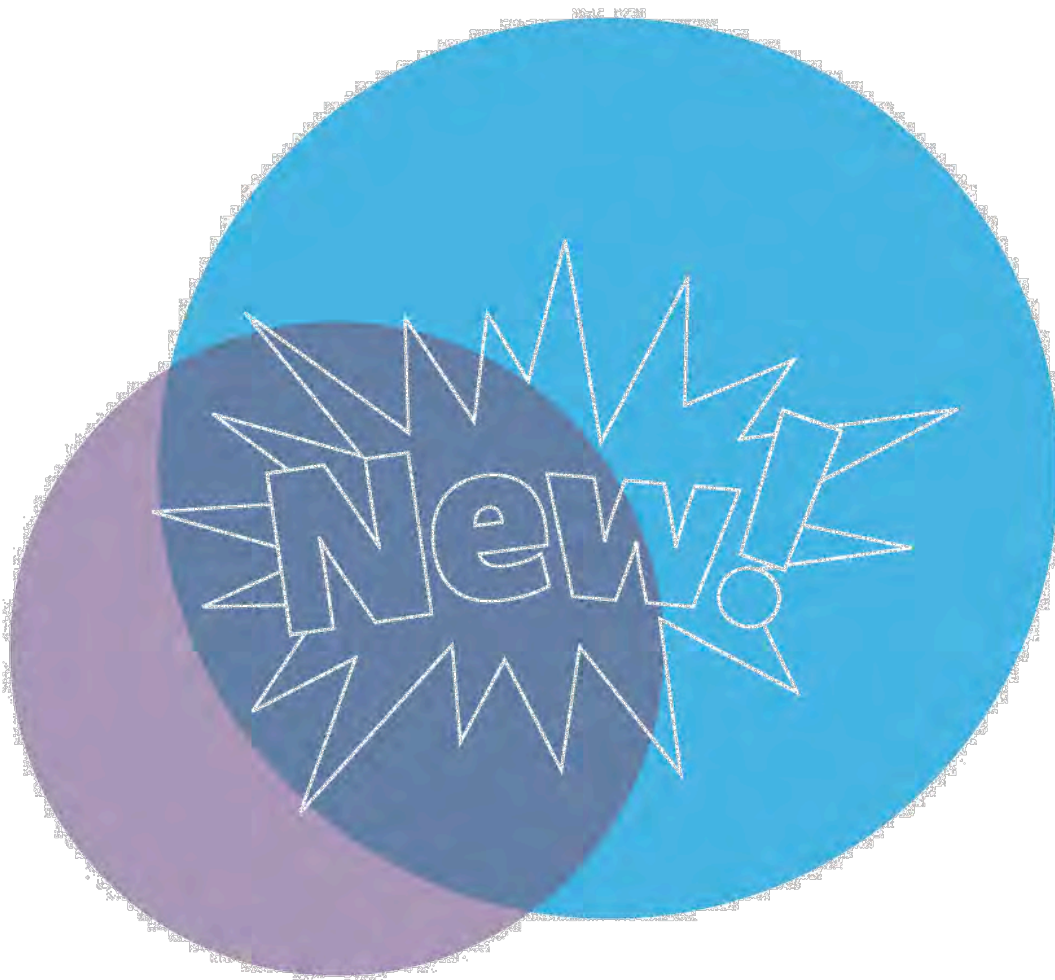


# Promotional Flashes

*Developing effective promotional packaging*







Shikatani Lacroix is a leading branding and design firm located in Toronto, Canada. The company commissions assignments from all around the world, across CPG, retail and service industries, helping clients achieve success within their operating markets. It does this by enabling its clients' brands to better connect with their consumers through a variety of core services including corporate identity and communication, brand experience design, packaging, naming and product design.

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# Are you getting the most from your promotional packaging strategy?

Promotional packaging has become one of the most effective marketing tools for the package goods industry as the cost of media and other communication vehicles skyrocket and the range of offerings at retail explode. For marketers, the key question is “Are you getting the most out of your on-pack promotional activities?” Package flashes are one of the most effective tools to communicate a key consumer value message; however, few organizations understand the most effective ways to design promotional flashes on packaging.

