

NICE



PACKAGE

Innovative marketers are reinventing cans, bags, boxes and bottles
to take their message further and keep it out of the landfill

BY REBECCA HARRIS

Here it is, the moment of truth: a 30-something mother of two is standing in aisle eight of the local supermarket. She's looking at hair conditioner, rows and rows of colourful bottles that all vie for her attention with just a few inches of space to sell their benefits: hair strengthener, prevents breakage, colour care, frizz control, anti-humidity, moisturizing. Some entice with culinary-sounding ingredients—strawberries and cream, green tea, organic extra virgin olive oil—while others promise to soothe: primrose, lavender, aloe vera.

She hasn't seen the TV spot, isn't a fan on Facebook and doesn't know the tagline for the brand that catches her eye. It's not her usual brand, but it's on sale. She likes the sleek purple bottle and the product smells nice. As simple as that, she decides to try it (volumizing for fine hair). She places it in her cart and continues down the aisle.

Consumer packaged goods marketers like to trumpet that 70% of purchase decisions are made in-store. But that statistic—which comes from a 1995 study done by POPAI in the U.S. is questionable (if not totally outdated). More recently, in 2008, OgilvyAction released its findings on a survey of 14,000 shoppers in 24 countries. It found that 28% of shoppers globally wait until they're in the store to decide which brand they will buy. In addition, one in 10 shoppers change their mind in-store and buy a different brand than what they had planned. And 20% of shoppers will buy from categories they had no intention of buying from before entering the store. If that doesn't convince you of the importance of eye-catching package design, here's another morsel: the average grocery store sells 40,000 products, according to the Food Marketing Institute.

As retail environments become more cluttered and complex, brands old and new are discovering (and rediscovering) the power of packaging. Sure, it's not the "shiny new thing"—the earliest recorded use of paper for packaging dates back to 1035, according to Wikipedia—but it's a widely seen medium that can be a brand's strongest marketing asset.

"Over the last few years, marketers have become enamoured with social media, online marketing and new forms of channel marketing and lost sight that ultimately, the moment of truth for a brand is when a consumer goes into the store and picks up your brand off the shelf," says Jean-Pierre Lacroix, president at Toronto-based design firm Shikatani Lacroix.

Moreover, as consumers divide their time between increasingly fragmented media, they may be missing those ads in the first place. "The fundamental truth about packaging is that it's the only marketing vehicle that 100%

of the shoppers who buy your product actually see," says Jason Dubroy, VP of shopper marketing at DDB Canada. "Not every shopper will see the TV commercial or print ad, or be exposed to the social media, but all of the people who buy the brand interact with that package."

Consumer goods companies are increasingly using innovative packaging to attract consumers' eyeballs, with everything from simpler design and authentic storytelling to QR codes and augmented reality. They're also responding to consumer demand (and one powerful retail giant) for more environmentally sustainable packaging. The result? Marketers are engaging consumers and getting their message out, while reducing their impact on the environment.

LESS IS MORE.

BIODEGRADABLE IS EVEN BETTER

The shift towards environmentally sustainable packaging arises from another fundamental truth about packaging: it's the only marketing vehicle that is 100% destined for a garbage dump or recycling depot.

"There has always been a functional necessity for packaging, but ultimately we are part of the landfill," says Jeannette Williams, general manager of Toronto-based Onbrand Design. So greener options "help consumers rationalize or at least feel better about purchasing."

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—Jean-Pierre Lacroix, Shikatani Lacroix

Randy Redford, senior creative strategist at Onbrand, believes sustainability is increasingly going to be at the forefront. "It has been embraced by consumers," he says. "I only have to look at how quickly consumers have adopted 'no plastic bags' at grocery stores. Everybody is on to that now. So consumers are certainly willing to do their part and manufacturers know they have to put forward greener options."

James Bateman, creative director at Karacters Design Group in Vancouver, part of DDB Canada, agrees the move towards environmental sustainability is getting stronger. "It's not going away and it shouldn't go away. I think it needs to firmly stay on the table because there's a lot that can be done." He adds, "it's not just nice 'granola' brands that are doing it. It's mainstream brands."

