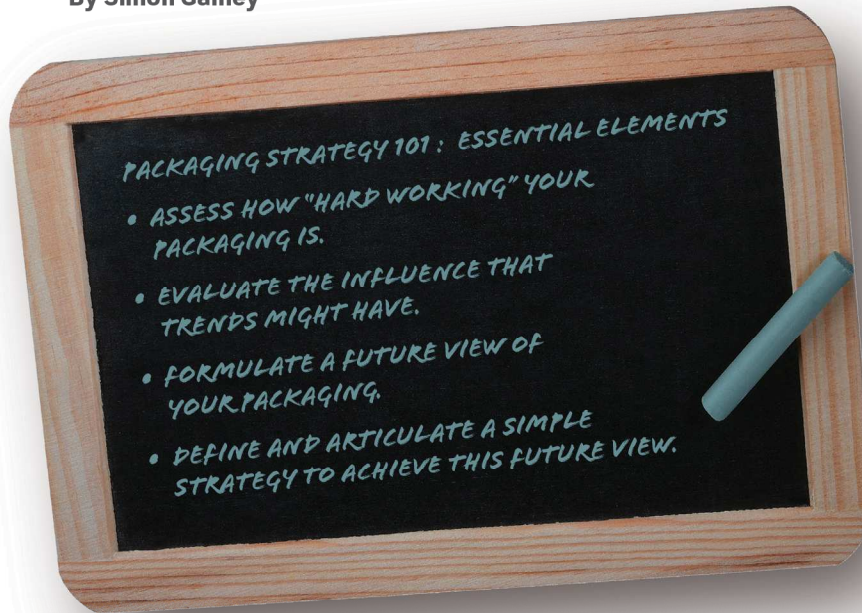


To the Point

Determining the Essential Steps for an Effective Package Development Strategy

By Simon Gainey



How well can you articulate what your packaging and its contribution to the growth of the business will look like in the future? My guess is that if you are like many brand owners and package designers, the answer is “not very well” or “we sort of know.”

We do not have the answer because everything else gets in the way. The next über-important launch and day-to-day distractions frequently stop us from taking the time to assess and plan the direction of our packaging. Yet the truth is that the simple act of creating a package strategy can transform your organization's role, signal clear leadership, build ownership and alignment, and blaze a trail for innovation and growth.

What are the essential elements to creating an effective package strategy?

Strategy is always about taking some risk in envisioning the future. Strategy is tied to the business objectives; it is grounded in reality; it is useful and valued; and it always identifies a pathway. It's about asking how hard your packaging is working for your business to build loyal and passionate consumers, and ultimately:

how it can work harder? The four essential elements to creating an effective package strategy are:

- Assess how “hard working” your packaging is through a detailed situational assessment.
- Evaluate the influence that trends could have on what you are doing today and their business impact.
- Formulate a future view of your packaging highlighting the opportunities and white space, and identify their potential contribution to the growth and profitability of your business.
- Define and articulate a simple strategy to achieve this future view with key rationales, challenges, knowledge gaps, and plans. Share, “sell,” and evolve this strategy with your business partners.

ELEMENT 1: SITUATIONAL ASSESSMENT

Hard working packaging delivers at all touch points—getting noticed on-shelf; being believable and relevant; creating delight as consumers experience and use the package; and ultimately being affordable and effective through the supply chain. In a situational assessment, the aim is to understand and evaluate how

your packaging portfolio is performing against these touch points and to benchmark it versus the marketplace.

This is an assessment of internal and external performance. It is about identifying opportunities for improvement as well as the barriers to change. For instance: How well do you know how your packaging performs in consumers' hands? What do you know about consumers' attitudes and perceptions of your packaging? How well does your packaging communicate your brand character and equity? Does the business have the stomach to spend? These are the kind of questions that a situational assessment needs to pursue.

Situational assessments integrate an understanding of...

