey where you will find further instructions regarding the survey.

<LINK>

Please read through the text and when you want to start click “Respond to this survey”.

We cannot express how important your collaboration is! If you have any questions, do not hesitate to contact us!

Best regards Jonas and Magnus.

Jonas Körner
Master thesis student
Global packaging

Sony Ericsson
Mobile Communications
sonyericsson.com
1a. Which market do you represent? *


1b. What region do you represent? *


2. What is your title at Sony Ericsson? *


The statements on this page are about the packaging in general (disregard this check-box).

☐.

3. The following conditions are a problem for the packaging on my market. *

<table>
<thead>
<tr>
<th>Condition</th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humidity</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Temperature</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Dirt</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Handling from production to warehouse</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Handling from warehouse to retailer</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Handling at retailer</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other (please specify below)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

If "Other" chosen above, please specify:


4. The main distribution channels from warehouse to retailer on my market are... *

<table>
<thead>
<tr>
<th>Channel</th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airfreight</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Boat</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Truck</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Railroad</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Car</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Tuk-tucks/mopeds</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Bicycles</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other (please specify below)</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

If "Other" chosen above, please specify:
5. The number of major distributors used by SEMC on my market is: *

6. The main sales channels on my market are: *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sony Ericsson brand store</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Large retail stores</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Medium sized retail stores</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Small retail stores</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Operator owned stores</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Web-based stores</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Other (please specify below)</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

If “Other” chosen above, please specify:

7. The mobile phones are usually sold in this way on my market: *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The mobile phones can be tested by the consumers on their own before purchasing.</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>The mobile phones can be demonstrated by a salesperson if wanted before purchasing.</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>The mobile phones can be seen, but not tried out before purchasing.</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>The mobile phones are only displayed in the sales item box, it is not possible to try out the mobile phone before purchasing.</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>The mobile phones are only displayed on marketing materials, neither the phone nor packaging are shown before purchasing.</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>The mobile phones are sold through web-based stores.</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Other (please specify below)</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

If “Other” chosen above, please specify:

8. The consumer sees the sales item box before purchasing a mobile phone on my market to ... *

9. The biggest customers on my market are... *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global operators</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Local operators</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Large retailers</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Small retailers</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Very small retailers</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Other (please specify below)</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

If “Other” chosen above, please specify:
10. Overall, the sales item box meets the needs and demands on my market. *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuboid box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Mini-cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Widget box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

11. The size of the sales item box is adjusted for distribution on my market. *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuboid box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Mini-cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Widget box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

12. The size of the sales item box is adjusted to retailing on my market. *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuboid box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Mini-cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Widget box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

13. The material that the sales item box (NOT the insert) consists of is adjusted to meet the needs and demands on my market. *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuboid box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Mini-cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Widget box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

14. The sales item box is protecting the product on my market. *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuboid box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Mini-cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Widget box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>
15. The sales item box is damaged when reaching the retailers. *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuboid box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Mini-cube box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Cube box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Widget box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
</tbody>
</table>

16. The sales item box protect the handset and other kit contents from damage (like internal friction while transportation). *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuboid box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Mini-cube box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Cube box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Widget box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
</tbody>
</table>

17. If the sales item boxes are damaged, the main reasons are...

<table>
<thead>
<tr>
<th>Reason</th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humidity</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Temperature</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Dirt</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Handling at the warehouse</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Handling at the retailer</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>During transport from production to warehouse</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>During transport from warehouse to retailer</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Other (please specify below)</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
</tbody>
</table>

If "Other" chosen above, please specify:

- [ ]

18. The information to end-consumer about the product on the sales item box is adjusted to fit the needs and demands on my market. *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuboid box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Mini-cube box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Cube box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Widget box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
<td>⬜️ ⬜️ ⬜️ ⬜️ ⬜️ ⬜️</td>
</tr>
</tbody>
</table>
19. The art work (graphic design, colors, printing etc.) on the sales item box is adjusted to promote the product on my market. *

<table>
<thead>
<tr>
<th>Item</th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuboid box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Mini-cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Widget box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

