

New product look can signal other changes

By Pam Dawkins
Staff writer

Updated: 03/27/2009 10:47:44 PM EDT

Did you recently spend time looking -- unsuccessfully -- for that familiar Tropicana package, only to find the orange juice under your nose in an unrecognizable carton? Or eat your way to the bottom of a "pint" of Haagen-Dazs with fewer spoonfuls than it used to take?

Sometimes, packaging changes are needed to update an old look or reflect changes to the product. But spikes in commodity prices -- such as grains and fruit or the fuel needed to make and transport products -- have driven some recent changes, including the shrinking of what previously was a pint of premium ice cream.

"Companies had to do something," said Peter Clarke, chief executive officer of Product Ventures, a Fairfield-based product design and consumer research firm. But, he said, companies must inform consumers about the reasons for product changes, or risk losing their trust -- and their business.

"We held off as long as we could," said Diane McIntyre, a spokeswoman for Dreyer's Grand Ice Cream Inc.'s Haagen-Dazs line.

At the end of January, Haagen-Dazs dropped its smaller ice cream package from 16 ounces -- a pint -- to 14 ounces, and its 32-ounce carton to 28 ounces, but kept prices the same. The change was about a year in the making as the company started its planning for 2009, McIntyre said. Haagen-Dazs wasn't trying to fool customers by keeping a similar carton shape, she added --that was to minimize the changes needed to its plant operations. The parent company last year did the same for its Dreyer's brand ice creams.

The company's costs in general have been rising 25 percent each year, McIntyre said, along with commodity prices. "Raspberries alone have gone up four times in price for us over the last two years," she said, adding that a recent drop in commodity prices hasn't been enough to allow for a return to the previous package size.

Changes like these aren't always bad for a brand, Clarke said, but the company risks losing its customers' trust if it's not upfront about its actions.



Peter Clarke, CEO of Product Ventures

"If you destroy that trust, it could be tragic for that brand," Clarke said, adding that when Wrigley cut the number of sticks of gum in a pack from 17 to 15, it told customers.

When companies don't communicate their reasons for making changes, consumers will speculate, which creates backlash, said Tim Robinson, managing director of strategy business for CoreBrand. The company, which has offices in New York, Los Angeles and Minneapolis, recently closed its Stamford site.

"I do think they're looking at their own operational cost," Robinson said of Haagen-Dazs.

Haagen-Dazs has put a statement about the smaller sizes on its Web site and sent a newsletter to more than 300,000 customers who had signed up to receive electronic announcements, McIntyre said. The company also is monitoring blogs on the topic, and collecting feedback from customers. Some said they would be willing to pay more for the same size, she said, but Haagen-Dazs didn't want to raise the prices beyond what consumers might consider affordable.

Clarke, however, said a better tactic is to look for a reason to demand a higher price point.

A few years ago, Domino Sugar started selling some sizes in plastic containers with pop-top lids. The packaging was more expensive, he said, and the product cost as much as bags but had less sugar. But consumers considered the greater durability and convenience enough of an added value to make up for the higher price.

Most of the pressure on brands comes from generic or store-brand versions, he said, which in many cases are the same as the more expensive name brands. That's why trust and loyalty are so important, Clarke added.

But a recent package redesign by Tropicana fell flat and has been recalled, Clarke said.

Robinson said that redesign reminded him of a U.K. grocery chain's house brand. Tesco PLC, Robinson said, uses a "very understated design aesthetic," that Tropicana tried to emulate.

There are two principles to good package design for a consumer product, Robinson said: It should reflect the brand's heritage, using visual cues or colors, or employ something shocking that grabs attention and breaks with tradition.

In Tropicana's case, the change backfired, and made its products less visible, he said. Tropicana did not respond to a request for comment.

A new package can have real benefits, Robinson said, such as prescription bottles that are easier to open or sports drinks that are easier to hold.

Some packaging techniques, however, mask a downsizing, Clarke said. Peanut butter-maker Skippy has moved the domed area at the bottom of its package up higher. This, he said, is invisible to the consumer but means less product in the jar.

In a statement, Skippy parent Unilever wrote, "Over many months, manufacturing and transportation costs rose significantly. Like other companies, Unilever worked to mitigate the impact of rising costs through hedging, product reformulation and cost savings programs. In some instances we chose to reduce package sizes as one of our responses . . ."

Companies also can change the overall shape of a package to improve "grippability," he said. "You've given it a pinched waist," which also can reduce the volume inside.

When Kraft pinched the waste of its ranch dressing bottle but kept a pint inside the package, Clarke said, the company anticipated consumer skepticism and included a neck band promising the volume of product hadn't changed. Kraft did not respond to a request for comment.

It's also possible to change a package's geometry by changing the thickness of the material, according to Clarke, who added, "The subtle way could look like trickery."

But one notorious consumer packaging gripe is about science rather than savings.

The potato chip bag's cushion of air is what keeps chips fresh and -- relatively -- whole, Clarke said. "Do you want a lot of broken chips or do you want air in your bag?"