



Ipsos-Insight

# Ipsos-Insight Point of View

*Package Testing is Essential...  
But Does It Tell You What You  
Really Need to Know?*

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A recent article in *Advertising Age* highlighted that only 18% of mature packaged goods products can point to a positive short-term return on investment from TV advertising.<sup>1</sup>

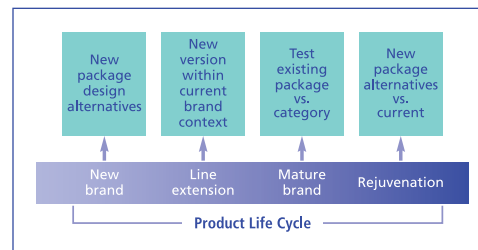
Packaged goods manufacturers are well aware that they need to find more salient ways to connect with consumers to motivate purchase of their brands. More and more companies are putting added emphasis on that last moment of opportunity to influence the consumer: the in-store on-shelf experience via the brand's packaging. Packaging has become a new frontier in the war for the consumer's dollar in the fast moving consumer goods category. Think about it: though advertising can help stimulate brand awareness, a brand that doesn't grab the consumer's attention when s/he is shopping in the store has little chance to impact the brand's bottom line. And, even if the package does prove to be an attention-grabber, does the package clearly and incontrovertibly communicate the brand name? Taking it a step further, is the package consistent with the brand's values, reinforcing to the consumer what the brand stands for? All of these elements: visibility, brand linkage, and fit with brand equity, are critical dimensions to evaluate as packaging is being considered for new brands, line extensions or re-launched brands. And, just as advertising purportedly wears out after repeated exposure, packaging for an established brand may wear out as well, justifying a package change.

### Why Test Packaging?

With the growing importance of packaging in the marketplace, package testing should hold a commensurately important place in the brand manager's portfolio of marketing research tools. Package research can give manufacturers insight into how well a brand's package performs in terms of visibility, brand linkage, fit with brand values and ability to impact purchase decisions. Package research can and should be utilized for both new and existing brands and products. For new brands, package testing is critical for optimizing prototype packaging during the package development stage, distinguishing consumer preference for alternative package designs, and testing the new

packaging against the competition. Package testing is also essential for testing packaging for brand extensions, where the challenge for the extension is to fit with the current brand and still differentiate itself on the shelf. For mature brands – which may suffer from package wear-out and need design rejuvenation – package research helps marketers determine which potential new package design would be superior to the current design and competitive designs. Even a declining brand may benefit from developing and testing new packaging alternatives as part of an overall brand restage.

In summary, package research is an extremely valuable tool during any phase of the product lifecycle.



### Liking a Package is Not Enough

Until recently, many package design decisions were based primarily on qualitative research such as focus groups, which determined whether or not consumers “liked” the package.

However, research conducted by Ipsos has shown that “liking” a package – though important to purchase behavior – is not the key dimension to generating an actual purchase. Instead, a combination of the following key measures were demonstrated to have the highest correlation with purchasing:

- Stand out: do consumers notice the package on the shelf?
- Persuasion: will consumers consider buying the package?
- Likeability: to what extent do consumers like the overall package and design components?

Ipsos determined this by finding the highest correlation (across four product categories) between package measures and brand purchase. The highest correlation ( $R^2=0.76$ ) was found

<sup>1</sup>Source: <http://www.adage.com/news.cms?newsId=40605>

when the three package measures listed above (stand-out, persuasion, and likeability) were combined and used to predict the past four-week purchasing of the brands studied.

### **Measure for Measure**

In addition to qualitative research, other popular package testing techniques include t-scope (or tachistoscope) and eye tracking, which attempt to measure brand recognition and shelf standout.

With t-scopes, the respondent is exposed to short flashes of a package or a planogram (or shelf-set) and then asked to provide a “brain dump” of what s/he saw. After each timed exposure, the respondent lists what they’ve seen, such as brand names, impressions based on colors, forms or writing. Exposure time is gradually increased until the respondent can correctly identify the stimulus being displayed. The process stops when the respondent is able to play back the brand of interest to the client. Unfortunately, consumer playback – such as “I saw the orange package” – can yield useless results.

While recall testing such as t-scopes can produce quantifiable results, the process does not reflect true shopping behavior. For example, timed exposures are not necessarily representative of the time consumers actually look at shelves in the real world. Furthermore, responses can be highly affected by a product’s market share: respondents can simply guess which brands might have been in the display once the basic category is understood, and major brands with high levels of awareness and/or market shares may easily become overstated and small share or new brands understated. Finally, since consumers process information at different speeds, using this gauge can be misleading.