20. The sales item box is adjusted to the environmental needs and demands on my market. *

<table>
<thead>
<tr>
<th>Item</th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuboid box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Mini-cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Cube box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Widget box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

21. Other comments regarding the sales item box?
22. Overall, the master pack meets the needs and demands on my market. *

<table>
<thead>
<tr>
<th>Answer</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

23. The number of sales item boxes (10 pieces) in the master pack is adjusted to fit my market needs. *

<table>
<thead>
<tr>
<th>Cuboid box</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
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<td>O</td>
</tr>
<tr>
<td>Min-cube box</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>N/A</td>
</tr>
<tr>
<td>Cube box</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>N/A</td>
</tr>
<tr>
<td>Widget box</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>N/A</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>N/A</td>
</tr>
</tbody>
</table>

24. If I could choose, I would suggest the following number of Sales Item boxes in the master pack to fulfill the needs on my market: (disregard checkbox below)

☐  

For low-end mobile phone segment: *

☐  

For mid-mobile phone segment: *

☐  

For high-end mobile phone segment: *

☐  

25. The sales item box is removed from the master pack before reaching the retailer. *

<table>
<thead>
<tr>
<th>Cuboid box</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Min-cube box</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>N/A</td>
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<tr>
<td>Cube box</td>
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<td>3</td>
<td>4</td>
<td>5</td>
<td>N/A</td>
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<tr>
<td>Widget box</td>
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<td>2</td>
<td>3</td>
<td>4</td>
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<td>N/A</td>
</tr>
<tr>
<td>Jewelry box</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>N/A</td>
</tr>
</tbody>
</table>

26. The master pack material fits the needs and demands on my market. *

<table>
<thead>
<tr>
<th>Answer</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

27. Other comments regarding the master pack?
28. In general, Sony Ericsson’s packaging portfolio is well functioning compared to... *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nokia</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Samsung</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apple (iPhone)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorola</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LG</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

29. I see potential in improving packaging in order to increase sales at Sony Ericsson! *

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Neither agree nor disagree</th>
<th>Strongly agree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Answer:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

30. In what way would you like to change the packaging with regard to size, shape and art-work etc?

31. Other comments regarding Sony Ericsson packaging portfolio/strategy?
Appendix C – Market evaluation

The evaluation was performed together with the supervisor at SEMC as well as with input from Towman (2009b). Five different relevant criterions were set which could be graded from 1-5. The eight markets with highest total score were then decided to go further with through deep-interviews or actual market visits.

Criteria:

- **Accessibility** – Refers to the possibility of getting in contact with appropriate respondents for in depth-interviews and the possibility of visiting the market. Grading: 1 – Very low possibility, 5 – Very high possibility.

- **Growth potential** – Refers to the expected growth of the market (number of sold mobile phones) within the next years. Grading: 1 – Very low expected growth, 5 – Very high expected growth.

- **Market share** – Refers to the SEMC market share. Grading: 1 – Very high market share, 5 – Very small market share.

- **Market size** – Refers to the size of the market. Grading: 1 – Very small market, 5 – Very large market.

- **Market knowledge** – Refers to the current knowledge (from a packaging perspective) that SEMC have about the market. Grading: 1 – Very high knowledge, 5 – Very limited knowledge.
The evaluation of the markets according to the above described criterions resulted in Table 17 below.

