

# Packaging for in-store success

Substantial sales increases are often needed to achieve the required return on investment when changing packaging design. James Tupper questions how we can tell whether new customers will purchase the newly packaged product or that current purchasers will remain loyal?

**T**HE key moment of truth is at the shelf. Does the new packaging treatment make the product stand out from the crowd? Does it communicate key messages and thereby reinforce brand equity?

Does the new treatment include the elements shoppers find appealing? Does it eliminate aspects shoppers are most likely to use to deselect the item? Most importantly, will the shopper pick the product and put it into their shopping cart?

Well considered shopper research methodologies can help supply product owners and packaging designers with reliable answers to these questions and justify the selection of those packaging treatments more likely to drive sales.

## Brand plus

MANY FMCG businesses have masses of consumer data but are often missing the in-store shopper insights that help businesses further develop their product design and in-store merchandising strategies. Right now there is a colossal opportunity for companies to develop and use more sophisticated shopper research to great advantage. Packaging is a crucial lever impacting shopper behaviour at the shelf. Good packaging can, for example, achieve awareness,

drive trials and overcome scepticism. Shopper research helps diagnose issues and justify the selection of a treatment amongst alternative designs, as well as taking into account shelf configuration. Effective shopper research is essential to those suppliers wanting to influence their retail customers' decisions about, for example, brand blocking and adjacencies based on product type, function or usage occasion.

## Approaching the issue

TO support actual in-store shopper research, some leading FMCG suppliers are using virtual shopping platforms with groups of consumers, to quickly and cost effectively help them assess alternative packaging treatments. This can provide information on which products are picked, which products were noticed, what can be found easily, the impression shoppers get regarding key brand messages, and what packaging elements shoppers find appealing. These methods have been used in Europe for over five years and are beginning to be used more commonly in the USA.

In some cases the brand is found to be the hero, so crucial brand messages can be refined along with better ways of communicating these messages.



In other instances, product quality is found to be the hero so packaging redesign is focused on greater product visibility. In Australian food and grocery, suppliers and retailers have typically taken the lead from Europe and the USA in concept development and merchandising techniques. The gap is closing quickly as retailers have invested in store concepts and reviewed category segmentation, signposting and adjacency selection.

In packaging terms, whilst primary packaging is utilised to good effect in Australia, secondary and tertiary packaging developments and the use of outer packaging substitutes are less developed. For example, the introduction of Retail Ready Packaging has been slower than in Europe and as yet the full benefits of improved shopper navigation, product visibility and merchandising impact have not been realised. Manufacturers can raise brand awareness, variant identification and competitive positioning on-shelf through well executed packaging solutions.

### IGD research

GLOBAL research by IGD shows that whilst consumer research has long been



## James Tupper

International speaker, James Tupper will present at the AIP National Technical Forums, which will be held on Wednesday and Thursday June 17 and 18 at the Sydney Showgrounds, Sydney Olympic Park, alongside Auspack 2009.

Other Packaging Mega Trends that will be discussed over the two-day event include: The collaboration of bioplastics and plastics, openability, design for the aging population, private labels and sustainable design.

ECR UK's Retail Packaging Workgroup is managed by Tupper. He designs and runs all

IGD's RRP Sessions. He creates and facilitates collaborative learning programs during which several cross functional, trading partner teams learn-by-doing together.

Other sessions he facilitates include Collaborative Distribution Interactive Sessions, that make it quick and easy for companies, whether suppliers or retailers, to identify and exploit opportunities in their networks - for example to share capacity in vehicles where they have partial loads.

He has 20 years experience of developing people and business performance in the food and grocery industry across Europe, Asia and Africa.

used by companies to steer product and brand development strategies, the use of shopper research has grown significantly in recent years. Eighty-eight per cent of UK companies now use shopper insight information as part of their category planning process.

Packaging and recycling form some of the biggest challenges facing shoppers and brand owners. IGD's latest shopper research, published in September 2008, reveals that over half of UK shoppers purchasing decisions are being influenced by the perceived environmental impact of packaging. Two in five shoppers are actively looking for, or have switched to products with environmentally friendly packaging. Many don't understand the different symbols used on the packs and the research showed a strong need for industry-led solutions to reduce confusion.

Sustainable packaging innovation can help to deliver genuine competitive advantage and product owners have a big opportunity to capture sales if they can offer products with clear solutions for shoppers. Packaging that combines multiple environmental and functional benefits proves to be the most compelling. Concentrated laundry products represent a clear example as they have less packaging, and are easier to carry and store.

### Green impact

ENVIRONMENTAL pressures are leading to increasing demands being made of packaging such as recyclability made of recycled materials, clearly labelled and low carbon packaging. Work by IGD in November last year demonstrated that although packaging still needs to fulfil its fundamental objectives of building sales and protecting the product, the

desire to be green is being recognised and addressed.

