

2 SHELF DIFFERENTIATION

THE BOTTOM LINE

MARKET TRENDS

PACKAGING SOLUTIONS:

THE SECRET LANGUAGE

STEEL GETTING INTO SHAPE

BREAKING NEW SHAPING BARRIERS

EMBOSSED PACKAGING IN STEEL

THE PURITY OF METAL

POLYMER COATED STEELS

ORIGINALITY GUARANTEED

> THE BOTTOM LINE

Packaging, the silent salesman

Today 70% of consumer purchasing decisions are taken at the retail shelf and as a result, the role of packaging in the marketing mix has been steadily growing, to become a critical tool in point-of-sale advertising. Compared to other marketing media, packaging is considered as the most economical means of influencing the consumer decision. It is also one of the most important factors in establishing and maintaining a brand's leading identity.

The visual and emotional language of packaging

To win the battle at the retail shelf, marketers need to appreciate the visual significance of a packaging concept to communicate with the consumer during the vital 5-10 seconds that they typically take to make their purchasing decisions.

The secrets for optimal communication through the choice of packaging materials are colour, print quality, embossing, or unique shapes which are paramount to gain a leading position in the conquest at the point-of-sale.

Increased differentiation on the shelf

Due to the constant evolution of steel, can-making and coating technologies, steel packaging allows an increasing range of shelf differentiation possibilities.

Taking advantage of high quality printing, an aesthetic metallic appearance and embossing, steel packaging offers an excellent medium to communicate the added value of a packed product to the consumer. Various cases of profiled steel containers are literally shaping a new image for market success and product differentiation. Shaped steel packs range from steel bowls for ready-to-eat meals, to square formats that are easily stacked and provide a distinctive display on the shelf.

New steel grades offer a 'break-through' in shaping potential

Fundamental improvements regarding the strengths and elongation characteristics are opening up totally new perspectives in the shaping potential of steel allowing it to be formed into complex and traditionally difficult shapes using fewer production stages.

New opportunities with polymer coated steels

The use of polymer coated steels, which combine the best of steel and polymers, also constitutes an excellent opportunity for shelf differentiation. Polymer coated steel packs differentiate themselves on the shelves thanks to their opaque colour and remarkable gloss.

Original uses of steel packaging in the food segment

The innovative use of steel packaging solutions "borrowed" from other market segments, results in food packages which stand out on the retail shelves, providing a modern and trendy image.



> MARKET TRENDS



"For a brand, packaging has become the most economical means of getting noticed."

Lars Wallentin, International Packaging Consultant

The increasing role of packaging in the marketing mix

Modern packaging must do more than only protect products and enable efficient and effective distribution to customers and end users. It must also serve as a critical point-of-sale advertising tool since 70% of consumer buying decisions are made at the retail shelf. Most corporate marketing, advertising and promotional efforts would be wasted if the consumer, when facing the retail shelf, passes the product without noticing it.

One of the major trends in brand communication is to reduce the budget spent on media communication and increase that of packaging design. Hence, distinctive packaging design becomes a major asset for many brands to provide clear brand identification.

The point-of-sale challenge

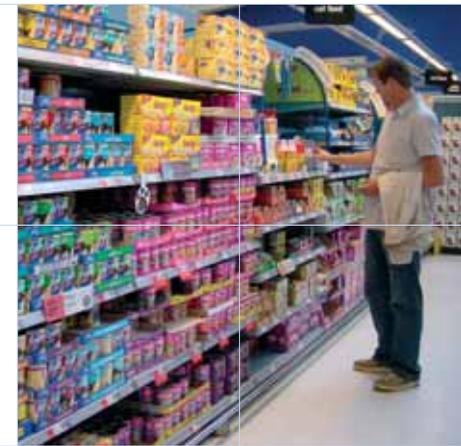
At any retail location, a brand must be visible amongst a multitude of similar products and attract the consumer's attention to stimulate an impulse purchase. Eye-tracking studies have regularly proven that when consumers actively consider a product category, they are likely to ignore completely at least one-third of the brands displayed. It is therefore imperative that a brand distinguishes itself from similar products and addresses the shopper's primary requirements in order to be picked up. To do this, the brand has only a few seconds which customers typically spend making their decisions.

