

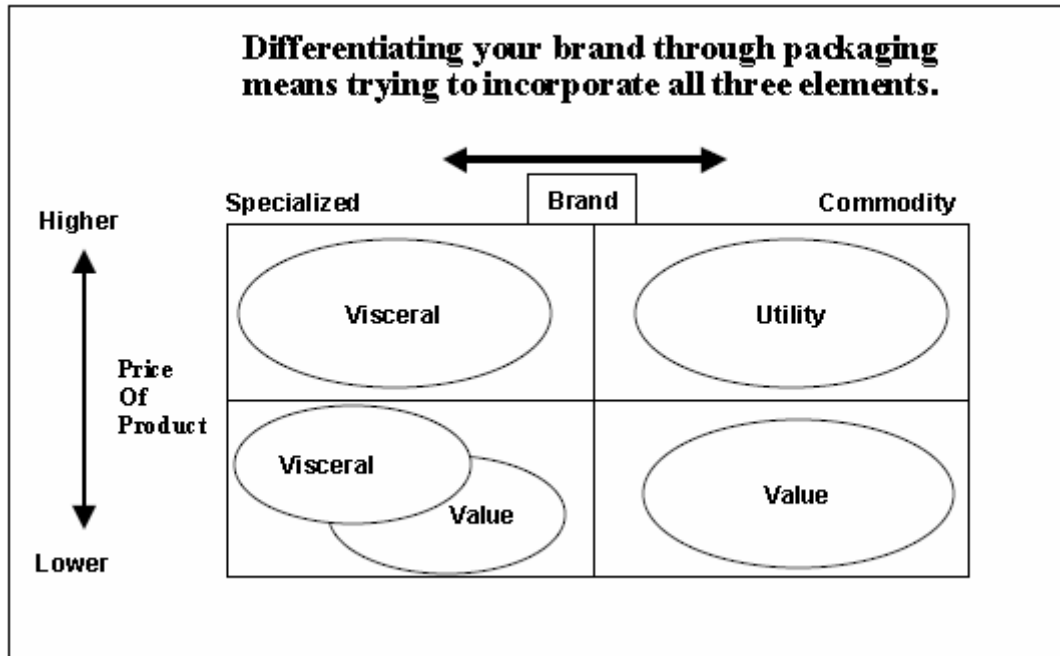


Best Practices in Consumer Product Packaging Differentiating Your Brand in the Mind of the Consumer

BRANDS NEED TO INCORPORATE VISCERAL, UTILITARIAN, AND VALUE ELEMENTS INTO THEIR PACKAGING.

Many retail goods sectors currently face maturity, with shelf space becoming ever less abundant. Brand differentiation therefore becomes even more difficult, but no less vital. Companies that effectively incorporate visceral, utilitarian, and value elements into their packaging stand a much better chance not only of distinguishing themselves on store shelves, but also in consumer's minds.

The use of packaging as a means of brand differentiation has been prevalent through almost all sectors of retail goods, with brands facing varying levels of success. Why do some brands meet with success while others fail when redesigning elements of their packages? The answer to this question lies in the way brands incorporate visceral impact, utility, and value into their packaging. Very simply, some practices work, while others do not. Successful packaging practices tend to be those that accentuate and reinforce consumer regard for a product (e.g. the soothing aqua blue color and peaceful seascape pictures on bottles of Mylanta). Poorly conceptualized packaging (e.g. the large black label on Pure American bottled water) tends to do the opposite, rendering feelings inconsistent with, or even contradictory to, a brand's core identity. The following model provides an illustration of precisely which elements of packaging are most dominant in products, depending on their costs and levels of specialization.



This model divides products into one of four categories: high-cost specialty and commodity products, and low-cost specialty and commodity products. The elements of packaging most dominant in products depend a great deal on both their prices and on their levels of specialization. For example, Physique shampoo costs more than other shampoos on grocery store shelves. Physique shampoo can also be considered “specialized”, as it is positioned as a salon-brand, “scientifically-engineered” shampoo.