1. consumers' relationship and experience with your packaging from store shelf to disposal, across a broad demographic mix. Who, where, how, and why is an easy way to think about this although the opposite can often be more insightful to identify the white space and the next innovation opportunities.
2. all the key business metrics to help frame the practical and real constraints on your strategy and make it credible. It's important to understand margin needs, volume projections, targets, investment and capital plans, and uncertainties.
3. internal management's expectations, perceptions, and needs as they often make or break a successful strategy. It's important to understand the influence of these internal dynamics and their “pull” on packaging.
4. brand and design strategies because they shape your package design and its future. The package is a primary communication vehicle for the brand needs. It should be supportive of the brand goals, design architecture, brand

“When it comes to the future, there are three kinds of people: those who let it happen, those who make it happen, and those who wonder what happened.” — JOHN M. RICHARDSON JR.

- character and positioning, growth plans, consumers, and trade needs.
5. competitive package environment in and out of category; around the globe; from private label, small local brands to mega global brands.
 6. current and future product technology and development needs and challenges. Packaging as a product enabler can often be a tremendous innovation opportunity to reach new consumers, change perceptions, and enable new products.
 7. current and future manufacturing, supply chain, and technology needs and challenges.

ELEMENT 2: TRENDS ASSESSMENT

Having an established point-of-view about what the business, market, consumer, and environmental influences that could affect your future is critical in developing a package strategy. Trends by their very nature can be difficult to predict but from a package strategy perspective, the focus needs to be on enduring, sustainable trends versus seasonal fads. Assessing trends brings together...

1. relevant societal and cultural trends (i.e., sustainability, trading down).
2. market and consumer trends (i.e., store brand growth, convenience) associated with your consumer, your category, and adjacent categories.
3. emerging global technology landscape that could affect your package across functional, materials, conversion, and scientific trends (i.e., sustainability, nanotechnology).
4. relevant design and styling trends both in and out of your industry (i.e., discreet luxury, real, escape the gloom).
5. trade trends across all the channels (i.e., perimeter shopping, store brand).
6. competitive trends associated with packaging (i.e., patent application,

testing and launches, public investment, news).

7. material and package markets trends (i.e., supplier acquisitions, forecast pricing, material availability).

Gathering this data can often be daunting, but it is essential to the process in that it helps focus your strategy and makes it credible and relevant. The goal is to filter through the trends to figure out what could influence your package strategy, and what could count in terms of influencing consumer perceptions and purchase behavior.

ELEMENT 3: FORMULATE A FUTURE VIEW

The process of performing a situational and trends assessment will help to identify the opportunities and challenges with your current packaging. It will not necessarily provide all the answers; more frequently, it highlights how little you really know. The trick is to ask yourself what could your packaging portfolio look like in the future, what will change, what will you invest in, and where are opportunities to make a difference in the business performance. Creatively explore opportunities, recognize knowledge gaps, and allow yourself the freedom to imagine.

Packaging adds value in so many ways that a strategy needs to encompass these in building a point of view about the future. Not all of these will apply and you will not know precisely what the value is of many, but the trick is to start

to articulate where you believe the value comes from:

- Address consumer needs and dissatisfiers
- Enable more frequent use
- Appeal to new consumers
- Drive consumer passion and loyalty
- Extend product to new occasions/uses
- Better compete/differentiate
- Improve margins, reduce cost
- Eliminate waste and support responsibility
- Improve shopability
- Reposition and refresh
- Open up new trade markets

ELEMENT 4: ARTICULATE, SHARE, and PLAN

Capturing where you believe your packaging will be in the future and identifying the work plan, knowledge requirements, and resources to progress to this end state in a simple, easy to understand form is at the heart of a good strategy. The biggest trap designers and developers fall into at this stage is that their thirst for the answer forces them into defining exactly what the package will look like. This is a mistake. The trick is to stay strategic defining the future in terms of what the package needs to be, its attributes, its contribution, and identify a path to getting to the answers.

As the plan develops, share, sell, tweak, adapt, and gain support for your strategy.

Include elements that build upon existing plans, but also push hard to go against convention. Revisit the proposal often, change it as you learn, and refocus it as the business evolves. ■



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