

# Why Product Packaging is so Important in Retailing

Product packaging plays a crucial role in the retail environment, acting as a silent salesman that communicates directly to consumers. It's not just about containing, protecting, or preserving a product; it's a critical element in the marketing mix that influences consumer behavior, brand perception, and ultimately, sales. In this article, we explore the importance of product packaging in retail stores, backed by compelling examples that underline its significance.

## 1. First Impressions Count

The adage "first impressions count" holds especially true in retail. Packaging is often the first point of contact between the consumer and the product. A well-designed package can attract attention, evoke emotions, and encourage a purchase. Apple is a prime example of this strategy. The brand's minimalist packaging design, with its clean lines and simple color scheme, reflects the sleek, modern aesthetic of its products, instantly communicating quality and innovation to the consumer.

## 2. Differentiation in a Crowded Market

In crowded marketplaces, distinctive packaging can set a product apart from its competitors. This differentiation is key in catching the consumer's eye and can be achieved through unique shapes, colors, or textures. Consider the iconic Coca-Cola bottle; its distinctive contour shape is recognizable worldwide and differentiates it from other soda brands on the shelf.

## 3. Communicates Brand Identity

Packaging is a tangible representation of a brand's identity and values. It conveys messages about the brand and what it stands for. For example, brands committed to sustainability often use recyclable materials or minimal packaging to communicate their environmental responsibility. Seventh Generation, a company known for its eco-friendly household products, uses clear labeling and green certification logos on its packaging to communicate its commitment to the environment.

## 4. Enhances Customer Experience

Good packaging doesn't just look attractive; it enhances the customer experience. Easy-to-open, resealable, or reusable packaging adds value to the product and can improve customer satisfaction. The resealable packaging of many snack products, like Lay's Pop-able potato chips, for instance, offers convenience and maintains product freshness, enhancing the overall customer experience.

## 5. Provides Information

Packaging is a critical tool for communicating essential product information to consumers. Nutritional information, ingredients, usage instructions, and safety warnings are all conveyed through the packaging. This information helps consumers make informed purchasing decisions. For pharmaceuticals, clear and concise packaging information can be a matter of safety, making it a critical aspect of the product offering.

## **6. Encourages Impulse Purchases**

Attractive packaging can trigger impulse buys. Products with eye-catching designs or innovative packaging can entice customers to purchase items they hadn't planned on buying. Kinder Surprise eggs offer a great example; the combination of a chocolate treat with a surprise toy inside, all packaged in a distinctive egg-shaped container, makes it a popular impulse buy at checkouts.

## **7. Protects Product Integrity**

Beyond marketing, the primary function of packaging is to protect the product from damage, contamination, and tampering, ensuring that it reaches the consumer in perfect condition. Vacuum-sealed packaging for food products like meats and cheeses helps preserve freshness and extends shelf life, which is crucial for both retailers and consumers.

### **Mini Case Study:**

**Hemp Hearts is a quick masterclass in product positioning, from \$10M to \$250M in sales.**

#### **Here's the details:**

They started making shelled hemp seeds in 1999.

For 10 years they marketed them as such and sold a total of \$10 million dollars worth.

Then in 2010 they created the **Hemp Hearts** brand.

The product and pricing was identical, only the branding was changed.

#### **The results:**

Velocity increases 2-3X overnight.

Big retailers like Costco, Kroger and Walmart jumped on the product.

More than \$250 million of Hemp Hearts was sold over the next ten years.

Same product, different words.

Product positioning really matters.

## Conclusion

The importance of product packaging in retail cannot be overstated. It's a multifaceted tool that influences consumer perception, enhances brand identity, and can significantly impact the purchasing decision. Successful brands understand that packaging is an investment in their product's market success. It's not just about making a sale; it's about creating an experience that starts the moment a customer lays eyes on the product. Through strategic design and thoughtful execution, packaging can transform a simple product into an irresistible proposition for consumers. Check out our other articles that can help you and your team improve all aspects of your retail business. **GRIP Retailer Education** [www.gripetailered.com](http://www.gripetailered.com)

## About the Author:

Elias Amash, President of GRIP, is an industry veteran with more than 30 years of experience in global sourcing, manufacturing, distribution, retail merchandising, fulfillment, marketing, technology, and operations. He is a trusted partner to hundreds of retailers and has “leveled up” the industry with GRIP’s undying commitment to offering only the highest levels of service to its customers. Amash has published several books: 8 Skills That Pay Off Forever, The Top 10 Most Important Lessons, The Retail Advantage: How to Win the War with Amazon, Retail Survival: Who Lives, Who Dies and Why, The 50 Most Important Lessons in Life, The Future of Retail, Importing from China: The Good, The Bad, and The Ugly, and 101 Bright Ideas: Winning Tactics to Increase Retail Sales.

## About GRIP:

GRIP was incorporated by Charles Amash in 1980 and has grown into one of the nation’s top suppliers of innovative products to the retail industry. Located just south of Grand Rapids, Michigan, GRIP features a 200,000 sq ft state of the art warehouse facility including a 2,000 sq ft product showroom. GRIP carries a product line of over 1,000 specialty tools, tarps, automotive, cargo control, cleaning, LED lighting, magnetics, outdoors, household items, impulse and general merchandise. GRIP has a proven track record of excellence in supplying retail clients with innovative products, timely fulfillment, and world-class customer support. At GRIP, everything is about earning your business...one customer at a time. It’s about building relationships and fostering business partnerships that will last long into the future. Our goal is to have Customers for Life. The future at GRIP is exciting and we’re hoping that you can be a part of it as one of our many Customers for Life.

**Where to get educated:** **GRIP Retailer Education** [www.gripetailered.com](http://www.gripetailered.com)

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