The element of packaging that differentiates it most from competitors would be the overall style of its silver wrap-around label (the “sigma” sign, the written style of the word “Physique”, directions written in three languages including French, etc.); in short, its visceral impact. On the other extreme, generic store brands serve as perfect examples of lower-cost commodity goods. Most generic brands do not offer much in terms of the visceral impact of their packaging, nor do they offer any more utility than established brand names. Generic brands are typified by bland packages, offering consumers a “no-frills” message: the products contained are less expensive but very similar to those of leading brands. We offer value, and you can tell by our packaging. The point of this report is to show how true differentiation through packaging requires an effective integration of all three elements: visceral impact, utility, and value.

Why did we choose personal care products, bottled water/juices, and nonprescription medicines for our study?

We concentrate primarily on personal care products, bottled water and juices, and nonprescription medicines for several reasons. First, these sectors can be considered, at the very least, near maturity. Brands within mature sectors, by definition, have to place a



great deal of emphasis on differentiating themselves, lest they risk being overshadowed on crowded store shelves. Innovative packaging is an excellent means of accomplishing just that. Moreover, there are a number of players in each of these industries, providing for excellent case studies and examples of practices that work versus those that do not.

Lastly, and perhaps most importantly, these industries fall well within our packaging model, as there are a number of examples of brands within these sectors attempting to incorporate measures of visceral impact, utility, and value into their product packaging. Lessons learned within our industry studies can translate easily into all sectors of retail goods.

PACKAGING PRACTICES AND IMPERATIVES IN PERSONAL CARE PRODUCTS SECTORS

Lessons learned within shampoo and skin care sectors can transfer easily into others.

Consumers who purchase shampoo in mass retail outlets have an idea of what to expect. While theoretically, the entrance of this type of product should make it automatically stand out on shelves, the packaging for Physique does not do an effective job of conveying salon – at least not in the grocery store. The lesson to be learned is that while certain packaging can set the style and image within some channels, it might not transfer easily into others.

Clairol Herbal Essences serves as a perfect prototype for how to use visceral packaging to differentiate one's brand. Upon an assessment of what their product needed to convey, their packaging was designed to accentuate and reinforce that message in consumer's minds.

The one area where Head & Shoulders can differentiate itself might be to employ a package shape other than the standard rectangular one used since the product's conception. Consumers have shown preferences for the increasingly standard cylindrical shapes, or even the tapered shapes of Neutrogena, strictly for their qualities of being easier to hold and squeeze. Moreover, Head & Shoulders should think in terms of using information as a means of utility, and perhaps highlight one or more of their bulleted points onto the front of their package as a way to accentuate product benefits.

Altering the traditional colors used on a product's package, as Suave has done, can often serve as a very effective short-term means of creating a "buzz" on store shelves. A brand must take care not to do this too often, however, lest they risk the perception of being too "gimmick-oriented".

Agree spokespeople have claimed to be very happy with their packaging redesign, saying they always intended for their product packaging to provide on-shelf advertising. According to Agree, their increase in dollar sales could be attributed largely to their



packaging redesign. Consumer feedback, both from those who have purchased the product and from those who have not, has been exceedingly positive. Agree's redesign serves as an excellent example of altering the visceral impact of a product's package in order to broaden appeal. The increase in price resulting from the redesign has done little to deter consumer desire for the new package.

By adding visceral and utilitarian elements to its packaging, Vaseline does an effective job of reinforcing and accentuating the qualities of its products.

When thinking of the visceral elements their brands' packaging should contain, it is vital that colors be chosen for the brand that not only help to convey necessary messages, but that have some prominence on the package. As our consumer study shows, the dominant white color on Jergens skin care products corresponds with the overall feel of the bottle to impart somewhat of a "medicinal, used by my grandmother" kind of feel.

Again, Suave serves as another example of a brand that recognizes the importance of color and incorporates it into its packaging. Moreover, the incorporation of a bold message such as "Dermatologist Proven" helps to give consumers confidence in the brand.

By offering different colors according to product type while maintaining some level of packaging consistency across lines, Lubriderm uses a very clever way to let consumers know that one's brand caters to a variety of needs.

