

## **THE ANALYSIS OF TUPPERWARE MARKETING STRATEGY: CONSUMER BEHAVIOR APPROACH**

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*Abstract.* Consumers have needs and wants that need to be fulfilled, where the needs and wants influenced by the internal or external factors. The company who able to provide the product that can fulfill the consumer demand will win the competition in the market. The company should able to build an effective marketing strategy that suitable with their market segments. One of products that have a stiff competition is plastic container for food and beverage. There are big companies that sell this kind of products. Thus, Tupperware as the leading company of plastic container product needs to know the consumer behavior of plastic product in order to win the competition and can not defeat easily by the competitor. This research presented a data about Tupperware company, specifically about marketing strategy of Tupperware. This research will observe one of distributor Tupperware that located in Padang area, named PT Bumi Padang Gempita since this company faces the declining of sales growth percentage. Therefore, this research focused on the checking the relevancy between marketing strategy of Tupperware with the consumer behavior of plastic container product in Padang. The marketing strategy will be derived from the depth-interview with the distributor of Tupperware and the employee. While the consumer behavior will be derived from the questionnaire that includes demography of respondent, marketing mix, and decision-making process of consumer. After that, the consumer behavior will be analyzed using the K-means of cluster analysis from SPSS Software. Cluster analysis is used to categorize the consumer of plastic product based on the tendency of consumer in purchasing plastic container product. The research's result shows that consumer of plastic container product divided into four clusters. Each clusters indicates the different characteristics of consumer in purchasing plastic product. In addition, the marketing strategy of Tupperware is relevant with the cluster number one and number three, which comprise of the durability, quality, function, material of product and also the promotion.

*Keywords:* consumer behavior, marketing strategy, K-Means cluster analysis, Plastic container product, Tupperware.

### **Introduction**

#### *Background*

Nowadays, the container for food and beverage that made from plastic gets more attention from the society due to the material's safety and hygienic. Many questions concern about the safety of using plastic as food and beverage containers, as well as

how to recognize it in order to avoid the negative effects for health. (Kusuma, Minarsih, & Warso, 2015). The competition of plastic container's market is very stiff and there are many companies launch their brand of plastic container that accentuates their strength in terms of function, durability, and design. There are three big and well-known companies that provide plastic container for food and beverage in Indonesia; they are Lion Star from Indonesia, Lock&Lock from South Korea, and Tupperware from United State of America. From these three companies, Tupperware is the leading company that sells plastic container product. It can be seen from the Indonesia's Top Brand Index (TBI), Tupperware is in the first place as the most preferable product that earned 44,6% of TBI, follow with Lion Star that earned 36,9% of index and Lock & Lock that earned 1,1% of index (TopBrandAward, 2016). Therefore, Tupperware will be posited as the object of this research, since the competitor may defeat the Tupperware's position.

The marketing strategy of Tupperware, Lion Star and Lock&Lock are different. The differences are product, price, place, and promotion. The first difference is the product. Tupperware sells food and beverage container only, while the Lion Star and Lock & Lock sells food and beverage container, storage box, storage bag, dustbin, and so forth. For the price, Tupperware product has the range price between Rp50,000 – Rp700,000 while the competitor's range price is about Rp5,000 – Rp200,000. For the promotion, those company has similar promotion such as discount price and free-gift of product. However, Lion Star and Lock & Lock also promote their product through advertisement in digital media, print media, or social media. For the distribution channel, Tupperware sells their product only through the official Distributor and sales force. In the other hand, Lion Star and Lock & Lock sell their product through the retail store.

According to Essaydeck, Tupperware in United Kingdom has discontinued their operation in 2003, because of the market dynamic in UK. The living conditions have changed significantly, but Tupperware is not able to follow the market trends and they cannot fulfill the customer demand. In addition, the competitors become more intense. Therefore, there is possibility that Tupperware's condition in United Kingdom could be happen to Tupperware in Indonesia, specifically, distributor Tupperware in Padang named PT Bumi Padang Gempita. In 2009 – 2015, the sales growth percentage of PT BPG is decrease; although the revenue is always increase. the revenue sales of PT Bumi Padang Gempita from 2009 until 2015 is always increases, while the percentage of sales growth from 2009 until 2015 is fluctuation. It can be seen from the sales growth in 2009 – 2010 is 21% then sales growth in 2010 – 2011 is increase to 25%. However, the sales growth in 2011 – 2012 is fall to 18% of growth. In addition, the sales growth from 2012 – 2013, 2013 – 2014, and 2014 – 2015 is always decrease.

Based on th explanation about the competition and sales growth, PT Bumi Padang Gempita needs to check the marketing strategy of Tupperware, whether it is still relevance with the consumer behavior of plastic container product in Padang. Because of the consumer behavior understanding is obviously an important thing in the field of marketing strategy since the marketing strategy always pass the consumer behavior channel (Mehrizi & Zahedi, 2013). Therefore this research will compare and check

whether the marketing strategy of Tupperware suitable with the consumer behavior towards plastic container product in Padang market.

