

WHITE PAPER

In-Store Retail Packaging

Display, Secondary, and Primary Product Packaging





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What's Your Story?

IN-STORE RETAIL PACKAGING can be so much more than a product protector. It can tell a brand story, disclose important information, or even elicit an impulse purchase.

However, today's discerning consumer looks at packaging in new ways. They care about design as well as the materials being used. Are they sustainable? Am I getting the information I need to make a thoughtful decision? Does this brand align with my needs?

Research shows that the majority of Americans believe the design and materials used to package a product often influence their purchasing decision. And not surprisingly, package design becomes a greater influence when a shopper is buying a gift.

Brands that are able to tell an authentic story are better able to reach consumers. In-store packaging provides one of the greatest opportunities for brands to draw the eye and help a brand stand apart through their story.

This paper explores what types of packaging garner more shopper attention and why. More specifically you'll learn the basics of packaging, how to work with suppliers to balance the needs of the brands and retailer, how to ease shoppers' purchasing decisions with design, and how to manage the in-store packaging lifecycle.

Our goal at Shop! Environments Association is to provide retailers and brands with fresh ideas to meet their customers' untapped needs by using Shop! member products and services. Delivering on the "wow factor" is one of six important retail trends we've identified in today's challenging retail environment. This paper offers insights on how packaging can create a brand story to ultimately enhance the retail experience and improve purchasing.

I want to thank our Research Council for their contributions to this paper. I am confident you will walk away with creative ideas to capture attention at the shelf and influence buying habits through your displays, secondary and primary product packaging.

If you have any questions about this or other Shop! white papers, feel free to reach out to me (tdittman@shopassociation.org) or Madeline Baumgartner, Director of Research, at mbaumgartner@shopassociation.org.

Todd Dittman, Executive Director Shop!



BRANDING AND RETAIL DESIGN are essential tools for helping product- and service-centric businesses bring their unique story to life for the new discerning buyer. Craftsmanship, authenticity, and provenance form the narrative for engagement and a platform for creating immersive, sensory, all-encompassing experiences that captivate and build ties with the customer.

Brands, especially luxury ones cracking into emerging territories—and, indeed, all markets—have to become increasingly adept at engaging their audiences with captivating storytelling through physical and virtual assets, and design is an effective means of making this happen.

Changes to consumer shopping habits have seen an opportunity for independent, boutique, and craft brands to steal both hearts and market share because of the authentic brand story they are able to communicate. Part of this communication comes from packaging. It poses the biggest opportunity for brands to draw the eye via design and narrate the principles and ethos that sets it apart from the competition.

Clever brands use the medium to capture the spirit of the times by creating limited edition packaging that is culturally ‘of-the-moment’ and collectible, but they also look at packaging as an opportunity to be retained, re-used, and upcycled.



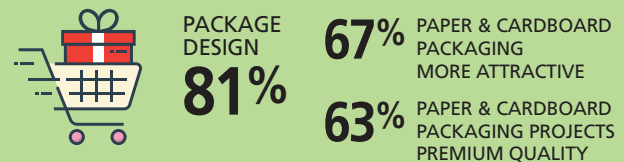
SOURCE: JASPER SANIDAD

If a brand can create packaging that is too beautiful to throw away, or useful enough that it can be repurposed as homeware or stimulating enough that it can double-up as a child’s toy, it creates a valuable opportunity for daily brand exposure to its customer.

PACKAGING INFLUENCE ON PURCHASE DECISION



PACKAGING INFLUENCE ON GIFT PURCHASE DECISION



Source: April 2018, IPSOS and The Paper Packaging Board survey

Packaging comes in numerous materials from glass to metal, from plastic to wood and paperboard and everything in between. Just as there are numerous packaging materials, there are even more styles, designs, and purposes. The “type” of package will depend on the product, product category, where the package will be sold (i.e., in-store, online), frequency of product used (i.e., one-time use, long-term, multiple, short-term), where the product will be used, where the product will be stored (both before and after the sale).

The right product packaging will support the brands and retailers’ brick-and-mortar strategy and address the needs of the consumers. This white paper will focus on in-store primary and secondary packaging and will examine:

- The basics of packaging
- How to effectively work with suppliers to balance the needs and demands of the brand and retailer when developing in-store packaging.
- How in-store packaging can ease shopper’s purchase decision process
- How to effectively manage the in-store packaging lifecycle

Packaging 101



PACKAGING – the container used to protect, promote, transport, and/or identify a product. The package may vary from a plastic band wrap to a steel or wooden box or drum. It may be primary (contains the product), secondary (contains one or more primary packages), or tertiary (contains one or more secondary packages).