And it doesn't get anymore mainstream than Coke and Pepsi, which have both introduced beverage bottles made from plants (sugar cane in Coke's case and plant waste in Pepsi's). In 2009, Coca-Cola launched its Dasani



Subplot Design's redesigned packaging for Petcare's Go and Now Fresh lines of premium pet food replaced small, hard-to-read type with large type that communicates the product flavour and nutritional benefits clearly and simply.

PlantBottle, made with up to 30% plant-based materials. Last April, the company rolled out the PlantBottle for its single-serve Odwalla juice products in Canada, made from up to 100% plant-based materials. (Coca-Cola says the exact amount of material made from plants may vary as the bottle production starts up or winds down.) According to the company, more than 2.5 billion PlantBottle packages have been brought to the market globally, resulting in the elimination of 30,000 metric tons of CO₂, the equivalent of 60,000 barrels of oil. Its long-term goal is to use the packaging for all of its PET plastic bottles by 2020.

"Consumers are telling us that's what they want," says David Moran, director of sustainability at Coca-Cola Canada. "And we know that both from an environmental standpoint and a marketing standpoint, it's good for business."

Throughout North America, he adds, "we're seeing an evolution of consumer attitudes about packaging, with a greater awareness of what's in the package, what happens to the package and how much is in the package."

In May 2011, rival PepsiCo in the U.S. announced it developed a pop bottle made entirely from plant-based, fully renewable resources. The company is testing the new bottle this year, with the intention of moving to full-scale commercialization. In addition, last July, PepsiCo Canada launched its 7UP in bottles made from 100% recycled plastic. According to the company, the 7UP EcoGreen bottle will reduce the amount of virgin plastic used by about six million pounds over the course of one year. This could lead to a 30% reduction in greenhouse gas emissions and more than 55% in energy use.

"Everybody beats up on the big companies, but if you talk to an environmental consultant, their big thing is to win *those* guys over because when you can get Pepsi or Coke doing that, that's where you get the volume and that's where the big impact happens," says Karacters Design Group's Bateman.

And no other company has had a bigger impact on reducing packaging than retail giant Walmart. In 2006, the company launched its packaging scorecard system, which ranks its suppliers on their use of packaging. Scores are given on categories such as greenhouse gas emissions produced per ton of packaging, raw material use, packaging size and transportation. In 2008, Walmart began making purchasing decisions based on the scorecard results, prompting consumer-packaged goods giants like P&G, Unilever and General Mills to reduce their packaging, among other environmentally sustainable initiatives. Enter concentrated liquid laundry detergent (which Walmart mandated to its suppliers in 2008); exit crinkly noodles in Hamburger Helper (straighter noodles allow the product to settle more, which means a smaller box).

"The scorecard is having such a dramatic impact on manufacturers and suppliers on a global scale that Walmart deserves a lot of credit for the environmental impact they're having globally," says Coca-Cola's Moran.

Lacroix believes Walmart is levelling the playing field. "By mandating every manufacturer to make a detergent that's concentrated, for example, it forces the consumer to accept a product they normally wouldn't want to buy."

But not every package that goes the sustainable route gets embraced with open shopping carts. In April 2009, Frito-Lay unveiled its 100%-compostable bag for SunChips, said to break down within 14 weeks in a compost pile. The problem? It didn't come with earplugs. The bag was so noisy—and consumer complaints even noisier—that in October 2010 Frito-Lay pulled the packaging in the U.S. Last year, the chip-maker launched a quieter version of its biodegradable bag for its plain-flavoured SunChips. The Huffington Post reports the noise of the first compostable bag registered at 80 to 85 decibels. The new design reduces the noise to around 70 decibels, on par with its original packaging most other chip bags.



Camino's new packaging, designed by Karacters Design Group, features maps with quirkily named streets and illustrations that reflect the communities Camino contributes to through its fairtrade partnerships.



Oasis fruit juice incorporated augmented reality onto juice boxes, allowing consumers to use them as game controllers for an interactive online soccer game.

