

# DRESSING FOR THE PARTY:

## *The Ultimate Guide to brand packaging in an omnichannel environment*



### Introduction

Packaging has long been relied upon to deliver a brand's key messages, capture attention on shelf and communicate important information. Add the increasingly important layers of cost, reduction of environmental impact and advancement of overall sustainability, and you have a complex enough equation. Packaging shoulders a heavy burden for brands and for customer perceptions of that brand promise.

How is this changing in a shopping environment that is increasingly moving toward convenience? From the hybrid model of ordering online and picking up in store all the way to consumers simply asking Alexa to order products for them, visual interaction with products is now an entirely different beast. **How can brands keep up?**

In this paper, we draw on our 25 years of experience helping companies such as Sanofi, Coca-Cola Company, and Tyson Foods connect with their consumers. Operating under the knowledge that a brand's visual look, graphics and design elements are essential to success, we explore how examining a traditional approach to brand packaging can be translated across shopping channels.

### Key takeaways

- Find out how your product's brand category affects packaging decisions in a convenience driven environment
- Understand why brands can no longer ignore demands for sustainability, both from a cost and environmental standpoint
- Explore ways to determine which packaging elements should be retained across channels, and which need to change
- Discover a step-by-step way to approach packaging to help ensure a successful launch in an omnichannel marketplace



## Brand category matters (more than you think)

There's a giant chasm between toilet paper and, say, a bottle of top-shelf liquor. Everyday purchases, like cleaning supplies and paper products, are becoming part of what some are calling a "thoughtless" category. With features like Amazon's Subscribe and Save increasing in use, consumers automatically receive their products with no further consideration. A more costly, less frequent, or even luxury purchase will require more consideration, in which packaging may play a greater role.

While the shopper journey is drastically influenced by brand category, this doesn't mean that those products that fall into the "automatic purchase" categories should throw up their hands in despair.

Consumers are making decisions based on a large number of factors, and it is essential that we understand the context surrounding how they are using products and brands. When we relate this back to packaging, there are a few things of which we should take note and keep in mind when making decisions when it comes to brand category.



### *The "every day" brand*

Packaging in an online environment is not as critical for established brands that fall into the "replenishment" mindset for the consumer. The consumer sees the brand once when signing up, and then never again as it automatically appears on their doorstep. This behavior is likely to increase in the race to convenience. However, these brands will need to capture consumer attention in the first place, through a more traditional awareness and consideration pathway. It's important to remember that consumers are still spending more in-store than they are online, so capturing them from the shelf continues to be a vital piece for this brand category.

### *The impulse buy*

There's a reason why checkout lines at the grocery store are lined with candy bars, gum and mints. These impulse purchases are driven in great part by captivating packaging. With up to 40% of consumer spending at the supermarket made up of impulse buys, and 75% of consumers admitting making impulse buys, brands in this category should take note. Packaging must be a priority to stand out from the crowd in this competitive in-store environment. The ultimate goal would be to encourage repeat purchase, but encouraging trial in this type of category is primarily driven by visual appeal. Impulse purchases like these are not as common online.

### *The rare purchase*

In this category more than any other, the customer experience is absolutely vital. Consumers are shopping based on shared values, with 50% of consumers worldwide making "belief-based" purchases. When you have a brand that takes a high amount of consideration, and may fall into a more expensive category, you must connect with your consumer. Packaging plays a large role in building this connection and communicating core values and beliefs. For example, if a brand donates part of its profits to charity, this information should be up front and center. Think about Newman's Own "All Profits to Charity" tagline. While this is not a luxury brand, the packaging has the brand's value proposition for belief-based shoppers displayed up front and center.



### Brand tip:

Determine which category your brand inhabits and where to focus your energy when it comes to packaging. Ask questions like:

- Are consumers shopping more online for products in my category?
- Is my brand fighting for shelf space in-store in a crowded category and less likely to be purchased in an online environment?
- What does my packaging need to say about my target audience?
- Are they shopping in my category based on shared values?

