

How colors and images on packaging can help identify a product line extension

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New flavors, scents, or formulations—we see them every day on the

supermarket shelf. Despite line extensions being among the most common strategies to build a brand, they're expensive, risky, and come with an average fail rate of about 40%.

Now, [new research](#) from the Ehrenberg-Bass Institute for Marketing Science at the University of South Australia has explored how colors and images can help identify a line extension, finding that images, rather than colors, are much better at signaling product variety.

Published in the *International Journal of Market Research*, this is the first study to audit industry practice on a large scale, and appraise this practice with empirical, consumer-based research.

Analyzing the perceptions of 1,853 customers to 576 products in the U.S. packaged goods market, the study showed that only 56% of product varieties had a [color](#) that was commonly expected by category buyers.

It's an interesting finding given that colors are so commonly used by marketers to indicate a new variant, says Senior Marketing Scientist Dr. Ella Ward.

"Colors are regularly used to identify brands—think purple for Cadbury or red for Coca-Cola—these are highly valuable [brand](#) assets that should be protected," Dr. Ward says.

"In our study we found that competing brands use similar colors to signal 84% of the variant types analyzed, but consumers associated a color with only 56% of those types.

"Concerningly, there was a disconnect between colors used in practice, and those expected by customers, with these aligning only 16% of the time.

"When we assessed images however, we found that 23% more consumers were able to link these to product variants."

The research draws upon empirical consumer research on how consumers identify and recall information about brands in their memories.

Dr. Ward says that the findings suggest that images are a more explicit signal of product variety than color.

"Color is unidimensional and ambiguous; its meaning is highly dependent on the pre-existing memory associations held by each individual. Images, on the other hand, are rich in neural information which makes them more readily processed in memory," Dr. Ward says.

"As images are less ambiguous, they have more power to convey variety than colors. Yet for marketers, it's common practice to signal a new line extension by mimicking the colors used by competitors. "We recommend using [images](#) where possible and protecting the master brand by keeping variant colors to 25% of the pack face or less.

"Consider Cadbury's chocolate: the color purple is always emphasized, but flavor variations are signaled by a colored banner and an image, such as sultanas and nuts for a 'Fruit & Nut' extension. This ensures the master brand color remains prominent, and the portfolio looks visually cohesive."

More information: Ella Ward et al, How to signal product variety on pack: an investigation of color and image cues, *International Journal of Market Research* (2023). [DOI: 10.1177/14707853231201852](https://doi.org/10.1177/14707853231201852)

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