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Packaging: A Key Element in Added Value

by

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It certainly is a pleasure to be with you today here in historic Williamsburg, Virginia, and an honor to participate in this year's conference on *People Adding Value to Food Distribution*. I'll be talking about "Packaging: A Key Element in Added Value." All of us here are concerned with packaging in some way--my firm as designer, some of you as manufacturers, others of you in wholesale and retail establishments who stock and sell these packages, and those of you from universities who help us all understand the trends better. But while we study, observe, and determine changes in packaging, the consumer is sometimes totally mystified by what we do. Here, two consumers, Frank and Ernest, learned about DPP in their recent trip to the grocery store. As the checkout clerk explains, "The manufacturer had to raise the price on that item to pay for the cost of switching to a smaller package." So today I want to take the consumer's part--helping us to understand his or her problems and how we can make packaging solve them.

Historically, packaging's main function, or added-value, was to contain the food. Maybe it's our trip here to historic Williamsburg that reminds me that it wasn't so long ago that primary food packages were burlap bags, barrels, and, if you were lucky, glass apothecary jars for peppermint sticks. These early packages served primarily to contain the food. The consumer was served the amount he wanted into a secondary package, often a sack or paper bag. Then this food was carried

home and put into another container--like a flour canister or flour bin.

It wasn't long after that that preservation became another value added by packaging. In 1795, Nicholas Appert, French chef, won the French government's prize for developing a simple way to preserve food for the French army--boiling water and glass bottles--a process still with us today. Here, we have the 1858 refinement by John Mason shown containing some 1987 vintage apple butter!

But times are more complex now. *All* consumers assume that a package is going to contain and preserve food. So, today's modern food package must do more. Here are five value-added functions for today's consumer:

1. Brand Identification
2. Advertising at the Point-of-Purchase
3. Product Transport
4. At-Home Storage
5. Task Assistance

But before talking about these avenues to added-value packaging, let's talk about the consumer.

Consumers are busy these days--always in a hurry--with too much to do. Fifteen years ago, shopping was fun; now it is just another chore, and the average supermarket shopping trip has dropped from an hour to 20 minutes. While women are still the main supermarket shoppers, men now account for 40 percent of all food dollars, up dramatically

from 13 percent in 1982. In addition, we all know that our shoppers are aging. One study among more than 50 consumers (Donnelley Marketing) asked about problems encountered with supermarket shopping. Packaging topped the list--73 percent said that products were too hard to open. The supermarket itself did better, only 56 percent said that the lines were too long.

Packaging can add value through brand identification

Busy consumers are zipping up and down the aisles. Each purchase may take only 30 seconds. These active consumers of today purchase more on impulse and may be somewhat less brand-loyal than years ago. But a well-known brand is dependable; once consumers know the quality, they can rely on it time and time again. The package establishes brand identification in several ways. Obviously, the name will be printed there. But packages have become brighter, products more numerous, and clutter on supermarket shelves has reached astronomical proportions. So if you're in a hurry, just the brand name may not be enough to catch your eye. The total "look" must be recognizable. Campbell's has done an outstanding job in keeping a consistent look even across its different lines of soup. Del Monte also has overcome the temptation to change its look, and has retained the familiar red and green--even in their new aseptic package.

Package shape is another way to add to your brand identification. The bottle shown means Coca Cola, whatever the language. Even today, the familiar wavy form is maintained in the graphics on cans. Mr. Clean also does an excellent job. As you're running down the aisle past the household detergents, that bottle looks almost like Mr. Clean himself--jumping out from the shelf, with his broad shoulders--ready to go to work. So, through careful development of a brand image and coordination and consistency of package design, you *can* help consumers find your product in the cluttered supermarket environment, quickly and confidently.

The package is also the advertisement at the point-of-sale

But, you say, how does that add value for consumers? Consumers often turn away from the advertisements on TV, channel-hopping to find something else they would rather see. This TV-watching habit has accentuated the importance of packaging in informing the consumer and advertising the product. Many of us have VCRs that can be left on automatically and set to screen out the advertisements. Cable TV is increasingly common--with no ads except for its own programs. All of this results in an extremely fragmented television-viewing audience which has lessened the power of network advertising. I am sure many of you are aware of the disagreements and discussions going on now between advertisers and the networks regarding rates charged and the true size of viewer audiences actually delivered.

But when consumers are in the supermarket and ready to purchase, they need information. They need to know that a particular product is the "right one for me." And since at least two-thirds of purchases in supermarkets are on impulse (according to the Point of Purchase Advertising Institute), the package is the *only* source of information available! For food products, consumers are especially interested in nutritional information. Today, we are very health and diet conscious. The Calorie Control Council estimates that about a third of all Americans, 18 and over, is on a diet: that's 65 million people! This includes nearly a half of all adult women and about a quarter of all men. "High" is out, and "low" is in.

