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Measuring Success: Using Consumer Research to Document the Value of Package Design

by Scott Young

How a package is perceived can significantly influence a brand's competitiveness and sales. However, the difficulty lies in measuring or projecting the marketplace impact of a particular design system. Scott Young comments on research techniques that do not work and, more valuably, identifies others that do indeed reveal the subtle relationships between package design and the choices consumers make.



Historically, many designers have viewed quantitative (survey) research with some suspicion. Of course, no one is fully comfortable having his or her work tested—and there are understandable concerns about translating (or perhaps reducing) creative concepts into attribute ratings, five-point scales, and top-box purchase interest numbers. However, as clients increasingly recognize the power of package design, they also demand greater accountability—and survey research has become one important way to document the value of design. It is no longer a question of whether to get the numbers, but instead of asking the right questions and ensur-



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ing that survey research fully and accurately documents the value of design. With this challenge in mind, I'd like to share recommendations for measuring the performance of current packaging systems and gauging the value of proposed packaging concepts.

Assessing Current Packaging: Time for a Change?

For years, it has been accepted that consumer research should take place to test potential packaging changes for well-established brands. Certainly, fundamental changes to the appearance of Cheerios, Tide, or Kraft products would not happen without consumer

research to assess new/proposed design systems. However, relatively few companies take a disciplined approach to evaluating the performance of their *current* packaging. As a result, major decisions to change/update a brand's appearance are often made on the basis of intuition ("It just feels outdated.") or in response to competitive activity ("They changed, so maybe we should too."). As a result, many packaging changes come years too late, after the brand has gone into decline. In other cases, unnecessary redesigns may waste resources and risk confusing or alienating the brand's users.

To time their packaging changes properly, marketers need a process for measuring the performance of current packaging. However, this is more challenging than it appears. Asking shoppers this question directly (that is, "Should we change the packaging?") can generate misleading feedback because shoppers rarely admit that packaging directly affects their purchase decisions. And measuring the performance of current packaging versus competing packaging is also problematic; the findings are always confounded by branding. Because of brand usage and familiarity, a leading brand will almost always score better than less-well-known competitors, regardless of its packaging. Therefore, it can be very difficult to know if a brand is selling because of its packaging—or despite it.

How can we strip away branding and uncover packaging effectiveness? Unfortunately, the most intuitive approach—asking shoppers to react to *unbranded* packages—is deeply flawed because it removes them from a realistic shopping context. Direct questioning ("Does this packaging make you more or less interested in buying the brand?") also provides misleading findings; shoppers can't accurately gauge how much packaging contributes to their interest in a brand. In fact, they typically understate the importance of packaging because they are reluctant to admit that aesthetics drive their purchase decisions ("I won't buy it just because it has a pretty package.").

To accurately gauge the impact and value of current packaging—and determine whether a packaging system is in need of a change—we need to isolate incoming perceptions (based on brand awareness and experience) from reactions to packaging. In short, we need to think in terms

of the contribution of packaging to brand perceptions and preference:

- Does the packaging enhance or detract from shoppers' interest in the brand?
- Does the packaging enhance or detract from the brand's competitive positioning?

The key to answering these questions is to speak with two different sets, or cells, of category shoppers:

- One cell evaluates the test brand and direct competitors (on criteria such as quality, personal relevance, and purchase interest) while viewing only the *names* of each brand.
- A second cell evaluates the same brands on the same criteria, while viewing the *packaging* of these brands (on shelf and in hand).

This approach has several benefits. First, by comparing responses across the two shopper groups (name-only versus packaging exposure), it isolates and measures the impact or contribution of packaging in enhancing (or detracting from) shoppers' perceptions and the brand's competitive preference. In other words, is the brand in a better competitive situation before or after the introduction of packaging?

Secondly, by showing packaging in a competitive context, it identifies areas or dimensions (such as shelf visibility, appetite appeal, and perceived quality) in which a packaging system is particularly strong or weak. This simple research process can uncover signs of wear-out (that is, signal the need for change)—and identify specific objectives to guide a redesign effort.

Recently, PRS conducted a number of these benchmarking studies to evaluate current packaging systems to help marketers guide redesign decisions and to allocate resources across brands. Interestingly, in at least 25 percent of the studies, we've found that a brand's current packaging is actually *detracting* from brand perceptions, positioning, and preference.

For a leading brand in a food category, we found that its packaging was actually undermining its competitive advantages. On a name-only basis, this brand was the clear category leader, with incoming advantages over its primary competitors in many dimensions, including overall quality perceptions, anticipated range of usage

occasions, and as a source of meal ideas. However, when shoppers saw the packaging of this category leader (in the context of its primary competitors), several weaknesses emerged:

- The packaging was somewhat weaker than a primary competitor in overall shelf visibility, as measured by PRS Eye-Tracking of shelf-viewing patterns. At the shelf, shoppers typically saw the competitor first.
- Label-viewing patterns showed that the packaging did not drive consistent readership of its primary claim. When first glancing at the packaging, shoppers saw only the brand and the product visual.
- The packaging was somewhat weaker than competition in terms of appetite appeal and perceived uniqueness. The food visual was not winning versus that of the primary competitors.
- The packaging detracted from overall brand imagery, including dimensions tied to the underlying brand promise. The packaging was undermining the brand's positioning and differentiation.