### *Problem Statement*

According to the research background, Tupperware in Padang faces the declining of the sales growth percentage since 2009 - 2015. If this problem is not anticipated, Tupperware cannot grow and hard to facing the stiff competition. Based on the explanation in the research background, the competition in plastic container product for food and beverage is tight. To win the competition, Tupperware needs to understand the consumer behavior towards plastic container product and fulfill the consumer demand. Tupperware also need to check the relevancy between their marketing strategy with the consumer behavior of plastic container product. The decreasing of sales growth percentage may be caused by the lack of relevancy between the marketing strategy of Tupperware with the consumer behavior of plastic product. If this issue is not anticipated, Tupperware will be defeated by the competitor easily.

### *Research Objective*

The objectives of this research are:

To define how many types and the characteristic of each types of consumer in plastic container product.

To analyze the relevance of marketing strategy of Tupperware with the consumer behavior of plastic product in Padang.

### *Scope and Limitation*

This research is only focused on distributor Tupperware, PT Bumi Padang Gempita that is located in Padang, Sumatera Barat. The scope of this research is to observe the type of the consumer for plastic container product and check the relevance between the marketing strategy of Tupperware with the consumer behavior towards the plastic container product. The questionnaire is spread to the respondent in Padang Area only.

## **Literature Review**

### *Consumer Behavior*

According to Schiffman and Kanuk (1994), consumer behavior is the behavior that consumer display in searching for, purchasing, using, evaluating and disposing that they expect will satisfy their needs. The other definition of consumer behavior is the dynamic interaction of affect and cognition, behavior, and environmental events by which human beings conduct the exchange aspects of their lives (Uchenna, 2015). Consumer behavior research allows for improved understanding and forecasting and it is not only concerned about the purchasing, but also purchasing motives and purchasing frequency (Schiffman & Kanuk, 2007).

According to Kotler and Armstrong, the consumer behavior theory comprises of stimuli, transformer, and responses. The stimuli that may affect the consumer behavior is consisted of the marketing mix, they are product, price, place, and promotion. After

that, this research will discover the consumer characteristic that affects the consumer's responses. The consumer characteristic is based on the personal demography, such as gender, age, education, and income.

#### *Consumer Characteristics*

Consumers are affected by the environment in which they live and as a result, it will be seen in how they behave. Consumer characteristics affect how consumer response to the stimuli (Thanyamon, 2012). According to Kotler and Armstrong, there are several factors that influence the consumer characteristic are cultural, social, personal, and psychological. Cultural factors that influence on consumer behavior consist of culture, subcultural, and social class factor. In social characteristic, there are several factors that affect it, they are reference group, family, roles and status. Consumer's decisions are influenced by personal characteristics such as consumer's age and life-cycle stage, occupation, and lifestyle. In psychology of consumer, there are four major factors that influence their purchase decision. The factors are motivation, perception, learning, beliefs and attitudes.

#### *Marketing Strategy*

Marketing strategy is one of the applications of consumer behavior. Marketing decision based on the consumer behavior theory, assumptions and research is better than based on hunches or intuitions (Hawkins & Mothersbaugh, 2013). According to Hawkins *et al* (2013), marketing strategy is conceptually simple Marketing strategy begins with an analysis of the market segment to identify groups of consumer with similar needs. After that, market segmentations are described concerning the demographics, geographic location, and psychographic of consumer. Next is formulating the marketing strategy to survive in a competitive environment. Marketing strategy is formulated in terms of marketing mix, which are product, price, promotion and place/distribution. After that, the consumer proceeds the stimulation from the company and consumer will make a decision whether purchase the product or not. And the outcomes based on the implementation of marketing strategy that occurs for the individual, firm, and society (Hawkins & Mothersbaugh, 2013).

### **Methodology**

#### *Problem Identification*

The function of problem identification is to know the issue that will be solved and it will drive the author to establish the research. In this research, the author did a depth-interview with the distributor of PT Bumi Padang Gempita, Mrs. Rosmiati. In this interview is discussing about the challenges that company faces.

#### *Literature Review*

The theories that provided in this research are consumer behavior and marketing strategy. The researcher conducts the literature review by read several article, journal, case study, book or section of book, and website that comply the theory about this research.

### *Data Collection*

In this research, the data was collected through the interview and the questionnaire. The qualitative data was obtained from depth interview with the Distributor of PT Bumi Padang Gempita named Rosmiati and head of accounting named Momy. This research will use questionnaire to obtain the quantitative data. The aim of questionnaire is to determine the purchase behavior of plastic product's consumer. This research uses **accidental sampling** that is one of non-probability sampling methods, which means everyone who met by coincidence and consider being a suitable respondent for the field of the study. The respondents of this research are 166 respondents.

