

TALLINN UNIVERSITY OF TECHNOLOGY

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**THE CHANGE IN THE PACKAGING DESIGN OF KALEV
AND ITS RECEPTION BY YOUNG CONSUMERS**

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I hereby declare that I have compiled the thesis/paper independently and all works, important standpoints and data by other authors have been properly referenced and the same paper has not been previously presented for grading.

The document length is 11 089 words from the introduction to the end of the conclusion.

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ABSTRACT

Kalev (Orkla Eesti AS) has been one of the most loved brands in Estonia, and in the middle of 2022, it was decided to carry out a comprehensive brand refreshment. In this thesis, the author intends to find out the change in the packaging design of chocolate bars of Kalev's rebranding and its reception by young consumers.

In this research, the Author explores a comprehensive review of rebranding, sustainable packaging, and how social media feedback can impact rebranding, also the role of packaging design in the marketing mix, its impact on consumer behavior, brand loyalty, and what influences consumers' perception of packaging design and decision-making process.

The study was performed using quantitative methods and was analyzed using an inductive approach. To collect the data a web-based questionnaire was conducted, which was answered by 263 people.

The study revealed that loyalty towards Kalev has dropped significantly and people prefer the old packaging design to the new one. The attitude of young consumers towards the new packaging design of Kalev's chocolate bars is rather negative and consumers buy Kalev's chocolate products less. The new package design of Kalev's tends to harm the consumer's perception and purchasing behaviors.

Keywords: rebranding, consumer behavior, consumer decision-making process, brand loyalty

INTRODUCTION

Rebranding for companies that have been on the market for decades is crucial. To stay at the top of the consumer's mind, companies need to be innovative and stand out from competitors. Packaging design is a crucial element in the marketing mix of any product, as it has a significant impact on consumers' purchase decisions. Packaging design not only serves to protect and preserve the product but also conveys important information about the brand and its values. In recent years, there has been a growing trend among companies to change the packaging design of their products to remain competitive in the market and attract young consumers. (Cortina-Mercado, 2017)

Kalev (Orkla Eesti AS) has been one of the most loved brands for Estonian people throughout their history. However, in recent years, the brand's popularity among the younger target group has declined. One of the reasons could be that global brands have entered the Estonian market, which, in addition to bringing new products to the competitive market, also stand out for their distinctive packaging design. Therefore, to ensure the popularity of Kalev in the future, it was decided to carry out a comprehensive brand update in the middle of 2022, which is the most large-scale change in the recent history of the brand. To make Kalev more attractive to young people, according to Sepp, the main goal of the rebranding was to give the products a new visual identity that is more modern, more environmentally friendly, fresh, and striking on store shelves (Reiter, 2022; Tarbija24, 2022). During the rebranding, the goal was also to make Kalev's varied product portfolio more unified and complete (Best Marketing, 2022).

The author of the thesis has seen rather negative feedback about Kalev's rebranding on social media and this prompted the author to investigate more closely, how the younger generation perceived it, which is still not known. The author decided to limit the scope of this research to the chocolate bar product group because according to Kalev's representatives, the main and most extensive innovation took place in this product group. The narrowing down also helps to avoid confusion among respondents when filling in the survey due to Kalev's wide product portfolio.

Young consumers, according to Statistic Estonia, are aged between 7 and 26 years old, also an important demographic group for companies, as they represent a large and influential consumer group with significant purchasing power (Statistikaamet, n.d.). They are also known for their preference for visually appealing and innovative packaging designs. However, there is a lack of research on the influence of changing packaging design on young consumers' purchase decisions and brand loyalty (Long, 2018).

The aim of this thesis is to find out the change in the packaging design of chocolate bars of Kalev's rebranding and its acceptance by young consumers. The aim is to address this gap in the literature and provide insights into what influences young consumers' behavior, brand loyalty, and decision-making when it comes to packaging design change. The study focuses on changing the packaging design of chocolate bars using the example of Kalev's rebranding, to find out the attitude of young consumers towards the packaging design of chocolate bars with a new visual identity. In pursuance of achieving the goal of the thesis, the following research questions were posed:

- What is the attitude of young consumers towards the new packaging design of Kalev's chocolate bars?
- How has the changed packaging design affected the purchase of Kalevi chocolate bars for young consumers?
- Does changing the packaging design of Kalev's chocolate bars have an impact on young consumers' brand loyalty?

To find answers to the previously stated questions the author posed objectives:

- To examine the perception and evaluation of the old and new packaging design of a product among young consumers.
- To determine the impact of changing the packaging design of a product on young consumers' purchase intention.
- To determine the impact of changing the packaging design of a product on young consumers' brand loyalty.

The thesis comprises three main chapters. Chapter one provides a comprehensive review of the literature on rebranding, sustainable packaging, the role of packaging design in the marketing mix and second chapter focuses on the impact on consumer behavior and decision-making, brand loyalty, and what influences consumers' perception of packaging design and how social media feedback can impact rebranding. The existing literature will give a foundation for the whole work and the stimulus to achieve its desired outcomes.

Chapter two details the research methodology, including the research design, data collection procedure, and analysis techniques. It also covers the ethical considerations, limitations, and delimitations of the research. This leads to chapter three where is presented the study's results, discusses the study's findings, comparing them to existing literature. It provides recommendations for designing effective packaging that appeals to young consumers and increases sales and concludes with a summary of the study's main findings and limitations.

The sample of the survey is the younger generation, because, as explained above, one of the reasons for Kalev's brand update was the fact that the brand's popularity among young people had started to decline (Reiter, 2022). Therefore, the author conducts the study of the purposive sample where the author finds the subjects by selecting typical respondents and selects what must be learned and then seeks out persons who possess the necessary knowledge or expertise and are prepared to provide it (Bernard, Lewis & Sheppard as cited in Tongco, 2007).

In summary, this study aims to examine the change in the packaging design of chocolate bars of Kalev's rebranding and its acceptance by young consumers. By analyzing the perception and evaluation of the old and new packaging designs of a product among young consumers, this study seeks to provide insights into the factors that influence their decision-making process. The findings of this study contribute to the existing literature on packaging design and consumer behavior. This is important for companies that are looking to remain competitive in the market and attract young consumers.

1. LITERATURE REVIEW

For a better understanding of the context in which this study is being conducted, it is vital to introduce pertinent concepts and provide sufficient context regarding where the author has identified chances to contribute to the existing literature. It is divided into two sections: rebranding and consumer behavior/ decision-making.

1.1. Rebranding

Rebranding is the process of changing a brand's visual identity, messaging, and overall brand image. It can involve changes to a brand's visual identity, such as its logo, colors, and packaging, as well as changes to the brand's message, personality, and target audience. Companies frequently rebrand in response to market movements, changes in consumer behavior, or the need to set themselves apart from their competitors. Frequently, the objective of rebranding is to boost the company's brand equity, which comprises the value and perception that consumers attach to the brand. Rebranding is a potentially dangerous endeavor, as poor execution might harm brand equity. Even so, when done effectively, rebranding may help businesses remain relevant and competitive in a market that is constantly evolving. Brands are so ubiquitous and integral to the symbolic language of contemporary material culture that we no longer view them as discrete, external components of products and services. (Roy & Sarkar, 2015; Crossberg, 2013)

Rebranding is a process that many companies undergo at some point. Successful rebranding results in not only big sales increases but also exposure to demographics that were previously unfamiliar with the company (Cleary, n.d.). Rebranding requires extreme care and consideration. Rebranding, when executed successfully, can increase brand awareness, develop a new identity, and strengthen the business's relationship with its customers. However, if done poorly, rebranding can confuse customers, diminish the brand's value, and erode brand equity (Luck, 2012). To ensure the success of rebranding initiatives, it is essential to do extensive research, define a distinct brand strategy, and engage with key stakeholders (Ambrose & Harris, 2017).

Design, color, and information attached to the packaging are very important in food packaging rebranding. Giving calm color, applying simpler design, and simplifying the information proved to increase acceptance. It is generally thought that rebranding involves changing the labeling, packaging, and marketing of the product. Packaging is one of the aspects that affect the trust of consumers in a product and packaging design can play a critical role in shaping a consumer's perception of a brand. The more information and the more attractive the design of the packaging will affect consumers' final decision whether they will buy a product or not. Better packaging will affect the popularity and marketing of the product (Pinandoyo *et al.*, 2022; Ambrose & Harris, 2017).

Roy and Sarkar (2015) highlighted three primary rebranding strategies: gradual, radical, and transformative. Incremental rebranding is the process of making minor adjustments to an existing brand's identity over time to refresh and modernize it without significantly altering it. This method is typically adopted when a company wishes to modernize its brand or adapt to shifting market conditions while maintaining the brand's core. Therefore, radical rebranding entails making more substantial alterations to the brand identification, such as replacing the brand name, logo, or slogan. This method is typically adopted when an organization seeks to establish a new identity for its brand, such as when its business model, ownership, or market position has undergone a significant transition.

Marketing specialists try to reduce the factors that confront rebranding and enhance the elements that favor rebranding. Following the substantial changes, there can appear a mismatch between the desired identity and brand image. Brand image is persistent and it takes time to change it (Barbu, 2016).

According to several studies, numerous factors influence the consumer goal. Throughout Europe, logos and labeling influenced the market adoption of food products. Organic, environmentally friendly, and healthful food products are recommended. The packaging design influences the acceptance of food products as well. In Asia, visual design played a larger role in attracting consumers. The symbolic design was more promising in terms of increasing the likelihood of word-of-mouth and social media dissemination and sharing. Food product acceptance was not greatly affected by the product's size. The cost of the item has emerged as one of the factors that has the most impact on consumers' decisions to purchase particular food products in general.

Women are more price-sensitive than men. In addition to price, age also influences purchasing behavior. Those between the ages of 25 and 34 were the most hedonistic compared to other age groups. The selection of color will vary depending on the market category. Men favored pastel colors, whilst women favored vibrant hues. Male customers' adoption of bright colors such as yellow, pink, and purple was very low. (Pinandoyo *et al.*, 2022)

1.1.1. Package design role in rebranding

In the past time, the primary purpose of packaging was to defend the product, but currently, according to the varying marketing environments, the packaging is being used as an instrument for increasing sales, attracting customers, and product communication with its consumers. Nowadays the role of packaging has changed due to increasing changes in consumer desires. More companies are interested in packaging as a tool to increase their sales (Shah, Ahmed, & Ahmad, 2013). Packaging has a significant impact on consumer buying behavior and consumers are influenced by various packaging elements such as color, shape, size, material, and design field (Deliya & Parmar, 2012). Also, Milosavljevic *et al.*, 2012 added other factors such as price, quality, and brand reputation may too play important roles in consumer decision-making.