"Low" can also mean low salt, not just low calories--a growing concern of many Americans. Still others--not only do they *not* want sugar and *not* want salt--they *don't* want chemicals and preservatives either! According to a report in *Supermarket News*, 93 percent of shoppers are concerned about the nutritional content of foods.

Increasingly, new brands and products are tapping into this concern: they are bringing forth images of health and good old-

fashioned food. For example, we have Hidden Valley Ranch, Sun Country, Indian Summer, Nutri-Grain, and, of course, Pepperidge Farm. While these goods may not have any fewer calories, they seem as if they would taste good--and be good for you. The packaging has descriptors like: "Garden Herb," "100% Natural," "pressed only from *fresh* apples," "no added sugar and no artificial preservatives." This information provided clearly on the package is the advertisement at the point-of-purchase.

What other information do consumers want from the package? After nutrition, is tamper evidency the *next* major challenge? Will consumers demand to know that the food is *safe* as well as *healthy*?

Third: A value-added package can help the consumer transport the product

The busy consumer only has five to ten minutes, stops off at the supermarket on his way home, picks up a few things, want to run through the 8-items-or-less line, get back in the car and get home. Supermarkets provide the most common transporter-package: the bag at the check-out, either plastic or paper. But consumers sometimes only buy one item and, to save time, rush off with, "I don't need the bag." Some manufacturers are adding value to their products by providing a package that has its own transport device--for example, a carton for single-serving containers. Canned beverages have moved to plastic rings. Big laundry detergents, which were always cumbersome to carry home, now come with handles.

But how about paper towels or tissues in big packs? These seem to require two hands to pick up. Is this an opportunity for a manufacturer to add value and distinguish itself from competition?

How about fresh produce--it is very nice for the consumer to pick out exactly the tomato he or she wants. But the produce ends up in a bag again--usually plastic--and this bag gets dumped in the bottom of a paper sack where the tomato gets squished on the way home by the laundry detergent. Why not a new value-added packaging innovation that

will help protect and transport the produce you've picked out yourself?

While I have been focussing on packaged goods sold through supermarkets, food service operators have similar challenges. McDonald's packages were originally designed to be cost effective in a fast-food, sit-down-and-eat environment. But today, more than two-thirds of the business is "Drive-thru." As we all know, these packages are extremely difficult to carry in your car. The paper bag does not retain heat, and the fries are cold and soggy in minutes, whether or not they have fallen out of their container. The cold drink cup sweats and, if you're not careful, will fall right through the bag. So taking this meal home is nearly impossible; and we all know how difficult it is to balance these containers in the car. Here is another real packaging problem for consumers that has not yet been solved.

Improving at-home storage is another way to add value

One hundred and fifty years ago, you would bring your flour home and dump it in a flour bin or a cannister. But today, most of us do not have flour bins, and our jammed-packed kitchens often don't have room for cannisters. So the bag of flour just goes in the cabinet. *Most* food products these days are left in their containers until they're used.

So how do we add value to this basic function? If it is a single-use container, we need to be concerned with the ease of opening and dispensing, but after that, the problems are over--the container is thrown away. But many of the foods today come in multiple-serving containers, like flour. The package is opened, product dispensed, then the package needs to be resealed and put back on the shelf or in the refrigerator.

Recently King-Casey conducted our own study of food packaging problems from the consumer's point of view. We found that despite all the advances--such as the added convenience of squeezable bottles and microwave-ready frozen foods--consumers still have

a lot of problems with packaging! And most of these problems involve in-home use and storage. For participants in the food distribution industry, those problems areas can be turned into major opportunities.

Remember the flour sacks? They have hardly changed in 200 years. Oh, you can open them all right--so what if the flour flies all over? But try to reseal them. Or try to pour flour out neatly.

How about cereal boxes? This was another big consumer problem noted by our study. Well, you can get them open--one way or another. But who has the time or patience to pull the tab properly? And besides, who can open the inside wrap without ripping it to shreds? One manufacturer has introduced zip lock bags inside--a good and promising direction.

How about rice and pasta? With smaller families, you don't always use a whole box of spaghetti at one meal. So, how do you know how much to take out for the number of people you have? There is no way to measure, and there's *no* way you can close those boxes conveniently and keep the spaghetti from falling out and rattling around in the cabinet.

What about those frozen vegetables in the little boxes? Unless you are going to use the whole box at once, you have a problem on your hands. When you open the box you almost *always* destroy it. Usually the vegetables are all frosty and stuck to the side of the box; so you have to pry them off with a knife, figure out how to cut the brick of green beans in half, and then somehow reseal the package and put it back in the freezer. Some consumers elect to do their own repackaging job, because the one provided just won't work.

What about ice cream? It's hard enough to open without destroying the cardboard carton, but it doesn't really reclose very well anyway. Once you've opened ice cream, consumers tell us that it definitely declines in quality, and it takes up a lot of space.