BE SIMPLER, BE QUIETER AND TELL A STORY

While *literally* noisy packages might be a rarity, packaging design is, all too often, too loud. That's according to Matthew Clark, principal and creative director of Vancouver-based Subplot Design. He believes North American packaged-goods companies lag behind those in Europe in terms of their design esthetic: understated and elevated versus big and loud.

"If you look at packaging in England and Western Europe, it has always had a higher approach," says Clark. "That generally means less packaging. It's more frugal. It's more minimalist in its presentation. It usually has some level of higher engagement whether that is fun or wit or whimsy."

He cites the example of Superdrug in the U.K., whose private-label packaging "is incredible. It's beautiful. It's minimal. It's clear. It's refined." North America, he says, "still has a preference for big, bulky, more, more, more, louder, louder, louder."

Clark adds that, "often the solution to standing out on the shelf is to be quieter, not louder, because everybody on that shelf is being loud." He'll counsel clients to be simpler and quieter; let's free up the space and not put too much on it. Let's say one thing clearly, not 12 things in a cluttered way."

That's the approach Subplot took when it was charged with overhauling Petcurean's Go and Now Fresh lines of premium dog and cat food. The redesigned Go line aims to bring its tagline "created to put more life into your pet" to life. The new packaging, which hit store shelves last November, features black-and-white action shots of dogs and cats. Small, hard-to-read type was replaced with large type that communicates the product flavour and nutritional benefits clearly and simply. The packaging maintains the original hi-gloss metallic foil, but in a more sparing way.

Meanwhile, Now Fresh expresses its "100% fresh"

positioning with "Fresh Market" signage, burlap textures and a warmer, softer design.

The project—from the time Subplot met the client to the day the packaging hit shelves—took a full year, which speaks to the massive effort involved in a packaging overhaul and why some marketers shy away from it. "Traditionally a company will be more willing to overhaul a campaign or a marketing strategy than overhaul their packaging," says Clark. "The stakes are very high, it is an expensive process and it is a long process."

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He adds that Subplot partners with clients that have a different vision than most. "Petcurean's new marketing manager [Jaimie Turkington] came in and said, 'there is nothing more vital to this brand than packaging because in the absence of everything else, it's the entire consumer experience. So why wouldn't we put all our money, effort and time into it?'"

Chris Dallin, director of branding and design at Karacters Design Group, thinks part of the issue is some marketers "are scared to put their neck on the line and do something different. But on the other end of the spectrum, there are those who are prepared to do something different. They realize that to get noticed and to have your message heard and understood, you have to zig when everyone else is zagging."

Camino was one client that was prepared to go out on a limb. In 2010, the line of fair trade and organic chocolate bars was redesigned so consumers would better understand why they were paying \$4.95 for a chocolate bar. Karacters Design Group came up with the idea of a "joyful food revolution" that captures Camino's belief that

DOES PACKAGING MATTER IN E-COMMERCE?

Eye-catching packaging undoubtedly helps when people are facing products in the grocery aisle. But how important is packaging when they're staring at computer screens? Toronto-based design firm Shikatani Lacroix aimed to define the role of packaging in an online shopping world with a November 2011 survey of U.S. consumers. Some insights:

WHAT ROLE DOES PACKAGING PLAY AS PART OF THE ONLINE SHOPPER'S SELECTION PROCESS?



through the joy of eating great-tasting food made from high-quality ingredients, people will be encouraged to think about where their food came from, who made it and what's in it.

On the package, a custom-drawn map features quirkily named streets and the illustrations "reflect the vibrant, sustainable communities" that Camino (Spanish for "path") contributes to through its fairtrade partnerships.

"If a QR code takes you to information on how to use or assemble a product or shows a recipe, that is pretty effective information that a consumer can use right away" —Jeannette Williams, Onbrand Design

"Consumers are more sensitive to environmental sustainability and they want to know where companies source products from, where they get their raw materials and how socially responsible they are," says Dallin. "In the premium brands you see these stories starting to emerge and if they are authentic and believable then consumers are more inclined to pay a premium price." Challenger brands, he adds, "are putting effort, time and money into their packaging to compete at a higher level." It's paying off: sales of Camino chocolate bars increased after the rebrand from approximately \$1.75 million in 2010 to nearly \$2.2 million in 2011.