The packaging of a product can affect a consumer's perception of the product's quality. An attractive and well-designed package can create a positive impression of the product's quality and make it more appealing to the consumer. Also, packaging can influence a consumer's brand image and recognition. A distinctive and recognizable packaging design can help consumers identify the brand and differentiate it from competitors. A product with an eye-catching and innovative packaging design is more likely to attract consumer attention and influence their decision to purchase (Deliya & Parmar, 2012).

Packaging can communicate a product's attributes, benefits, and intended use. It can also communicate the brand's identity and ideals. Packaging should be designed with the consumer in mind. This involves analyzing usability, functionality, and aesthetics. The importance of sustainability in packaging design cannot be overstated. This comprises using recyclable or biodegradable materials and reducing the total environmental impact of packaging (Linington, 2011). Lambkin (2006) agreed, that the brand's message must be communicated as clearly as possible; this goes beyond simply redesigning the logo or changing the color scheme. Thus, corporations frequently invest millions to radically revamp their identities.

The packaging design elements include visual cues such as color, shape, size, and typography, as well as other sensory cues such as texture and sound. These elements can influence consumer perceptions, which in turn affect consumer behavior. Consumer perceptions include attitudes, preferences, and beliefs about the product and the brand, as well as the perceived value and quality of the product (Al-Samarraie *et al.*, 2019). This was confirmed also by Han *et al.*, 2018 who said also that sustainable packaging materials, such as biodegradable or compostable plastics, can appeal to consumers who are environmentally conscious and may be more willing to purchase products that align with their values. Additionally, packaging that is easy to open, store, and transport can appeal to busy consumers who prioritize convenience and time-saving.

Rebranding and repackaging a product could provide the company an advantage over the competition, boost sales, and foster customer loyalty. It could be a reaction to evolving market trends, changing consumer preferences, or greater competition. Rebranding should be founded on a thorough comprehension of the brand's target audience and the competitive landscape. The package must be appealing to the eye, educational, and practical (Linington, 2011). Innovative and unique packaging designs are preferred by consumers, and they perceive products with such packaging to be of higher quality. Packaging is not only a container but an essential element that conveys a message about the product and its brand. Therefore, it is essential for companies to pay attention to packaging design to influence the consumer's decision to purchase a product. Companies need to invest in innovative and unique packaging designs to create brand awareness, differentiate their products from competitors, and influence consumer behavior (Shah, Ahmed, & Ahmad, 2013).

1.1.2. Sustainable Packaging

Kalev changed their package more environmentally friendly, which it is easier for the consumer to make more sustainable purchase decisions in the store and better sort the packaging at home (Tarbija24, 2022). Sustainable packaging is becoming increasingly important for brands as consumers are becoming more environmentally conscious. It plays a crucial role in the environmental impact of products, and companies are under pressure to reduce waste and use more sustainable materials (Ambrose & Harris, 2017). Increasing demand for products with eco-friendly packaging is an example of the environmental consciousness of customers. That consciousness

forces companies not only to develop eco-friendly products but also motivates practitioners and academicians to understand the eco-friendly buying behavior of the customer (Prakash, et al., 2019).

Rebranding and implementing eco-friendly packaging is not just about changing the visual appearance of products, but also about a shift in the way companies do business. To successfully implement eco-friendly packaging, companies must evaluate their entire supply chain, from sourcing materials to manufacturing and distribution. This requires a significant investment in time, money, and resources, but can lead to long-term benefits for both the company and the environment field (Gingerich, 2015). Moreover, Prakash & Pathak (2017) found that, young consumers are increasingly aware of the environmental impact of packaging, and they are willing to make environmentally conscious choices. Retailers and manufacturers in developing nations can capitalize on the growing demand for environmentally conscious products and promote sustainable consumption by promoting the environmental benefits and perceived product quality of eco-friendly packaging and pricing them competitively.

Sustainable packaging can be used as a rebranding opportunity for companies. By adopting sustainable packaging solutions, companies can demonstrate their commitment to sustainability and differentiate themselves from competitors. Rebranding with sustainable packaging can create a powerful message that resonates with consumers, reinforces a company's values and puts contact between the brand and the customer. Consumers are increasingly looking for eco-friendly packaging options, and brands that incorporate sustainability into their packaging design are more likely to gain consumer loyalty. Packaging design can be used to communicate a brand's personality, values, and unique selling proposition. Therefore, companies should consider how their packaging design can reflect the brand's new identity and messaging during rebranding efforts. Any changes to the packaging design should be made with care to ensure that the brand's core identity and visual language are maintained. (Ambrose & Harris, 2017)

Sustainable packaging can positively impact the brand image and reputation of companies. Consumers perceive companies that use sustainable packaging as socially responsible and environmentally conscious, which can increase their loyalty and trust in the brand. Companies that prioritize sustainable packaging can attract environmentally conscious consumers and improve their brand image while contributing to reducing environmental impact (Orzan *et al.*, 2018). Young consumers believe that eco-friendly packaging is of higher quality and provides better protection

for the product. The intention to buy eco-friendly packaged products among young consumers is influenced by perceived product quality, environmental concern, and price (Prakash & Pathak, 2017). Which was mentioned also by Magnier & Schoormans (2015) that consumers tend to associate sustainable packaging with dull and unappealing colors and textures, which can negatively impact their perception of the product.

Sustainable packaging is an important issue for consumers, and factors such as environmental awareness, convenience, and perceived product quality are critical in shaping consumer behavior (Martinho *et al.*, 2015). Consumers are increasingly aware of the environmental impact of packaging and are willing to pay a premium for products that are packaged sustainably. This indicates that sustainable packaging can be a key factor in the decision-making process of consumers. Environmental concerns, product quality, and price influence consumers' preferences and behavior toward sustainable packaging. Consumers are more likely to choose products that are packaged sustainably if they perceive that the packaging is environmentally friendly and contributes to reducing waste and pollution (Orzan *et al.*, 2018). However, eco-friendly packaging may not be readily available in some regions, making it difficult for consumers to access such packaging field (Scott & Vigar-Ellis, 2014).

1.2. Consumer buying behavior, decision-making and loyalty

Consumer behavior is the study of how a customer or a group of customers select, buy, use, and dispose of ideas toward products or services to satisfy their needs and wants (Qazzafi, 2019). It includes what they purchase, why they purchase it when they purchase it, where they purchase it, how frequently they purchase it, and how frequently they use it. Consumer behavior refers to a person's activities in purchasing and utilizing goods and services, as well as the mental and social processes preceding and following these acts (Jisana, 2014).

The consumer buying decision process is the decision-making process that begins with the consumer buying the goods or services in exchange for money in the market before, during, and after the purchase of goods or services. If the marketer is successful to understand consumer behavior according to the consumer buying decision process towards the goods or services, then it may succeed in selling its goods or services (Qazzafi, 2019). Stankevich (2017) also confirmed, that the consumer recognizes a need or problem, gathers information, evaluates options, makes a

purchase decision, and reflects on their satisfaction with the purchase. Factors that influence decision-making include internal/external triggers, personal values, situational factors, social influences, and marketing stimuli. This process involves both rational and emotional evaluation of options and is influenced by various factors such as individual differences, situational factors, and marketing stimuli.

Wielki *et al.* (2020) have outlined the hierarchical arrangement of factors that influence consumer decision-making (personal, psychological, social, and situational). Personal factors, such as age, money, and personality, have the largest impact on a person's decision-making process, whereas situational elements, such as the physical surroundings, have the least impact. However, the precise impact of each variable can vary depending on the individual and the circumstances. Firms may target and appeal to customers more effectively if they comprehend these elements and how they interact. Personal factors have the greatest influence, followed by psychological and social factors, and finally situational factors. The influence of each factor can vary depending on the individual and the specific situation.

1.2.1. The impact of rebranding on brand loyalty

Consumer loyalty is defined as the willingness of a customer to continue purchasing a particular product or service over time, despite the availability of other options in the market field (Romdonny & Rosmadi, 2019). Rebranding can be an effective tool to increase brand image and consumer loyalty, as well as to keep up with changing market trends and consumer preferences (Prayoga & Suseno, 2020). Rebranding can lead to both positive and negative effects on brand equity and brand loyalty, depending on the way it is executed. The impact of rebranding on brand loyalty can be mediated by brand equity. If rebranding positively impacts brand equity, it is more likely to lead to increased brand loyalty. On the other hand, if rebranding negatively impacts brand equity, it is more likely to lead to decreased brand loyalty. (Zahid & Raja, 2014; Marques *et al.*, 2020)

Brand trust refers to a consumer's confidence and belief in the reliability and integrity of a brand, while brand affect relates to the emotional responses and feelings that a brand evokes in consumers. Brand loyalty, on the other hand, is the degree to which a customer remains loyal to a particular brand over time, despite the availability of other options in the market (Kabadayi &

Alan, 2012). The behavioral component is linked to purchase loyalty or the frequency of purchases, and a favorable attitude towards a brand with respect to its competition is the attitudinal component. Brand loyalty to the target market makes a business entity stronger and enables it to attain a greater market share. The previous practice of attempting to steal customers from competitive brands has now changed. Efforts are now focused on retaining existing customers of a brand and devising plans to not let them switch to some other fancy offer (Sheth, Mittal & Kapferer cited in Zahid & Raja, 2014).

Customer loyalty is influenced by several factors, including product quality, price, brand image, customer satisfaction, and switching costs. Companies that prioritize these factors can create a loyal customer base and build a sustainable competitive advantage in the market in order to expand brand businesses should pay attention to those factors, to build brand loyalty (Sumathy & Sujith, 2018).

A rebranding strategy can lead to a significant increase in brand equity and brand loyalty. The new brand image can convey a sense of quality, innovation, and environmental responsibility, which resonate with the customer's values and needs (Marques *et al.*, 2020). A poor brand image will lead to disaster and loss of customers. Marketing exists to deliver more value to satisfy customers as well as build long-term and mutually profitable relationships with customers. Loyal customers will always give positive comments and recommendations (Sumathy & Sujith, 2018).

Brand loyalty has a significant impact also on consumer decision-making behavior. Customers who are loyal to a particular brand are more likely to choose that brand when making a purchase decision, regardless of other factors such as price or features (Naeem & Sami, 2020). Customers who are satisfied with a particular brand are more likely to be loyal to that brand. Therefore, companies should focus on delivering high-quality products and excellent customer service to increase customer satisfaction and build brand loyalty. Product quality, brand reputation, and customer satisfaction are key factors that influence consumer behavior and drive brand loyalty. Companies should focus on developing high-quality products, building a strong brand reputation, and delivering excellent customer service to attract and retain customers over the long term. (Oke *et al.*, 2016)

It is important to note the link between brand loyalty and social media marketing. Social media marketing activities have a positive impact on brand loyalty because they can help to increase brand awareness and improve brand image. When customers are exposed to a company's content on social media, they are more likely to remember the brand and think of it positively. This can help to build a sense of loyalty because customers feel that they have a personal connection with the brand. By fostering interactions between customers and encouraging them to share their experiences with the brand, companies can create a sense of belonging and loyalty among their customers (Bamfo, Dogbe, & Osei-Wusu, 2018).