More emotional than rational

Since consumers, in general, make over a dozen purchases in a typical supermarket shopping trip, it is not surprising that most of their decisions are more emotional than rational. They rarely take the time to read labels or actively compare products and prices. Instead, shoppers use visual symbols to sort through the vast array of options in order to make a quick decision. Marketers, therefore, need to employ the visual 'language' of their product category, and create at that instant the instinctive visual impact necessary to enter in contact with the customer.

Consumer research needs to reveal the key differentiating benefits associated with a given product category (i.e. reliability, ease-of-use, taste, etc.) and identify the visual symbols that people employ to rank different brands, product forms and features. This knowledge is critical for success and allows marketers and designers to prioritise messages and communicate visually.

Without this knowledge it is difficult to highlight and convey the appropriate message without confusing the purchaser. This is a frequent error that can be observed during eye-tracking research which has repeatedly shown that people do not take the time to read more than 2-3 messages included on the label.

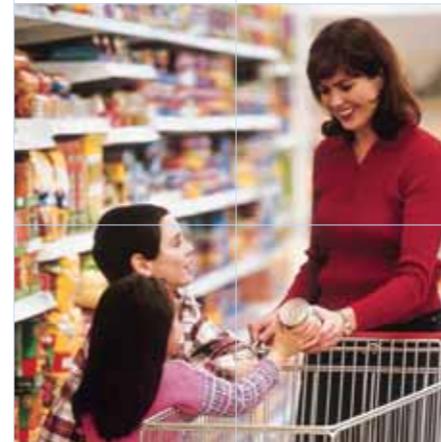


The secrets of efficient communication through packaging

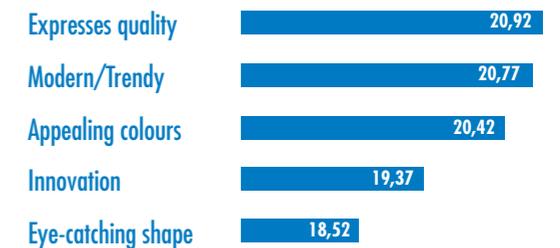
According to brand packaging specialists, the message communicated on the front of a packaging must be captivating, as well as easy and quick to assimilate. The secret lies in supplying only the essential information and to limit the graphical elements to obtain a clear and immediate shelf impact. Often, the most efficient way to convey the message for a food product is simply through an attractive illustration which perfectly conveys the freshness, crispiness or another specific attribute of the product. Currently, many branded products are similar in appearance and taste. The packaging concept which transmits messages such as "tastier because hand-picked when fully mature", or "more nourishing, because we carefully choose our ingredients", accompanied by high quality photography and design, is more likely to end up in the trolley rather than remaining on the supermarket shelves.

Consumers rank brand differentiation criteria

An international consumer research programme, conducted in March 2005 by the well-known market research agency IPSOS, involving a sample of 900 consumers in Brussels, Tokyo and São Paulo, revealed that **instinctive and spontaneous criteria play a key role in how packaging differentiates a brand**. After reviewing almost 70 different steel packaging solutions using an exhaustive set of criteria which were determined by preliminary qualitative research, the appreciation of the consumers interviewed during the survey permitted the evaluation of their spontaneous decision-making criteria. 'Expresses quality' is the factor which consumers rank highest, followed, in order of importance, by 'modern', 'trendy', 'appealing colours', 'innovation' and 'eye-catching shape'.



Consumers' 'unconscious' ranking of brand differentiating factors



% of total importance of all items, based on the correlation between each item and the overall preference of a packaging.

IPSOS International Consumer Research 2005

> A SECRET LANGUAGE



The metal can is trendy!
The metal can conquers new markets in the most developed economies. Just have a look at Japanese or American retailer's shelves to become aware of this. The designers, and this is the good news, now have their say, since the production techniques of this packaging now allow for a good amount of creativity.

