

Anything but basic

Stark, unattractive value-tier packaging design is losing favor with consumers.

By Michal Christine Escobar

One-third of consumers consciously seek out private label products to save money, states Chicago-based IRI in its January 2015 report “Private Label & National Brands: Dialing in on Core Shoppers.” More than five years after the official end of the Great Recession, consumers continue to search for affordable grocery options, and nearly half (46 percent) of consumers say they are planning to purchase affordable brands more frequently in the coming year. For this reason, many retailers have started to give their opening-price-point private brands greater attention.

Todd Maute, a partner with New York-based CBX, agrees that there has been a “recent resurgence” in value-tier products.

“They are being treated more strategically than they have been in the past,” he says, especially when it comes to their packaging design. Typically, standard value-tier packaging was “basic” and “cheap” looking because retailers wanted to convey to consumers that the product was inexpensive. However, recent private brand packaging redesigns and opening-price-point brand introductions indicate that retailers are changing the way they present their value tier to consumers.

Make ‘em proud

Value-tier private label shoppers are no longer solely income-constrained individuals, says Stephanie Donelson, account manager, Kaleidoscope, Chicago. More consumers, including millennials,

are shopping for quality

products at value pricing, which is driving retailers to “think more creatively” about their approach to value-tier packaging design.

“Gone are the days of dated ugly value packaging,” states Casey DeCarlo, creative director, EightyTwenty, Pittsburgh. “Consumers want value, but they don’t want to sacrifice good design. While a value brand can and should communicate value, it doesn’t have to look embarrassingly cheap in order to achieve that.”

Current value-tier purchasers want to feel proud to have these items in their shopping cart, Donelson says. When others see value-tier products in their homes, these consumers want those people to view them as savvy shoppers.

Don Childs, chief creative officer for Brandimage North America, Cincinnati, agrees.

“Shoppers who buy value-tier products want to feel good about what they’re buying,” he says. “They don’t want to be reminded they can’t afford the ‘real stuff.’ And they want to be rewarded for making a smart choice.”

Whimsical, not basic

Part of the current value-tier design strategy is to offer customers packaging that is simple but not basic, says Eric Olson, creative director, Digital Color Inc., Waukesha, Wis.

“To me, basic means a standard font on a single-color background. If photography is used, it’s flatly lit and simple looking. It’s more functional,” he says. “Simplicity, however, is using the space in a well-thought-out manner in terms of composition and design and layout. A simple design could incorporate a hand-drawn typeface. But it’s not layers of graphics, images and text.”

In April, Walmart ended up discontinuing its Price First brand, less than two years after its introduction. The brand was originally designed to help it compete for shoppers at hard discounters such as ALDI. But its basic packaging design very much harkened back to the “old days” of 1970s private label with its white text on a blue background and virtually no graphics on almost all of its products. It’s possible that consumers didn’t connect with the



Packaging

packaging design and thus didn't connect with the brand, leading Walmart to discontinue it.

"Consumers still want a value-tier brand they can feel good about, something they can own, and a charismatic brand personality is a big part of that," DeCarlo notes.

In contrast to Walmart, Food Lion and Kroger both recently introduced new value-tier brands that offer personality: Cha-Ching and p\$\$t, respectively. The Cha-Ching brand uses a bright orange background, a cartoon piggy bank and the phrase: "Take

your savings to the bank." The p\$\$t brand, meanwhile, features a cartoon owl "whispering" to consumers: "p\$\$t...big savings...pass it on" — and

uses a mixture of photography and hand-drawn imagery on a white background.

"The value tier has become an opportunity for a retailer's whimsical side to show," states Jeff Camp, art director with SailPointe Creative, part of Federated Group, Arlington Heights, Ill. "Some notable examples use humor (Cha-Ching), while some use the play on word[s]... (p\$\$t). These attention-getting devices don't distract from the essential communication of quality (usually through an impactful image) and value — but enhance the banner's engagement with their shoppers."

But retailers must be careful when designing value-tier packaging. If the packaging design becomes too clever or "brand-like," the retailer risks persuading the consumer to trade down from the national-brand-equivalent (NBE) tier to the value tier, Maute cautions. And the NBE tier typically accounts for the "lion's share of sales."

"The value space can be a difficult space to design in, with the challenge between 'value' and 'solid branding' trickier to balance," DeCarlo agrees. "Value-tier packaging design must convey affordability compared to any NBE or premium private brand offerings on



shelf alongside it. If you want your consumer to spend more on your NBE or premium tier, they need to see a difference.”

Know your customer

A retailer that knows what its customer wants from the brand will be better able to connect with that customer once the packaging is rolled out throughout the store.

Olson recommends that retailers define their customer.

“Try to understand their buying habits and what is best going to help them in terms of purchasing this brand,” he says.

Childs agrees and believes retailers should ask themselves: “Why do my customers want to purchase a value-tier product at my store?” There are three possible options: price, value or worth. If it’s because of price, the customer is looking for the lowest possible price, and the packaging design should not be premium. If it’s because of value — a solid-quality product at a solid price — retailers should ensure the packaging prevents consumers from feeling like they’re making any kind of sacrifice. If it’s because of worth — an amazing

quality or innovative product at a surprising price — retailers should use product packaging to tell customers that they’re clever for selecting this brand and product.

Camp takes it one step further, recommending that retailers include actual shopper feedback very early on in the redesign process.

“Don’t make decisions about anything at shelf without knowing your consumer and their preferences, because the value-tier consumer may make very different choices or be driven by different need states than your branded or premium shopper,” he says. “Questions about the personality or equity of the own-brand should absolutely be answered with qualitative or even quantitative feedback from those making choices for the target households.”

Once a retailer has gathered enough information about its value-tier customers, Donelson advises that the design strategy should be fresh, reflective of the overall brand and straightforward.

“The value tier should be simple, from product functionality to on-pack communication,” she continues, “to reinforce its role within your portfolio. That doesn’t mean you to lose all the personality along the way.” **SB**