Social media can be used to increase brand awareness, provide customers with engaging content, and build relationships with them. On the other hand, negative feedback and criticism on social media can damage a brand's reputation, leading to decreased loyalty (Laroche, Habibi, & Richard, 2013). Involving customers in the rebranding process can increase brand loyalty. By incorporating customer feedback and preferences, the rebranded product is more likely to meet their needs and expectations and increase loyalty (Marques *et al.*, 2020).

1.2.2. Social-media influence

In today's digital age, social media has become a powerful tool for businesses to connect with consumers and promote their products. Kalev's recent rebranding efforts are likely to be discussed on social media platforms, which is also seen by the author. Social media platforms allow consumers to share their opinions and experiences about brands and products with a wide audience. If Kalev's rebranding is well-received on social media, it could generate positive buzz and encourage consumers to try their products. On the other hand, if the rebranding is criticized or mocked on social media, it could lead to negative perceptions of the brand and a decline in sales in the author's opinion.

Social commerce is the use of social media platforms to support commercial transactions, in which consumers engage with one another and with sellers to make purchasing decisions (Wang & Yu, 2017). The effect of social media on consumer behavior includes a wide spectrum of activities ranging from informing and sharing ideas and attitudes to acquiring awareness and understanding and visualizing post-purchase behavior without purchasing (Tatar & Eren-Erdoğan, 2016). Social media may undermine traditional branding strategies by making it more difficult to control

a brand's message and identity. Because social media allows anyone to share content and opinions about a brand, it can be difficult for companies to ensure that their brand is being presented consistently and accurately. This can lead to a dilution of the brand's identity and a loss of brand loyalty (Kohli & Kapoor, 2015) and can influence their perceptions of a product or service (Zhang & Benyoucef, 2016).

Social media has given consumers a voice, and they are now able to share their experiences with businesses and other consumers. This has led to a shift in power from businesses to consumers, who now have more influence in shaping brand perceptions. Social media has had a profound impact on consumer behavior, and businesses need to adapt to this new landscape to succeed (Voramontri & Klieb, 2019). Social media can make it difficult for companies to control the message and tone of their rebranding campaigns, as users may share negative or critical comments about the company and its new brand identity. In addition, social media can amplify the impact of negative publicity and criticism, making it more difficult for companies to recover from a failed rebranding effort. Social media can be used to monitor and respond to feedback from users, which can help companies to make adjustments to their rebranding efforts in real time. While social media can be a powerful tool for building brand awareness and loyalty, it can also present significant challenges for companies seeking to rebrand themselves (Tarnovskaya & Biedenbach, 2018).

Social interaction in social commerce can be divided into two types: direct and indirect. Direct social interaction refers to the relationship between consumers and sellers, in addition to the interaction among consumers. On the other side, indirect social contact refers to the information consumers acquire via social media platforms, such as product reviews, ratings, and comments. Through word-of-mouth and observational learning, these interactions can affect the decisions of consumers. (Wang & Yu, 2017)

Platforms for social media enable consumers to share their product and service experiences with their friends, family, and followers. While consumers are more likely to believe the opinions of their peers, word-of-mouth marketing can be more effective than traditional advertising. By sharing their experiences, consumers can contribute to the development of a favorable brand image and inspire others to try a product or service. Consumers are more likely to feel secure in their

purchase selections when they observe that others have had favorable experiences with a product or service. (Goh *et al.*, 2013)

In this chapter, the author reviewed the literature on various topics about rebranding, building brand loyalty, sustainable packaging, consumer behavior and decision-making, packaging design on consumer perception, and the impact of social media. The conclusion of this text emphasizes the importance of understanding consumer behavior and the factors that influence it, to develop effective marketing strategies. Companies must prioritize building brand loyalty, invest in innovative packaging designs, and adapt to the changing landscape of social media to succeed in today's market.

2. METHODOLOGY AND RESEARCH DESIGN

This chapter focuses on the research methods and materials used in this thesis. More specifically it includes the following parts: the background of the research, the design of the survey instrument, the research method, sample group selection, and data collection. The author of this thesis chose to conduct questionnaire-based research to obtain relevant information and achieve the desired outcome.

2.1. The background of the research

Kalev is the largest and oldest confectionery firm in Estonia, founded in 1806 by Lorenz Caviezel. Mr. Caviezel built Maiasmokk, the first bakery and confectionery shop in Estonia, on Pikk Street in the old town of Tallinn. Maiasmokk was also the first bakery and confectionery shop in Estonia to produce handmade candies. In 1864, Georg Stude purchased the property and began his confectionery company there, selling, among other things, handmade marzipan figurines and chocolate treats. The majority of Kalev's output is sold on the Estonian market. Also, the company has a chain of six chocolate stores. Major export markets include the Baltic States, Scandinavia, and Russia. (Orkla Eesti AS, 2023)

Innovation and a commitment to staying current with the latest trends in the confectionery sector are two ways in which Kalev can win over the younger generation. Therefore, it should not come as a surprise that Kalev continues to be the brand that is held in the highest regard by Estonians, both internationally and domestically. Since 2009, Kalev has consistently maintained the number one position in the brand rankings as Kantar Emor has conducted research utilizing the same methodology. The fact that Kalev's sweets are the most popularly purchased in Estonia is another indication of their popularity, as is their consistent market dominance throughout the year's (Orkla, 2023). Kalev recently underwent the most extensive rebranding in recent history, to make the brand more contemporary, physically appealing, and visible on store shelves (Reiter, 2022).



Figure 1. Kalev's new chocolate bar design
Source: Best Marketing 2022



Figure 2. Kalev's old chocolate bar design
Source: Koor, n.d.

Kalev's brand identity differs in many aspects before and after the rebranding. Before the main emphasis was on historicity, nostalgia, and dignity, which was also reflected in the slogan "temptation since 1806", but now Kalev has positioned itself as a sweet part of people's lives while being modern, more casual, and sustainable. Previously the focus was on people that had experience with the brand from childhood and the nostalgia aspect, but now renewed brand positioning and value statement make it relevant also for the younger audience. Anu Redi, Kalev's marketing manager, said that the rebranding was largely aimed at strengthening the visibility of the Kalev brand and creating a clear sustainable, and timeless design concept that expresses

Kalev's core values and helps people navigate the wide portfolio. While before the dominant colors on the chocolate packaging were dark blue, beige, and gold then now the dominant color is orange. The bold combination of orange and dark blue (which was kept as part of the Kalev brand) is an intense but cheerful combination and helps the brand to stand out from the competition. Before the brand change, the font was a subtle, slightly illegible cursive. Now the font is larger and immediately noticeable to the eye. The figure above illustrates the brand identity of Kalev before and after the rebranding (Redi, 2023).



Figure 3. Kalev's brand identity before and after
Source: Material from Kalev's Head of Marketing

The author of this thesis knows that the research and its outcome will give value to the whole Orkla Eesti AS company, resulting in a better understanding of the most extensive rebranding of Kalev's history and providing an answer to the stated problem of how the younger generation perceived the rebranding as this information is still not known.

2.2. Desing of the survey instrument

The aim of this thesis is to find out the change in the packaging design of Kalev's rebranding and its acceptance by young consumers. The aim is to address this gap in the literature and provide insights into what influences young consumer's behavior, brand loyalty and decision-making when it comes to packaging design change. The study focuses on changing the packaging design of chocolate bars using the example of Kalev's brand refreshment, to find out the attitude of young consumers towards the packaging design of chocolate bars with a new visual identity. Thereby the research objective is to find answers to the following questions:

- What is the attitude of young consumers towards the new packaging design of Kalev's chocolate bars?
- How has the change in package design affected the purchase of Kalev's chocolate bars for young consumers?
- Does the change in Kalev's chocolate bar package design impacted young consumers' brand loyalty?

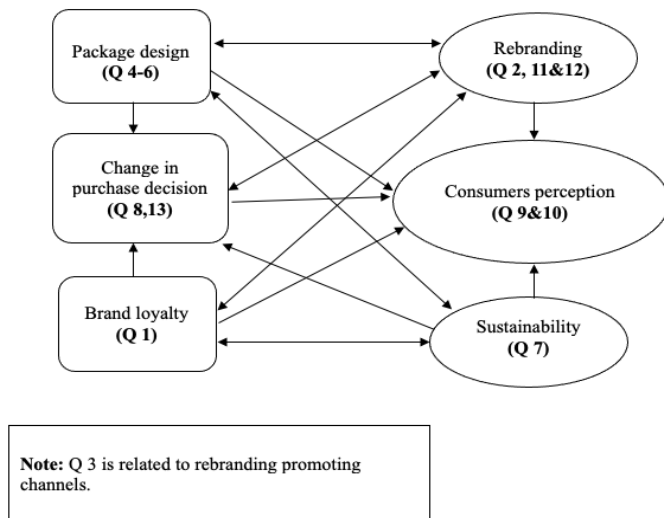


Figure 4. Research design

Source: Created by the author based on Appendix 1.

As in the figure above, the author designed the research model considering the research objective and research questions, according to the theoretical background of this research. To find answers to the research questions, the model visualizes the questions asked in the questionnaire about the research questions and the literature review.

The author divided the questionnaire into a logical order related to the theoretical part of the study and the research questions. In the 1st part, the author asks 3 questions about responders to select the proper target sample from the respondents. In part 2 author asks questions about which are related to rebranding, package design, and social media. In part 3 author asks questions about sustainability and loyalty.

Based on numerous academic papers, publications, and other scientific journals, the questionnaire is developed after a thorough analysis. In addition, the supervisor of this research is consulted

during the development and finalization of the questionnaire. There are a total of 13 questions and all of them are structured. The structured questions are separated into two following categories: multiple choice (6) and 5-point Likert scale (7). The questionnaire was in Estonian and included a short introduction to the subject.

A Likert scale is a psychometric scale that is frequently used in survey-based research. While responding to a given Likert questionnaire item, respondents indicate their degree of agreement or disagreement on a symmetric agree-disagree scale for a sequence of items. The range of the Likert scale captures the intensity of the respondent's feelings towards a particular item. The study of several elements, however, reveals a pattern with scalable features. (Likert, Jamieson, Carifio & Rocco as cited in Barua, 2013)

The author of this thesis mostly uses the Likert scale because ratings are set up so that the answers can be measured, which makes it easier to analyze the data. Respondents can also give more specific answers about how they feel about a product or service. It also helps to avoid some of the most common mistakes researchers make when creating surveys, for example, formatting questions that are too broad and difficult for respondents to answer. This further, could cause frustration and make them answer too quickly, which could affect the quality of the data.