Overall, the leading brand's packaging lacked a clear point of difference (versus the competition)—and thus allowed competing brands to

reach a position of parity in shoppers' minds. In this case, the brand appeared to be selling despite its packaging rather than because of it.

However, we have also seen numerous cases in which packaging was clearly contributing to brand preference and sales. Perhaps the most dramatic example came in the candy category, where we saw that exposure to packaging elevated one brand from incoming parity (versus its primary competitor) to a position of significant competitive advantage, as seen in double-digit gains (relative to name-only ratings) in brand personality (cool, fun, hip, young, and so on) and ultimately in brand preference and selection. Clearly, this was a case in which packaging was directly affecting shoppers' preferences and purchase decisions.

Assessing New Packaging Systems: Are They Worth the Investment?

Measurement and valuation are particularly critical as marketers consider new packaging concepts, especially given the growing trend toward structural innovations that require significant upfront investments (retooling and the like) and/or incremental costs-per-unit (more expensive materials, and so on). In these situations, traditional research studies often leave compa-



For new packaging structures, the primary challenge is to understand whether functional advantages (better product protection, easier handling and dispensing, etc.) translate into purchase preference vs. competition.

nies at an impasse. Usability studies can show that a new packaging system provides functional benefits (making the product easier to open or protecting the product more fully, for instance). Graphics studies can show that a new packaging system drives improvements in imagery or appeal. However, findings of this nature fall short in answering the marketer's critical question: *Will these functional or attitudinal advantages translate into incremental revenue and provide a positive return on investment (ROI)?*

To accurately answer this question and project the business value of a new packaging system, consumer research needs to follow several important principles.

Avoid Side-by-Side Beauty Contests

The single most important principle of effective packaging research is monadic study design, in which each person sees/reacts to only one system (versus a competing system or systems)—and findings are later compared across cells (that is, those who saw current packaging versus those who saw proposed packaging). That's because the primary objective of a packaging study should be to simulate the introduction of a new packaging system (to see how it affects shoppers' attitudes and behavior), rather than to find out what shoppers "prefer" or "like."

When shoppers directly compare packaging options on a side-by-side basis (current versus proposed), it creates an unrealistic viewing scenario, one they would rarely encounter in a store. As such, it often turns consumers into art directors (focused overly on aesthetics) or brand managers (over-emphasizing the differences between options), rather than shoppers deciding

whether to buy the product. Therefore, it is important to resist the obvious temptation for side-by-side comparisons; these comparisons can be very misleading—and finding out that "65 percent prefer the new packaging to the old" has little connection to whether a packaging change will have an impact on sales.

Start on the Shelf by Gauging Visibility

Packaging is unique because it "lives" on cluttered shelves, and it has to make an impression within the limited time (often only a few seconds) that shoppers typically spend making their purchase decisions.

Given this reality, the first challenge is to design packaging that will be seen and considered—and thus consistently create an opportunity to sell the product. In fact, our PRS Eye-Tracking studies (and collaborative research with the Wharton School) show that shoppers never see at least a third of the brands displayed, and that being seen quickly (visually pre-empting the competition) correlates highly with purchase.

Unfortunately, there are few shortcuts to gauging shelf presence—and quick-and-dirty communication checks can be very misleading. Specifically, we've found that when packaging is shown in isolation (on a board or a web screen), shoppers cannot accurately gauge

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Jell-O

Name-Only Exposure

For a dominant brand, it can be difficult to know if the brand is selling because of, or in spite of, its packaging. To document the value of current packaging, we need to think in terms of its contribution to brand perceptions and preference (packaging vs. name-only exposure).

its shelf visibility or shopability. In other words, packaging that is bold or unique may be frequently described as eye-catching, but it will not necessarily break through shelf clutter, because visibility is largely a function of contrast (of color or shape) with competitive packaging.

Gauging shelf presence via recall questioning can be equally misleading. Fundamentally, recall is an advertising measure/metric, based on the idea that marketers need to implant a message that will be acted upon later. This is far less relevant in a shopping context, where decisions are

made at that moment—and the challenge is to gain consideration, convey superiority, and close the sale within a short time frame. On a more pragmatic level, recall is biased greatly by brand familiarity. If you show a shopper the soft-drink category, he or she is very likely to guess that Coke and Pepsi were there. Ultimately, there is no substitute for actually documenting what happens as shoppers encounter packaging

within a shelf context (that is, what they see, actively consider, pick up, and buy). It is important that major packaging decisions are guided by this knowledge rather than by what shoppers claim or what they recall.