The philosophy of independent companies is built

around doing something different, adds Bateman. "They're much more [open] to that kind of approach because they've been more entrepreneurial from the beginning." While that philosophy is less evident in big companies, Bateman says that is starting to change.

In retailing, for example, "Target's whole proposition is around better design and bringing better products to people. Design has a place at the boardroom table. Hopefully we're going to see that change more and more as these big companies realize they're going to be left behind unless they are braver and bolder."

THE REVOLUTION WILL BE ON YOUR CEREAL BOX

In the next generation of packaging, storytelling doesn't end with the box, bag or bottle. QR codes, augmented reality and other technologies are reinventing packaging and creating exciting opportunities for marketers.

"I am calling it the era of the plug-in," says Subplot's Clark. "The package may not be different, but now there is a QR code on it. And the QR code leads you to an entirely different experience online." With augmented reality, "you grab your smartphone and suddenly the package has a car driving on it. Augmented reality is in its infancy stage but it is certainly starting to happen."

For example, Oasis fruit juice incorporated augmented reality onto juice boxes in March.

A. Lassonde (the makers of Oasis) and Tetra Pack Canada teamed up with Augmented CPG to transform

HOW IMPORTANT IS IT TO SEE THE ACTUAL PACKAGING PRIOR TO PURCHASE?

(total sample who answered "very important")



Source: Shikatan Lacroix, Packaging in an Online World

the Oasis 200 ml juice box into a game controller that allows users to play Oasis All-Stars, an interactive online soccer game. Players act as a goalkeeper, using the Oasis juice box to control the hands and make saves. "Nico," the Oasis soccer star that interacts with players throughout the game, encourages them to stay active and recycle the juice boxes after use.

Last November, the Hamburg office of Canadian ad agency Blast Radius created an augmented reality app for Nivea that allowed consumers to see a "private performance" by Rihanna. By holding up a specially marked jar of Nivea Creme to their monitors, users saw a tiny version of the superstar emerge from the cap of the jar and hear her sing "California King Bed."

In the U.S., General Mills is experimenting with augmented reality, QR codes and apps on a number of brands. General Mills chief marketing officer Mark Addicks told *USA Today* in January, "There's never been a time like this. Because of the digital technology that resides in people's hands... we can now deliver content that engages and enhances the experience. Before we had to rely on a 30-second TV ad."

Onbrand's Williams says there's growing interest from clients in having QR codes on packaging. But "it is kind of like Facebook was a number of years ago where everyone knew it was important to be involved but no one really knew what to do with it. Right now, if QR codes are not linked to a specific promotion and are just a push to a website, that might not be the most effective

way of using [them]."

She adds that using QR codes more effectively will come with more maturity in the industry. "For example, if a QR code takes you to information on how to use or assemble a product or shows a recipe, that is [something] a consumer can use right away."

QR codes are also useful in communicating information on packages that don't have a lot of real estate, says DDB Canada's Dubroy. "It comes down to storytelling... When you've got products like breakfast cereals that have a ton of real estate on the box where you can do lots of interesting things, that's great. But what do you do with toothpaste when you've got lots of benefits but very little real estate to work with? QR codes enable consumers to get more information on the spot."

Aside from QR codes and AR, technology suppliers are experimenting with wireless power that has the potential to literally light up the cereal aisle. At the Consumer Electronics Show in Las Vegas last January, Michigan-based Fulton Innovations showed off lit-up boxes of General Mills' Honey Nut Cheerios and Trix cereals, which were wirelessly charged by the surface they sat on.

Asked if he thinks this is a good idea (think of dozens of packages flashing at you in the cereal aisle), Dubroy laughs. "I don't know if it's a good idea or not because it all depends on the cost to retrofit the stores to be able to do that. But anything that helps drive someone to stop, take notice and actually spend some time interacting with a particular package is always a good idea."