A structured questionnaire was sent out on social media platforms (Instagram, Facebook) and in TalTech student e-mail lists from 23 March until 31 of March 2023. The young consumers were asked to answer 13 questions, which gave the responses to the set research questions. The total amount of questionnaires answered was 263, but 241 of them were included as 22 of the respondents were over the age of 26 and therefore were not included in the research. The questionnaire can be found in Appendix 1.

2.3. Research Method

According to Bryman (as cited in Eyisi, 2016), the quantitative research approach emphasizes numbers and figures in the collection and analysis of data. Quantitative research methods must be considered scientific by definition. Using statistical data for study descriptions and analysis decreases the amount of time and effort the researcher would have spent describing the results.

The second advantage of this research method is that it enables the collection of data and subsequent analysis to be conducted by scientific principles, which makes it possible to draw broad conclusions. The results of an interaction with one group can be applied to others. The interpretation of the research findings need not be considered a simple coincidence just because they are similar. (Williams & May, as cited in Eyisi, 2016)

Replicability is, however, another advantage that can be derived from the utilization of this study methodology. Since the methodology for doing research is predicated mostly on the testing of hypotheses, the researcher does not need to engage in clever guesses; rather, the researcher would follow specific instructions and objectives. (Lictman, as cited in Eyisi, 2016)

It is for these reasons that the author of this thesis opted for a quantitative data collection method and as previously mentioned a questionnaire-based survey, which is designed and conducted in Google Forms. The aim of this thesis is to get as broad a perspective as possible on young people's views and the survey is the most efficient way of doing it as the main goal of the thesis is to find out the change in the packaging design of chocolate bars of Kalev's rebranding and its acceptance of young consumers.

2.4. Sample Selection

The younger generation was chosen as the target group for this work because according to Redi and Cronenberg, one of the goals of rebranding was to increase Kalev's popularity among young people and to ensure a strong position for the brand in the future. This aspect was also highlighted in an interview with Kätlin Sepp (Reiter, 2022) for Best Marketing.

Kalev's rebranding target segment includes young consumers that according to Statistikaamet are aged between 7 and 26 years old and are also an important demographic group for companies, as they represent a large and influential consumer group with significant purchasing power (Statistikaamet, n.d.). In this research, young consumers aged 15-26, are chosen, because children under the age of 14 (fourteen incl.) cannot be questioned without parental consent (FRA, 2014).

The author of this thesis conducts the study using a purposive sample. Purposive sampling, also known as judgment sampling, is the purposeful selection of an informant based on the attributes

that someone possesses. It is a method that does not require underlying theories or a predetermined number of informants. Simply said, the researcher selects what must be learned and then seeks out persons who possess the necessary knowledge or expertise and are prepared to provide it (Bernard, Lewis & Sheppard as cited in Tongco, M. D. C., 2007). The author of this research wants to achieve an equal number of men and women respondents from each age group and as many respondents as possible which is between 100 to 150 respondents for this research. Currently, according to Statistikaamet, 201,084 people are belonging to the 15-29 age group, which is a significant amount of the Estonian population (Statistikaamet, 2022).

Table 1. Population by unit variable and age group, men and women 2022

Age group	Men and women
15-19	66,578
20-24	62,027
25-29	72,479

Source: Composed by author based on the data from Statistics Estonia

As it is seen from the statistics above, the number of people is quite equal between the age groups and this gives the author of this thesis a basis for having equality among the respondents of this research as well.

2.5. Data Collection

The collection of data is an essential part of the research process, as the data is intended to contribute to a deeper comprehension of a theoretical framework. It is therefore of the utmost importance to apply good judgment when selecting the method of data collection and the source from which the data will be obtained, particularly because no amount of analysis can compensate for data that was not collected correctly (Bernard 2002, Bernard *et al.* 1986 as cited in Tongco, 2007).

Data collection and analysis have been a major topic of discussion in conversations of evaluation ethics almost since the beginning of the literature on the evaluation (Mark, Eyssell, & Campbell, 1999). In the context of research, ethics refers to the appropriateness of one's behavior regarding the rights of those who become the subject of or are affected by one's work. Blumberg *et al.* (2005:92) define ethics as the "moral principles, norms, or standards of conduct that guide moral

decisions regarding our behavior and relationships with others." (Saunders, Lewis, & Thornhill, 2007).

The author of this thesis uses ethics in the questionnaire in the following way: responding is voluntary, respondents are informed that their data is safe and protected, there are no wrong answers, and everyone answers of their own free will and personal opinion.

Research ethics is therefore concerned with how to formulate and clarify the research topic, design the research and gain access, collect, process, store, and analyze the data, and write up the research findings in a moral and accountable manner. This implies that the researcher must ensure that the research design is both methodologically sound and morally defensible to all parties involved. Eventually, the morally justifiable conduct of researchers will be affected by broader social norms of conduct. A social norm indicates the type of behavior a person should exhibit in a given circumstance. However, as acknowledged by Blumberg et al. (2005), the norms of behavior that guide moral decisions can permit a variety of ethical positions. (Saunders, Lewis, & Thornhill, 2007)

As previously mentioned, the 13 questions were formed in a way to get valuable information about finding out the change in the packaging design of chocolate bars of Kalev's rebranding and its acceptance by young consumers. The estimated time for answering the questionnaire was 5 minutes. In this thesis, the collected data from the questionnaire was analyzed by pointing out the emerging patterns of the answers and by studying the structured questions, which gave the relevant data. The analysis was done based on the previously mentioned theories in Chapter 1, like the theory about rebranding, the impact of rebranding on brand loyalty, sustainable packaging, young consumer buying behavior, and decision-making, package design role on the consumer buying behavior and decision-making and as mentioned social-media influence.

3. RESULTS AND DISCUSSIONS

In this chapter of the thesis, the outcomes of the study are presented. The author after analyzing and interpreting all the collected data through different data collection techniques. This research data was collected through a survey using a quantitative approach. The results of the research are afterward presented. The author will analyze the results of the online survey questionnaire which will give a more comprehensive overview of finding out the change in the packaging design of chocolate bars of Kalev's rebranding and its acceptance of young consumers.

The third chapter of the thesis provides an outline of the study's findings. In the first section of the chapter, the results of the study's survey are presented. The second subchapter addresses the survey results and their relation to the thesis's aim, the author describes and focuses on the impact of changing the package design on young customers, gives advice for marketers, and identifies problem areas that could be avoided or addressed in the future.

3.1. Survey results

The questionnaire consisted of 13 questions. Data were collected through Google Forms. A total of 263 people took part in the survey. Although 241 responders were aged between 15-26, so other 22 were not considered in the research.

In the framework of this thesis, the author carried out a survey (Appendix 1) in March 2023 which was designed to find out the change in the packaging design of chocolate bars of Kalev's rebranding and its acceptance of young consumers. To achieve the objective, the author used a quantitative online survey. To conduct the survey, an online survey form was used, which was created in Google Forms in 2023. The data were processed and analyzed in the Microsoft Excel and SPSS programs. The benefits of an online survey over traditional models include both efficiency and respondent convenience. It also enables more effective data handling during the analysis phase and allows the author to enter data into the processing software more quickly.

For a better understanding of the participants, the author will first examine the socio-demographical factors. Figure number 5 and 6 gives an overview of the demographic profile of the 241 respondents covered by the research by gender and age and 83% of the respondents were

women. The lack of men respondents was because there are rather fewer men in the author's circle of acquaintances who would have answered the questionnaire. The respondents were similarly distributed in terms of age. Up to 22 were 50% of the respondents and from 23 to 26 were also 50%.

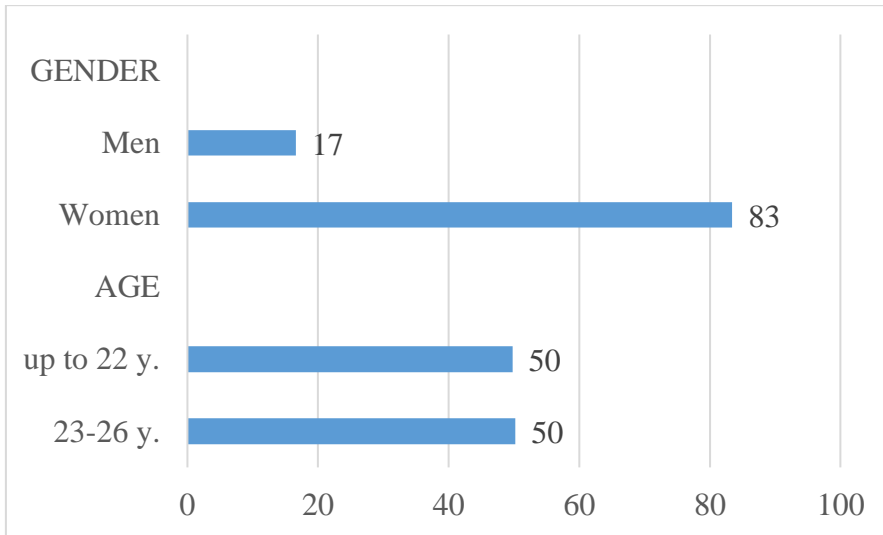


Figure 5. Respondents % (n=241)

Source: Composed by author

The first section of the questionnaire focuses on the respondent's preference of brand when buying a chocolate bar. Questions one and two were designed to determine which brand consumers buy. Figure 6 shows the results of the first question of the questionnaire. It states that 28% of the respondents buy only Kalev as it is their favorite chocolate bar brand, 25% of the respondents prefer Karl Fazer, and 11% Milka. Nestle is the least preferred brand. After the first question, the respondents had the option to fill in the "other" section as well. 34 responders of "other" said that they buy Kinder (15%).