Source: The American Marketing Association (AMA)

IN-STORE RETAIL PACKAGING can be so much more than a nice product protector. It can tell the brand story, disclose information about the product to help the consumer make an educated purchasing decision, or cause a consumer to make an impulse purchase. Product packaging can also reflect the values of not only the brand, but also that of a retailer.

According to the WestRock 2018 Packaging Matters report, consumers value the functional benefits of packaging that keep products safe, secure, and easy to use.

PACKAGING & CONSUMER PURCHASE DECISIONS

- SAFETY**
75% say purchase decision impacted by packaging made from materials that prevent product from leaking or breaking
- DELIVERY**
75% say delivery features such as making sure packaging from delivery services is securely closed are important
81% of online shoppers value delivery features
- CONVENIENCE**
76% want easy to open packaging
76% say features like re-sealability are important

Source: WestRock 2018 Packaging Matters

PACKAGING CATEGORIES

Before we delve deeper into in-store packaging, its purpose, and its lifecycle management, let's start with a primer on packaging in general. There are four overall categories that packaging can fall into. A product may or may not be subject to any or all of these categories. These categories include:



SOURCE: HERSEY'S, SHOP!

TRANSPORTATION PACKAGING

When products need to get from the warehouse to the store, companies often will bundle them together, load them on a pallet, and ship them to their destination. But oftentimes, companies will ship smaller quantities to customers, and that is usually accomplished using corrugated boxes. These boxes come in a variety of types, sizes, and thicknesses depending on the quantity, type, size, and weight of the product contained within, along with the distance it is traveling.



P-O-P DISPLAY PACKAGING

As consumers' shopping habits and product tastes change, so does product display packaging. Displays come in a variety of shapes, sizes, materials, and functions each of which is determined by the product, product category, and longevity in the retail establishment. It can also be dependent on the brand and retailer needs, requirements, and desired customer experience.

With the rise of ecommerce and retailers' desire to keep aisles clear, there has been a push for manufacturers to develop ship-ready packages. This is not to say the use of elaborate displays will decrease; in fact, the opposite will help convert shoppers into buyers. But the CPG world especially is looking to ease their shoppers' and employees' pain points. One pain point is stocking (or seeing out of stock situations) on displays.



SOURCE: PEPSICO

For examples of best-in-class displays, visit the Shop! OMA Awards at <https://bit.ly/2U9afm4>. For more information on developing in-store marketing materials, including P-O-P display packaging, check out the 2017 Shop! ROI Standards: In-Store Marketing Materials Standards Document at <http://www.shopassociation.org/roi-standards-program/>.

SECONDARY PRODUCT PACKAGING

Secondary product packaging is used to combine multiple quantities or multiple types of products. Secondary packaging is also made with a variety of materials depending on the purpose. Types of secondary packaging include, but are not limited to:

- Luxury Packaging
- Specialty Packaging
- Gift with Purchase Packaging
- Holiday Packaging
- VIP Boxes and Presentations
- Influencer Kits
- Sales Presentation Kits
- Product Launch/Special Release Kits
- Press Kits

Shelf-ready Packaging (SRP) or Retail-ready Packaging (RRP) refers to optimized packaging of a product that delivers to a retailer more efficient stocking and sale execution. RRP is ready-to-sell secondary packaging. Primary packaging contains the product, and secondary packaging protects the primary packaging. Retail ready packaging is placed directly onto the shelf without the need for unpacking the inner contents. Advantages to RRP are ease of opening, placement on the shelf, replenishment, and shopping.

According to a study conducted by Smithers Pira, the market for retail-ready packaging continues to increase and is expected to grow on average by about 4% annually until 2021. Retail-ready packaging is expected to reach \$82 billion globally in 2021.



SOURCE: JASPER SANIDAD

PRIMARY PRODUCT PACKAGING

Primary packaging is the last piece of packaging between a product and the consumer. Primary packaging is also made with a variety of materials including paper, plastic, glass, and/or metal. The material and shape of the package is dependent upon the purpose of the product. It often remains on the package until the consumer obtains the product and is usually not removed until right before the product is used.

