Packaging Design
Package design: A primer for marketers

Mistaken identity. It can happen to anyone. Even in the grocery aisle—you go for that familiar blue, white and black package in an excited hurry to complete your grocery run and satisfy your sweet tooth. It’s not until you get home that you realize your brand-name Oreos® are actually generics dressed up in a clever disguise.

You’ve been bamboozled by product design and you’re not the only one: Research indicates that roughly 70 percent of Americans have accidentally purchased a product in the last year due to packaging confusion, and many have made a mistaken purchase more than once.¹

From the marketing and retail perspective, this confusion can equate to big bucks. An estimated $2.1 billion of annual grocery sales can be attributed to accidental purchases—if consumers are confusing your product with a competitor’s, you’re losing out on sales.²

So how do you ensure that this doesn’t happen? Effective package design can help. If your brand is in the business of consumer goods, it’s likely your team has a packaging expert on staff or consultant on hand to offer input and guidance before products hit the shelves. Even still, package design relates so closely with the visual identity of a product and a brand that it’s truly to the advantage of all marketers to understand what makes for effective package design.

That’s exactly what we’re discussing in this Blue Paper® and podcast as we explore why packaging matters, what makes good packaging great, how to develop a package design strategy that will reach your target audiences, as well as the latest trends in package design. If it’s time for your marketing team to think outside the box—keep reading.

Why packaging matters

Packaging is an element of the buying experience that most consumers probably

don’t spend a whole lot of time thinking about. It’s just sort of there. When they do think about it, it’s often because it’s either really effective at catching their eye or meeting their needs or because they can’t figure out how to open something or they become frustrated with unclear instructions on the use of a product.

Savvy marketers, on the other hand, know that most brands spend a great deal of time and money considering how a product is presented to its consumers in order to appeal to their senses, safeguard their purchase and protect them from harm.

Broadly speaking, packaging matters because it serves many purposes, both practical and aesthetic:

- **Physical protection**—Packaging can protect products from mechanical shock, vibration, electrostatic discharge, temperature changes and a whole slew of other things that can occur between manufacture and purchase.

- **Barrier protection**—Especially when perishable items are concerned, packaging protects the product (and ultimately the consumer) from oxygen, water vapor and moisture, dust, insects, germs, mold and other elements that could ruin the quality of a product or spoil a consumer’s appetite.

- **Containment or agglomeration prevention**—Small objects are typically grouped together in one package for reasons of efficiency. For example, a single box of 1000 pencils requires less physical handling than 1000 single pencils. And simply, liquids, powders and granular materials need containment.

- **Information transmission**—Packages and labels communicate how to use, transport, recycle, or dispose of the package or product. With pharmaceuticals, food, medical and chemical products, some types of information are required by governments. Some packages and labels also are used for tracking and tracing purposes.

- **Marketing**—Everyone judges a book by its cover when products and brands are involved. Packaging and the labels on these packages are used by marketers to communicate to consumers why they should buy a product.
• **Security**—Tamper-resistant seals, pilfer indicators and anti-theft devices like dye packs are all a means of ensuring the contents of a package reaches the consumer and doesn’t “fall off a truck” first.

• **Convenience**—Packages can have features that add convenience in distribution, handling, stacking, display, sale, opening, reclosing, use, dispensing and reuse.

• **Portion control**—Single serving or single dosage packaging has a precise amount of contents to control usage. Bulk commodities (such as salt) can be divided into packages that are a more suitable size for individual households. It is also aids the control of inventory.

Beyond these attributes, package design is so much more: It’s the physical embodiment of a brand’s perception. Brand perception, as we know, is based largely on intangible factors like emotions, senses, values and relationships. It’s this perception of an experience with a product or service in the mind of consumers that ultimately drives purchase behavior and online engagement.

Packaging, then, allows brands to communicate these intangibles in order to appeal to buyers at a critical point in the sales cycle: When they’re standing in front of your product. Packaging—the design, the wording, the feel, the shape, the size, the smell—can ultimately entice or deter a purchase at the point of sale.

What’s more, package design allows for a consistent look and feel from marketing to purchase and beyond in order to strengthen the customer experience and increase the likelihood of loyalty.

**How packaging and marketing work together**

“Packaging presents an integral part of every company’s brand communications to the customer,” says Ted Mininni, president of Design Force, Inc., a metro New York–area consultancy that specializes in brand identity, package design and consumer promotion campaigns for the food and beverage, and toy and entertainment industries.\(^3\)

“Brand identity and package design are an increasingly important component

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of corporate branding strategies as they contribute significantly to marketing or branding successes,” adds Mininni. “While marketing and advertising efforts seek to create ‘need’ or demand for a product, only the package can tangibly deliver that product and brand to the consumer.”