Published on www.admirabledesign.com the reference site for design in France

Colour - the most powerful of the visual languages

Colour in package design, when effectively conceived and executed, should leverage the assets of brands and extend brand communication. Colour choice is increasingly critical in the branding of products, as branding is all about standing apart. The possibilities in colour and printing on steel packaging allow brand owners to achieve effective brand differentiation.

G rard Caron, one of the most respected international authorities on design, comes to the conclusion that colour codes are profoundly embedded in the human spirit and create spontaneous associations of ideas. In addition, they play an optic role and excite the sense of taste, which of course increases the impact of packaging.

Many trends in today's metal packaging market focus on graphics to help products stand out in a competitive marketplace.

Manufacturers are becoming more creative with labelling, and because they can now print in six colours or more, images are richer and more fun. Adding more inking stations on a label press is expensive, but as the market continues to move in that direction, manufacturers recognise the importance of visual impact to branding and sales.



Nestle Kit Kat



IPSOS International Consumer Research 2005

■ Product category average
■ Performance of packaging



Trend towards high quality packaging aesthetics

A recent survey* has demonstrated that there is a general trend towards higher quality packaging aesthetics and presentation.

In particular, the survey shows that there has been an increase in the share of direct printed cans and declining share in labelled and unprinted cans packed in folding cartons, particularly in sectors such as fish, fruit and ready meals.

How steel packaging makes a good impression

The steel pack has an outstanding surface for displaying advertising/brand messages, enabling it to set trends in product marketing.

Optical effects play an important role in influencing purchasing decisions by making the steel pack more attractive to the respective target group.

Major changes have occurred in printing on steel over the past few years. The development of multi-colour machines played a key role. Processes, varnishes and inks have been developed to enhance and vary the appearance of the steel pack. Printing technology has been enhanced to digitally print images with photographic quality on the pack.

Moreover, the quality of the steel is key in achieving a higher print quality, the new multi-colour machines requiring an homogenous steel surface from every steel coil.



*Heat-Processed Food Study, Landell Mills Consulting, 2006

No better surface to print on than steel

For more than 100 years, printing on steel has enabled famous brands worldwide to present themselves at their best to their consumers. Offset printing, which produces a consistently high image quality, is the predominant technique used for the printing of food and non-food steel packs. Over the last 20 years, the offset printing process has improved in quality and efficiency through more precise registration and up-to-date, multi-station printing presses.



New materials offer more differentiation features to brand owners

It is now possible to print onto holographic steel substrates - an important feature that is already being used in the fight against counterfeiting of branded products in cans.

The development of new pigments, which change colour at different temperatures (Thermochromic effects), offer the ability to indicate fill levels, ready-to-serve, and even safety features.

Interference pigments - which change colour according to the viewing angle - combined with steel can shaping, offer some very striking effects. The high reflectance of steel surfaces can be combined with coloured toners, sparkle and pearlescent pigments to achieve an almost limitless range of coloured coating effects. Varnish surface properties can also be manipulated to give tactile effects, and "soft-touch" finishes provide even more brand differentiation potential.

Improvement in the pre-press process further enhances print quality

The recent digitisation of the printing process represents a big step forward in print quality. The evolution of computer-based design and the ability to read this directly onto a printing plate has speeded up the design and printing process, also making the process more quality-consistent. The digital revolution has enabled computer-to-plate (CTP) technology whereby digital images are transmitted directly from a computer to the printing plates. CTP is an important factor in transmitting the full brilliance of colours and in improving registration between the various colours in a design. If CTP is coupled with Hexachrome (6-colour process printing) a much wider range of colours can be printed in considerably higher print quality with improved contrast between colours.

Digital printing could be the next breakthrough

Digital printing is the most promising development because this technology could revolutionise steel pack design options. Digital printing has the potential to offer extremely small batches of top-flight designs to be reproduced cost-effectively in greater definition and in photographic quality. The steel pack provides an excellent surface for outstanding advertising and design. Together with digital printing, it is the ideal instrument for a wide range of different promotional applications.

