

'ARCTIC FOXES AND MALLARD DUCKS' WHICH STORE-BRAND DESIGN WORKS BEST?

Each design system is appropriate. Weigh the pros and cons of both, and examine how they can fit your private-label strategy. BY ROBERT WILKES

Whenever a designer takes out a clean sheet of paper to devise a private-label packaging system, he or she has to deal with the “elephant in the room.” That’s the heavy-breathing creature that sits behind you as you design and wonders, “How flexible or how uniform are you going to make this store-brand design system?”

Just because you’ve already selected an approach (who hasn’t), don’t think you can ignore the issue. Corporate brand managers worth their annual bonus are constantly looking at their systems and saying, “How can I make it perform better? What’s my next move to increase share and sales?”

But as soon as thoughts like these enter your mind, you can smell the peanut breath...the elephant is in the room.

After 18 years of creating store-brand packaging and thinking about the problem, I have identified two major types of private-label designs that I call “arctic foxes” and “mallard ducks.” Understanding the pros and cons of each design strategy will help you find the right solution for your store-brand system.

Flexible foxes

Arctic foxes are adaptable. They change their appearance to match the conditions of their surroundings. In

summer, their spotty colors blend in to the forest environment. In winter, they turn white as snow.

Arctic foxes represent the flexible approach to packaging design. Taken to its extreme, this approach allows the designer to adapt the design to any competitive strategy that helps him or her maximize market share and sales in a head-to-head contest against the national brands.

The philosophy holds that when you maximize share and sales of items

Here’s an underlying assumption for arctic-fox designs. Consumers prefer the more expensive national brands because they think they are better products. But if consumers are convinced that the quality of the store brand is acceptable, they will switch to enjoy the savings.

Uniform ducks

Male mallard ducks are remarkably uniform, so much so that even if you can’t identify birds beyond pigeons and seagulls, you can instantly recognize a mallard duck when you see its teal-green markings. Indeed, one duck looks the same as another.

Mallard ducks represent the rigid approach to packaging design. When followed steadfastly, this restrains the designer according to set guidelines. All packaging in the store follows these guidelines and possesses maximum visual continuity, from item to item and from category to category.

The product presentation is the only truly changeable design element, and even that follows rigid rules of scale and composition so as not to disrupt the uniformity.

This philosophy holds that when you maximize the visual continuity, you also benefit from the “coattailing” of the brand name across multiple product categories.

The packaging creates thousands of “impressions,” to use an advertising



If consumers are convinced that the quality of a store brand is acceptable, they will switch to enjoy the savings.

in each category, you also maximize the aggregate share and sales of the store’s own brands. The only requirement is that the store’s brand appears consistently from package to package. A small field with a constant color around the brand mark will do the job.

term, for the brand. Its ubiquitous presence creates a “shopability” that the consumer wants and appreciates.

Once consumers become store brand buyers in one category and are happy with the selection, quality

and variety, they can spot the store brand easily and broaden their purchases to other categories.

Retailers should harness the perceived value of their brand and brand mark to drive sales of private-label

products. The high visibility of the private-label system and the frequent brand exposures are among your best tools to influence consumers and communicate what your brand means to their lives.

CONTINUED ON PAGE 40

ADAPTABLE FOXES

<i>PROS</i>	<i>CONS</i>
Higher perception of quality. Because quality is the focus, it drives the decision process during design. Expressing a product’s “essence” is easy to do in an adaptable system, enhancing the overall quality impression.	Brand profile is lower. The brand presentation diffuses and is less memorable with less impact.
Greater appetite appeal. When the design is adaptable, the designer can maximize appetite appeal, which is so important in communicating quality. Food photography receives funding and presentation.	More expensive to the retailer. It takes longer and costs more to design this way. In the long term, the design cost of a good package is usually trivial compared to the return on investment it can generate.
Shelf impact. The designer is allowed to use color, imagery, type and all other tools at hand to build shelf “shout.”	Less “shopability.” The true believer must work harder to find the products.
Raising “badge” value, lowering “mock” factor. Because the emphasis is on quality, not uniformity, the potential for raising the badge value is higher. Badge value is what others think of the things you own. If the brand creates an impression you feel enhances your image, it has badge value. If it is a cause for derision, it has mock factor.	Requires a larger staff. Very few people can run a highly uniform system.
Potential to optimize profits. The designer is free to go one-on-one with the brand leader to erode and steal market share. The retailer can choose to concentrate his investment in categories and items of high sales volume (80 percent of profits come from 20 percent of items), spending time and effort where it will do the most good.	Brand proliferation. There is a danger that the store will have too many different branding ideas that seem confusing and scattered to the customers.
Capitalize on the “wisdom” of the brands. The designer is free to use colors, symbols, textures, product presentations, shapes, forms, compositions, etc. that are normative to the category and therefore reflect the accumulated “wisdom” of the brands. Consumer research validates the brand design, which has enormous familiarity. The consumer expects to see these design expressions and often will not consider a product that looks “outside” these familiar category norms.	The suppliers must be convinced of the value. Usually the cost of packaging design is passed down to the suppliers. Many are not convinced of its value to them, or simply don’t want to pay any more than they have to.
More sell copy. The flexible design works more like a brand. If there is a product story to tell, you can better communicate it if the front panel is adaptable to feature copy.	Consumers might miss your package on the shelf. If the store brand design is always changing, it is more likely consumers will not see it as a store brand product.
Fosters a profit-based mind-set. When quality is king, everyone wants to know how the product is doing. Management develops data, charts and reports. This is extremely healthy for a private-label program because success offers the rationale to do it right.	Higher cost of food photography. If the packaging is going to stand up against a powerful national brand, the photography has to be first rate. This can be a major part of the cost of design.