In short, brands in all categories must ensure that the customer experience with the packaging is flawless as that will entice purchase. Regardless of how the package works to drive a buy, either in brick-and-mortar or online, the user experience must be a great one!

## Sustainability rises in importance

Amazon recently announced that it will start charging vendors a pretty steep fee if they don't comply with its new packaging guidelines. Yes, this has to do with shipping costs, but more importantly it is a move that provides a big giant nod to consumers' rising concerns over packaging sustainability. Governments are even getting involved here, illustrated by the EU's recently passed ban (effective by 2021) on single-use plastics, and other industry and government commitments like the New Plastics Economy Global Commitment and UK Plastics Pact.

Reducing single-use plastics has lately become the siren song of environmental consciousness, in the wake of news about recycling challenges and clogged ocean and waterways. The concerns over plastics are just one thing that have amplified the need for sustainable packaging across the board and the time for brands to step up is now.





And many brands are stepping up. In our work with some of the world's leading brands, we've seen a rising commitment to sustainable packaging. Many have set firm deadlines for meeting these goals, believing it is not only a way to meet the demands of their target audiences but is also the right thing to do. We already know that many consumer groups have a high level of environmental consciousness when it comes to the products that they buy, and this goes hand-in-hand with packaging. According to a recent study from Accenture, 83% of consumers believe it's important or extremely important for companies to design products that are meant to be reused or recycled.

**What are some ways that brands can start to think about this important move?** At a high level, these are a few of the concepts that can start movement down the path toward eco-friendly packaging, although each approach comes with its own challenges.

#### **Recyclable:**

Most brands are thinking of recyclability as a first step toward environmentally friendly packaging, making changes to materials to increase ease for recycling. While this seems like a no brainer, more and more cities are reducing their recycling programs in the face of rising costs, so this isn't a blanket solution any longer. Some conversations have turned from simply addressing recyclability to a better recovery approach, using alternative materials.

#### **Reduction:**

This involves actually removing packaging materials from products, minimizing environmental impact. Of course, packaging must still serve its purpose in keeping its product's quality and keeping it safe from any damage. Optimizing packaging and reducing overall material usage can not only positively impact sustainability goals, but can also eventually reduce costs.

#### **Reusable:**

This approach can be challenging as it turns a long-held habit, in which a package is torn open and thrown away or recycled, on its head. Generally reusable products must be built in a manner that allows them to hold up longer, which initially may have a greater environmental impact. But this approach, when feasible, holds some promise due to ongoing recycling challenges as mentioned above.

#### **Rethinking:**

Many brands are investing in new materials such as biodegradable plastics or switching from plastic to paper. While consumer perception on the whole views paper as more eco-friendly, some believe that the impact on forests negates this approach. Examining the pros and cons of changing out materials, with a full packaging life cycle mindset and careful evaluation, can help sustainability.



### Brand tip:

If you don't have sustainability on your radar when it comes to packaging, you will soon be left behind. The Sustainable Packaging Coalition defines sustainable packaging by looking at a package's social, environmental and economic impacts. Step back and look at your products through each of these lenses to determine which is most important to both your company or brand, as well as to your target audiences.

**How can you shift your packaging to be more eco-friendly, and then effectively communicate this important move so that it resonates with your consumer group?**

## Packaging elements across channels

There are several things that a brand package must do and some of these essentials won't change, no matter the shopping environment. It's well-known that inconsistent branding can cause confusion in the marketplace, impact loyalty and give consumers negative perceptions of a brand. In fact, 90% of consumers expect their experience to be consistent across all channels and devices used to interact with brands. Packaging plays a large role in this consistency, providing touchpoints in multiple shopping environments.

