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# Best Practices for Effective Product Packaging

# It's the Outside That Counts

## From Product to Package

Even the best new product won't sell if nobody sees it. With all of the time and effort that goes into developing and producing a new product, the last thing that aspiring entrepreneurs and businesses want to see is consumers walking right past their product on the shelf. Although very important, marketing can only take a product so far, and [studies](#) show that out of store marketing has only a small effect on unplanned purchases. These unplanned purchases are the primary source of profit in certain retail outlets, such as supermarkets and gas stations where stimuli exist everywhere to influence purchasing decisions. There are 6 key factors at work in a great packaging solution:

*“Supermarkets are places of high impulse buying ... 60 to 70 percent of purchases there were unplanned, grocery industry studies have shown us.” - (Underhill 2000, p. 101)*

The 3 things that businesses need to know before beginning the design process are:

1. Budget
2. Audience
3. Competition

And the 3 things that businesses need to do while in the design process are:

1. Get Noticed
2. Keep It Legal
3. Show The Product Benefits



Following this guide, which outlines these key factors, will help your product to not only get noticed, but receive serious consideration once it's picked up off the shelf.



### **Be Specific.**

While this guide serves as a fantastic general guide to effective packaging, there are many packaging standards that are industry specific. Ask other businesses in your industry or look to competitors for packaging tips that are specific to your product.



# 6 Packaging Essentials

# Know the Budget

According to Southfield Packaging Inc., [10% of every dollar spent at retail is directly attributable to packaging](#). This coincides directly with the fact that on average, 8-10% of product costs come from materials spent on product containers. Before anything else, a budget needs to be drawn out which evaluates the implications of different material choices. While materials are a part of the equation, different choices made at this stage often mean different distribution and shipping costs. There are plenty of easily overlooked costs that can occur in the planning stages and businesses should understand some of the following to avoid unexpected hits to profits.

**Internal Protective Costs:** Making sure that there is no empty space within the container ensures that the product isn't bouncing around and breaking before it reaches the consumer.

**Return Costs:** If returns cannot be processed in an easy manner, either due to distribution problems or a difficult design, costs can start to quickly pile up.

**Repair or Discard Costs:** If something does happen to the product before reaching the retailer or consumer, a decision needs to be made on whether to repair or discard the item. The costs for repairing and discarding a product vary incredibly depending on the materials used and the value of the product itself.

**Inventory Cost:** Retailers hold shelf space as a valuable commodity. The larger a product or its container is, the more a business will need to pay. Businesses should weigh the value of larger design ideas against the value of more inventory on the shelves.

Deciding what is viable before beginning the design process will avoid many potential headaches in the future. Businesses should keep in mind that there will almost certainly be packaging costs unique to their product, and critiquing ideas as they arise will help business owners and entrepreneurs create a functional, safe, and cost-efficient package.



# Know the Audience

Before even thinking about designing packaging, the target consumer needs to be identified. Audience doesn't stop with the consumer however; equally important is the venue through which a product is sold. Whether a supermarket, retail superstore, or a tiny boutique, keeping retailers in mind when conceptualizing product packaging gives leverage to businesses when negotiating terms. Regardless of the type of product, retailers want to stock items that are going to sell. Standing out to *the right type of consumer* is more important than just standing out from the crowd.

So what can business owners and entrepreneurs do to assess what kind of packaging their target demographic is partial to? Looking to top competitors for packaging ideas is a good start, but to get ahead of those companies, businesses should get into the trenches and perform field data collection on buying habits. Taking on the role of merchandisers and noticing trends in consumer behavior, such as preferences for certain sizes, shapes, or colors is a great way to begin the brainstorming process for a new design. These sorts of trends are easy to spot with the plethora of field data collection software available for businesses today.

# Know the Competition

Before jumping into the design process, businesses should do their due diligence and see what competitors have already put on the market. Not only will this help businesses get ideas about what is standard for that type of product, but carefully evaluating the competition should also unveil plenty of things that can be improved on or omitted completely. Business owners can utilize field representatives to collect field data on their competitors and gain an edge.