Selecting the right system for you

First, determine how your company measures success. For many, success comes from the bottom line. Store brands usually offer three times the margins of the national brands, so they are powerful tools for leveraging store profits. Right? Well, not so fast.

In many stores, management focuses on minimizing “non-touch” operating costs (i.e., labor that does not stock a shelf or ring a cash register), and they put very few people and very little money into optimizing their

store-brand programs.

A sign that you’re in such a store is the price difference between the private-label product and its corresponding branded competition. If it’s too wide, the store may be sacrificing profits for uniformity and low costs of design. Management pays little attention to store-brand market share, and they are satisfied to let a uniform system act as cheap advertising. Low internal cost is then the measure of success.

Next, evaluate the aim of your store-brand system. How does it support your brand’s market position?

The store-brand program serves as an arm of the store’s Customer Relationship Management (CRM) program. If the store brand conveys higher quality, variety and a “richer” shopping experience, an adaptable system better supports that position.

If the store brand signals convenience and savings, a uniform system is appropriate.

Some retailers see symmetry, understated beauty and classic regularity in their uniform systems and hold these to be high ideals. In this view, the system is visible evidence in support of the store’s brand image.

UNIFORM DUCKS

<i>PROS</i>	<i>CONS</i>
Better communicates savings. Does a better job of expressing the savings inherent in store brands. Has a more generic, low-price impression overall.	Impression of lower quality. There is a price to pay for looking like a bargain, and the impression of lower quality is always there.
“Shopability.” For the true believer of buying store brands, this is shopping heaven.	Over-use of white color on packaging. Most uniform systems use too much white because it can stretch over more categories than any other color. But white says “generic” except for certain staples and drugs.
Brand builder. With so many customer impressions, both in the store and in the home, your store brand gets more exposure. How much good that does, however, is debatable.	Overexposure. If your pantry shelves brim with look-alike packaging from one store, you may get tired of it. Your impression of your quality of life lessens when you see constant reminders of the bargain brand.
Beneficial transference. When shoppers like one of your products, they will try another.	Prejudicial transference. When the shopper has an unsatisfactory experience, she can dislike all your products. They all look the same; they all must be the same quality.
Management loves it. It costs less, takes less time, and it’s simple to do and understand.	Fosters a low-cost mindset. Once this mind-set is entrenched, it leads to short cuts, acceptance of ineffective design work, sub-standard photography, and low expectations. No one knows or cares how well the products sell. Uniformity is the idol you pray to.

Things to consider

Here are additional suggestions for evaluating your store-brand system.

- Understand your brand position and brand image.

- Get to know the kind of shopper that is selecting your stores, and find out why.

Consumers select stores for quality, convenience, selection, social status, services, amenities, ambiance, cleanliness and more.

- Understand how your consumer calculates value in your store.

- Determine management's commitment to its store-brand program, and the resources available.

- Determine how management will measure your success.

- Do not be afraid to change.

In practice, few systems are pure



When you maximize the visual continuity, you also benefit from the "coattailing" of the brand name across categories.

better, best" store-brand system

to reach out to all shoppers. This hierarchy is becoming popular because it allows the store to employ some of the best of both systems.

Whichever design strategy you choose, do it for the right reasons. Don't fall in love with your existing system. Have the courage to question it, no matter how many SKUs are out there. Measure your results both by sales and profits, and by

how well your system builds your brand image. Be open to change, and adjust or refine when necessary. **BP**

The author, Robert Wilkes, is President of Wilkes Creative, a strategic marketing and design firm specializing in store brands. Contact Robert at 425.284.1545 or rcw@wilkescreative.com

foxes or ducks. Hybrids, exceptions and outliers sit on the shelf of every store.

Inside each store are a range of shoppers with different needs and price sensitivities. The "typical" shopper is the mid-point of that range.

Many stores create higher customer satisfaction through a "good,