Another category--frozen juices--causes all kinds of problems. You know those little plastic strips--they're supposed to unpeel the top neatly from the container? Well, consumers find those *extremely* difficult to grab and hold on to; the can is usually cold when they're doing it; it hurts their fingers and, if they use a knife, they have to watch out that they don't cut themselves; *and* in the end, when they finally do open it up, the juice frequently splatters.

Our King-Casey study shows that one of the major food categories is *filled* with packaging problems--cookies, crackers and biscuits--over \$4.5 billion at retail. Consumers tell us that they're so frustrated with the packages that will *not* reseal, that they have to eat the last two cookies in order not to leave them there to get stale. Now, when you put *that* with the fact that these consumers are probably on a diet, you know how irritating this must be!

**Finally, a package can add value
by providing task assistance**

Maybe as we think back, it was the TV dinner that started it all--just pull the aluminum tray out of the box, put it in your oven and thirty minutes later, a sumptuous feast!

Another approach to helping with the task of meal preparation has been boil-in-the-bag entrees and vegetables. This *seems* convenient--no preparation other than popping the bag in boiling water, open and serve. But how convenient is it *really* to open these bags, get the food neatly and cleanly on a plate without burning your fingers or slopping water all over the place? Our survey indicates it is not as convenient as we had hoped.

Another example of lost opportunity are those cardboard cartons for juice. Yes, we in the industry have tried to be helpful here, too: you just open the carton, and it has its own pour spout. But think about the consumer's task at home: have you ever tried to shake up the orange juice once it has been opened? Try to hold the spout closed without squirting Tropicana all over yourself! Providing task assistance through packaging is one

of the major ways that manufacturers can add value to their products.

Here's an innovative approach from a Japanese company: beer packaged in a plastic can--one with a label which is perforated and can be neatly removed. So the cap comes off, label comes off and a neat can becomes a handy glass of beer. A little device in the bottom of the can provides a bit of agitation to develop the bubbles. And no dirty glass to wash.

Many food manufacturers are working on this "task assistance" area to take advantage of the microwave. As we all know, this appliance has created a revolution in the kitchen. Surveys indicate that today perhaps as many as 50 percent of U.S. households have a microwave oven--and as many as two-thirds of Americans are doing some microwave cooking. A recent study forecasts that these numbers will reach 80 to 95 percent by 1991. Microwave ovens have been around for a few years, but it is only recently that we've seen the rapid introduction of innovative packages to take advantage of them. For example, the microwave has given a new lease on life to popcorn: a messy, time-consuming project under old methods, and a quick, easy, snack food with a microwave.

More and more manufacturers are offering their frozen foods in dual ovenable packages and containers. Others are formulating their foods strictly for microwave oven cooking, targeting their brand toward the busy consumer. Here we find many efforts to make these packages more convenient. For example, one-way packages go directly from the supermarket, to your freezer, to your microwave oven, to your table, adding a tremendous amount of convenience and value from the consumer's point of view.

Here's a household product with a new package designed to be a real help: oven cleaner in a scouring pad. Cleaning ovens, for those of us who don't have self-clean or microwaves, is one of the messiest jobs in the kitchen. In a shrinking market--as many cleaning products are--it is critical to continue the innovation to preserve market share.

Here was an innovative way: a package that not only contains the oven cleaner, but dispenses it, and helps you spread it. Use this and the task goes more quickly, neatly and with less fuss and bother.

King-Casey developed one of these "convenient helper" packages for Wagner Spray Tech, a company in the do-it-yourself business. These products, called "Added Touches," one for spackle to repair your wall, one for paint, and one for wood filler, are based on the pump technology (similar to the toothpaste pump).

To develop this innovation, we looked carefully at the task that the consumer was involved in and how we could help make the whole process easier. For example, repairing a plaster wall for repainting requires a can of spackle, a screwdriver to open the can, a putty knife to spread the spackle, and a little piece of sandpaper to smooth the spackle when it is dry. Then you're ready for painting. By looking at the whole task as the problem rather than at just a new container for spackle, we were able to incorporate all these tools into one, convenient, value-added package. The pump dispenses the spackle through the tip, and the specially designed head, shaped like a spatula, is used to spread the spackle around. When it's dry, just turn over the package for the sandpaper located on the bottom. All those tools are combined in one neat package; put the top on and the package back on the shelf until the next use.

Conclusion

Although packaging has made tremendous strides over the years, it still remains as one of the main avenues for increased added value in the food distribution industry. These efforts pay off for the industry as well as for the consumer; we know consumers will often pay as much for these packages as they pay for the product itself!

However, as we think about these opportunities and consider the new technologies we have at our disposal, we need to keep old Frank and Ernest, the consumers, clearly in our minds. While we in the industry may

want to see a new package that is easier to ship, to stock, and yields greater profits, we must remember, that the *consumer* must see the added value. Because it's the consumer who decides whether to take the product to the cash register which is, after all, what makes the whole system run.