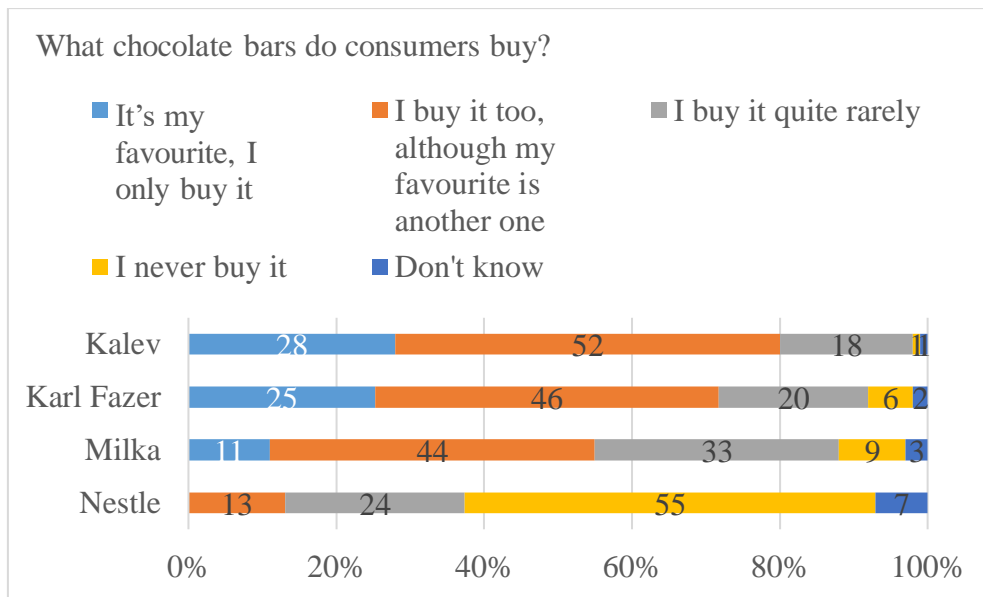


Figure 6. What chocolate bars do consumers buy? (n=241)

Source: Composed by author

As mentioned before, the author of this thesis also used SPSS Program and ran Independent-Samples Proportions Group Statistics (Appendix 3. Figure 12). For question one, the test showed that age group 1 (respondents aged up to 22) prefer Milka with almost 46% and age group 2 (respondents aged from 23-26) with 42%. For Karl Fazer, the differences between age groups 1 and 2 were bigger compared to Milka. For age group 1 it was 51% and for age group 2 it was 42%. From that, it can be seen that the younger prefer Karl Fazer more than the older.

The author of this thesis followed the rule where $p < 0,1$ is considered significant and $p > 0,1$ is not significant. The test showed the significance for Karl Fazer with ($p = 0,99$) from which the significance also can be derived. For other brands (Milka $p=0,35$, Kalev $p=0,5$, Nestle $p=0,81$), and from that it can be seen that there was no significance as $p > 0,1$. The difference between age groups was the smallest with Kalev, with the results 52% (group 1) and 52% (group 2), therefore it can be seen that the preference level is quite equal among the groups, when it comes to Kalev. Nestle is the least preferred brand among others, with results of 10% and 16% between the age groups.

The aim of questions two and three was to learn more about where consumers have heard about Kalev's rebranding, it determines how strongly Kalev has done promotion and introduction of the new package design. Figure 7 illustrates the data about where they have heard about Kalev's recent rebranding.

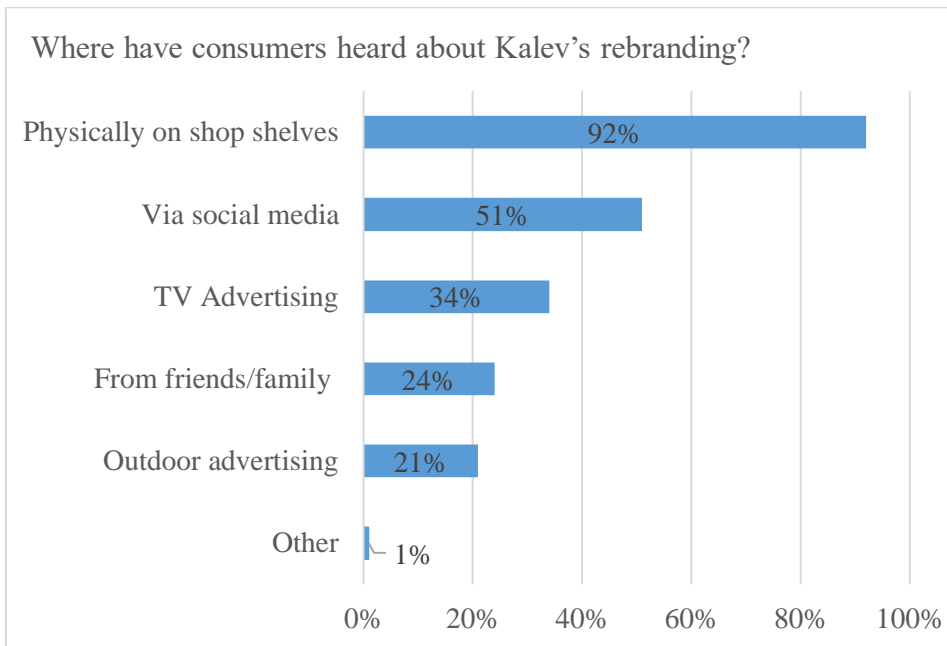


Figure 7. Where have consumers heard about Kalev's rebranding? (n=241)
Source: Composed by author

Out of 96% of responders have heard about Kalev's rebranding before and they have heard this mostly physically at the store. 51% heard it first on social media. The data suggest that Kalev has done his promotion and introduction to young consumers quite well.

3.1.1. Consumers attitude towards brand package design

Further, using the model made in Figure 4, the author is going to analyze the results. Firstly, the author looked into old and new packaging designs and the preferences of consumers. Question four is about the old package design and what they liked about the old package, and question five is about the new package design and what they liked about that. Question six takes it together, do they prefer older or newer package designs. Out of the 33% responders liked visuals in the old package mostly and in the new, they liked the font the most. However, overall, consumers liked the old package and this number reaches 56%, and the answer rather old was 15%, so this makes together 71% think the old design was better.

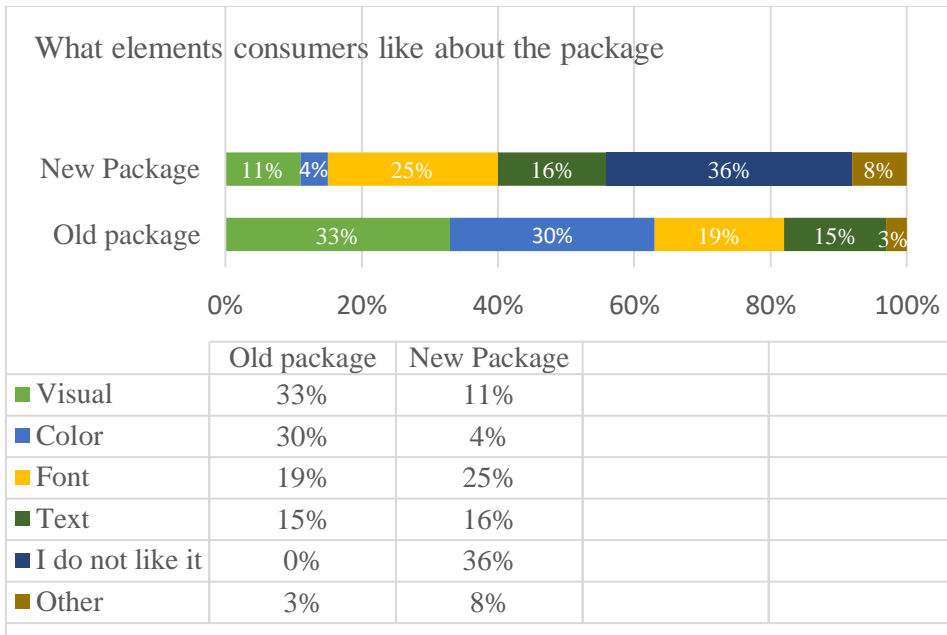


Figure 8. What consumers like about the package, n=241
Source: Composed by author

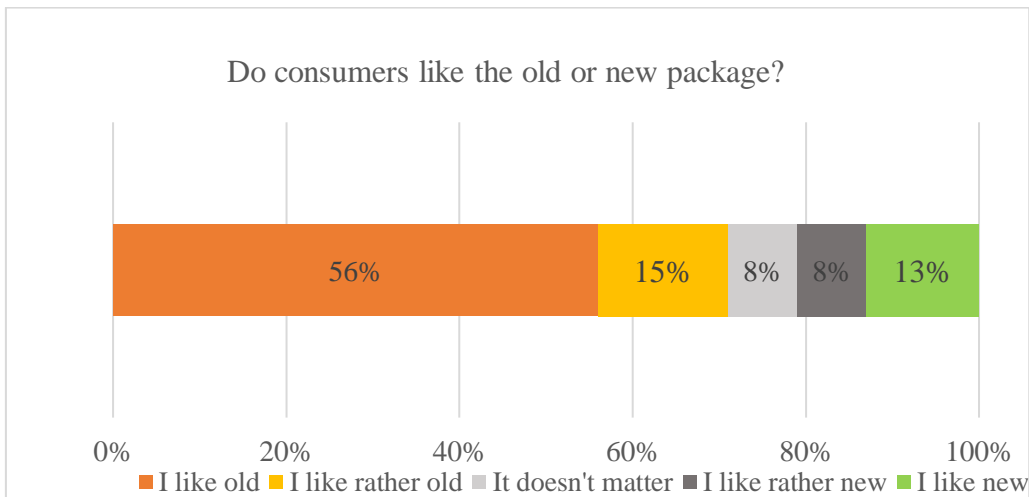


Figure 9. Do consumers like the old or new package? (n=241)
Source: Composed by author

Both figures depict that consumers prefer the old package design. Visuals and color were most liked in the old package. In the new package, they like the font and text, but still, the old package design was preferred. For question four, as for the option “other”, respondents mostly mentioned that they liked the authenticity of the visuals, the classic look, the emotional connection with the chocolate bar, and the fact that this chocolate was always a safe choice to give as a gift. For question five, respondents brought out for “other” that it is now difficult to distinguish between the flavors of the chocolate i.e. the wrappers of all the flavors are orange and consumers have to concentrate to choose the preferred flavor. Also, the Estonian feel of it disappeared. On the positive

side, respondents mentioned that the product images are more appetizing and the fact that the new package is more environmentally friendly also wins consumers' attention in a positive way. They also had comments mostly about color, that they do not like orange and it is not presenting Kalev to them anymore.

3.1.2. Change in a purchase decision

The second part of the questionnaire focused on finding out about sustainable packaging and decision-making when it comes to the rebranding of Kalev's. Question seven focuses on consumer preference when it comes to the eco-friendly package and its importance to them. Question eight determines, do consumers buy more or fewer chocolate bars when the packaging design has changed, it points to decision-making. Question nine and ten focuses on how consumers perceive Kalev.

Consumers said, that sustainable packaging is very and rather important to them (51%) and 24% of the responders said it is rather not important to them. Kalev changed the new package for more sustainable, so this is good to note that consumers care about this and they likely choose a sustainable package first. In question five, under the option "other", 8% of the respondents indicated that the newer, more sustainable packaging is the most important factor for them in the new packaging, so the new packaging will definitely have a positive impact on Kalev from different aspects as young consumers are in favor of it. Regarding consumer decision-making, they rather have a neutral opinion (54%) about if they buy more or less now chocolate after rebranding. Only 1% of responders said that they buy it more now. This means it has also affected brand loyalty. Consumers also have a neutral opinion about if Kalev is old-fashioned or modern. 9% said it's modern and 24% said rather modern, 7% said it is old-fashioned.