While it is good to be innovative and stand out from the crowd, in certain markets there are longstanding designs that consumers identify with. Straying too far from these designs could confuse consumers and cause them to overlook the product. For example, [a research study conducted by Betina Piqueras-Fiszman](#) which was published in the journal "*Eating*" assessed associations which consumers made between potato chip bag color and the flavor of the chips within. The study used two popular flavors: salt and vinegar, and cheese and onion. While traditionally salt and vinegar chips are sold in a blue bag, and cheese and onion chips are sold in a green bag, the study reversed the bag colors for the purpose of the study.

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What Piqueras-Fiszman found is that it took consumers significantly longer to decide on which flavor of chips they wanted, and significant doubt was instilled during the decision-making process. To add to the confusion, consumers who were given unlabeled bags of chips with their traditional colors reversed could not, on average, correctly identify the flavor of the chips within. What this shows is that consumers often have a preconceived notion of what packaging should look like, and straying *too* far from this design could cause them to pass over the product without a second glance.

# Getting Noticed

It is not enough to simply have what consumers want. If the consumer never sees the product, they will never buy it. While there are limitless ways to innovate, there are several trends that, if financially viable, can help drive sales and get consumer attention.

**Localization and Authenticity:** One great way for businesses to stand out, especially when starting out, is to introduce localized designs. Consumers who identify with the area the product is sold in will be drawn to a product that they feel represents them well. One company who has executed this strategy well is Absolut Vodka. Their line of local vodka bottle designs were designed by artists local to the areas they are sold in, and helped Absolut connect an international product with a variety of smaller markets.



Simultaneously, Absolut is playing on another trend, [which the Dieline](#) refers to as “visual authenticity.” This trend is about being visually stimulating, unique, and natural. Packaging that subscribes to the visual authenticity trend uses things such as hand written labels, hand done illustrations, and a rougher human finish, rather than a polished, machine-rendered logo. This appeals to today’s shoppers who want to discover something new and off the beaten path. Packaging that uses these kinds of features have a degree of artistry to them that attract consumers on



the grounds that they are new, small, and not mainstream – not a logo they have been seeing on TV ads their entire lives. These logos add a degree of humanity to the brands that use them. They are not some removed corporate entity, they are local artisans and artists for you to discover. Absolut does this through the bottle images they commissioned from local artists. Another example of this, notes the Dieline, is Santa Cruz restaurant, whose logos appear to have been done with chalk and crayon.





**Eco-Friendly Designs:** Another trend that businesses should consider when designing their packaging is the eco-friendly approach. [Joonas Rokka and Liisa Uusitalo's study published in the International Journal of Consumer Studies](#) demonstrates exactly why environmental-consciousness is more than just an ethical choice—it's a good business decision. When comparing different attributes side-by-side, the study found that one-third of consumers—the largest consumer segment—found environmentally labeled packaging to be the most important criteria for choosing one package over another. While businesses should make sure that their target demographic coincides with this viewpoint, it is certainly an option that should be considered when approaching different designs.



**Social Designs:** Aside from catching a buyer's eye on the shelf, when shared socially, packaging can be a great way to grow awareness of your brand. The Paper Worker notes that 40% of all consumers would share a picture of packaging on social media if it were visually appealing. They note BirchBox, an online makeup subscription service as a prime example of this. BirchBox mails their products in fun colorful packaging, the patterns of which vary. The eye-catching designs reflect their unique beauty brand. On Instagram alone, there are 341,000 posts tagged with BirchBox. This excessive sharing has exposed their brand to a massive audience.

You can also promote your various social media channels on your packaging, and encourage users to submit photos, or visit your site for special promotions. A good example of this is [Perrier's Secret Place promotion](#). Perrier sparkling water has recently run a campaign that invites you to play "Secret Place" a highly interactive online game. The game follows multiple interesting characters through an old timey club scene, searching for the secret bottle of Perrier. Finding it allows you to enter to win a trip to a city notorious for its nightlife. Promoting this on ads and bottles attracted a young, digital audience.