The following questions will be answered in this document:

1. Identify how consumers interact with packaging and on-pack communication
2. Define how to best leverage this learning for the use of promotional on-pack communication, namely:
  - To explore the relationship between the positioning of copy and pictures on different sides of a pack, and the recall of those elements
  - To define the best way to leverage promotional on-pack flashes
  - To identify a series of rules that could be applied to packaging by their packaging and promotional agencies

Each human cerebral hemisphere receives information primarily from **the opposite side of the body.**

#### **The Consumer Connection**

**Packaging flashes' visibility and engagement are driven by the same factors that influence how consumers shop for products in a crowded shelf.**

In conducting research for this article, we have realized that very little has been written regarding promotional package flashes or how consumers interact with packaging at retail. We have explored other types of studies, primarily on how consumers absorb information or how messages are retained. Research in psychology on brain laterality shows that perception is not symmetrical (Zurif and Bryden, 1969, Madden and Nebes, 1980, Davidoff, 1977). The design of the human nervous system means that each cerebral hemisphere receives information primarily from the opposite side of the body.

While consumers typically read from left to right, top to bottom, the research indicates that words are recalled better if they are perceived from the right-hand side of the individual, or in the case of packaging, the right side of the face panel. Pictorial or non-verbal cues are more successful if coming from the left-hand side. Brain laterality will only affect material on the outer sides of the pack. There is no evidence of laterality for centralizing elements of packaging.

In addition, based on other packaging studies, 40% of all communication consumers absorb is visually oriented, and 80% is driven by the use of color and shape. These insights support the need for promotional packaging flashes that complement consumers' absorption of information, leveraging how information is viewed and retained.

Consumers have an established relationship with packaging. Based on a packaging study by Bloch in 1995, the research found that recall on pack elements is likely to be influenced by their lateral positioning on the face panel, as well as the usually recognized factors, such as font style, size, color, etc.

For some packs' copy, such as brand name or flavor description, it is important to enhance recall and research suggests that these elements should be placed centrally or on the right-hand side of the pack. Pack flashes function as pictorial devices despite containing verbal elements, and therefore should be positioned on the left hand side.

Nearly twice as many respondents who saw a promotional flash on the left-hand side of the pack were able to correctly recall the promotion. In addition to its visual effects, packaging also communicates its shape, size, weight, and texture through its tactility.

### Packaging element recognition and hierarchy of importance

A key to the success of any package communication or message visibility, such as package flashes, are driven by human reading and retention behaviors. Since very little has been written regarding this subject from a marketing and promotion point-of-view, we explored supporting studies that help define the best way to organize information on a package, and more importantly, how to leverage promotional package flashes best.

The research findings are taken from a children's study (first, third and fifth grade students, Rossiter's Study, 1976) regarding the level of retention for the cereal category. The study asked students to draw the images that they remembered best of their box of cereal, and the findings support the level of recognition for both package messaging and location of information.

The study identified the following elements that were drawn by the respondents, leading to the level of importance and awareness:

#### FRONT PANEL:

The elements of the front panel were separated into four categories for analysis.

Colors: Most common background colors were: Red (20%), Blue (20%), and Brown (18%); followed by Yellow (12%), White (10%), Orange (10%), Purple (6%) and Green (4%).

Product features: Brand name, name of cereal maker, and net weight were present on 100% of the front panels, the actual cereal product was portrayed on 96% of them, nutrition wording even more at 98%, references to ingredients at 90% and 40% displayed eating utensils, bowl and/or spoon. “Enlarged to show texture” was present on 36% of the front panels; a slogan such as “American Heart Association” was placed on 10% of the front panels.

Promotional information: promotional information was displayed on the front panel 70% of the time by the respondents.

Spokescharacter: there was a spokescharacter displayed 36% of the time and a spokesperson only 6%.

Level of retention supports recognition of packaging communication elements that are most noticed on the primary panel.

#### RIGHT PANEL

The right panel is comprised of nutritional information and facts including: serving size, servings per container, calories, sugar, and amount of vitamins and minerals per serving with or without milk.

Also on this panel was detailed ingredient information 100% of the time, it contained information about how to contact the cereal maker, and in 22% of the cases, the American Heart Association symbol was strategically positioned near the ingredient list.