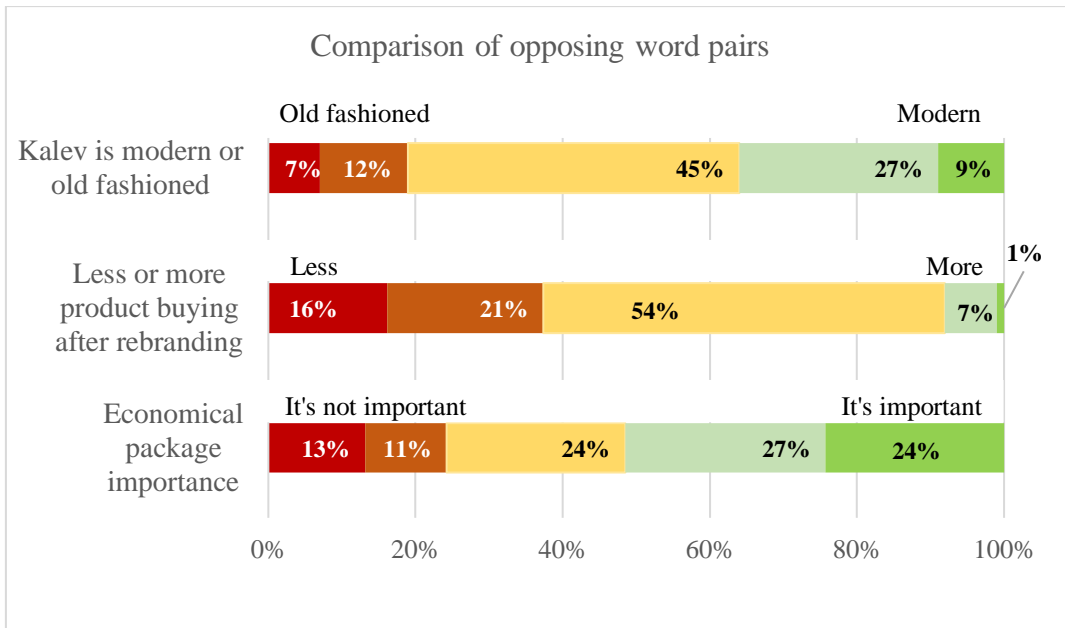


Figure 10. Results of three questions, n=241

Source: Composed by author

Note. This figure used the semantic differential from 1-5 where 1 and 5 are defined. Those results are comparable with the model made in Figure 3 and show a change in purchase decisions.

The author of this thesis ran Independent-Samples Proportions Group Statistics for questions 6 and 8 combined (as seen in Appendix 3. Figure 13). For question 6 the test showed that 72% from age group 1 (respondents aged up to 22) said that they like the old package design more, also 69% of the second age group stated that they prefer the old design more. For question 8, the test provided results that 37% (from age group 1) and 36% (from age group 2) buy the Kalev chocolate bar less now, after the change in package design.

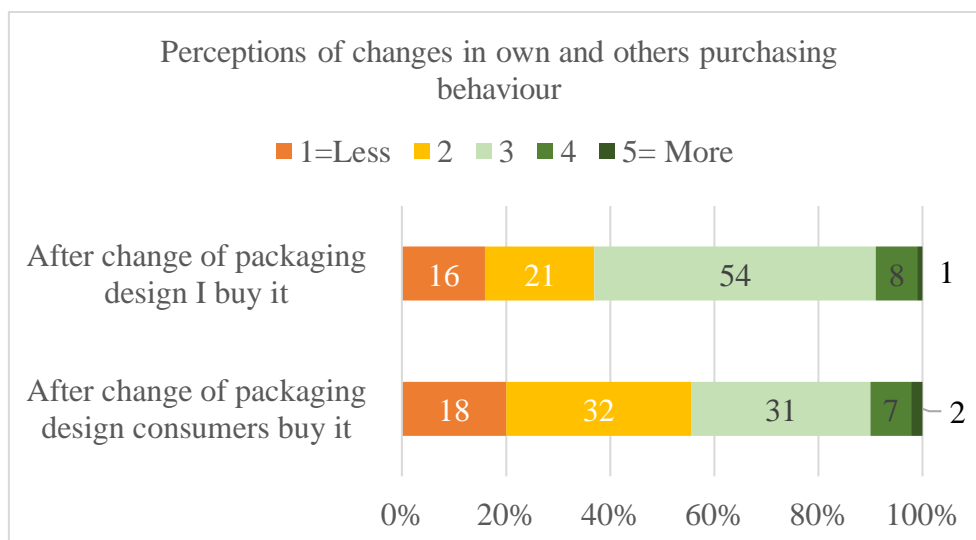


Figure 11. Perception of changes in purchasing behavior, n=241

Source: Composed by author

From the figure above it is seen that both own and others' purchasing behavior is being evaluated. Estimation of 2.57 for oneself and 2.43 for others, which means that buying behavior has not changed that much. However, people are not eager to buy more chocolate with the new packaging design (9% in both cases if we sum up "more" and "rather more").

Other, respondents think that the purchase of chocolate bars with the new design has decreased more than themselves.

3.1.3. Impact on brand loyalty

Question eleven asked respondents whether they thought the change in packaging design was the wrong or the right decision, and question twelve was aimed at respondents' opinions on how they thought the Kalev brand change had turned out overall. The last question, thirteen, was aimed at finding out respondents' opinions on whether, after the change in Kalev's chocolate bar packaging design, other consumers buy Kalev's chocolate bars less or more now. In Figure 12, the results of the three last questions can be seen.

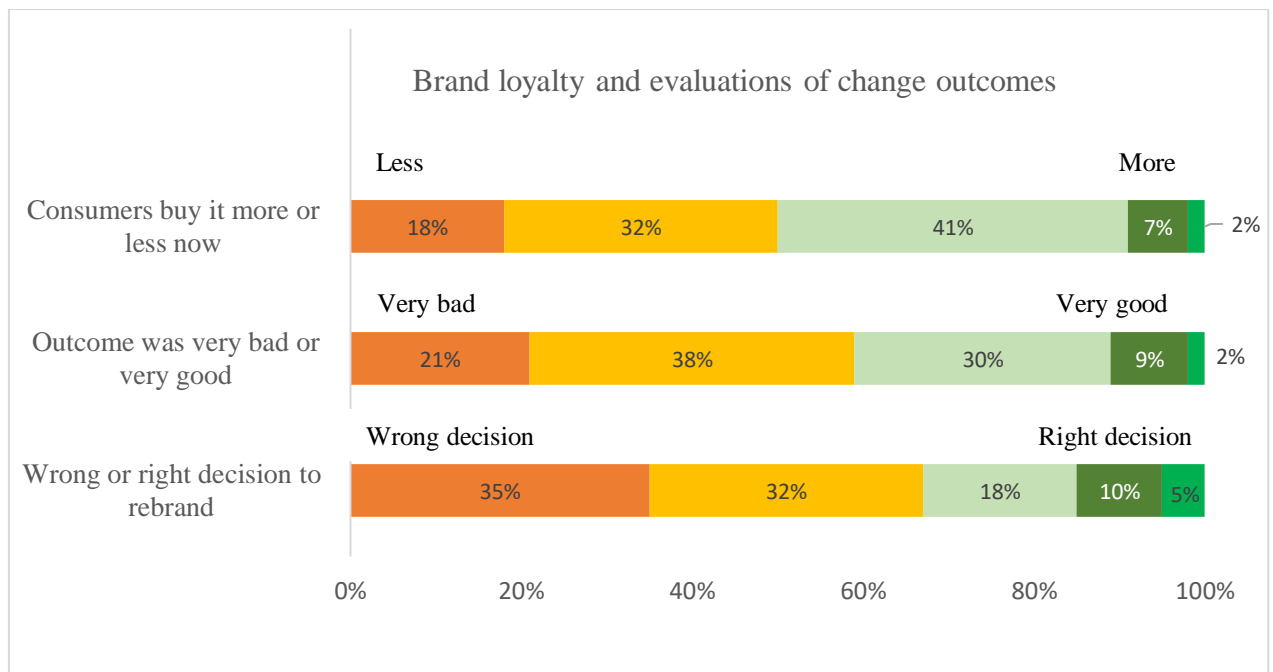


Figure 12. Brand loyalty and evaluations of change outcomes, n=241
Source: Composed by author

As seen, 35% of respondents said that changing the chocolate bar design was the wrong decision and 32% said it's rather wrong, so this makes together almost 67% who think it was the wrong

decision. Only 5% said it was the right decision. 38% of responders were answering that change of package did not turn out well and 30% of responders said it was acceptable. In their opinion, they rather have a neutral opinion, but 32% thought that consumers rather do not buy Kalev anymore after rebranding and 18% thought that they don't buy it at all. It can be fatal to consumers' loyalty and they rather not buy Kalev's chocolate bars anymore.

The author also ran Independent-Samples Proportions Group Statistics for questions 11 and 13 (as seen in Appendix 3. Figure 15) For question 11 the test showed that 71% from age group 1 (respondents aged up to 22) think that the change in package design was the wrong decision. Also, 63% of the second age group stated that they thought the rebranding was the wrong decision. For question 13, the test provided results that both age groups 1 and 2 were neutral about the statement that consumers buy it less now with an equal result of 50% for both age groups.

Question ten asked respondents if Kalev is more for younger or older people. Responders were neutral about if Kalev is more for younger or old people. But, 16% said that it's for older people. According to that, in the future would be recommended to do another research about other age groups.

Using the model in Figure 4. made before, it can say, that rebranding has affected consumers' purchase decisions, perception, and brand loyalty. The results can see at the top. Sustainability is rather important to consumers, so this can also affect brand loyalty and purchase decisions, but Kalev has made the packages more sustainable so this is also notable for consumers. Changing package design made a change in consumers' perception and decision-making, consumers prefer old packages and they buy them less now.

3.2. Discussion

The main focus of the survey was to find out the change in the packaging design of chocolate bars of Kalev's rebranding and its acceptance by young consumers. The study was performed using quantitative methods and was analyzed using an inductive approach. To collect the data a web-based questionnaire was conducted, which was answered by 263 people. 241 of them were considered and almost 83% were women.

The study showed, that loyalty towards Kalev has dropped significantly and people prefer the old packaging design to the new one. This answers the research question that the attitude of young consumers toward the new packaging design of Kalev's chocolate bars is rather negative and consumers buy Kalev's chocolate products rather less.