The advantage for the brand owners is 'print on demand' because, in theory, the printing lines are capable of printing each individual can with a different design. The results of initial trials of digital printing are already very promising with the technology being particularly interesting for premium quality products such as special editions.

Plastic shrink wraps and sleeves

Paper labels are still in use in certain can markets. However, more and more paper labels are being replaced either by direct printed cans, by plastic shrink wraps, or by plastic sleeves. For both plastic shrink wraps as well as plastic sleeves, there are few design limitations as they adapt quite well to irregular shapes and are applied as a separate system. Plastic shrink wraps and plastic sleeves can be used on a variety of differently shaped steel packs. In particular, they are also ideal as rapid response steel packs for special situations such as promotional events.



Quality positioning through carefully designed can decoration

"We decided to launch a new, premium quality olive oil in an authentic container", Marina Testu, Brand Manager of Puget commented. "Using our team's expertise, a superior olive oil was developed - using carefully selected Mediterranean grown olives - which we decided to call 'Puget Héritage'. This new olive oil variety has a more fruity, rich and very authentically olive flavour."

A key factor behind the decision to use steel was shelf impact. Virtually all olive oil in France is packed in glass or PET bottles. Puget Héritage steel packs therefore clearly differentiate the product from the competition.

A carefully designed steel pack decoration, in dominant warm yellow and green colours, conveys perfectly the sun-drenched olives of the south of France and the unique quality of this special olive oil (see below). On the shelves, the 'Puget Héritage' cans have a strong visual impact and their striking appearance differentiates the brand from alternative products.



Puget oil

Expresses Quality 6,64 7,22

Differentiates the brand 7,02 7,41

Product category average
 Performance of packaging

IPSOS International Consumer Research 2005



STEEL GETTING INTO SHAPE

Shape as an eye-catching device is under-exploited, particularly considering the technologies available today.

Kevin Ford, International Research Director, IPSOS



Achieving maximum brand impact

The importance of packaging design as a vehicle for communication and branding is growing in competitive markets for packaged food and drink products. Visual elements play a major role, representing the product for many consumers, especially in low involvement products that are typically purchased in a rush. Given that a high number of treats are purchased on impulse, this fact is all the more important.

By using shaped packaging, everyday foods are made more interesting. Indeed all categories have the potential to captivate consumers' imaginations with new formats and variants.

A variety of different shaping techniques are available for the shaping of steel packs, enabling many different shapes to be achieved - concave or convex, symmetrical or asymmetrical.

Mechanical shaping

This technique is the most frequently applied shaping technology with steel. An expanding tool in the shape of the can geometry opens and forms the can from the inside.

These innovative shaped packs provide significant point-of-purchase appeal, enhancing product differentiation, and have been designed economically to run with existing production lines. The advantages of this process are high quantity series and low investment costs.

The condensed milk brand 'Moça' by Nestlé (see above) allows the brand to stand out from competitors in a market where there is very little product differentiation.

The launching of 'Onctuo', a rich and creamy instant drink by the French distributor Leroux (see below), required an appealing packaging to attract consumer attention, in contrast to the multitude of analogous products on supermarket shelves.



IPSOS International Consumer Research 2005

Onctuo

Eye-catching shape	6,6	7,7
Innovative	6,4	7,0
Modern/Trendy	6,7	7,2
Appealing colours	6,8	7,2
Expresses Quality	6,6	7,0

■ Product category average
■ Performance of packaging



To give their new range of diet foods more shelf appeal, Brand Management at Premier Foods 'decided to revamp with a new, shaped packaging design to differentiate 'Waistline' from other traditional and own label brands.

A shaped 3-piece steel pack with easy-open ends was chosen with a decorative shrink-wrapping that accentuates the distinctive "waisted" package shape (see opposite). Despite the pack's unusual shape, the contents can be filled and processed on conventional lines without any major equipment adjustments.

Marketing success was immediate and prompted Premier to extend 'Waistline' across their Crosse & Blackwell brand of canned foods.

