

VITALITY OF THE PACK

A new framework to maximize the multifaceted nature of packaging.

Packaging plays an important role in the lives of consumers, business and the planet. It's called upon to protect, preserve, present and deliver the product; to delight the consumer; and ultimately, to do no harm to the world we live in. So how can we effectively leverage this important piece of the marketing mix that, for so many years, has been underleveraged or misunderstood?

> FROM CONTAINMENT AND BEYOND

To begin, we need a better framework for understanding the discipline. The history of packaging begins with the need for containment. Many of the products we enjoy today would not exist without the preservation that packaging affords. Crops would rot in the fields and medicine would not reach the masses.

Over the years, entire markets began to develop around certain types of products, and with this came competition. Multiple offerings at the shelf fueled the need for packaging to evolve from its primary role of simply keeping things fresh to actively aiding brands in the communication of the product.

Despite the growing complexity of packaging's role, for many products and for many years, packaging has only leveraged these same two principles: containment and display.

This has much to do with the nature of the industry that grew to support the packaging boom of the last half-century. With roots in heavy manufacturing, the packaging sector developed under guiding principles of speed and efficiency. This meant that the focus was on standardizing equipment, optimizing materials and driving out costs. For many companies, the margins that their brands enjoy are derived from the low cost of packaging.

So what about the brand experience? In some cases, that experience is less than adequate. The cereal bag-in-box

doesn't reseal or tell you how much of the product is left. The 40lb bag of dog food is difficult to transport, dispense and often won't reseal. Before it can offer you relief, the pain reliever bottle first requires you to throw away the outer box, struggle to defeat the child-proof closure and remove the cotton ball within.

With competition reaching bewildering levels and many forms of advertising losing their effectiveness, the brand experience afforded by packaging can no longer be ignored.

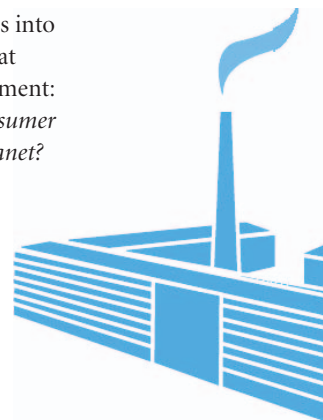
At the same time, new challenges have emerged for the traditional brand owner. Store brands are becoming more sophisticated, creating unforeseen competition on the shelf. Supply chain logistics have grown increasingly complex, requiring even broader handling and containment requirements for goods. And we are now awakening to packaging's impact on our planet, which will continue to have profound influence on our future decisions.

> FOUR TRUTHS OF PACKAGING

A.G. Lafley, chairman and CEO of Procter & Gamble, presents a unique way of looking at packaging when he eloquently talks about brands winning at two crucial "moments of truth". The first moment occurs at the store shelf, when a consumer decides to buy one brand or another. The second occurs at home, when the consumer uses the brand and is delighted—or isn't.

I would suggest expanding packaging's effectiveness into four moments of truth, with a holistic approach that considers the planet and the business. The first moment: *Does the consumer buy it?* The second: *Does the consumer want to buy it again?* The third: *Does it harm the planet?* The fourth: *Is it profitable for the business?*

Let's call the **first** moment of truth the "presentation" phase of the brand. For a package to be effective at this phase, it must "pop" at shelf, differentiate itself from other offerings and create appeal. This is a difficult task when most



Consumer



categories present a “sea of sameness” based on common package forms, standardized manufacturing processes and an over-proliferation of product offerings.

The **second** moment of truth is what I call the “fulfillment” phase. How effectively does your package deliver the product and enhance the user experience?

Retailers can make this a difficult task by demanding pilfer-resistance, which, by its nature, impedes consumer access to the product.

Adding to the challenge is the limitation of some packaging formats. The standardization of packaging to address just containment and display issues has resulted in most package types lacking functional characteristics that could enhance product delivery. The cereal box and pain reliever bottle are classic examples of this.

Another factor in a package’s success at this phase is aesthetics. Many packages lack the “made with care” appearance. They aren’t beautifully designed, but rather functionally engineered. Wouldn’t it be great if your brand’s packaging were so attractive that a consumer would proudly display it like a perfume bottle?

Such a question naturally leads us to the **third** moment of truth: What happens to your package once

the consumer is finished with the product inside? I call this stage of a package’s life the “harmonization” phase.

To gauge whether they’re harming the planet, many consider the three ‘Rs’ of sustainability: reduce, reuse and recycle. The packaging industry has expanded these to seven or more Rs, depending on who you’re talking to. For simplicity’s sake, I use these three: Renewable, Reusable and Reasonable.

“Renewable” considers whether the resources used in creating the package (materials and energy) are exhaustible. “Reusable” (maybe the best way to address the needs of the planet) looks at eliminating packaging waste by extending the product’s life cycle through a refill system or some other continued use. The third moment of truth also considers whether a package is “Reasonable” – whether it sensibly balances its intended purpose with its impact on the planet.

Overriding each of these stages in a package’s life is the **fourth** moment of truth: the package’s benefit to the business, or the “profit” phase. As the “P” in CPG, the package is the link between the “consumer” and the “goods”. For it to be effective for business, the pack must be something a consumer wants and can afford, and an item business can produce for a profit. The package must be worthy of the sometimes significant investment in manufacturing and distribution capital. It must also help cement consumer loyalty, drive consumption and/or increase market share.

> THE ROAD AHEAD

As you think about packaging strategy in the future, consider these four moments of truth, which hone in on the most important phases in a package’s lifecycle. Looking at packaging as a complete story enables you to reach consumers on a higher level and realize your brand potential. If understood and leveraged effectively, packaging may prove to be the most effective tool in your marketing arsenal today. **BP**

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