

## Give packaging a facelift

Retailers could find that a store brand packaging redesign boosts sales, as well as loyalty and relevancy among consumers.

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For the first time in eight years, Bud Light — an iconic American brand — is redesigning its packaging. The new look will be more “modern” and “fresh” and “will pay homage to its most iconic packaging of the past,” says Alexander Lambrecht, vice president of marketing, Bud Light. For the redesign, Bud Light decided to bring back the brewer’s historic trademark “AB” crest, which hasn’t been used on Bud Light packaging since 2001. The crest is heavily featured at the top of the beer can against its trademark blue color.

According to a Dec. 17, 2015, *Fortune.com* article, many people feel the redesign is meant to mimic the look of craft beer. After all, Bud Light sales have struggled in recent years as smaller brewers have been capturing more market share.

Regardless of the reason, Bud Light obviously felt that it would make good business sense to redesign its packaging. Similarly, retailers could find that a redesign of their store brand packaging could be beneficial. For instance, a redesign could help to lift sales, increase customer loyalty and maintain the brand’s relevancy among consumers. Is it necessary?

For many retailers, it can be difficult to determine when a private brand packaging redesign is necessary.

But “consumers are consumers, and the principles of sound branding and marketing apply universally,” explains Mike Goefft, managing director, DDW LLC, San Francisco. “Retailers that do well with their private label brands are the ones that learn from their national brand partners. They build private label brands that complement their retail master brand, infuse those brands with meaningful emotional benefits, and execute consistently with their master brand positioning and strategy.”

To assess the need for a redesign, retailers could begin by asking themselves, “When was the last time my own-brand packaging was redesigned?”

After a design gets to be a few years old, it typically begins to feel tired and is no longer relevant, says Danielle Kidney, director, The Creative Pack LLC, Los Angeles.

“In the same way clothing trends change over time, packaging trends evolve, too,” agrees Jim Jackson, vice president, design director retail and packaging, Periscope, Minneapolis. “If a product’s packaging doesn’t look current, why is someone to believe that the product inside is current?”

According to Goefft, retailers should understand their brand’s “story” on a deep level and then ask, “Am I telling our story effectively?” If the answer to this questions is “no,” then a packaging redesign may be in order. Similarly if there are inconsistencies in branding across the product line, or if the product positioning has changed, or if it’s time to target a new segment of consumers, a packaging redesign of its private brand could be useful. And although common, retailers might want to rethink a one-size-fits-all branding strategy.

“Store brands can no longer survive with the notion of one size fits all,” Jackson says. “Just because you design your brand and flesh it out to thousands of SKUs doesn’t mean you’re done.”

Scott Behmer, management supervisor, retail, Periscope, agrees.

“Category nuancing is now the norm, and gone are the days of the monolithic store brand style guide,” he says. “All store brand offerings need to have a connection to the master brand but must also have the flexibility to compete within their own category. Consumer need states are different in every aisle.”

Who’s involved?

Once a private brand team has made the decision to redesign store brand packaging, it must also determine who within and outside of the company to involve in the redesign process.

While sometimes the retailer’s CEO is involved, usually it’s the category manager or director of private label who approves the project. Of course, a packaging design agency is also often involved in the project, as are suppliers. Some retailers also have a technical team or quality assurance team that helps ensure labels are compliant, and the legal department might even be involved if there are trademark or brand changes that need to be researched, Kidney says.

In addition to these personnel, Behmer says brand strategists and consumer insights, supply chain, marketing and employee engagement personnel should also be involved in the process.

“It is wise to engage key stakeholders to uncover all opportunities and ensure alignment toward the same North Star,” he adds.

Retail staff within stores should also be involved, Goefft suggests. Employees could

provide valuable feedback as to whether or not the packaging is intuitive for them to display correctly, to load quickly, to stock easily, etc.

And it's critical to involve the consumer, Goefft says. The design should enhance the consumer experience at the shelf, but retailers won't know if it's fulfilling that goal if they don't engage consumers during the design process.

What are the benefits?

Of course, retailers expect a significant return on their investment in a private label package redesign. Fortunately, it's "well documented" that new packaging can have a direct positive impact on sales, Goefft says.

"Research studies repeatedly find that innovative packaging systems — new shapes, materials, dispensing systems, etc. — are powerful differentiators, and can help justify price premiums and increase brand loyalty," he adds.

Plus, packaging redesign can offer benefits such as increased emotional connections with the consumer, elevated reasons to believe, enhanced wayfinding and increased perceived value of the product, Behmer says.

Additionally, if the retailer engages a structural engineer to reimagine the dieline, retailers could lower printing/substrate costs and even find efficiencies in case packing, Behmer continues. And planogram planning could help increase shelf space optimization. For instance, if a retailer was able to switch its packaging orientation from horizontal to vertical, it could allow for more items on the shelf.

To maximize its return on investment, a retailer might want to consider relaunching the line to coincide with an event or marketing drive, Kidney says. For example, a line of eco-friendly cleaning products might be redesigned in time for Earth Day.

Redesigned packaging could also benefit retailers by building customer loyalty, she adds. A redesigned package could encourage a consumer to switch to the store brand product and try it for the first time. If the product is received favorably, the customer will return to the banner to purchase it again.

The Wild Harvest lesson

Supervalu Inc., Eden Prairie, Minn., re-launched its private label Wild Harvest in 2008 to give customers a range of natural and organic product they could trust, says Mike Goefft, managing director, DDW LLC, San Francisco. Within the first year of the re-launch, Supervalu was offering more than 300 items in 1,500 stores, generating 640 percent growth in sales.

"In 2014 sales remained strong, but Supervalu and DDW recognized an opportunity to redesign the brand to address the growing skepticism about the use of the word 'natural' and align with evolving consumer expectations in the natural and organic categories," Goefft says. "The consumer was looking for confidence that the products they were purchasing were 'free from' what they considered to be unhealthy ingredients such as GMOs, artificial flavors and colors, etc."

The redesign of Wild Harvest, introduced in February 2015, successfully maintained the equities and strengths of the original design, contemporized the brand and established a relevant messaging platform to instill confidence in consumers that Wild Harvest is a brand they can trust to be transparent about the ingredients in each product, Goefft explains.

“At the end of the day, it comes down to anticipating your customers’ wants, needs and expectations, and how those are constantly changing. And designing a brand experience that delivers on the promise in a consistent, fresh new way,” Goefft concludes.

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