Packaging that Sells

The Conversation

No matter what corner of a store or aisle your product occupies, it first needs to be noticed to be put in the shopping cart and pass through the cash register. Having product sit on a store shelf is no different than having inventory sit in your plant. It may look good, but until it turns (shelf velocity) reorders will be few.

Most of us forget packaging is the only marketing medium at point of purchase. Print and electronic advertising are not. Social media and trade shows are not. Public Relations may inform your target audience and get you some free ink, but it too is not at point of purchase.

In today’s business world of doing more with less, display packaging requires proper execution. When done right it has positive effects across your plant, on your supply chain and at point of purchase. Each contributing to greater shelf velocity and ringing the cash register.

Our point: unless a common ground is established regarding display packaging, company departments will work counter to one another, slowing down what they are paid to speed up.

The following paragraphs highlight the challenges each department faces in pursuit of best value. Proactive’s focus has always been on customer success – becoming the supplier you are stuck-on rather than stuck with.

Generating a Greater ROI on Every Dollar Invested

Simply stated the role of Purchasing is to provide the greatest value for each and every dollar issued on a purchase order. As we know, the Value a supplier delivers can take many forms: uniformity in product size and color; maintaining proper inventory levels; on-time delivery; correct quantities delivered; best use of working capital and related cash flow considerations.

If we use the concept: Value is Quality divided by Price, you have two choices to increase Value. You can either: 1) raise the Quality or 2) receive a lower Price. Each has the effect of increasing the Perceived Value. We say Perceived Value because a lower price does not always provide your Best Value.

This is especially true when the lower price transaction impacts your other partners in the supply chain. Those partners are dependent upon the packaging running efficiently in their plant or providing high shelf impact at retail.
Other considerations include what is the best format based upon annual run quantities? How is my supplier addressing the issues of: time money and risk? Is my packaging in one format because that is what my supplier sells? Value takes on many forms and shapes. Asking the right questions, at the right time takes insight.

**Building Trust with Every Order**

Operations must have the utmost confidence in their packaging supplier. They need to see the supplier understands their requirements, equipment, and processes – plus has the resource capabilities and track record to deliver as required.

With the role of ensuring a continuous flow of product to the retailer, Operations must have perfect orders. Major retailers keep a keen focus on the consistency of supplier delivery. Those not conforming to delivery dates are penalized in loss of store promotions, reduction in shelf space and facings, or worst case – being rationalized from the product category.

An Operations Manager knows the quality and service level of the packaging running on their lines. They understand out-of-spec and poorly die-cut packaging or bargain priced packaging may cost less; but can impact plant efficiencies, material and labor variances, and delivery schedules. In the broad scope, such packaging winds up costing more than saved.

Savvy suppliers understand their reputation for a high quality, precision product is known before their sales person ever crosses a prospect’s door. Their sales people listen first, ask questions and listen again. They are capable of recommending best value, cost saving solutions incorporating changes in: size, structure and design. They are not interested in an order, but a long-term relationship. To earn it, they understand the needs and wants of their customers.

**Marketing Insights Drive Sales**

Marketing is much more complex than adding colors or new copy points to the package. Granted packaging has both an emotional side (look and color) and a rational side (brand story and copy points). Experienced brand managers constantly review a series of complex issues that will lead to the profitable growth – of their brand and shelf space.

Such issues may include:
- How the product is perceived in the category?
- Is it a leader, follower or innovator?
- Are we making money for the retailer or just occupying shelf space?
- What makes us different from our competitors?
- Does our product line have a coordinated graphic look?
- Is our product line easy to spot on the shelf and put in the shopping cart?
- Does our shelf turnover (velocity) justify additional shelf space?
- Is our packaging reflective of our brand story?
• What could be done to connect the consumer to our brand?
• Do we have enough insight into consumer behavior?
• Does our packaging maximize impulse purchase?
• Do our POP displays meet sales and profit objectives?
• How can we make our POP programs work harder?

To succeed brand managers need partners who are familiar with retail store mechanics. These suppliers understand retailers don’t buy products, but programs. This type of supplier is much different than the typical, “How many colors do you want and how many cartons?”

Proactive Packaging & Display understands the retail environment. Our packaging solutions create sales lifts that deliver plus: revenue, margins and contribution dollars. We’re a different kind of supplier – in both thought and action.

Overview

So no matter ones functional area, we all share the same objectives: delivering packaging to our customer that:

• Is a best value
• Improves plant efficiency
• Accelerates retail shelf velocity
• Captures additional retail shelf space
• Contributes to a positive customer experience
• Is strategy relevant and matches the business model


To learn more, give us a call at: 909.390.5624. You’ll like our authentic style. We’re transparent and easy to work with.