As such, Mininni explains that the package must meet the consumer where he or she is, and it must deliver just the right brand message to promote a purchasing decision. All of the corporate marketing, advertising and promotional efforts in the world are useless if the consumer standing before the retail shelf, passes over the product. When this happens, the huge cost of research and development, marketing and positioning the product in the marketplace has been a waste.

In essence, packaging and marketing work together to reinforce one another. A brand’s packaging is its most enduring and accessible brand communication vehicle, it’s important that it conveys the brand experience through an innovative structure and package design system. The brand’s packaging must be a synergistic part of the overall brand expression continuum.

What makes a great package

So how do you do that? First, consider what makes for a great package design. Fundamentally speaking, effective packaging serves four key goals—to be seen on the shelf, to engage shoppers, to communicate key messages and to close a sale. More specifically, though, there are certain elements that are somewhat less straightforward:

The experience
Part of the excitement of opening a gift is the very act of unwrapping the packaging to reveal what’s inside. A well-designed package can have the same effect—it can add to the appeal or excitement of what’s inside.

Perceived value
Ever hear the phrase “never judge a book by its cover?” Forget it. Everyone does. Research suggests that many consumers subconsciously determine how much they’re willing to pay for an item before they even looking at the price, based on packaging. A well-designed package will establish the appropriate perception of

value so that consumers feel good about the purchase even before experiencing the product.

**Sense of individuality**
A product's packaging should evoke a person's sense of self, appealing to their individuality. Great package design targets the intended audience by using graphical design elements and wording to create a feeling of belonging in order to appeal to the individuality of the consumer.

**Greater sense of brand or purpose**
All successful companies have a brand statement or a greater purpose and each detail in a product's packaging should provide a true connection to that greater purpose. As mentioned previously, great package design reinforces the branding and messaging communicated in other marketing efforts aimed at selling the product or service.

**Insights, action and emotion**
Great package design “speaks” to a consumer by eliciting a particular emotion that triggers them to buy a product or a service. Emotions like excitement, fun, intrigue, desire, passion or even just plain ol’ hunger will keep that consumer coming back for more.

**Functionality**
Great package design not only presents a product in a way that appeals to a consumer, it actually makes the experience of purchasing a product or service better. It doesn’t get in the way. It’s easy to open, understand and use as intended.

**What’s inside**
At the end of the day, this is the most important aspect of great package design. Consumers are drawn to packaging, but what they really want is a quality product or service. Make your product the best on the market, and word of mouth promotion will be the best marketing you can offer. It’s easy: Give the customer everything that you promise to, or miss out on repeat consumers and bad reviews.

After considering these elements, the next step is to consider taking a second look at or creating a package design strategy.

**Choosing your plan of action**
Package design strategy consists of research and is closely aligned with the overall marketing and business strategies of a brand. Here are the basic steps needed to help develop a successful package design:
Research
Research for product design starts with an understanding of:

- **Your brand**—What’s its purpose? Its history? Its target markets? What does it look like, feel like, smell like, sound like? What are your current marketing plans and objectives? How will this product fit into these?
- **The product**—What does it do? Who is it for? How does it make someone’s life better, easier? How does it outshine the competition? What are its attributes? What key messages can be gleaned from these?
- **The market**—Who is going to buy your product? Where is it sold? How much does it cost?
- **The product category and competitors**—Who’s competing in this space? What does their packaging look like? What are buying behaviors and preferences of consumers in relation to this category? What does the projected growth look like?

Essentially, before developing packaging, marketers and brands need to have a thorough understanding of who they are, what their target audience wants and needs and who the competition is. Not only will this focus a package design strategy, it will help define what information needs to be on a package, where and how a package will be found in a store, and what it looks like.

**Define target audiences**
After completing research, you should have a very clear picture of what your target audience looks like. Develop a narrative or a dossier of sorts that presents who this person is, what they are interested in, where they live, where they shop, how they buy, why they buy and more. Include this in your strategy but also display it in common areas for your team to see and keep in mind as they develop the package design.