Blowforming & hydroforming

Blowforming is a process using air. It begins with a can preform placed in precision engineered moulds to create the desired shape. The preform is then blow-formed with pressurised air, expanding the preform into the shape of the mould. During blow-forming, no tooling is required inside the can. Since only air touches the inner surface, the integrity of internal coatings and lacquers is ensured. With the blow forming process, shape is consistent, and package strength is not compromised.

Hydroforming is an alternative process that uses water instead of air to force a steel tube into a required shape. To produce a shaped container, a standard 3-piece steel pack is placed in a mould into which pressurised water is injected to push the steel into the walls of the mould.

Not only did the shaped pack in steel provide the French syrup brand 'Teisseire' (see below) with the desired upturn in sales, and the successful repositioning of the brand, it also set a precedent in packaging with the evolution of the shaped can. The beauty of the contoured three-piece steel pack developed for Teisseire was that it worked on a number of levels:

- it elevated the existing packaging from a functional can into an aesthetically pleasing packaging allowing an easy grip;
- the tactile and stylish curves echoed the premium values of the product and became an extension of the brand;
- and most importantly, it attracted the customer, providing instant recognition, shelf appeal and impact.





BREAKING NEW SHAPING BARRIERS



Prototype

"The qualities of new steel grades open up new possibilities for shaping and provide a quality of finish which was impossible until now. The sophisticated shapes which we dreamed of, but did not dare design, are now possible in steel."

Fabrice Peltier, Designer, President of P'Reference

Virtually no limits to deep drawn steel pack design

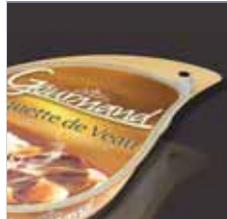
75% of the 3,500 steel qualities which exist on the market today have been developed over the last 20 years. When it comes to packaging steels, fundamental improvements regarding the tensile strengths and the elongation characteristics of the latest steel grades are now opening up totally new perspectives in different areas.

Recent, highly ductile steel has considerably increased the shaping potential of steel packs. It can be drawn into complex and traditionally difficult shapes in fewer production stages.

There are virtually no limits to the steel pack designs obtained and it could be possible to reduce still further the number of drawings required with these new steels, including severe conical and elliptical shapes, tight curves and hard shoulders. Another benefit is that the finished product has a smooth surface with no wrinkles, allowing high quality printing and decoration. This development offers high impact potential and an extraordinary opportunity to brand owners to differentiate their products in the eyes of the consumer.

Ideally set for the European food packaging market, and particularly suitable for all types of food products, including pet food, this technique will no doubt favour the emergence of original formats, adapted to small production runs, and initiate the launch of a multitude of new products in steel packaging.

Prototype



Range of bowl-shaped cans readily available

Deep-drawn can shaping, particularly when combined with peel-off ends, is a powerful tool for food companies to communicate a modern and fresh image, building brand strength and consumer loyalty.

A range of bowl-shaped cans are now readily available and lend themselves particularly to the single-serve food market. These bowls have a sleek and modern shape that draws attention on store shelves and provides single-serve food brands with a competitive edge at point-of-sale.

Bowl-shaped steel containers can incorporate advanced surface printing technologies to further enhance visual appeal and extend brand messaging. These types of cans are ideal for packaging ready-to-eat foods such as tuna and meat salads, pâtés and spreads, puddings, fruits and cream desserts. Bowl-shaped cans are easy to handle, allowing consumers to enjoy contents directly from the package.





EMBOSSED PACKAGING IN STEEL



"We recognise the aesthetic advantages of steel packaging and its ability to convey a message of value."

Stephen Oliver, General Manager, Churchill's Confectionery

A tactile experience enhancing brand recognition & quality

Embossing is a process which produces decorations with a raised profile. It offers a tactile experience and makes products more impressive with enhanced brand recognition. Contour-positive and contour-negative tools are harmonised for precise embossing.

The use of embossing on steel increases the spontaneous purchase incentive, as the unusual and attractive appearance, together with impressive designs, differentiates the product from competition resulting in a decisive advantage on the retail shelf.