#### BACK PANEL

The back panel generally acted as an extension of the information from the front panel and half the time, this panel contained more details about premiums that included toys (44%), electronic games (14%), books (12%), computer discs (10%), confections (10%), and kitchen items (10%). Spokescharacters/persons were present here 32% of the time, usually the same as the presenter on the front.

In just over 25% of the cases, a game for children to play consumed all or part of the back panel and in 40% of cases there was an advertisement for products other than the cereal or premiums.

## LEFT PANEL

In addition to the dominant color scheme, the left-hand side panel of the cereal box provided promotional information (62%), a mail-in order form (36%), rules for games, contests, sweepstakes (14%), games (10%), and the American Heart Association symbol and/or wording (10%).

Also, 12% of the time there was a recipe utilizing this panel.

## BOTTOM PANEL

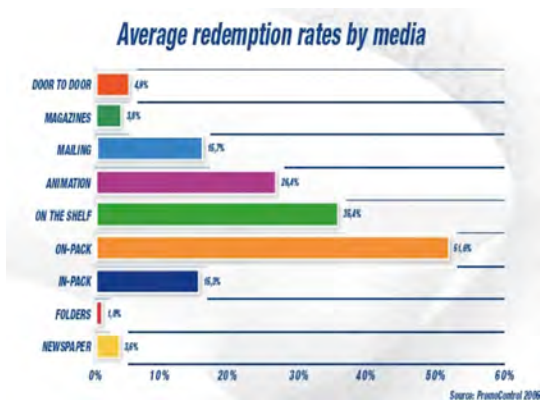
The bottom panel contained the dominant color scheme and a relatively small amount of information including UPC (100%). Some promotional text (70%), spokescharacters (18%), a product-related slogan (26%), and answers to games presented (10%).

## TOP PANEL

The top panel included the dominant colors with relatively small and standard amount of information, namely directions for opening/closing (100%), expiration dates (98%), package recycle statement (88%), clip and save points (40%), promotional text (40%).

Premiums play a lesser role in the purchase decision of cereals. In fact, 45% of children's drawings in Rossiter's 1976 study included premiums, while relatively few children in the current study mentioned them (9.6%). Children generally do not associate premiums with the brand names of cereals as they once did. There is a need to tie the premium concept closer to the brands so that it becomes a regular part of the associative network for those particular brands. Adults develop many of their consumer behavior patterns in childhood, and learning from how children interact with cereal brands has a direct correlation to how adults interact within this category.

Based on the research, the real startling news is that, in addition to the face panel, the top and right panels play critical roles in consumer communication versus the back panel. Back and bottom panels would be considered secondary. Brand name, picture of cereal and picture of a bowl are the most critical communication elements. Promotional-focused information play a significantly lesser role in building brand recognition and memory.



### The effectiveness of promotional packaging

Marketers for generations have known of the power of promotional packaging and how it can impact short-term sales or provide higher retention of a given product feature.

Promotional flashes are successfully used to generate trial, increase purchase frequency of a product, announce or explain a product change, or introduce a new product. One of the key factors in the effectiveness of a promotional offer is its ability to leverage the overall package while still maintaining strong branding. It is also an economical marketing tool due to its low delivery cost as compared to other communication tools. Marketers are facing huge competition for consumers' attention, and merchandise promotions create visibility and excitement if done well, and drive category growth. They are considered "value-added instant gratification", creating a reason to buy now.

Effective promotion answers these two questions:

1. Can promotions make shopping easier?
2. Why switch brands?

70% of brand decisions are made in the store

Effective promotion delivers measurable sales results and ensures stronger trade support.

No defined product shopping list

It is important to understand that promotional packaging should support the path to purchase process by increasing visibility. The first step on the path-to-purchase is allowing consumers to find the desired category, either by memory or store signage. Consumers tend to scan the shelves for the right category while color and shape play a key role in creating the connection with the right brand.

- Only 2 out of 3 shoppers make a list
- More than 50% deviate
- 40% unplanned purchases

This is a key area of opportunity for promotional flashes as it should align with how consumers shop the category and given product. Consumers scan the package, starting with the outer edges and then focus on the centre of the package. Based on the validation of the cognitive information driven by visuals found on the package, consumers finally select the chosen product.