Primary packaging should be informative, attractive, and provide the raw product with protection. Durability is very important, because if the packaging is damaged, the consumer may perceive the product as being defective.

DIGITAL PRINTING & PACKAGING

The rise of digital printing has allowed brands to quickly change the graphics and text on the packaging as needed. Oftentimes retailers such as Walmart require packaging design for a product and/or P-O-P Display that is different from Target or Meijer, for example. Digital printing is flexible enough to make these changes without the packaging or P-O-P producer incurring extra production costs.

Retailers are not the only ones wanting a personalized/customized product experience, however. Consumers are demanding them as well. Digital printing allows brands to easily and cost effectively make this happen. A primary example of this is with Coke and its Share a Coke campaign, or Pepsi and its emoji campaign.



SOURCE: COKE



SOURCE: PEPSI

CASE STUDY:

Recovery Skin Relief

Supplier: Hamacher Resource Group, Inc.

Client: NovaGenesis

Retail Channel: Ecommerce and Drug Store

Product Category: Personal Care

Materials Used: Plastic tube, coated cardboard

DESCRIPTION

NovaGenesis formulated a therapeutic skin care product, Recovery Skin Relief, which had been used primarily by cancer patients to address the damaging effects resulting from radiation therapy. They knew it was also effective at addressing other skin conditions such as eczema and skin issues resulting from diabetes. NovaGenesis believed Recovery Skin Relief would be a natural fit in the independent drug channel where those seeking a therapeutic skin solution often turn for counsel and recommendations.

SOURCE: HAMACHER RESOURCE GROUP, INC.



In their quest to gain distribution in the unique independent pharmacy segment, the company needed a retail pull strategy that would motivate drug wholesalers to inventory their products and ultimately help them gain placement on pharmacy shelves. HRG recommended creating three separate, targeted products, each meeting a specific need for more category exposure (diabetes care, first aid, and skin care).

GOALS

The package design needed to attract consumers of varying health need states, independent retailers, and wholesale buyers. Because the products were new introductions, messaging and design elements had to help tell the story of the need each one addressed and build on the already established multi-dot icon from the original packaging for brand recognition and continuity.

OUTCOMES

To build a line of products easily identifiable by shoppers as a family of skin care solutions, HRG developed one package design that was applied across the three products. The individual package messaging focused on the particular health states and included the story behind the company. The packaging appealed to the core demographic for each product, which was women. Knowing there is a very brief window when shoppers are at shelf deciding which product to choose, the



SOURCE: HAMACHER RESOURCE GROUP, INC.

packaging was designed to stand out from competing items in the various categories.

HOW OUTCOMES COMPARED TO EXPECTATIONS

The package design met client expectations. The packaging was very well-received within the market, and the products earned placement in independent pharmacy planograms. The company extended the line to new SKU introductions and is now planning reformulation to further expand product appeal.

KEY LESSONS LEARNED

Timing of the transition from old package to new could have been better orchestrated within the supply chain to avoid confusion and create a smoother changeover.



SOURCE: HAMACHER RESOURCE GROUP, INC.

TESTIMONIAL:

"Marty and I realized that our company and our brand, Recovery Skin Relief, needed solid business advice to take it to the next level. When NCPA suggested we contact Hamacher Resource Group, we soon discovered that we had a team of knowledgeable advisors that we could collaborate with to discuss business strategies. HRG's knowledge and expertise in the industry has provided us with impactful messaging, engaging marketing collateral, and packaging that will stand out at shelf. Working with Hamacher is completely seamless. It is like having a team sitting in our office. Communication is easy and straightforward, and the entire experience has been outstanding."

—Marjorie Newman, CEO of NovaGenesis

Shopper Assistance



SOURCE: DAGO

HELPING SHOPPERS make in-store purchase decisions is a key function of packaging. Brands often engage shoppers with creative designs, but the overall marketing goal is to persuade them to buy. Packaging is used to:



According to the 2018 WestRock Packaging Matters study, aesthetics is the primary driver impacting consumers' decisions to try something new, buy something again, or switch brands.