### *Data Analysis*

First of all, the questionnaire spreads to the 30 respondents to test the validity and reliability, this process named **pre-test process**. The pre-test process will be tested use Pearson Product Moment and Cornbach Alpha. After the question is already valid, the questionnaire is able to spread to the significant amount of respondent. After that, this research will use **K-means** cluster analysis for grouping the customer based on their choice in buying plastic container product.

## **Results and Analysis**

### *Interview*

Interview method is used to know the current situation of PT Bumi Padang Gempita. In this part explained about the current situation about the company's marketing strategy that consist of market analysis, market segment, marketing strategy, consumer decision process, and also the company's expecting outcomes. For the market analysis, based on the interview with the Distributor of PT Bumi Padang Gempita, the company's capabilities is high skill in management because the company already established since 1996 and they already had several training from Tupperware's headquarter.

According to the interview with Momi as the head office of accounting and also the most loyal employee, said that the consumer in this company is very diverse, but most of them are woman. The consumer's behavior in this company is interest in promotion, especially discount and free gift. Based on the interview, the main competitors of Tupperware are Lock&Lock and Lion Star since both of them sell the same kind of products, which are food and beverage container that made from plastic. Generally, the competitor's strength is affordable price. The competitors have a cheapest price than Tupperware's price. The core product of Tupperware is food and beverage storage container to preserve food freshness. The actual products of Tupperware are the high quality material, product's design, and product's package. The augmented product is the non-physical part of product that will deliver more value to the consumer. The augmented product of Tupperware is very famous guarantee that is the lifetime guarantee. Tupperware's price is relatively expensive if compare with the competitor. Tupperware also positioned their product as the premium product, since the company use the high quality material that concern about consumer's health. Therefore, the company ensures that their product is worth the price. The main marketing method that Tupperware used is direct selling method, which is the consumer able to purchase

the product through the distributor. The other promotion of Tupperware is through joining member of Tupperware.

#### 4.2 Questionnaire Result

##### Cluster Analysis

There are four clusters of respondents. The value of each cluster indicates that the tendency of each cluster towards the variables. The summary from the analysis above is:

Cluster 1, in this cluster, the respondents prefers to purchase the plastic container product based on the durability, design, and guarantee of the product. Since the value of those variables is the highest score among the other cluster, this cluster can be categorized as the "**Product-aware**" consumer since the variables is mostly from the Product category. However, this cluster has the lowest value in Price. This cluster also has the smallest population among all clusters.

Cluster 2, the consumer in this cluster prefers to purchase the plastic product that considers the price, distribution channel and advertisement, because the value of those variables has the highest values among the other cluster. This cluster can be recognized as the "

Cluster 3, in this cluster the consumer prefers to purchase the product which considers the promotion, function, quality and material of product. Thus, this cluster can be categorized as the " This cluster is the largest amount of population among other clusters.

Cluster 4, the consumer of this cluster is less aware with the variables since the value of all variables is the lowest among others. This consumer can be identified as the consumer that is not really consider the variables when purchase the plastic product.

#### Conclusion and Recommendation

##### Conclusion

This research analyzes and groups the consumer based on their preference in purchasing plastic container product.

The clusters of consumer for plastic container product are **four clusters**.

Hereby the explanation about the clusters and answering the relevancy of marketing strategy of Tupperware with the consumer behavior towards plastic container product.

The first cluster is the consumer that aware about the durability, design, and guarantee. On the other hand, the consumer is not aware about the price. This cluster's characteristic is **relevance** with the marketing strategy of Tupperware, however the population of this cluster is really small.

The second cluster is the consumer that considers the price, distribution channel and advertisement. This cluster's characteristic is **not relevance** with the Tupperware's marketing strategy, since the price of Tupperware is quiet expensive and the distribution channel of Tupperware is only through the distributorship and sales force. Even though this cluster has 56 samples.

The third cluster is the consumer that aware about the promotion (discount, free-gift), the function, quality and material of product. This cluster' characteristic is **relevance** with the marketing strategy of Tupperware, based on the interview, Tupperware offers a discount or free-gift of product frequently. This cluster also has the largest amount of samples, that is 67 samples.

The forth cluster is the average customer that is not consider the variables.

#### Recommendation <sup>1</sup>

Tupperware's marketing strategy is already relevance with the consumer behavior towards plastic container product, which is concerning about the Product itself, especially in product's quality, design, and raw material. Therefore, Tupperware needs to be dynamic on develop their product, since the consumer behavior is always change and follow the trend. Thus, Tupperware should conduct the Research and Development product continuously in order to catch the consumer's demand. Moreover, Tupperware should offer other attractive promotion beside the discount and free-gift product, which may attract more consumers, since the Promotion category is the second consideration of consumer behavior. For example, Tupperware gives special promotion for the specific employee such as government employee.

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