

PACKAGE DESIGN

Use Package, Display, & Planogram Simulations to Form Your Impression

by Randy Ludacer (published May, 2008, Package Design Magazine)

When I was a kid, if I ever thought about products and how they came to be for sale in my neighborhood stores, I would have imagined that the way it worked for companies that made products was something like this: 1) make the product; 2) make the package; 3) put the product in the package; and 4) set a price and offer it to retailers.

Now that I'm all grown up (and design packages for a living) I know how far off I was. If there was ever a day when making and selling products was so straight forward, that day has passed.

The real deal

The success of the "big box" stores like Wal-Mart, Costco, and Target has led to today's consolidation of retailers that results in fewer smaller stores. This, in turn, has led to increased competition among suppliers—competition not for consumer sales, but just to win a place for their product on the shelves of those big box stores. And the competition is not just between suppliers. The retailers themselves now compete with their suppliers by offering their own store brand, private label items. According to one of our clients in the home storage industry:

"The amount of retailers is shrinking, which gives the retailers that are left more power. They charge suppliers back for all returns, damages, and any markdowns that the store may take on your product. They also charge for ads that they place for your or anyone's products and sometimes even request guaranteed sales. Many retailers are also buying items direct or, if they are not going direct, they are squeezing on price by claiming they can go direct. The only reason that suppliers are still around is because they have brands that the retailers can't get or don't want to take the risk on. And good suppliers have an outside view of style, which the retailers sometimes do not, since they are in their insulated world."

One big revelation for me coming up in this business was that our clients do not, for the most part, manufacture anything without encouragement from one or more retail buyers. Before making the a new product, our clients will usually make a either a physical prototype or—in cases where the product is essentially a design idea—they'll hire us to make a simulated picture of the proposed product and present that to the buyer before incurring any actual manufacturing costs.





It's the packaging

Of course, the influence of store buyers on our clients does not end with determining which products are made. More and more, the retail buyers from the largest stores have the final say in the package design. Wal-Mart's recent sustainability initiatives reveal to the rest of the world what's been true for a while: Big retailers have a big say in how products are packaged. To the point where it's almost like we, as designers, have another whole layer of client approvals to go through. We design the package once, to the satisfaction of the client, and then a second time, to satisfy the store buyer! Our home storage client puts it this way:

"It's typical for a buyer to request packaging changes. Many stores have a certain look they try to convey and they want your package to fit into their store. And not only does the look of the package have to fit, but the type of package has to fit as well. Sometimes buyers only have room in a section of their store that only has shelves, so maybe a color box works best. Sometimes they only have space for pegged items, so a hang tag will have to do. Packaging is so important that even a great item will not sell with a bad package and a so-so item can sell well with a great package."

As with the product prototyping and simulated product pictures, the client has a number of choices in presenting proposed packaging to a retail buyer. Sometimes we're asked to make a number of "comp" packages by printing and constructing boxes and insert cards in-house for a store presentation. Other times we'll make simulated pictures, which can also come in handy for online or printed distributor catalogs.

Planograms for all

Our earliest exposure exposure to planograms (or POGs) was around 1994. A client wanted to feature product displays in his company's product catalog and since we were handling the packaging graphics (and the catalogs) he asked us to make illustrations showing the various ways their polybagged products could be displayed—a sort of "serving suggestion" for his wholesale buyers. Those early display pictures were fairly diagrammatic with J-card graphics and product photos within rectangular outlines (the polybags), each with a circle representing the hang hole.

Of course, planograms were not always a marketing tool for manufacturers. They were originally devised as an in-store plan for retailers mapping out which products went where—a tool to increase consumer sales, if anything. Focusing on the store buyer and helping our clients succeed at this critical step has been an increasing focus for us at Beach Packaging Design. Combining packaging graphics and product photography, we now make photo-realistic display images of proposed POGs, endcaps, counter displays, etc. It's been a natural extension of our services since we already design the packaging and take many of the product photos.

If a client sends us their planogram layout, we have everything we need to give them a very compelling sales tool. This has been something that's helped a lot of our clients get the orders they sought from large retail chains. We

asked some of our clients how much of a difference do these materials actually make during a presentation? Our home storage client says:

"I think they make a big difference. Most times a buyer will not place your product in their stores according to your planogram. But since buyers have a hard time imagining placement, a picture tells it all. And even though you are showing the buyer the best case scenario for your products (the most that they can buy and place in the best spots), it gives them a good idea of how your product will fit into their mix. Good

presentation materials that obviously took time to create also give the buyer the idea that you are committed to your product/program and committed to making the item sell well in their stores."

Anita Zampino, Vice President of Marketing for Levisohn Textile, told us,

"...strong presentation always makes an impact, as it conveys that you are creative, innovative and the authority in your product category. Merchandising concepts are an excellent tool since they give us the opportunity to share our vision for our products. The photorealistic technique conveys that vision in an easy to understand way and is an extremely effective tool. Even if the retailer ultimately chooses to merchandise the product in a different way than presented, the planograms definitely create discussion and generate ideas. Sometimes a part of the concept is taken and another idea created around it."

For these reasons it's become an increasingly common practice for manufacturers to offer helpful planograms to their retail buyers. As

with the "serving suggestion" on the front of a food package, the buyer may not wish to follow the "recipe" exactly. But even if buyer does not "buy in" to the entire program, a good display presentation seems to be instrumental in helping the store buyer envision the possibilities.

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