**Establish objectives**
You’ve already determined your marketing objectives, but you need to consider the objectives of packaging, too. What image do you hope the packaging portrays of your brand and the particular product? What feelings are you hoping to evoke; what actions are you hoping to inspire?
Determine communication priorities
Packaging has finite space to communicate with audiences. For this reason, carefully prioritize the key messages your brand is hoping to relay to consumers based on their interests, needs and wants. If they only read one sentence, what would you want that sentence to say and how should it be interpreted? What’s more, decide on what elements—both visual and not—of your brand that needs to be conveyed in the copy or through visual identity of the package.

Establish a budget
The cost of package design varies with the options—it’s practically endless. Determine a comfortable figure for the cost of printing and assembling well in advance of concepting in order to define and limit options. A final number can be quoted out after a concept has been developed and decided upon.

Develop a concept
Finally, use all of this information to develop a concrete concept for a package to deliver to your design team or agency. Create a creative brief that includes this strategy along with samples of similar looks and feels you aim to go for. Once designers understand their parameters and instructions, they can move forward with mock-ups that can then be tested on sample audiences before money is spent on full-fledged distribution.

Recent trends in package design
Once your package design strategy has been developed, you’ll want to also consider a few trends in the industry. As in all areas of design, package design trends come and go. Some trends, however, are shaping up to seemingly be fundamental shifts in the way marketers and brands are approaching package design and what consumers are coming to expect. Here are a few of the latest:

Sustainable packaging
No longer just a buzzword or a concept, sustainability has moved from periphery to essential consideration for every packaging project. Consumers are demanding more socially and environmentally responsible production at every link in the supply chain and post-use. The result is a movement for many retailers to move to reduced-packaging material, reusable and refillable packaging, lighter weight and biodegradable plastics. An added benefit to the retailer a lightened packaging load that results in lower transportation costs.
With glass, however, it's a different story. While recently there has been some transition from glass to plastic in industries that have traditionally been “glass-only” (i.e., beer, wine, premium waters used in restaurants, etc.), we’re also seeing some retail channel partners advocating a return to glass because it's “natural” and highly recyclable. The bottom line? It's no longer about paying “lip service” to the notion of sustainability. It’s about the ability to prove the use of sustainable practices at every stage of getting a product to market and ensuring its reuse and/or recyclability post-use.

Case in point: The new Seventh Generation® laundry detergent packaging made by Ecologic®. The new fiber-based container packaging uses 66% less plastic than a similar-sized plastic laundry detergent bottle. The fiber exterior acts as a shell which houses a liner filled with the detergent. The liner is made from #4 LDPE plastic and the cap of the bottle is made from #5 PP plastic.

Seventh Generation’s new packaging can be completely recycled in most communities. When the product is gone remove the interior liner and recycle at locations where plastic shopping bags are accepted (usually grocery stores). Flatten the fiber-based part and recycle with your paper and the cap can be recycled anywhere that accepts #5 plastic.

The anti-package or zero packaging movement
A drastic take on sustainable packaging, this is the move toward no packaging or as little packing as possible. Food industries are seeing the impact of this movement the most, with zero packaging grocery stores popping up all over the place.

Take for instance the grocery store chain, In.gredients. This store not only specializes in local and organic ingredients, it became the U.S.’s first ever “package-free, zero waste grocery store.”

Just like many people bring tote bags to the grocery store, shoppers at In.gredients are encouraged to bring their own containers to pack up items like grains, oils and dairy. If a shopper doesn't have his/her own containers, the store provides compostable ones. It's as if the specialty bulk food section rebelled and took over the rest of a traditional grocery store.

Minimalist designs
While some package designers are aiming for minimalist packaging, others are just trying to convey a sense of purity and cleanliness in design by taking a minimalist approach to visual elements of a package. It is often said that “simpler is better” and, lately, simplicity has been gaining a much broader presence in package design and in product concepts overall. Consider how the trend has been applied to product ingredients: Whether it’s fewer ingredients or ones that are more natural, organic or, by being lower in fat or preservative free, healthier in some way.

Examples of brands capitalizing on this trend include the Simply …™ line of refrigerated, ready-to-bake cookies from Pillsbury®, and Green Way™, the organic line from The Great Atlantic & Pacific Tea® Company (the company that owns the A&P grocery chain).

Interestingly, many consumers have little understanding of what really constitutes organic or all natural (and often confuse these characteristics). Nor do they fully grasp the implications of adopting these approaches (such as limited shelf-life, the potential for compromised taste or higher cost). Yet, they clamor for these products with almost religious zeal, and package design is playing a big role in creating that allure.