**Switch it up:** Another way to differentiate your product from others is to occasionally switch up your packaging during special times of the year. Starbucks' red holiday cups lead the pack in this regard. Around the holiday season, Starbucks switches from their usual white cups to red winter cups to house their gingerbread lattes among others. People await the arrival of the red cups all year long, and their appearance has become a definitive symbol of the arrival of the Holiday season. They are also commonly shared on Instagram and Twitter. Changing your packaging for special occasions will make your product pop, and bring your brand more popularity.



**Transparency:** As consumers become more and more health conscious, and want to know exactly what they are eating, transparent packaging, or transparent windows in the package have become a popular trend. This allows consumers to see the product inside, and feel they know exactly what they are getting. This makes the product seem fresh and authentic. Today, a lot of health and organic brands are making the shift to transparent packaging in order to stay competitive. Clif Mojo bars have recently changed to clear packaging in order to keep up with Kind fruit and nut bars. Larabars have also begun using clear packaging, as reported in the [Wall Street Journal](#). Though the ingredients in the bar have not changed, consumers reported that they tasted better and fresher, and seemed less artificial, according to Julia Wing-Larson, a representative of Larabar. As consumers become more and more aware of what they are eating, this trend will continue to gain traction.

If a new product does not stand out in the sea of options that consumers have, it will be very difficult to gain any sort of brand loyalty from consumers. By monitoring what exactly is working for similar brands right now, and carefully reviewing the target demographic of each product, businesses can make sure they stay ahead of competitors when it comes to being seen on the shelf.

# Keeping it Legal

An aspect of the design process that is too often an afterthought, or even overlooked completely by businesses and entrepreneurs is the information that different products are required to display by law. In the United States, The Fair Packaging and Labeling Act of 1967, or FPLA, gives two governing bodies, the Federal Trade Commission and the Food and Drug Administration, authority to set industry standards. As it stands at the time of writing, the basic guidelines according to the FPLA are as follows:

- A statement identifying the commodity, e.g., detergent, sponges, etc.
- The name and place of business of the manufacturer, packer, or distributor
- The net quantity of contents in terms of weight, measure, or numerical count (measurement must be in both metric and inch/pound units)

Businesses that are aware of and follow these guidelines throughout the initial design process will not have to worry about legal repercussions resulting from their design choices anytime soon.





# Show the Benefits

More than just looking nice and standing out to consumers, one of the most important parts of the design process is functionality. Once the product grabs the attention of the consumer, they need a reason to stick around and consider purchase. This is accomplished by showing the consumer what the product is, and what it can do. While it's not a bad idea to simply print this information on the package, sometimes the design itself can speak volumes about the product.



Designed by Corrine Pant, Via Packaging of the World

Take for example Note Headphones. Their design only has a few words, in very small print, but it is also immediately clear to consumers that these headphones are meant for listening to music in high quality. On top of this, the materials chosen avoid the clamshell exterior headaches that can turn off many consumers. Differentiating a product from competitors while still remaining familiar to consumers is a difficult line to walk, but entirely possible with enough foresight and innovative thinking.

# Wrapping it Up

It has been established that understanding the consumer and competition is vital to developing effective and innovative packages, but it is inevitable that with time, purchasing habits will change, and businesses will need to adapt.

For a great example of adapting to market changes and reconsidering previous stances, look no further than Tom First, co-founder of Nantucket Nectars, the famous juice startup whose product is now sold across the country. After meeting with a marketing expert who wanted to discuss the strategy of the company, First realized he had never even considered changing what was at the time one of the weaker parts of his promotional strategy—the package design. After changing the Nantucket Nectars packaging, First described the transformation in this way: "We went from a product that we pushed off the shelf to a product that pulled itself off the shelf." It is vital to understand that just because a product is doing well, does not mean that businesses should become complacent.

To ensure continued sales and product longevity, businesses should monitor trends in the market using all the tools available to them. This includes field representatives and field management software that allows for evaluation of the product in different locations and situations. If sales begin to stagnate, it's not a bad idea to look at field data and see if trends have changed. Staying up-to-date and following the practices described in this guide will help products get on shelves, get noticed, and most importantly—get purchased.





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