PACKAGING AESTHETICS & PURCHASE DECISIONS

▶ TRIAL
81% of consumers have tried something new because the packaging caught their eye

▶ REPEAT
63% have purchased a product again because of the appearance or aesthetics of the packaging

▶ SWITCH
52% changed brands because of new packaging

Source: WestRock 2018 Packaging Matters

“Every package must create an emotional reaction for consumers at the point of sale... Consumers are more likely to trust brands when messaging and claims are succinct and easy to understand.”

— Mintel, Global Packaging Trend 2018

PACKAGING AS AN ACTIVE ELEMENT OF POP IN-STORE COMMUNICATION STRATEGY.

Effective packaging design enhances brand awareness and provides product education. As such, it should be an active and dominant part of a POP communication strategy, including the design of an in-store display. The packaging team should be engaged in the POP design proposal stage. By working collaboratively, the packaging and POP teams can ensure the packaging design supports the visual, aesthetic and technical characteristics of the overall campaign.

Packaging is an artistic medium for brand expression; it is a valuable touch point and every detail is important—from the tactility of the material and the shape, to the brand mark and the label design. Packaging provides navigation heuristics and reduces the cognitive load for shoppers.



SOURCE: JANE IREDALE

Rob Kestyn, trade marketing and merchandising manager at Iredale Mineral Cosmetics, Ltd., believes that when it comes to selling make-up, easily accessible (easy-to-test) products and colors that pop sell. Simple, streamlined, elegant packaging and coordinating fixtures and in-store marketing materials must accentuate the products and colors.

BENEFITS OF COLLABORATION IN PACKAGING DESIGN

- **Aesthetics and Originality**—A visually appealing package that attracts the attention and interest of the shopper
- **Adaptability**—Flexible design to adapt to shape and size of specific destinations
- **Campaign Effectiveness**—An opportunity for higher application effectiveness and thus lower price for the total POP campaign
- **Easy Access**—Better access to products, clarity of product information and ease of product handling.
- **Visual Presentation**—active product presentation

Balancing the needs and demands of the brand and retailers

BRANDING

With a wider variety of solutions available to brands and retailers than ever before, the look and feel of packaging needs to go beyond graphics, design, and branding. Retailers and brands are leveraging more holistic packaging innovations that drive personalization and engagement with consumers, including retail-ready packaging, in-store displays designed specifically to a region or geography and interactive packaging.

As brand marketers and retailers determine where to invest their resources, data from WestRock reveals that, beyond form and function, the appearance of packaging is significant and can influence a consumer's willingness to try a product and switch brands, impacting a brand's bottom line. In fact, more than 80% of surveyed brand managers report that packaging is important to their brand's success, according to LEK.

As a result, brand owners have launched myriad initiatives to improve brand positioning, some of which have affected packaging. For instance, unique packaging has been used to signify a new product launch, introduce a new brand, or convey special pricing and promotions to consumers.

Additionally, a number of product innovations have driven changes to packaging in the past two years. For instance, the good/better/best pricing of "value" products can often lead to differentiated packaging. Another example is the expansion of price-pack offerings, which often leads to greater packaging variety within a brand.

“Aiming for packaging designs that enlighten consumers’ purchase decisions, brands will reject approaches that offer too much or too little as they can leave shoppers more confused than informed.”

– Mintel, Global Packaging Trend 2018

Packaging also communicates brand-new flavor profiles, the latest and greatest technology features, the degree to which products are "clean label," and a product's health benefits or safety claims. And as environmentally friendly, green products grow in popularity, brands want not only their products to be sustainable but their packaging to be as well. In fact, Procter & Gamble plans to use only recyclable or reusable packaging by 2030, while Kellogg has pledged to use 100% reusable, recyclable, or compostable packaging by the end of 2015, according to *Retail Environments*. This rising eco-consciousness is propelling many packaging companies to think out of the box—both literally and physically. (More on Sustainability in Packaging on p.10.)

Across end markets, beauty & personal care and food & beverage brand owners tend to see the value of packaging and its effect on their brand's success the most, while it ranked less important to healthcare brand owners in comparison.