Mass media not delivering results

Shift to R.O.I

Promotional flashes also support consumer's behavior of the "treasure hunt", a sense of discovery while leveraging a shopper's urge to buy products on impulse. Effective use of packaging flashes also helps communicate something different, compelling and recognizes the consumer's need for gratification. The added visibility and offer connect better on an emotional dimension, disrupting their purchase process while forcing them to ask, "Should I switch?" It creates a stronger visual link during the key moment of purchase and makes the consumer feel special and recognized.

Consumers love anything free

Promotional packaging flashes are driven in most cases by the offer being promoted, and these come in a variety of format, namely:

- New formulation/health claim/product feature
- A sweepstakes offer
- Bonus offer
- An on-pack/near-pack offer
- A purchase frequency program
- A multi-pack offer
- A social message
- A social event



**The key questions that need to be answered:**

What is the type of promotion and supporting offer that delivers the most compelling message?

If you were to distill the message in the fewest words possible, what would they be?

Where is the packaging being merchandised?

Will the program be supported by the retailers' marketing activities and will it include feature or end-cap displays?

What is the competitive promotional activity within the same period?

Will the promotion be supported by advertising and new media?

What is the key campaign theme and visuals that could be integrated as part of the program?

What are the desired sales objectives?

How long will the promotion remain in the market and what is your inventory control plan for when the promotion ends?

Are there insights that could be leveraged from previous programs?

When planning your program, you should consider the following:

- You need to factor into your program tighter timelines for store delivery. The fact of the matter is, products are staying on the shelf a shorter period of time.
- Clearly define the objectives that you want to accomplish and how they fit within the overall brand position and communication strategy. Some believe that on-pack promotions can struggle to develop lifelong loyalty to your brand.
- Identify if the promotional offer is to appeal to brand switchers or your core users. There are some perceptions that people who respond to offers are in 'swing' category, indiscriminate shoppers and do not have loyalty to your brand.
- How can you distill your promotional offer in the fewest words and with the strongest emotive visuals? If the message is too wordy, complicated or confusing, purchasers will ignore or not participate.
- What is your inventory exit strategy if packaging remains on-shelf past the promotional end date? Sometimes, if a product does not sell well, you may have expired promo dates on-shelf.

### The good and the bad

Reviewing the various applications of promotional packaging and flashes at retail provide a wealth of insights on what to avoid. Based on our own store visits, we have identified key principles that you need to apply and those you need to eliminate.

Effective promotional packaging and flashes provide:

- Consistent message architecture
- Easy to read and understand offer
- Strong link to core position and branding elements
- Strong shelf presence
- Supports the customer shopping behavior
- Compelling message and sense of urgency

Promotional packaging design should avoid:

- Inconsistent architecture
- Promotions that dilute brand equity
- Visual clutter
- Busy promotional message
- Too much copy
- Lack of clarity of offer

### Guiding Rules

Based on the key insights of our audits and behavioral research, we have identified 8 key guiding rules that will allow more effective promotional flashes

#### **Rule #1: Blink Factor**

- Promotional information must communicate in a split second
- Less information ensures more of it gets retained
- Remember the number three rule, consumers at most can only remember three elements of a package
- Develop a unique shape for the promotional flash that finds the right balance between a violator and brand equity supporter
- Circular shapes are the most effective packaging violator
  - Cuts through the clutter
  - Applies to any background
  - Has high visibility at a distance

### **Rule #2: Ensure the promotional flash leverages key brand equities**

- Since consumers are first looking for a desired brand, the ability of the package to communicate the brand name and identity is critical and should dominate the hierarchy of communication
- Promotional flash needs to support the brand personality and leverage key visual elements

### **Rule #3: Need a strong visual focus**

- Since consumers associate brands with color and shape, it is critical that other elements play a secondary role
- 40% of all communication consumers absorb is visually oriented and 80% is driven by the use of color and shape
- Promotional flashes should be visual and not copy driven
- Consider a color that creates shelf impact while fitting in with the brand imagery
- Ensure an end-benefit or the offer is visually communicated

### **Rule #3: Need a strong visual focus** (cont'd)

- Pack flashes function as pictorial devices despite containing verbal elements, and these should be therefore positioned on the left
- Create a flash shape that violates the package graphics while reinforcing the brand personality