Focus on Differentiation and Preference Versus Competition

Packaging also differs from advertising in that it is typically positioned directly next to its primary competitors. In other words, packaging is rarely viewed or considered in isolation—and all communication is inherently on a relative or comparative basis (that is, with your package in a person’s left hand and a competing package in his or her right hand). In advertising, the emphasis is often on historical “norms” and absolute measures. For packaging, the most relevant norm is nearly always competition—and it is critical that a study gather directly comparable data regarding competitive packaging. More

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importantly, to understand the potential business value of a new packaging system, we need to understand its impact on brand preference versus the competition. Is the new packaging increasing or detracting from our competitive positioning? Will it make shoppers more likely to choose our brand?

Avoid Direct Questioning About Pricing

In cases where new packaging systems involve incremental costs, a primary question on everyone’s mind is some variation of: “Will we be able to pass along the additional costs per unit without losing market share?”

While it is tempting to ask shoppers this question directly, it is a mistake. Unfortunately, pricing is perhaps the single area in which customers are least likely to provide accurate feedback. When shoppers are asked directly if they would pay more for a new and improved package, many will say they care only about the product itself. In addition, asking shoppers what they would be willing to pay for a particular feature or benefit is very likely to get a low-ball estimate. However, we have repeatedly seen that a new packaging system can affect pricing expectations—and that when new/better packaging systems are introduced at a slightly higher price, many shoppers do not notice the difference, or are actually willing to pay more. Therefore, the most accurate way to measure “pass through” is to simply test a new packaging system at a higher price point (and see if market share is retained). Alternatively, we can ask price expectation questions (“What would you expect to pay for this product?”) to see if a new packaging system is consistently driving higher expectations.

Measure Many Potential Sources of Value

Finally, it is important to remember that packaging innovations are driven by a wide range of strategic considerations and specific objectives. For example, many recent innovations (such as Hershey’s Swoops) have been driven by the goal of extending brands into new usage occasions and increasing consumption rates.

The full impact and potential value of these initiatives—and of many functional innovations—can’t be fully captured in the framework of a single shopping exercise or purchase interest question. Therefore, it is important that survey

research be customized (to address the marketing objectives) and holistic (to measure multiple sources of value).

A recent PRS study illustrated the importance of a comprehensive approach, which starts at the shelf and continues through the usage experience. A new packaging structure that involved a unique/proprietary shape and provided a functional benefit was under consideration for a well-established line of personal-care products. Because of the brand's popularity and familiarity, purchase interest levels were high in the control cell (that is, current packaging)—and the test cell (proposed packaging) showed no significant gains in overall purchase interest or in purchase levels from shelf (via simulated shopping). However, when we dug deeper, it became clear that the new structure provided benefits in several areas that linked to longer-term business-building potential, as it:

- Enhanced the shelf visibility of the brand
- Enhanced overall brand imagery (efficacy, modernity, and so on)
- Expanded anticipated usage occasions (on-the-go, and so on)
- Drove a higher price expectation and greater perceived value
- Provided improved product protection (via improved reclosure)
- Led to higher levels of satisfaction and intent to repurchase (after home use)

If this structural innovation had been forced into a narrow set of success criteria, tied directly to immediate measures of persuasion (purchase interest), it would most likely have been rejected as a failure. However, when additional sources of value were considered, it became clear that the new structure was very likely to provide a positive return on investment by improving the brand in three key areas that are known to drive long-term success—shelf presence, differentiation versus competition, and functionality.

Pulling It All Together: Measuring Success

In assessing both current packaging and proposed packaging systems, several key themes have emerged:

- To isolate and document the performance of current packaging, we need to think in terms of its contribution to branding (pack-

aging versus name only), rather than just its absolute performance on different measures.

- To measure the value of proposed concepts, we need to think holistically and ensure that research systems take into account multiple sources of value (from the shelf throughout the usage experience).
- To link consumer research more directly to business value and return on investment, we need to focus on the packaging's impact on competitive preference, which relates closely to sales and ROI.
- To gather accurate data, we have to avoid questioning shoppers directly regarding certain issues (such as shelf visibility, pricing, and preference) about which they are likely to provide misleading answers.

On a broader level, there are also important implications for both researchers and designers. For researchers, it is important to recognize and account for the uniqueness of packaging, both in research methodology and analysis. The clutter of the shelf environment, the presence of direct competitors, and the immediacy of the purchase decision make packaging different from advertising—and suggest that advertising research principles and metrics shouldn't be transplanted directly to packaging studies. Even more important, despite the effort for accountability and the allure of a "single number," it is still critical to conduct and analyze packaging research in a diagnostic manner, which provides the design professionals with the insight to solve problems and to further fuel creativity rather than destroy it.

For designers, given the demand for accountability, the best long-term course is to embrace the numbers and invest energy in ensuring that survey research is designed and analyzed in a way that fully and accurately values their concepts. While numbers can indeed mislead, if they are gathered and used properly, they can be a powerful tool in linking design to business value—and for making the case that companies should be investing in packaging excellence. ■

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