The additional advantage of such designs is that consumers often keep such packaging, extending the time the consumer is exposed to the brand.

Churchill's - a 'must-touch' feeling for the consumer

Embossing and debossing provide alternative ways of enhancing the high quality look of a product by emphasising specific items such as logos and brand names for example.

Also, perfectly fitting, detailed embossing on both lid and body not only project higher value and encourage secondary use, but also encourage a 'must touch' feeling for the consumer. This is the case of the eye-catching 'Fruit and Vine' embossed decorative biscuit can created by Churchill's Confectionery, who are specialists in beautifully packaged gift confectionery with high decorative value (see above). The pack is typical of the 'Tiffany' style, with colourful fruits printed on the can in painting-like quality, with embossing around them to imitate lead framing.

The Warca coffee pack (see left) was born out of the brand owner's desire to differentiate their product on the shelf with an innovative new packaging using embossing to valorise the contents, giving the product a 'premium' positioning, whilst at the same time responding directly to consumer needs.

This innovative pack combines elegant shape with ergonomics and functionality.



> THE PURITY OF METAL

"Our intention was to communicate to the consumer the exceptional quality of the product and at the same time, obtain maximum brand differentiation."

Jean-Pierre Goeseels, Marketing Director, Belovo



Reflecting an image of quality

The intrinsic bright, metallic appearance of steel has always been considered by designers and can-makers as a premium for creating original and appealing labels for cans. This metallic appearance in packaging creates an image of quality and distinction for the product packed and identity for the brand.

Belovo, a Belgian company reputed for its range of highly sophisticated quality food products, needed an exceptional packaging to launch a new type of high quality oil. A round steel pack, showing a remarkable printed design with a brushed metal effect was favoured. The intention was to communicate to the consumer the exceptional quality of the product and at the same time, obtain maximum brand differentiation.

ILLY, the Trieste-based well-known brand in the premium coffee market, has used the essential line of its packaging design and the purity of metal to differentiate Illy coffee from the other coffee products present in the market (see below). Through consumer research, this coffee producer realised that consumers are becoming more and more aware of the quality of the products they purchase. Therefore, this exceptional design in steel is used for Illy's complete product line in order to differentiate and valorise their products and to project an image of quality.



Illy coffee



IPSOS International Consumer Research 2005

■ Product category average
■ Performance of packaging

> POLYMER COATED STEELS

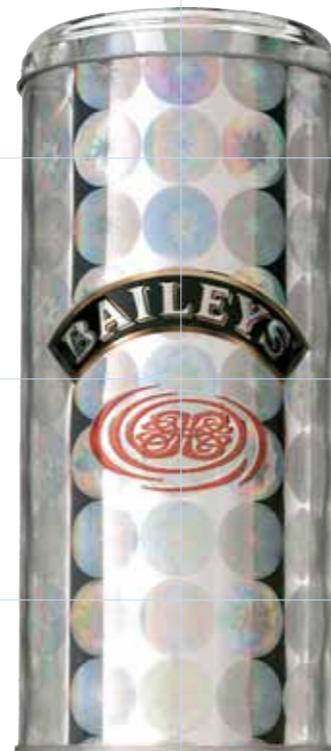
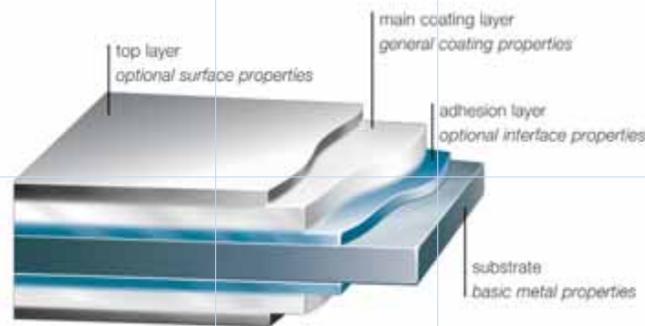


The best of two worlds

Interesting new opportunities arise from the use of polymer coated steels, which combine the best of steel and polymers. Polymer coated steels provide an excellent lever for shelf differentiation, being available in various colours and offering an exceptional surface on which to print. Using opaque white polymer coated steel for example, the can for baby food delivers a hygienic and attractive appearance and stands out on the shelf.