There are basics such as the brand logo, colors and more that should communicate the look and feel of the brand across channels. However, many brands do modify their packaging for the online channel, sometimes providing a more simplified version of what might be seen in the store. The burden of capturing attention on-shelf is minimized in an online environment. According to *PackWorld*, "there has been a move to a more minimal branding approach in packaging design for several years. This obviously plays out well in digital channels, as the impactful, graphic look and feel is easy to recognize and stands out in a fast-moving scroll-through."

In our research at AMC Global, we've heard from some qualitative survey respondents that this simplified approach leads to the perception that the company is spending less on packaging, and this savings is passed on to them. It's important to note that any "stripping down" of packaging, in any channel, must not interfere with the user experiences.



Many brands are familiar with the tenets of capturing in-person purchasers. The online environment, what some call the “digital shelf,” poses some unique challenges:

### **Tiny images:**

Many times a thumbnail is what the customer sees of the brand. The package image must stand out in this environment, be clear and easy to read, reflect the brand. Using traditional product package images may not be the best approach.

### **Examination:**

In a brick and mortar environment, a customer can pick up the package and examine it closely. It is important to provide an online way for this to happen for the shopper, with further imagery, perhaps of the existing label (e.g. ingredients and uses) or a new design.

### **Promotion:**

Think about all the ways you CAN capture attention online that you can’t accomplish on shelf. Video demonstrations of products are one great example. You can display your packaging and product in a real-life environment to showcase its strengths.



### **Brand tip:**

Don’t try to recreate the in-store experience online when it comes to packaging, but instead consider what works best in this fast-moving environment. Capturing attention with appropriate imagery, making sure that the imagery is easy-to-read and clear, and providing all the information necessary for decision-making becomes even more vital in a digital ecosystem. If you can’t grab attention online, you’ve lost your chance. Consumers don’t have the luxury of a tangible product they can touch, feel and examine as they do on shelf.

**Ask yourself which elements need to change and which can remain, while retaining your brand equity and promise, as you move from channel to channel.**

## **Unpacking the best approach for my brand**

Packaging needs to be recognizable, relatable and fulfill its role – a role that can include everything from protecting the product to raising the brand awareness. In short, there are several key elements to consider along this packaging journey, depending on the stage of both the brand and product. During this time, most brands are hoping to:

- Define a brand identity that connects with consumers and understand which elements are driving their motivations to buy
- Consider the customer’s complete journey through the visual elements of the package and then streamline that journey
- Optimize the look, feel, logos, imagery, on-pack communication and other visual components to reinforce brand positioning

But how to be sure packaging is working its hardest? Uncovering answers can be accomplished in several ways, but it always should begin with a full assessment of goals. What are a brand's key barometers for success with the package? What is the brand's ultimate strategy—deepen loyalty or add new users? What elements need to stay—across all channels and with any redesigns—to preserve brand equity?

After taking a look at some of these overarching objectives, then the packaging itself can take center stage. What will stand out in key shopping environments (online or in store)? What do consumers actually think? A great way to answer some of these questions is to observe shopper behavior in a specific category order to understand the critical features they are considering. How are they interacting in-store with the displays? How does this differ from how they are behaving online?



Once this baseline is established, then a brand has a chance to narrow down features and build some design prototypes. Screening these prototypes through in-person shop-a-longs and in a digital environment will help identify which designs rise to the top. An approach like this, can be followed up by a deep dive using qualitative research methods to help understand exactly what is driving selection.

Launching a new product doesn't mean the packaging journey has come to an end. In fact, we've often found that many last-minute refinements can be made post-launch. This requires connecting with actual purchasers of the new product to get their candid feedback. These seemingly small, last minute changes can save brands big headaches on further rollout by addressing buyer concerns head-on.



### Brand tip:

When it comes to packaging for an omnichannel environment, you should leave no stone unturned. Landing on the right packaging to meet your brand goals can mean the difference between success and failure. Proper brand research, product and package testing can help to ease this journey and ensure that packaging does its job, and does it well.



**Want to learn more about research supporting successful packaging in any environment? Reach out to us at:**

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