Nearly 50% of brand owners anticipate increasing packaging spend next year. And of those brand owners, 22% expect to increase spending

by more than 10%. Other key findings among brand owners who plan on increasing spend:

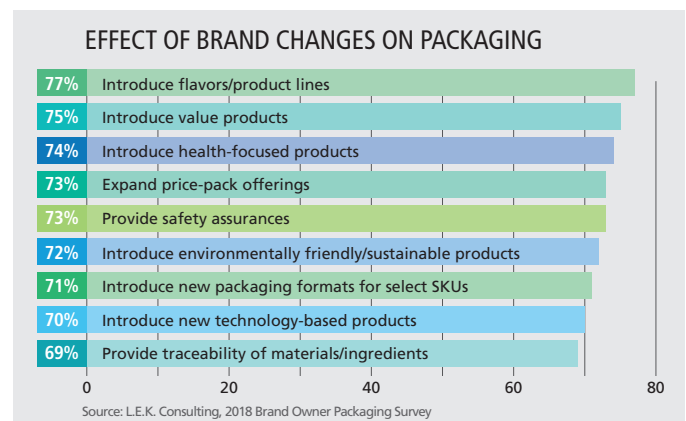
- Branded brand owners expect to increase approximately 6%
- Private-label brand owners expect to increase an average of roughly 7%, which is likely driven by room for growth in private-label growth and premiumization within the private-label category (LEK)

SHELF POSITION

Whether in a supermarket aisle or the beauty counter in a luxury department store, the competition for brands to stand out on the shelf and persuade uncertain consumers is beyond fierce. While well-established brands that carry recognition and equity do play a significant role in the purchasing process, they can no longer take this for granted. Changes in consumer shopping habits have enabled smaller, independent brands to gain market share by more effectively communicating a brand story that is authentic and that resonates more directly with shoppers today.

Packaging plays a large part in this communication, because it presents the biggest opportunity for brands to draw the eye at the shelf via design. It can also help draw customers into other areas of the store environment they might not otherwise frequent. For example, research from Mintel found that in supermarkets, young shoppers are increasingly "shopping the periphery," visiting the fresh and chilled aisles around the store perimeter and avoiding processed, ambient, and frozen offerings in the center of the store. As a result, brands are responding by leveraging packaging to refresh the center-of-store experience and earn loyalty among Millennial shoppers.

Thoughtful packaging can also help narrate a brand's principles and philosophy that sets a product apart from the competition. Clever brands use packaging at the shelf to capture prevailing customer attitudes by creating limited edition packaging that is culturally 'of-the-moment' and collectible. Packaging is a valuable touch point, and every detail is important, from the tactility of the material and the shape, to the brand mark, and the label design—all of which can have an impact on the product's effectiveness on the shelf.



CASE STUDY: PlantPure

Supplier: Hamacher Resource Group, Inc.

Client: PlantPure

Retail Channel: Ecommerce and Grocery

Product Category: Frozen Food

Materials Used: Coated cardboard

DESCRIPTION

PlantPure, Inc.'s whole food, plant-based frozen entrée line, also named "PlantPure," had been successfully sold for a few years via its ecommerce website, and the brand enjoyed a robust customer following. In 2017, it had the opportunity to sell the entrée line on Amazon and pitch the brand to various grocery chains. The packaging for the individual meals, however, was a non-descript white box.



SOURCE: HAMACHER RESOURCE GROUP, INC.

GOALS

PlantPure was introduced to HRG by a third-party and was impressed with their retail knowledge and packaging design savvy. PlantPure asked HRG to create packaging that incorporated PlantPure's logo and mission of promoting the health benefits of plant-based nutrition, as seen in their documentary movie, PlantPure Nation. The package needed to appeal to the everyday individual, while still representing the elements important to their core vegan shopper.

OUTCOMES

HRG prepared, staged, and photographed 20 frozen meals to show how appetizing the items would look once cooked. The team researched competitors in both the vegan and frozen food space to create a package design that represented the quality ingredients used and showcased the company's commitment to purity and would

stand out on store shelves and appeal to both the average and vegan consumer. The team also created beauty shots for PlantPure to use on their website, Amazon, and in buyer presentations for grocery chains. The PlantPure line successfully launched on Amazon and gained additional placement at a few major grocery chains.

HOW OUTCOMES COMPARED TO EXPECTATIONS

The outcome exceeded the client's expectations and led to further design work on new meals that were introduced to market. On a compressed timeline, HRG delivered a high-quality, thoughtful design that was a great representation and evolution of the PlantPure brand. The package design was an important factor in being accepted at mega-retailer Amazon and to win shelf space at already crowded grocery shelves.