The first section of the questionnaire aimed to determine the respondent's preference for a chocolate bar brand. The survey results showed that 28% of the respondents preferred Kalev, followed by 25% for Karl Fazer, and 11% for Milka. The author also used SPSS Program to analyze the data and found that the younger age group preferred Karl Fazer more than the older age group. The author also investigated where consumers had heard about Kalev's rebranding, and the results showed that 51% of respondents had heard about it first on social media, and 96% had heard about it before. The data suggest that Kalev has done well in promoting and introducing the new package design to young consumers.

The first research question was to find out the attitude of young consumers toward Kalev's rebranding. Furthermore, the author investigated the consumers' preferences for the old and new package designs. A huge amount of respondents (71%) preferred the old package design. This was because they were preferring more old package colors and visuals. In the new package, they liked the material most. One possible explanation for the negative feedback on Kalev's rebranding could be that consumers had formed a strong emotional connection to the old packaging design. These results are a direct answer to the first research question which intended to find out the attitude of young consumers towards Kalev's rebranding. These results are comparable with the literature review done before. Deliya & Parmar, 2012 and Milosavjevic *et al.*, 2012 pointed out that packaging elements such as color, shape, size, material, design, price, quality, and brand reputation play important roles in consumer decision-making and behavior.

The second research question focused on finding out how the changed packaging design has affected the purchase of Kalevi chocolate bars for young consumers. Almost 67% of the respondents think that changing the appearance of Kalev's packaging was rather a bad decision, and 38% of the respondents think that the packaging change has turned out badly. Also, 32% thought that consumers rather don't buy Kalev anymore after rebranding and 18% thought that they don't buy it at all. This can have a very big impact on Kalev's sales results in a negative way, but it cannot be stated for sure, because there are other factors influencing purchasing decisions as well as mentioned in the literature review.

The third research question was focused on finding out, does changing the packaging design of Kalev's chocolate bars has an impact on young consumers' brand loyalty the study revealed that since customers are not satisfied with the design of the new packaging, brand loyalty will be affected to a significant extent with such a large amount of negative feedback. Only 1% of the respondents said that they buy Kalev chocolate bars now more and 16% that they buy them less. 55% had a neutral opinion. According to Oke *et al.*, 2016 product quality, brand reputation, and customer satisfaction are key factors that influence consumer behavior and drive brand loyalty.

Among them, it should be mentioned that consumers were satisfied with the new, more sustainable packaging option (51%) and this is important to them. Ambrose & Harris, 2017 mentioned that consumers are increasingly looking for eco-friendly packaging options, and brands that incorporate sustainability into their packaging design are more likely to gain consumer loyalty Orzan *et al.*, 2018 said that consumers are more likely to choose products that are packaged sustainably if they perceive that the packaging is environmentally friendly and contributes to reducing waste and pollution.

The research revealed that social media also plays a major role in rebranding. Young people get their information to a large extent from social media, and as many (51%) saw information about Kalev's rebranding from there. Tarnovskaya & Biedenback, 2018 has said that social media can be a powerful tool for building brand awareness and loyalty, but it can also present significant challenges for companies seeking to rebrand themselves.

One of the limitations of the thesis was the specific target group, young consumers aged 15-26. The sample consisted mainly of the author's acquaintance circle, where the majority fell between the ages of 18 and 26. A larger variance in the socio-demographic factors would give an even better understanding of the consumer's behavior towards rebranding. Also, most of the responders were women because in author's circle is mostly women and this research didn't reach enough men.

Additionally, this thesis focuses mainly on the comparisons with the old packages and does not discuss that the rebranding was targeted to address a variety of issues (shelf visibility, distinctiveness, strong united brand portfolio, etc.) that also influence brand equity.

It is also worth noting that the survey was conducted during a specific period and may not reflect consumers' current attitudes toward Kalev's rebranding. As time goes on, consumers may become more accustomed to the new packaging design and their attitudes may change. Therefore, it would be interesting to conduct a follow-up study to see if there are any changes in consumer behavior and attitudes toward Kalev's products.

The author has made recommendations for Kalev and possible future research:

- Kalev should pay more attention to the promotion of a new brand identity to raise awareness on this topic;
- Labels could be more “the old way” on the product packaging for the consumer to notice them;
- Additional research could be carried out with another target group to get more in-depth results;
- Additional research could be done with a narrower focus;

To conclude the study the author can say that changing package design can influence young consumers and that it is important for companies to consider the preferences of their target audience when making such changes. The survey results showed that young consumers preferred the old package design of Kalev’s and that it was important for companies to consider both the visual and textual elements of the package design when making changes. According to the author of the study, with every major change, one must be cautious, and in the case of Kalev, the company can give its target group time to get used to the changes and only later draw conclusions and take the next decisive steps.

CONCLUSION

The aim of this thesis was to find out the change in the packaging design of chocolate bars of Kalev's rebranding and its acceptance by young consumers, more specifically providing insights into what influences young consumers' behavior, brand loyalty, and decision-making when it comes to packaging design change.

To obtain the results, a quantitative study was conducted, for which data were collected using an online questionnaire. The questionnaire was open from 23.03.23-31.03.23 and a total of 263 people responded to the questionnaire, 241 of the responders were included in the sample. 96% of the responders were hearing about rebranding before and 51% of them were hearing this on social media.

Consumers preferred more old package designs (71%), it was because they liked more old package visuals and colors. Also, almost 67% of the respondents think that changing the appearance of Kalev's packaging was rather a bad decision, and 38% of the respondents think that the packaging change has turned out badly. These results are a direct answer to the first research question which intended to find out the attitude of young consumers towards Kalev's rebranding. Overall, the survey results indicate that young consumers have a strong preference for the old package design of Orkla Eesti AS (Kalev) chocolate bars. While the new design was appreciated for its font and text, the visuals and color scheme of the old design were more popular among respondents. This suggests that Orkla Eesti AS (Kalev) should carefully consider the trade-offs between modernizing its packaging design and maintaining the brand identity that consumers are familiar with.

The second research question focused on finding out how the changed packaging design has affected the purchase of Kalevi chocolate bars for young consumers. 32% thought that consumers rather don't buy Kalev anymore after rebranding and 18% thought that they don't buy it at all. This may impact Kalev's sales results in a negative way.

The third research question was focused on finding out, does changing the packaging design of Kalev's chocolate bars has an impact on young consumers' brand loyalty the study revealed that since customers are not satisfied with the design of the new packaging, brand loyalty will be affected to a significant extent with such a large amount of negative feedback. Only 1% of the respondents said that they buy Kalev chocolate bars now more and 16% that they buy them less. 55% had a neutral opinion.

It's good to mention that 51% of the consumers think a sustainable package is important when it comes to the new package design and Kalev has done this change correctly.

The goals set for this master's thesis were achieved and all the questions were answered.

The study concludes that this thesis has shown that changing the package design of Kalev's chocolate bars significantly impacts young consumers' purchasing decisions. Loyalty towards Kalev has dropped significantly and people prefer the old packaging design to the new one the attitude of young consumers towards the new packaging design of Kalev's chocolate bars is rather negative and consumers buy Kalev's chocolate products rather less. Changing package design can influence young consumers, and companies need to consider the preferences of their target audience when making such changes. These findings suggest that packaging design is an important consideration for companies when targeting young consumers, and that brand identity and familiarity should be taken into account when making changes to packaging design.

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APPENDICES

Appendix 1. Questionnaire

Master's thesis questionnaire - Orkla Eesti AS

Hello! My name is Mia Helena Haavel and I am a master's student at Tallinn University of Technology.

The aim of my thesis is to find out the influence on changing the packaging design of chocolate bars on young consumers using the example of Orkla Eesti AS rebranding.

Regarding that, I would be very grateful if you could find a few minutes to answer my questionnaire.

PS! If you do not consume/buy chocolate bars or are older than 26 years old then you do not belong to my target group and then please skip this questionnaire.

Gender?

- Man
- Woman

Please mark your age in full years

.....

1. Which company's chocolate bars do you buy?

	I never buy it	I buy it quite rarely	It's one of the ones I buy, but not my favourite	I buy it too, although my favourite is another one	It's my favourite, I only buy it
Milka	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Karl Fazer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kalev	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Nestle	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other (in the next question please specify which brand)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you answered "other" in the previous question, please specify, which brand you consume/buy.

.....

Orkla Eesti AS (Kalev chocolate bars) rebranding.

Maybe you have noticed that Kalev carried out a comprehensive brand update in the middle of 2022. It is the most large-scale change in the recent history of the brand.

2. Have you noticed the recent Orkla Eesti AS rebranding?

- Yes
- No

3. If you answered "Yes" to the previous question, then through which channel did you hear about the change in the package design of Kalev's chocolate bars?

- Via social media
- TV Advertising
- Physically on shop shelves
- From friends/family
- Outdoor advertising
- Other.....

Below you can find the visuals of the "old" and "new" chocolate bar package design of Orkla Eesti AS.

"Old" chocolate bar package design of Orkla Eesti AS.



4. What did you like about the "old" chocolate bar package design?



- Visuals
- Color
- Font
- Text
- I did not like it
- Other.....

"New" chocolate bar package design of Orkla Eesti AS.



5. What do you like about the "new" chocolate bar package design?



- Visuals
- Color
- Font
- Text
- I do not like it
- Other.....

6. Do you like the "old" or "new" chocolate bar package design?

	1	2	3	4	5	
New	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Old

11. What do you think of Kalev's recent change in package design of chocolate bars (rebranding)?

1 2 3 4 5

It was the wrong decision It was the right decision

12. Do you think the overall execution in the change of packaging design (rebranding) has been...

- Very poor
- Poor
- Acceptable
- Good
- Very good

13. What do you think - after the change in package design of Kalev's chocolate bars...

1 2 3 4 5

Consumers buy it less now Consumers buy it more now

Thank you for your response and contribution to my research!

