

## AAA Business Bulletin

### Branding through packaging and labeling

The package is a physical container or wrapping for a product. There's primary packaging (for example, a paper bag holding breakfast cereals), secondary packaging (such as the cardboard outer box that contains the cereals paper bag) and shipping packaging used for storage or transportation, for example a box carrying dozens of boxes of cereals.

But a package is much more than that, it's an integral part of product planning and promotion. Many companies spend a fair share of the retail price on developing, designing, and producing just the package! Packaging is closely linked to branding and positioning. Companies sometimes change packaging to update their image and even reach a new market.

#### 1. Functions and branding opportunities of packaging

**Promoting & Selling:** attractive and colorful packages have promotional value. A well designed package is a powerful selling device because it helps the product stand out from its competitors.

**Product Identity:** packaging helps the consumer to easily pick and identify your brand from the 'crowd', helping create brand recall and brand equity.

**Providing Information:** a package gives customers information on the directions for using the product, contents, product guarantees, nutritional value and potential hazards.

**Expressing Customer Needs:** companies analyze customer lifestyles and create packaging that meets their needs for size and convenience. For example, packages often come in family or single serve sizes.

**Ensure Safe Use:** proper packaging helps to eliminate potential injuries or misuse of a product, think for example of childproof caps.

**Protection:** packaging is key in protecting the product during shipping, storage and display. It may prevent or discourage from tampering and shop-lifting, and protects against breakage and spoilage.

## 2. Labels

The **label** is an identification tag, wrapper, seal, or imprinted message that is attached to a product or its package. The main function is to inform customers about a product's contents and give directions for use. Also, it protects businesses from legal liability if someone is injured while using the product. Of course your unique brand name and logo figures on the label, too!

## 3. Regulations on packaging & labeling

It's not all about making your product look pretty and recognizable: there are regulations as to what should be on your label, and what criteria your packaging should meet. It's important to keep this in mind when designing your packaging and label.

**Safety** of use and safety of the package vessel or container are key. Mandatory or necessary **information** on labels includes: ingredients, consumption values, manufacturing and expiry dates, regulating authorities or marks of quality, batch numbers and bar codes. Additionally, regulations (or consumer preferences!) may exist regarding the use of **environmentally friendly**, bio-degradable materials.

Make sure you carefully check the relevant legislation regarding labels and packaging, including foreign legislation if you export your products.

## 4. Some examples from AAA members