Companies across a wide range of industries should note the visual appeal and ease of opening offered by the Curel Stretch Pak. Incorporating each of these elements into a coherent packaging design is something many brands would do well to emulate. It is imperative for manufacturers to provide packaging that offers not only impressive point-of-purchase impact but also convenience for consumers. Combining these two desirable traits requires creativity, ingenuity, and excellent engineering.

There are few better ways for a new brand to create instant brand recognition in the marketplace than the introduction of viscerally appealing, instantly recognizable packaging. **Body@Best** the need to create an immediate impact and developed a packaging design suited for the purpose.

PACKAGING PRACTICES AND IMPERATIVES FOR BOTTLED WATERS AND JUICES

Lessons learned within bottled water and juices sectors can transfer easily into others.



Brands need to think in terms of the message their products are trying to convey and incorporate colors into their packaging designs that reflect that message. Moreover, the quality of the packaging material must accentuate and even reinforce the quality of the product contained. As our consumer study indicates, Poland Spring falls short on both counts.

Arrowhead's decision to use almost every color in the rainbow on their bottled water packages has served well to differentiate their brand on store shelves. Placing the words "The Water People" on their bottles offers a nice personal touch. The incorporation of more personalized elements in packaging is something brands would do well to consider as a means of differentiation. Conveying messages of friendliness often goes a long way toward generating brand loyalty. This is particularly true when brands want to differentiate themselves from competitors offering a somewhat less personal touch.

It has become almost a truism that brands need to make their packages more easily recyclable. The innovative use of Evian's "crushable" plastic bottle is a perfect example of a brand incorporating an element of utility into its packaging design to distinguish itself from other brands – particularly for environmentally conscious consumers.

Companies wishing to launch brand extensions often do well to distinguish themselves in a new product category by incorporating unique visceral elements into their packaging designs, as PepsiCo has done here. Moreover, taking into account the ease with which a product can be held is something all brands need to do to distinguish themselves from competitors.

Welch's knew to take the cumbersome size of certain packages into account and offer elements of utility to help offset any potential difficulty. Moreover, using packaging that highlights the benefits and features of the product is another effective promotional means of brand differentiation.

While product quality can be enough to generate positive brand recognition among consumers, as the example of Ocean Spray shows, brands nevertheless do themselves no favor by incorporating packaging elements that make a product look cheap or lacking in quality.

One feature of utility Mott's incorporates is the "Easy-grip" feature on the back of the bottle, which, by making the bottle narrower in the back, enables consumers to hold the bottle with one hand more easily. Among other things, the feature makes the bottle much easier for younger children to use than typical larger, more cumbersome juice bottles do. Moreover, Mott's serves as a perfect example of incorporating visceral packaging elements that not only highlight features of the product, but accentuate it in consumer's minds. Mott's uses packaging that provides the apple juice with a darker



appearance, enabling consumers to look upon the product more readily as natural.

Sunny Delight is a perfect example of a brand whose packaging is so convincing that it conveys benefits not even inherent in the product. By integrating a “grovestand” looking bottle with other elements implying “natural”, Sunny Delight, which contains only 5% fruit juice, is better able to make consumers believe in product benefits that do not even exist.

Veryfine recognizes that providing packaging that enhances both the quality and longevity of a product can do wonders for generating brand differentiation in the marketplace. Moreover, Veryfine recognizes the need to incorporate more user-friendly packaging by placing a grip near the top of the bottle. As our consumer study shows, consumers will purchase a product much more readily when its packaging is more user-friendly.

PACKAGING PRACTICES AND IMPERATIVES FOR NONPRESCRIPTION MEDICINES

Lessons learned within non-prescription medicinal sectors can transfer easily into others.

The US Food and Drug Administration rules governing the labeling of over-the-counter drugs are certain to lead to the way in which information is displayed on OTC packaging. The rules contain formatting and graphic design specifications along with permitted simplifications of language, all aimed at making labels easier for consumers to read and understand. The changes affect not the principal display panel of a package, but the information panels on the outside container or wrapper of a retail package, or the primary container labels if there is no secondary packaging. Most existing OTC products will need to feature the new labels beginning in April 2001.