KEY LESSONS LEARNED

HRG learned that before it builds a timeline, it needs to be aware of other stakeholders besides the client that will need to review and approve the packaging, such as the meal manufacturer, and build in the appropriate amount of time.

TESTIMONIAL:

“We truly appreciate the expertise HRG brought to this project—they exceeded our expectations on a number of levels and have been a dream to work with. Their design skills brought to life the PlantPure entrée brand, and their ability to deliver despite tight timeframes really helped us keep our momentum and deliver to retailers as promised.”

—Nelson Campbell, founder and president of PlantPure, Inc



SOURCE: HAMACHER RESOURCE GROUP, INC.

Sustainability in Packaging

SUSTAINABILITY IS OFTEN DEFINED as the ability to meet present needs without compromising the ability of future generations to meet their own needs. Sustainability is also employed when developing in-marketing materials such as P-O-P displays and product packaging.

Sustainable packaging was once a niche that only a small minority of consumers took notice of. As a result, a small number of products boasted of how environmentally friendly their packaging was, and few consumers based purchasing decisions on how a package could be disposed of. Today, however, consumers are increasingly putting pressure on manufacturers to improve the impact that packaging has on the environment, with ethical packaging now becoming a 'must have' quality when purchasing a product, according to data and analytics firm Global Data.

In a world where sustainability can mean anything from recyclable packaging to responsible sourcing, brands must evolve alongside consumers' changing demands for environmentally friendly products and packaging.

According to LEK, brand owners expect to continue the trend of implementing packaging changes over the next five years, specifically in labels, graphics/printing, primary packaging materials, secondary packaging materials, and packaging shapes.

“Committing to the use of recycled content in all packaging can help drive the circular economy, reducing ocean plastic by ensuring an efficient route for packaging from the consumer back to the producer.”

— Mintel, Global Packaging Trends 2018

PACKAGING SURVEY

CONSUMERS BELIEVE PAPER & CARDBOARD PACKAGING IS ...



EASY TO OPEN

88%

EASY TO RECYCLE

88%

LESS WASTEFUL

84%

MORE IN LINE WITH TODAY'S VIEWS

81%

PERSONAL PACKAGING PREFERENCE

42% FAVOR PAPER & CARDBOARD



13% FAVOR PLASTIC



44% NO PREFERENCE

BUYING CHOICE IF PRODUCT IS IDENTICAL



68% PAPER & CARDBOARD PACKAGING



32% PLASTIC PACKAGING

Source: IPSOS

Sustainable P-O-P

Producer: FORMES & SCULPTURES

From the start, FORMES & SCULPTURES involved the client in the product design. It made the structure lighter without altering its steadiness. Next, it investigated other ways to save money and rethought the design according to IKEA's principle: flat-delivered furniture, easy to mount by oneself, and in this case without screws.

1. The selected materials were certified by FSC and featured recycled and recyclable MDF and birch plywood.
2. The company wanted to manufacture furniture as lightweight as possible for easy use in stores while keeping the structure steady. The back panel was smaller than the full fixture resulting in less material; packing was lower and thus less bulky.
3. Full optimization of the packing and the end of product life: the fixture was conceived to be delivered flat and easily assembled in less than 15 minutes.
4. A callout label identifies materials used in manufacturing to help facilitate the sorting of the recycled materials after the display has surpassed its useful life.

SOURCE: FORMES & SCULPTURES



SUSTAINABILITY ACHIEVEMENTS

Carbon Footprint

FORMES & SCULPTURES reduced the carbon footprint from 5,261 CO2 tons to 3,833 tons for 50 displays with the flat delivered version, resulting in a -27% carbon footprint.

Materials

86% of the full weight was manufactured from materials derived: FSC-certified wood, recycled and recyclable MDF and birch plywood.

Shipment

- The fixture was designed so that 50 displays could be shipped flat on five pallets instead of 25.
- FORMES & SCULPTURES reduced the shipped volume by five, and therefore reduced the carbon footprint by 51% = 1,230 CO2 tons.

Packaging

The flat delivery saved 45% cardboard when manufacturing, while the packing resulted in 127 CO2 tons saved for 50 displays.

End of Life Cycle

- The fixture was designed to disassemble quicker than it was assembled.
- 100% of the fixture was recyclable, 281 CO2 tons saved for 50 displays.