Another popular tool used for package research is eye-tracking. This intriguing tool uses specialized equipment to measure where the respondent’s eye first falls when viewing a shelf or a package. Subsequent eye movement is measured to see what the respondent looks at next. The analytical measures provided include the percent of eyes that focused on

various points of the package or shelf, the length of time focused there and the path the eyes took as they moved across the stimulus. Many clients gain valuable insights from this technique. It can, for example, help in determining whether or not desired elements, such as the brand name, or specific communication elements, are attracting sufficient attention, relative to perhaps less-important elements, such as background visuals.

However, the objective advantage of eye tracking is also its subjective weakness: eye tracking cannot measure what registered in the consumer’s mind. Another drawback is that eye-tracking cannot separate design impact from the quality of the branding. For example, the unique graphic or structural elements of a package can give it a recognizable identity even if the brand name is absent – such as the red, white, and blue graphics on a Pepsi can or the orange color and bulls eye icon of Tide. And, following up this technique with either open-ended or closed-ended playback of brand names has the same shortcomings and biases mentioned above with t-scopes: overstatement of large share brands, understatement of small share brands.

### **Pack Evolution™: A Holistic Approach to Package Testing**

Ipsos-Insight gave careful consideration to the flaws of other techniques when developing its new package testing methodology, *Pack Evolution*. Four shortcomings of other techniques had to be overcome in order to ensure valid, reliable, and actionable package testing results:

1. The technique had to try to replicate the real-life shelf experience
2. The technique had to avoid market share-related biases
3. The technique had to measure the three elements proven to correlate with purchase behavior: stand out, persuasion, and likeability
4. The technique had to provide important diagnostics on a standard basis in order to build a normative database

In addition, the technique had to take advantage of advances in technology – specifically in online data collection, including the use of digital imagery.

In our opinion, allowing respondents to view a shelf for the amount of time s/he chooses creates a shelf experience that is reflective of the real world. Non-timed approaches allow the consumer to observe simulated displays for as long as they wish, within the bounds of what might happen in a real world scenario.

There are also ways to avoid the market share-related biases associated with t-scopes and eye-tracking (as well as with aided and unaided brand recall). Specifically, brand recognition can be measured through exposure to de-branded packages; plus, respondents can be offered “don’t know” as a response variable. The de-branded package image approach offers an added benefit: it permits the separation of the shelf visibility question from a brand recognition question. This approach recognizes that, in the marketplace, consumers will have the package image on the shelf to aid in recall, whereas tests that expect respondents to enumerate package details from memory don’t replicate real shopping behavior.

Online is a practical visual medium capable of quickly disseminating information to a large audience, thus increasingly manufacturers are using the Internet to perform tests that used to be slow and expensive. In fact, concept testing for many FMCG products has moved almost exclusively to the Internet. With online package testing, cumbersome and expensive live shelf sets in central locations are unnecessary and larger sample sizes can be inexpensively generated.

Of course, the major advantage to nearly all things Internet-related is speed. Data can be collected more quickly online than data gathered via other methods, which means manufacturers can have their results faster, and make packaging changes faster. Package testing online creates new, responsive, and efficient opportunities to leverage a product’s packaging for manufacturers and marketers.

Ipsos’ approach to packaging research has led to the development of *Pack Evolution*, a quantitative package-testing tool that measures shelf impact, persuasion, brand equity, package diagnostics, and variety differentiation. *Pack Evolution* exploits the advantages and efficiencies of online testing, resulting in a fast, global, standardized package-testing tool. And, of course, *Pack Evolution* replicates many aspects of the real-life shelf experience and measures the three elements proven to correlate with purchase behavior – stand out, persuasion, and likeability – to ensure valid, reliable, and actionable package testing results. *Pack Evolution* is a sophisticated package-testing solution for manufacturers and marketers that reflects the increased importance of packaging in the marketing mix, and in the marketplace.

#### **About Ipsos-Insight**

Ipsos-Insight, the flagship marketing research division of Ipsos in the U.S., has industry specialists serving companies in the following categories: consumer products; technology and communications; health and pharmaceutical; financial services; cable, media and entertainment; agrifood; energy and utilities; and lottery and gaming. Ipsos-Insight provides custom and tracking research services to domestic clients, as well as U.S.-based multinationals. It offers concept and product testing, package testing, attitude and usage studies, omnibuses, tracking systems, brand equity, price optimization and segmentation, marketing models, advanced analytics, and global research. Ipsos-Insight is an Ipsos company, a leading global survey-based market research group. To learn more, please visit [www.ipsos-insight.com](http://www.ipsos-insight.com)