Many believe the FDA failed to consider some important factors when it calculated whether packages could accommodate the new Drug Facts label. For example, the FDA in the final rule virtually dismisses the need for packaging redesign by saying companies could “extend a single side panel or widen the label affixed to a bottled drug product.” Of course, even widening a package by adding ¼ of an inch more paperboard would add major costs for a company. Perhaps even more important than those additional costs is whether the Wal-Marts, CVSs, and Kmart of the world would even give a particular product the extra shelf space to accommodate the slightly larger package.

Bayer’s decision to remove cotton from its bottles, a staple of the brand for over eighty years, has had little effect on consumers. Sometimes brands can go against tradition and change elements of



their packaging without fearing negative consumer response; particularly by discarding packaging elements that have become obsolete.

While Bristol-Myers did the right thing by telling consumers that Excedrin Migraine and Extra Strength contained the same product, the packaging of Excedrin Migraine conveys the impression that Excedrin Migraine is much more powerful, as our consumer study shows. The bold red of the package strongly imparts a sense of strength and effectiveness, while the simple incorporation of the word “migraine”, the first headache remedy to position itself as such, automatically tells consumers that this product will work much more effectively for more painful headaches. Sometimes the power of packaging can generate a more favorable consumer response than the product itself might inherently deserve, but sometimes such a strategy can backfire. As our study shows, many consumers were disappointed to learn that Excedrin Extra Strength and Excedrin Migraine were the same medicines.

By paying close attention to the needs of your target audience and by thinking of ways to innovate packaging accordingly, a brand can very effectively strengthen its position in the market - as the experience of Dolisos shows.

INSIGHTS INTO BEST PACKAGING PRACTICES ACROSS INDUSTRIES

All industries need to take into account certain packaging imperatives.

Stages of Innovation takes the following factors into account when looking into overall best packaging practices across industries. These are just several aspects that are crucial to the development of any coherent, brand differentiating packaging design.

- In terms of generating emotional responses, what primary senses do brands within the category need to strike? Do brands within my category try to exude attributes of being “strong”, “soothing”, “quick”, “natural”, or simply “efficient”?
- With regard to the emotional responses that brands within a category try to elicit, what colors are dominant on brands’ packages? Do these colors effectively convey the category’s “buzzwords”, e.g. soothing, quick, natural, etc.?
- Which of these brands are recognized leaders within the category? Which ones benefit by making their brand names more prominent on the package?
- Excluding color, do the overall designs of these packages effectively convey the emotional and rational sentiments these products need to convey?
- What other visual/stylistic elements are incorporated into packages to make products more distinct? Do they make consumers more likely to notice and



- examine the product? Do these elements more effectively impart senses of “class”, “elegance”, or any other sense to differentiate brands from competitors?
- Which of these packages show tamper-proofing to be a priority?
 - Does the ease with which any of these packages can be *opened* effectively differentiate brands from competitors?
 - Does the ease with which any of these packages can be *sealed/resealed* effectively differentiate brands from competitors?
 - Does the ease with which any of these packages can be *stored* effectively differentiate brands from competitors?
 - Does the ease with which any of these packages can be *held* effectively differentiate brands from competitors?
 - Does the ease with which any of these packages *dispense/pour* the product effectively differentiate brands from competitors?
 - Which of these packages offer information as a means of utility? In other words, do any of these brands prominently display facts that provide either useful product knowledge or simply a means of differentiating themselves from competitors?
 - Overall, could “ease of use” be considered to be one of the most prominent features of any of these brands?
 - What kind of “value” does the packaging of these brands imply to consumers? Do these brands want consumers to view their products more as specialized, higher-end, luxury items? Or, do they want consumers to look upon their products more in terms of being bargains - as offering “value for their dollar”?
 - Does the packaging of these products convey proper “value” sentiments effectively? Are there elements of distinction to these packages that make them appear to be upscale, luxury items? Are there elements that offer a “value for your dollar” sense?

About Stages of Innovation

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