**Table 17. Market evaluation.**

<table>
<thead>
<tr>
<th>Markets</th>
<th>Accessibility</th>
<th>Growth potential</th>
<th>Market share</th>
<th>Market size</th>
<th>Market knowledge</th>
<th>Total score</th>
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<tbody>
<tr>
<td>Market B</td>
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<td>5</td>
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<td>5</td>
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<tr>
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<tr>
<td>Market C</td>
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<td>3</td>
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<td>Market E</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>4</td>
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<tr>
<td>Market F</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>4</td>
<td>16</td>
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<tr>
<td>Market G</td>
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<td>4</td>
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<td>4</td>
<td>4</td>
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<td>2</td>
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<td>15</td>
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<tr>
<td>Market L</td>
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<td>4</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Market M</td>
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<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
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</tr>
<tr>
<td>Market N</td>
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<td>4</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Market O</td>
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<td>3</td>
<td>2</td>
<td>4</td>
<td>1</td>
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<tr>
<td>Market P</td>
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<td>2</td>
<td>4</td>
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</tr>
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<td>5</td>
<td>1</td>
<td>14</td>
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<td>2</td>
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<td>5</td>
<td>1</td>
<td>1</td>
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<td>Market T</td>
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<td>1</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>14</td>
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<td>Market U</td>
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<td>5</td>
<td>1</td>
<td>2</td>
<td>13</td>
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<tr>
<td>Market V</td>
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<td>3</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>12</td>
</tr>
</tbody>
</table>

As can be seen from Table 17 above, the eight markets scoring highest in the evaluation was market A, market B, market C, market D, market E, market F, market G, market H. Out of these eight markets, market A and market B scored highest with regards to *Accessibility*, this is why these markets were decided to perform actual market visits in. Deep interviews were going to be held with the six remaining markets.
Appendix D – Interview guide

1. Personal information (Name, market, title…)

2. General packaging situation.
   a) What is your perception of the packaging portfolio/system on your market?
   b) What are the local factors that you think mainly affect packaging on your market?
      Legal, environmental, political, economical, social, infrastructure, customers, etc.
   c) Is the packaging portfolio/system adapted to fit the market needs and requirements?
      Why or why not?

3. Distribution
   a) How many distribution centres are there on your market?
   b) How are the products distributed further in the chain?
   c) What are the main sales channels?

4. Conditions
   a) There are conditions that might be a problem for the packaging (humidity, temperature, dirt, handling, etc.). If one of the problems is regarding the handling of the packaging, why and where in the distribution chain is this a problem?

5. Sales
   a) Can the customer try the product before buying it? To what degree? Please elaborate.
      (Post- and pre-sales promotion)

6. Sales item box

   GENERAL:
   a) Does the sales item box meet the needs and demands on your market? Why or why not? Differences between boxes?

   SIZE AND HANDLING:
   b) Is the size of the sales item box suitable for distribution on your market? Why or why not? Differences between boxes?
   c) Is the size of the sales item box suitable for retailing on your market? Why or why not? Differences between boxes?
   d) Is the sales item box easy to handle in different steps in the distribution channel? Please explain.

   INFORMATION
e) Does the sales item provide correct/足够的 information to secure correct handling and transportation? Please elaborate.

MATERIAL:

f) Is the material of the sales item box appropriate for you market? Why or why not? Differences between boxes?

PROTECTION:

g) Does the sales item box protect the product enough on your market? Why or why not? Differences between boxes?

ART WORK/SHAPE:

h) Is the art work/shape suitable for your market? Differences between different boxes?

i) Does the packaging provide sufficient product information when at the retailers?

ENVIRONMENT:

j) Are there any environmental considerations regarding the packaging on your market (legal, social, etc…)? Are these met on your market?

k) Does the packaging facilitate efficient recycling of the packaging material?

7. Master-pack

GENERAL:

a) Does the sales item box meet the needs and demands on your market? Why or why not? Differences between boxes?

SIZE AND HANDLING:

b) Is the size of the master-pack suitable for distribution on your market? Why or why not? Differences between boxes?

c) Is the master-pack easy to handle in different steps in the distribution channel? Please explain.

d) How is the quantity of the sales item boxes in master-pack adjusted to fit the needs of your market? Why or why not? Differences between boxes?

INFORMATION

e) Does the master-pack provide correct/足够的 information to secure correct handling and transportation? Please elaborate.

MATERIAL:

f) Is the material of the master-pack appropriate for you market? Why or why not? Differences between boxes?

PROTECTION:
g) Does the master-pack protect the sales item boxes enough on your market? Why or why not? Differences between boxes?

ENVIRONMENT:

h) Are there any environmental considerations regarding the master-pack on your market (legal, social, etc…)? Are these met on your market?

i) Is the master-pack efficient from a recycling perspective?

