

How to Succeed in the New 'Store as Brand' World

Originally published in Shelf Impact

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Uh-oh, could it be bad news for national brands? It looks like more and more retail stores are finally beginning to “get it.”

Retailers are increasingly starting to work like independent national brands, not just real estate agents who sell other people's brands. Nowadays, to retain customer loyalty, stores cannot simply offer low prices. They have to provide better products, better service, and a better experience—in other words, build themselves as a brand and act like a marketer. In doing so, they are focusing on the consumer by making the shopping experience easier, more engaging, and ultimately, more enjoyable.

As stores become more powerful marketing tools, the role of package design has become essential to success. National brands must learn to tell their own story within the new “store-as-brand” paradigm, in which retailers are branding their own store displays and beginning to leave national brands out of the mix.

There is plenty of opportunity for national brands to compete effectively against this surge of private-label brands. One key is providing a meaningful point of difference that elevates the value of the national brand in the consumer's mind. Meaningful brands deliver value beyond products that compete largely in terms of lower price.

Safeway and Procter & Gamble reflect two different approaches to creating value for shoppers. Safeway's Eating Right brand leverages packaging color and graphics to deliver a single message: good for you. It does so across the brand's multiple product lines. But national brands have the wherewithal to use packaging to establish category leadership.

P&G is looking to establish a deeper relationship with its consumers. Instead of using the same branding and graphic approach for Tide, Herbal Essences, Febreze, and Charmin, P&G has created unique identities for each brand. The packaging communicates P&G's expertise within each product category.

The notion of a meaningful difference also extends to the package structure. This is one area where national brands should look for differentiation, because private-label brands often can't shoulder the costs of more inventive package structures.

Who is doing it well? Take a look at recent developments in packaging for StarKist.

In response to consumer needs, StarKist introduced tuna in a distinctive package for the category—a retort pouch shelved amid a sea of stacked tuna cans. StarKist's structural evolution provides several benefits for the consumer. The retort pouches are easy to open, portable, and eliminate the mess associated with draining liquid from a can. And they expand the on-pack billboard.

Beyond addressing multiple consumer needs, the package structure creates more “real estate” for staging and building the brand. Graphics that appeared very small on a can are much larger across the label area of a pouch