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Retro package designs
While not a totally new trend, the idea of nostalgia is continuing to pick up steam as the economy continues to recover. Perhaps it’s because it takes consumers back to a simpler, more certain time or maybe because it just looks cool, the popularity of “retro” styles of clothing, furniture, restaurants and music is everywhere. In packaged goods, some well established brands are tapping into their rich history by reverting to their old package designs for a limited time to help reinforce their credentials and also to connect with an era that seemed slower, safer and simpler. This includes many cereal brands made by Post®, Kellogg® and General Mills®, chocolates made by the Hershey® company and, among others, various products under the A&P brand umbrella.9

Electronic-enabled packages10
Packaging that talks? Smart packaging? Interactive labels? If you truly want to differentiate your product on the shelf, mobile technology is the vehicle and you’ll want to jump on this bandwagon—before the competition. Many of today’s consumers are simply too “mobile” to take the time to read labels. Manufacturers now have the ability to communicate additional product information to potential buyers through their smart-phones, using technology such as 2D bar codes and QR codes on their packaging and in advertisements. Some of the technology available is also able to deliver analytics about consumer behavior and demographics back to the manufacturer. Exciting. Interactive. Fun. It’s predicted that the food, beverage and pharma industries will be embracing this trend with a passion.

Seven tips for effective package design

Still wondering how to develop effective package design that wins the hearts of customers? Check out these tips:

1. **Design the package with your market in mind**
   Theme, colors, font and font size, word choice, pictures—everything about your packaging should be geared directly towards your target market. When your potential customer sees your product, they should immediately identify with it.

2. **Sell the benefits, not the features**
   Don’t assume people will connect your product with their needs. Consumers don’t buy a product for its features; they buy a product for what it can do for them. Point out how your product will save time, enhance their quality of life, deliver superior safety, increase their productivity, or answer some other need in their life.

3. **Consider every square inch to sell your product**
   Think outside (or inside) the box—literally and figuratively. See every surface as an opportunity to communicate with your consumer.

4. **Include unpacking instructions**
   Don’t make your customers guess. Include unpacking instructions on the packaging itself so someone knows exactly how to handle your product and avoid injuring themselves or their purchase in the process.

5. **Use pictures instead of words (when appropriate)**
   Using universal symbols or easy-to-interpret images will make your product more accessible to a wider market. The easier you make it for people to understand what your packaging is saying, the more likely they are to buy it.

6. **Keep the whole experience in mind**
   Your packaging should encompass the whole experience. Apple®, for instance, does an excellent job of designing a product’s packaging down to the last detail—from the simplicity of the

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outside to the innovative touches on the inside. The process of unpacking the product reinforces Apple’s image and their customers’ experience leading up to using the product itself.

7. **Put your product to the test**

   Concepts, mock-ups and focus groups are a necessary part of product design. Testing the package design and how consumers react to it and interact with it before mass development can save time and money in the long run, ensuring your package achieves its goals and sends the intended message.

**Measuring the impact of product design¹²**

Managing design is a science as well as an art and it requires the integration of the two. In effect, it is the convergence of business, strategy and customer experience.

**Brand image and corporate reputation**

Track conversations on and offline to gauge what people are saying about a product and its packaging in particular. You may not hear a lot of praise, but you’ll hear consumers loud and clear when something is not right. What’s more, integrate your overall marketing measurement efforts to draw correlations and connections with changes in packaging design or between two different test designs.

**Time to market**

By evaluating the time it takes for a product to get from the early stages of package design to production to the hands of the consumer, your brand can continually evaluate the design’s effectiveness in relation to its production costs.

**Financials**

Julie Hertenstein and Marjorie Platt, from Northeastern University’s School of Business, have conducted research in conjunction with DMI, the Design Management Institute, on the financial performance of design since the mid-1990s.

They evaluated financial performance by using traditional financial ratios, such as return on assets

and net cash flow to sales, for a sample period. They found that firms rated as having good package design were stronger on virtually all financial measures from a practical and managerial perspective, as well as from a statistical perspective.

**Surveys and focus groups**
What better way to gauge a package’s effectiveness and usefulness than asking the very people whose opinions matter most? Solicit feedback from target audiences through the use of surveys—online, direct mail and point of purchase—as well as focus groups to compare packaging options and effectiveness.

**Closing the box**
Package design is an important part of any marketing plan that involves a product—not only is the messaging and visual identity of a package a reflection of consistent branding, it serves to reinforce marketing messages and enhance the overall customer experience. With consideration to effective package design, not only will your brand catch the eyes of consumers, it won’t need to worry about mistaken identity ever again.