Companies are putting more focus on materials, a reduction in the use of composites, an acknowledgement of recycling best practice and an understanding of the carbon impact of materials. Life cycle analysis needs to first concentrate on products where the biggest differences can be made.

The concept of optimising packaging needs to be carried throughout the supply chain, and making the best of the transport cube, bringing together pack fill and pack production, taking secondary packaging to the shelf, and strengthening recycling systems all contribute to supporting an environmentally friendly system.

These trends are reflected in the development of packaging scorecards, a means to rate a range of products against standard criteria. Life cycle analysis helps identify hotspots in the supply chain where environmental impact can be reduced.

The future of green packaging requires everybody in the supply chain to work together on eco-design, consistent use of labelling, consumer education and global approaches to achieve resource efficiency targets.

It is in the context of the category that a shopper puts out their hand and picks a product from the shelf. But many categories in-store prove to be a sea of confusion for shoppers.

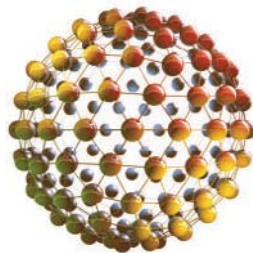
James Tupper of IGD claims that: "categories are likely to improve in look, and grow as more brands build and use their understanding of shopper behaviour.

"As packaging treatments are selected to perform better at the shelf, display designs will be improved to drive promotion sales. The key will be to build-in supply chain flexibility, so late customisation can deliver different packaging adapted to fully utilise different placements and category arrangements to drive sales and brand equity."

# Nanotechnology for multifunctional packaging



A key packaging mega trend to be discussed during the AIP Forum to be held during Auspack will be nanotechnology. Guest speaker Dr Terry Turney, who is the chief executive officer of Asia NanoMaterials and Professorial Fellow, Centre for Green Chemistry, Monash University, talks to Asia Pacific Packaging about the future of nanotechnology in packaging



*The unique properties of nano-sized materials are due to their specific atomic structure*

## Terry Turney

Dr Terry Turney will be speaking at the AIP National Technical Forums, which will be held on Wednesday and Thursday June 17 and 18 at the Sydney Showgrounds, Sydney Olympic Park, alongside Auspack 2009.

Terry Turney is CEO of Asia Nanomaterials, an R&D provider & CTO of Sonic Essentials, a micronutrient manufacturer. He also bridges the academic and private sectors with a Professorship at Monash University's Green Chemistry Centre. Until recently he was director of the Nanotechnology Centre in Australia's Government R&D Organisation, CSIRO, where he worked as a scientist in various roles in materials research for over 28 years. His groups' scientific activities have resulted in several nanostructured products, including active packing and polymer additives, entering the marketplace.

**T**HE future for nanotechnology in packaging applications is very exciting. Although a nanometre (1 nm = 1 billionth or 10<sup>-9</sup> metres) is about 10,000 times smaller than the diameter of a hair, we are now able to tune the nanostructure of materials to produce electronic components, drug deliveries systems, ultra-strong metals and plastics, better water treatments and new coloured pigments.

Work is underway to print electronic circuits on flexible and rigid packaging using inkjet and screen-printing technologies, but with nanoparticle-containing, conducting inks. Whole circuits (including a battery or power supply) will soon be available to the industry at only a matter of cents per unit. Not only will that revolutionise RFID technology, it will enable large amounts of product information to be stored on the package, from instructions on use,

recipes, ingredients, right through to internal sensors which can assess the quality of the contents. It has the ability to revolutionise the food and retail industries, with multifunctional packaging solutions.

Nanotechnology is broadly about tailoring applications of materials by controlling their structure at the nanometre-level, the size range just above the level of atoms and most molecules. In the packaging area, substantial improvements in barrier packaging for meat, fresh produce and beverages have already been achieved by clever dispersion of nanosized clay or related particles into PET or polyolefin films, to create a controlled gas permeability. Similarly, use of nano-nucleating and clarifying agents can now enable the down-gauging of plastic films, whilst maintaining good mechanical properties, but with much improved clarity.

In other developments, controlling

the surface properties of a package at the nanometre level, using the so-called Lotus Effect, enable control of wetting, to create perfectly dry, water-repellent surfaces, which inhibit adhesion of dirt and micro-organisms.

Another effect, also taken from nature, mimics the ability of lizards and insects to stick to very smooth surfaces without any chemical adhesive. Prototype Gecko tape and glues have now been developed in the laboratory that have comparable strength to conventional glues. It's only a matter of a short time before these products rollout into the marketplace.

Nanostructure control has many advantages to offer the packaging industry in resource optimisation, in cost savings and in new functionality. The competitive advantage will go to those companies who see just how rapidly their sector is evolving and are prepared to seek innovative solutions including nanotechnology.