Key Takeaways

THE RELATIONSHIP BETWEEN brands, retailers, and consumers has evolved significantly over the past several years. As this white paper has demonstrated, changes in consumer behavior, new and innovative solutions, as well as opportunities to draw consumers through effective storytelling and artful packaging have changed the prevailing mindset toward this category as simply a disposable container for product delivery. In this changing retail environment, packaging is the one enduring element of the marketing mix that is guaranteed to reach every consumer—and the time has never been better to look at new ways to capture their attention at the shelf through thoughtful packaging.

Following are a few key steps for success in in-store retail packaging:

TRANSPORTATION PACKAGING

Consumers value the functional benefits of packaging that keep products safe, secure, and easy to use. The majority of consumers (75%) say their purchase decision is impacted by packaging made from materials that prevent the product from leaking or breaking, so it's important that packaging solutions keep the product safe. For online shoppers, 81% indicate that making sure packaging from delivery services is securely closed is key to satisfaction. Packaging also needs to be convenient, with three-fourths of consumers indicating they want packaging that is easy to open and re-sealable.

PRIMARY PACKAGING

Primary packaging should be informative, attractive, and provide the raw product with protection. Durability is very important, because if the packaging is damaged, the consumer may perceive the product as being defective.

DIGITAL PRINTING & PACKAGING

The rise of digital printing has allowed brands to quickly change the graphics and text on the packaging as needed. Digital printing is flexible enough to make these changes without the packaging or P-O-P producer incurring extra production costs. Retailers are not the only ones wanting a personalized/ customized product experience, either; consumers are demanding them as well. Look to growth in digital printing and packaging in the future that will help brands become more flexible and quicker to respond to market demands.

SHOPPER ASSISTANCE

Assisting shoppers in making in-store purchase decisions is a key function of packaging—and looks matter. In fact, aesthetics is the primary driver impacting consumers' decisions to try something new,

buy something again, or switch brands. The vast majority of consumers (81%) have tried something new because the packaging caught their eye. In short, every package must create an emotional reaction for consumers at the point of sale. Simple, streamlined, elegant packaging, and coordinating fixtures and in-store marketing materials must accentuate the products and colors.

BRANDING & SHELF POSITION

Retailers and brands are leveraging more holistic packaging innovations that drive personalization and engagement with consumers. The appearance of packaging is significant and can influence a consumer's willingness to try a product and switch brands, impacting a brand's bottom line.

Shopper habits are changing, both in frequency of shopping and in how consumers navigate the store. Large weekly shopping excursions are being replaced with more frequent, smaller trips. Brands will look to contemporary packaging formats to help reinvigorate those center-of-store aisles less-trafficked by younger shoppers.

SUSTAINABILITY

In a world where sustainability can mean anything from recyclable packaging to responsible sourcing, brands must evolve alongside consumers' changing demands for environmentally friendly products and packaging. Consumers are increasingly putting pressure on manufacturers to improve the impact that packaging has on the environment, with ethical packaging now becoming a 'must have' quality when purchasing a product. Brands need to consider not only the types of materials their packaging is made from, but what will happen to it at the end of its useful life.

For more information on Sustainability, please visit;

Sustainability at Retail Special Report <https://bit.ly/2Uxba04>

Shop! Educational Webinar – Sustainability <https://bit.ly/2UxceRC>

MaRC Exam Prep – 2017 Edition, Chapter 3.1 Sustainability, Author: Jo Rossman, Editor, Shop! <https://bit.ly/2SPfVAF>

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Michael Sheridan, chairman of Sheridan & Co

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Shop! 2015 Compliance Initiative Mass Merchant Study

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The Increasing Levels of Modern Packaging. <https://howtobuyunpackaging.com/levels-of-packaging/> Accessed 11/28/18

WestRock 2018 Packaging Matters



SOURCE: SHOP/RAPID DISPLAYS

For additional questions about the data or information contained in this Special Report, please contact us at: mbaumgartner@shopassociation.org, or call us at 954.893.7300

ABOUT **shop!**

Shop! (www.shopassociation.org) is the global trade association dedicated to enhancing retail environments and experiences. Shop! represents more than 1,500 member companies worldwide from 30 countries. The association brings value to the global retail marketplace through its industry leadership, research programs, industry certification, education, and networking events. Shop! produces the award-winning magazine, *Retail Environments*, offering business-focused content to retailers, brands, designers, and suppliers throughout the industry.

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