8. **Competition**

a) How does Sony Ericsson’s packaging portfolio differ from competitors?

b) How is the packaging portfolio functioning compared to competitors? Why?

9. **Informational transfer**

a) How do you acquire opinions regarding the packaging from the different actors in the supply chain on your market? Is this well functioning?

b) How does this information reach other Sony Ericsson functions?

10. **Other comments regarding the packaging situation?**
Appendix E – The Sony Ericsson packaging portfolio

The following information is gathered from Häggman (2009).

Table 18. Cuboid - Technical data.

<table>
<thead>
<tr>
<th>Cuboid</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Outer dimensions</td>
<td>XX x XX x XX mm</td>
</tr>
<tr>
<td>Sales item/master-pack</td>
<td>XX</td>
</tr>
<tr>
<td>Sales item/pallet (low or high EUR pallet)</td>
<td>XX or XX</td>
</tr>
<tr>
<td>Weight (empty)</td>
<td>XX g</td>
</tr>
</tbody>
</table>

Figure 68. The Cuboid sales item box.

Table 19. Mini cube - Technical data.

<table>
<thead>
<tr>
<th>Mini cube</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Outer dimensions</td>
<td>XX x XX x XX mm</td>
</tr>
<tr>
<td>Sales item/master-pack</td>
<td>XX</td>
</tr>
<tr>
<td>Sales item/pallet (low or high EUR pallet)</td>
<td>XX or XX</td>
</tr>
<tr>
<td>Weight (empty)</td>
<td>XX g</td>
</tr>
</tbody>
</table>

Figure 69. The Mini cube sales item box.
Table 20. Cube - Technical data.

<table>
<thead>
<tr>
<th>Cube</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Outer dimensions</td>
<td>XX x XX x XX mm</td>
<td></td>
</tr>
<tr>
<td>Sales item/master-pack</td>
<td>XX</td>
<td></td>
</tr>
<tr>
<td>Sales item/pallet (low or high EUR pallet)</td>
<td>XX or XX</td>
<td></td>
</tr>
<tr>
<td>Weight (empty)</td>
<td>XX g</td>
<td></td>
</tr>
</tbody>
</table>

Figure 70. The Cube sales item box.

Table 21. Widget and Beat box - Technical data.

<table>
<thead>
<tr>
<th>Widget and Beat box</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Outer dimensions</td>
<td>XX x XX x XX mm</td>
<td></td>
</tr>
<tr>
<td>Sales item/master-pack</td>
<td>XX</td>
<td></td>
</tr>
<tr>
<td>Sales item/pallet (low or high EUR pallet)</td>
<td>XX or XX</td>
<td></td>
</tr>
<tr>
<td>Weight (empty)</td>
<td>XX g</td>
<td></td>
</tr>
</tbody>
</table>

Figure 71. Widget/Beat box to the left, Beat box in the middle and the difference to the right
Table 22. Jewelry - Technical data.

<table>
<thead>
<tr>
<th>Jewelry box</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Outer dimensions</td>
<td>XX x XX x XX mm</td>
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<tr>
<td>Sales item/master-pack</td>
<td>XX</td>
</tr>
<tr>
<td>Sales item/pallet (low or high EUR pallet)</td>
<td>XX or XX</td>
</tr>
<tr>
<td>Weight (empty)</td>
<td>XX g</td>
</tr>
</tbody>
</table>

Figure 72. The Jewelry sales item box.
Appendix F – Product/packaging visibility (market specific)

Figure 73. Market specific responses for Region 1.

Figure 74. Market specific responses for Region 2.
Figure 75. Market specific responses for Region 3.

Figure 76. Market specific responses for Region 4.
Figure 77. Market specific responses for Region 5.

Figure 78. Market specific responses for Region 6.
Figure 79. Market specific responses for Region 7.

Figure 80. Market specific responses for Region 8.
Figure 81. Market specific responses for Region 9.

Figure 82. Market specific responses for Region 10.