Appendix 2. Frequency tables

Gender					
		Freque ncy	Percent	Valid Percent	Cumulat ive Percent
Valid	male	40	16,6	17	16,6
	female	201	83,4	83	100,0
	Total	241	100,0	100,0	
AGR					
		Freque ncy	Percent	Valid Percent	Cumulat ive Percent
Valid	up to 22	120	49,8	50	49,8
	23-26	121	50,2	50	100,0
	Total	241	100,0	100,0	

Statistics						
		Q1_MILKA	Q1_FAZER	Q1_KALEV	Q1_NESTLE	OTHER
N	Valid	241	241	241	241	241
	Missing	0	0	0	0	0
Mean		3.05	3.56	3.83	1.58	

Frequency Table

Q1_MILKA					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	8	3.3	3.3	3.3
	I never buy it	22	9.1	9.1	12.4
	I buy it quite rarely	79	32.8	32.8	45.2
	I buy it too, but my favorite is another one	106	44.0	44.0	89.2
	It is my favorite, I only buy this	26	10.8	10.8	100.0
	Total	241	100.0	100.0	

Q1_FAZER

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	6	2.5	2.5	2.5
	I never buy it	15	6.2	6.2	8.7
	I buy it quite rarely	48	19.9	19.9	28.6
	I buy it too, but my favorite is another one	112	46.5	46.5	75.1
	It is my favorite, I only buy this	60	24.9	24.9	100.0
	Total	241	100.0	100.0	

Q1_KALEV

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	3	1.2	1.2	1.2
	I never buy it	3	1.2	1.2	2.5
	I buy it quite rarely	43	17.8	17.8	20.3
	I buy it too, but my favorite is another one	125	51.9	51.9	72.2
	It is my favorite, I only buy this	67	27.8	27.8	100.0
	Total	241	100.0	100.0	

Q1_NESTLE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	18	7.5	7.5	7.5
	I never buy it	132	54.8	54.8	62.2
	I buy it quite rarely	58	24.1	24.1	86.3
	I buy it too, but my favorite is another one	32	13.3	13.3	99.6
	It is my favorite, I only buy this	1	.4	.4	100.0
	Total	241	100.0	100.0	

Frequencies

Statistics

Q2 Have you noticed the recent Orkla Eesti AS rebranding?

N	Valid	241
	Missing	0
Mean		1.04

Q2 Have you noticed the recent Orkla Eesti AS rebranding?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	232	96.3	96.3	96.3
	no	9	3.7	3.7	100.0
	Total	241	100.0	100.0	

Frequencies

Statistics

		Q3_1 Via social media	Q3_2 TV Advertising	Q3_3 Physically on shop shelves	Q3_4 From friends/family	Q3_5 Outdoor advertising	Q3_6 Other
N	Valid	119	79	216	241	241	1
	Missing	122	162	25	0	0	240
Mean		1.00	1.00	1.00			1.00

Frequency Table

Q3_1 Via social media

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	119	49.4	100.0	100.0
Missing	System	122	50.6		
Total		241	100.0		

Q3_2 TV Advertising

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	79	32.8	100.0	100.0
Missing	System	162	67.2		
Total		241	100.0		

Q3_3 Physically on shop shelves

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	216	89.6	100.0	100.0
Missing	System	25	10.4		
Total		241	100.0		

Q3_4 From friends/family

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		185	76.8	76.8	76.8
	1	56	23.2	23.2	100.0
Total		241	100.0	100.0	

Q3_5 Outdoor advertising

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		192	79.7	79.7	79.7
	1	49	20.3	20.3	100.0
Total		241	100.0	100.0	

Q3_6 Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	.4	100.0	100.0
Missing	System	240	99.6		
Total		241	100.0		

Frequencies

Statistics

		Q4_1 Visual	Q4_2 Color	Q4_3 Font	Q4_4 Text	Q4_5 Did not like it	Q4_6 Other
N	Valid	225	241	241	241	241	241
	Missing	16	0	0	0	0	0
Mean		1.0000					

Frequency Table

Q4_1 Visual

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	225	93.4	100.0	100.0
Missing	System	16	6.6		
Total		241	100.0		

Q4_2 Color

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		40	16.6	16.6	16.6
	1	201	83.4	83.4	100.0
Total		241	100.0	100.0	

Q4_3 Font

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	139	57.7	57.7	57.7
1	102	42.3	42.3	100.0
Total	241	100.0	100.0	

Q4_4 Text

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	139	57.7	57.7	57.7
1	102	42.3	42.3	100.0
Total	241	100.0	100.0	

Q4_5 Did not like it

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	238	98.8	98.8	98.8
1	3	1.2	1.2	100.0
Total	241	100.0	100.0	

Q4_6 Other

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	220	91.3	91.3	91.3
1	21	8.7	8.7	100.0
Total	241	100.0	100.0	

Frequencies

Statistics

		Q5_1 Visual	Q5_2 Color	Q5_3 Font	Q5_4 Text	Q5_5 Did not like it	Q5_6 Other
N	Valid	33	18	82	51	241	241
	Missing	208	223	159	190	0	0
Mean		1.0000	1.0000	1.0000	1.0000		

Frequency Table

Q5_1 Visual

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	33	13.7	100.0	100.0
Missing	System	208	86.3		
Total		241	100.0		

Q5_2 Color

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	18	7.5	100.0	100.0
Missing	System	223	92.5		
Total		241	100.0		

Q5_3 Font

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	82	34.0	100.0	100.0
Missing	System	159	66.0		
Total		241	100.0		

Q5_4 Text

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	51	21.2	100.0	100.0
Missing	System	190	78.8		
Total		241	100.0		

Q5_5 Did not like it

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		125	51.9	51.9	51.9
	1	116	48.1	48.1	100.0
Total		241	100.0	100.0	

Q5_6 Other

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	226	93.8	93.8	93.8
1	15	6.2	6.2	100.0
Total	241	100.0	100.0	

Frequencies

Statistics

Q6 Do you like the "old" or "new" chocolate bar package design?

N	Valid	241
	Missing	0
Mean		2.07

Q6 Do you like the "old" or "new" chocolate bar package design?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	old	135	56.0	56.0	56.0
	2	36	14.9	14.9	71.0
	3	20	8.3	8.3	79.3
	4	19	7.9	7.9	87.1
	new	31	12.9	12.9	100.0
	Total		241	100.0	100.0

Statistics

Q7 Is the eco-friendliness of packaging important to you when making a purchase?

N	Valid	241
	Missing	0
Mean		3.38

Q7 Is the eco-friendliness of packaging important to you when making a purchase?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not important	32	13.3	13.3	13.3
	2	27	11.2	11.2	24.5
	3	59	24.5	24.5	49.0
	4	64	26.6	26.6	75.5
	very important	59	24.5	24.5	100.0
	Total	241	100.0	100.0	

Frequencies

Statistics

Q8 Do you buy Kalev chocolate now that the packaging design has changed...

N	Valid	241
	Missing	0
Mean		2.57

Q8 Do you buy Kalev chocolate now that the packaging design has changed...

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I buy it less now	39	16.2	16.2	16.2
	2	50	20.7	20.7	36.9
	3	131	54.4	54.4	91.3
	4	18	7.5	7.5	98.8
	I buy it more now	3	1.2	1.2	100.0
	Total	241	100.0	100.0	

Frequencies

Statistics

Q9 I think Kalev is...

N	Valid	241
	Missing	0
Mean		3.22

Q9 I think Kalev is...

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	old-fashioned	16	6.6	6.6	6.6
	2	28	11.6	11.6	18.3
	3	108	44.8	44.8	63.1
	4	66	27.4	27.4	90.5
	modern	23	9.5	9.5	100.0
	Total	241	100.0	100.0	

Frequencies

Statistics

Q10 To whom is the Kalev brand aimed at in your opinion?

N	Valid	241
	Missing	0
Mean		2.80

Q10 To whom is the Kalev brand aimed at in your opinion?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	aimed at elderly people	21	8.7	8.7	8.7
	2	39	16.2	16.2	24.9
	3	156	64.7	64.7	89.6
	4	18	7.5	7.5	97.1
	aimed at younger people	7	2.9	2.9	100.0
	Total	241	100.0	100.0	

Frequencies

Statistics

Q11 What do you think of Kalev's recent change in package design of chocolate bars (rebranding)?

N	Valid	241
	Missing	0
Mean		2.18

Q11 What do you think of Kalev's recent change in package design of chocolate bars (rebranding)?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	it was the wrong decision	84	34.9	34.9	34.9
	2	77	32.0	32.0	66.8
	3	44	18.3	18.3	85.1
	4	25	10.4	10.4	95.4
	it was the right decision	11	4.6	4.6	100.0
	Total		241	100.0	100.0

Frequencies

Statistics

Q12 Do you think the overall execution in the change of packaging design (rebranding) has been...

N	Valid	241
	Missing	0
Mean		2.34

Q12 Do you think the overall execution in the change of packaging design (rebranding) has been...

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very poor	50	20.7	20.7	20.7
	poor	91	37.8	37.8	58.5
	acceptable	73	30.3	30.3	88.8
	good	23	9.5	9.5	98.3
	very good	4	1.7	1.7	100.0
Total		241	100.0	100.0	

Frequencies

Statistics

Q13 What do you think – after the change in package design of Kalev's chocolate bars...

N	Valid	241
	Missing	0
Mean		2.43

Q13 What do you think – after the change in package design of Kalev's chocolate bars...

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	consumers buy it less now	44	18.3	18.3	18.3
	2	77	32.0	32.0	50.2
	3	98	40.7	40.7	90.9
	4	17	7.1	7.1	97.9
	consumers buy it more now	5	2.1	2.1	100.0
	Total		241	100.0	100.0

Appendix 3. Independent-Samples Proportions Group Statistics tests

→ Proportions

Independent-Samples Proportions Group Statistics					
	AGR	Successes	Trials	Proportion	Asymptotic Standard Error
Q1_MILKA = It is one of the ones I buy, but not my favorite, I buy it too, but my favorite is another one	= 1	55	120	.458	.045
	= 2	51	121	.421	.045
Q1_FAZER = It is one of the ones I buy, but not my favorite, I buy it too, but my favorite is another one	= 1	61	120	.508	.046
	= 2	51	121	.421	.045
Q1_KALEV = It is one of the ones I buy, but not my favorite, I buy it too, but my favorite is another one	= 1	62	120	.517	.046
	= 2	63	121	.521	.045
Q1_NESTLE = It is one of the ones I buy, but not my favorite, I buy it too, but my favorite is another one	= 1	12	120	.100	.027
	= 2	20	121	.165	.034

Figure 13. Independent-Samples Proportions Group Statistics test for Question 1

Independent-Samples Proportions Group Statistics					
	AGR	Successes	Trials	Proportion	Asymptotic Standard Error
Q6 Do you like the "old" or "new" chocolate bar package design? = old, 2	= 1	87	120	.725	.041
	= 2	84	121	.694	.042
Q8 Do you buy Kalev chocolate now that the packaging design has changed... = I buy it less now, 2	= 1	45	120	.375	.044
	= 2	44	121	.364	.044

Figure 14. Independent-Samples Proportions Group Statistics test for Questions 6 and 8

➔ Proportions

Independent-Samples Proportions Group Statistics

	AGR	Successes	Trials	Proportion	Asymptotic Standard Error
Q11 What do you think of Kalev's recent change in package design of chocolate bars (rebranding)? = it was the wrong decision, 2	= 1	85	120	.708	.041
	= 2	76	121	.628	.044
Q13 What do you think - after the change in package design of Kalev's chocolate bars... = consumers buy it less now, 2	= 1	60	120	.500	.046
	= 2	61	121	.504	.045

Figure 15. Independent-Samples Proportions Group Statistics test for Questions 11 and 13

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