Secondly, the excellent scratch and scuff resistance of this packaging material constitutes improved barrier against rough handling and transport, securing the product appeal throughout the supply chain, all the way to the consumer.

In addition, developed for maximum aesthetic appeal and point-of-sale impact, polymers with holographic design (see below) offer brand managers and designers a highly creative and versatile medium for packaging consumer products. The illusion of movement creates shelf impact. It is very easy to combine brand graphics, embossing and printing to further enhance packaging design. As well as having aesthetic appeal, it is also an excellent anti-counterfeiting solution. New holographic designs can be created that take the form of corporate or brand logos, bringing further benefits in terms of product authentication.



> ORIGINALITY GUARANTEED



Communicating trendiness & value

To achieve the objective of differentiating the brand through packaging, whilst giving it a modern and trendy image, brands have unique packaging alternatives in steel at their disposal.

The unfamiliar use in the food segment of steel packaging solutions from other market segments can have an important impact on the marketing of these products. It enables a food product to stand out on the retail shelves, providing it with a modern and trendy image.

Beverage Pack format

Using the Beverage Pack format for various food products such as peanuts, chocolates, etc. confers a trendy image to the product, which can be easily distributed using vending machines.

Aerosol pack format

Liquid foodstuffs such as oils, whipped cream and mousse can be conveniently packed in aerosol containers using bag-on-valve technology and offering added convenience. This packaging format provides additional differentiation on the retail shelf to tempt the consumer.

'Aerosoles Oro de Olivo' have differentiated their product with an original and high quality recipe, creating their brand image by the choice of an "upbeat", slim diameter, steel aerosol can which is convenient to use and has seduced the consumer with its attractive eye-catching design (see below right).



Supporting new product launches and entering new markets

Together, can makers, steel producers and designers are resolute about developing innovative solutions to support new product launches and to differentiate or reposition brands.

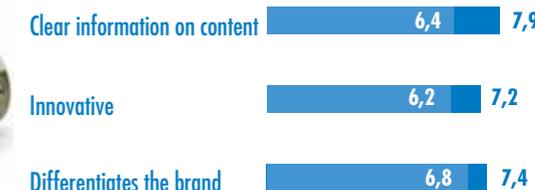
As a result, we can now find a wide variety of food products packed in unfamiliar steel containers.

By using hermetically sealed cans, Ovidias has the capacity to distribute fresh chocolates through new channels, such as vending machines for chilled beverages, service stations, chilled centres, or any outlet where a temperature of +7°C is strictly maintained. Thanks to the packaging, Ovidias was able to offer premium quality chocolates to consumers that are "always fresh, any time, any place", ensuring success in these previously unexploited distribution outlets.

Ovidias expanded into new export markets in Israel, Iceland, Japan, Australia, USA, Scandinavian countries, Tenerife, Spain, and Middle East thanks to their original packaging concept.



Ovidias chocolates



■ Product category average
■ Performance of packaging

IPSOS International Consumer Research 2005

Differentiating packaging to leverage sales

Spreewaldhof - a company that grows and distributes gherkins - was confronted with a stagnating market, particularly amongst younger consumers who had a traditional and old-fashioned image of the product. The company decided to face the challenge by rejuvenating its image, as well as by winning new markets and extending its distribution network.

Their unique solution? Placing one single, large gherkin in a small can and positioning it as a low-calorie snack! Success was immediate: "Get One!", the can with one single, hand-picked gherkin, is now sold at petrol stations, supermarkets, discotheques and sport studios - for 1,50 to 2,20 Euros!

The recipe for its success? The packaging concept and design, which completely differentiate the product from the norm and are, in this particular case, amongst the main sales tools in the battle for differentiation, identification and consumer relationship building.



Get One, Gherkin! - Consumer rating



■ Product category average
■ Performance of packaging

IPSOS International Consumer Research 2005