### **Rule #4: Right layout**

Research studies in packaging have shown the following:

- Pictorial or non-verbal cues are more successful if coming from the left-hand side
- Consumers typically read from left to right, top to bottom
- Recall on pack elements is likely to be influenced by their lateral positioning on the pack, as well as the usually recognized factors, such as font style, size, color etc.
- Studies show that twice as many respondents who saw the promotional flash on the left-hand side of the pack were able to correctly recall the promotion

#### **Rule #4: Right layout** (cont'd)

Research studies in packaging have also shown the following:

- Brand name or flavour description should be placed centrally or on the right-hand side of the pack to enhance recall
- Key brand building imagery and brand marks must be located in the centre portion of the package
- Promotional package visual communication must be located on the left-hand side of the package while functional and copy intensive information should be located on the right-hand side.
- Avoid reducing the brand mark and key package elements to accommodate the promotional offer
- If there is a need to reduce the key brand identity elements due to a more complex promotional offer, ensure that the identity remains the number one visible element by either locating the promotional offer at the bottom of the pack and creating the right blend of vibrant to recessive colors

### **Rule #5: Right hierarchy of communication**

- One of the key challenges in promotional flashes is answering the complexities of the offer and legal requirements
- Determine what the most compelling message is and ensure it has the focus of attention
- Always ensure that the offer is the second element being noticed, right behind the brand
- Do not try to have all the details on the main display panel and consider secondary panels for effective communication vehicles

### **Rule #6: Consider shop-ability and merchandising when developing a promotional flash**

- Promotional package live in a 40,000 SKUs world, it is important to ensure the purchase process is easy
- Package flashes should not hinder information that assist customers in the purchase process
- Ensure key promotional messaging is not covered by shelf strips or does not conflict with the way retailers stock shelves

**Rule #7: Ensure the offer is compelling and emotive**

- Ensure the offer is compelling and aligns with the key brand perceptions
- The offer should also complement how consumers use the product or support the brand experience
- Clearly understand what motivates consumers to buy your brand or that of the competitor

**Rule #8: Develop an integrated approach**

- Leverage key promotional equities across the various channels of communication
- Determine how the on-pack messaging will link to other forms of promotional communication
- Ensure a high level of consistency across all packaging promotional activities
- Take into consideration stock rotations and how you will cycle your inventory following the end of the promotion

Before implementing your next promotional packaging program, please consider the following:

- Does your current packaging face panel allow for adequate space from a promotional flash on the top left-hand side? If not, what could be modified to ensure the appropriate location for a promotional flash?
- Can you locate your current brand equities in the center of the packaging while ensuring that their visibility is not undermined?
- Can you better leverage the top and left-hand side panels of your packaging to better capitalize on in-store visibility and merchandising?
- Can the promotional offer leverage a key visual element that can be integrated across all communication touch-points?
- Can you group information in relevant buckets to allow ease of reading and understanding?
- Is the call-to-action message clear and highly visible?
- Is the promotional flash clearly visible at shelf-level?

## Conclusion

Please consider the following in planning your next promotional packaging program:

**Dial-up approach:** On-pack promos have improved in quality as consumers have become more discerning.

**Think billboarding:** On-pack promo is a way to differentiate the package on variables other than price in a highly competitive market.

**Strong creative:** Some elements will guarantee poor response if the offer is confusing and the brand is unrecognizable. Others may improve the likelihood of success by simple use of ideas.

**Less is more:** On-pack must be clean, consistent and not overly complicated. Too much clutter will turn customers away or they will become numb to the message and the point of the flash would be lost.

**Support natural behaviors:** Consumers read a package, starting with the outer edges and then focusing on the center of the package so the location of a promo flash is key.

**Manage inventories:** Inventory must be managed properly to ensure that dated merchandise does not sit on the shelf.

**Strong value:** Know your audience and offer them something of perceived value. The key to any successful promotional offer is knowing what drives your audience and giving them something of perceived value.

**Clear call-to-action:** Keep the messaging of your special offer simple and direct.

**Create a sense of urgency:** Important to note that consumers' appreciation of promotional offers is more positive when the offering is direct than when it is delayed or when the value of the premium is mentioned.

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