

A clear overview of the shelves is a must **Shelf-ready Packaging at interpack 2008**

For retailers, the shelf remains the key interface with customers. It's here that consumers decide which products to put in their trolleys. Seventy per cent of purchasing decisions are made at the point of sale (POS). For this reason, merchandise presentation has in the past few years become a vital aspect of retail logistics. Taking their cue from shelf stacking, numerous solutions in the fields of "shelf-ready packaging" (SRP) or "retail-ready packaging" have been developed, all with the aim of dealing more efficiently with the small amount of space on shelves.

The topic of shelf-ready packaging is of international significance. In many countries, serious consideration is currently being given to how retailers' internal logistical tasks can be executed effectively and thus cost-efficiently. Leading European retail corporations such as Carrefour, Tesco, Metro and Aldi have been probing this question for some time now. Rapid advances are being encouraged above all in the UK and France. Dubbed 'efficient unit loads', recommendations for the design of standardised one-way transport packaging have been published. Retail, the consumer goods and packaging industries as well as organisations contributed to formulating the recommendations at the beginning of 2007. The various recommendations are collected in the "Blue Book". As a result, there are a wealth of requirements which can be successfully met with different packaging materials such as solid fibreboard, cartonboard and corrugated cardboard.

Easy and efficient handling

As a rule, retail-ready packaging can be handled easily and above all without any equipment. It also has a high impact on shelves – in other words, it functions excellently as an effective display – and it is no trouble to dispose of after use. The packaging is optimised in terms of unit dimensions, logistics and sales quantities. Information provided on the packaging allows retail staff to quickly capture and categorise the product. Aside from ease of handling, a basic robustness is required so that a product unit is able to withstand stresses and strains it may be subjected to in logistical processes and reach the shelf intact.

Once in the store, retailers expect packing and replenishing product stocks to be a cinch. One movement should suffice. The sparing consumption of materials and consideration of reusable transport packaging solutions are environmental aspects that should not be underestimated. The highest priority,



however, remains the customer: Getting them to reach for the shelves calls for a design that can be taken in at a glance, highlights the product and is in line with the intended use.

Improvements to the flow of information along the entire length of the logistics chain right up to the consumer is fundamental to efficiency. Enhanced shelf-life identification, for example, makes it easier for retail staff to minimise stock losses. Reductions in instances where stock runs out help to keep customers loyal to brands, especially as being forced to choose an alternative carries the risk of customer churn for the manufacturer. According to GS1 Germany, 70 per cent of shoppers who buy another product as a substitute are satisfied with the alternative. When an article is out of stock, 37 per cent of customers respond by purchasing a different brand, 21 per cent go as far as moving on to a different store. Nine per cent simply don't make the purchase. Only 17 per cent return again at a later date. In other words, lost opportunities mean that two thirds of shoppers won't return for the item.



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The colourful mixing and matching of ladies' underwear is the concept behind the "Last Minute" product range by Comet Corsetteria. Winner of the ECMA Pro Carton Award for display packaging, the carefully conceived packaging design by Lucaprint communicated the concept optimally.

Consequently, the Dortmund-based Fraunhofer-Institute for Material Flow and Logistics (IML) has pared down the list of requirements to five key points:

- Easy identification, i.e. the easy recognition and capture of key logistical data sets via barcode or, increasingly in future, RFID. Key information includes product description, number of units, quantity per pack, variant and expiry date. All of this must be displayed on two sides of the transport packaging. Also essential for staff are visual product identification and the product packaging's ability to stand out strikingly on the shelf as this triggers the decisive impulse in consumers. Solutions developed to date are exemplary in that these criteria are implemented 100 per cent.
- Easy opening means first and foremost easily understood instructions on how to handle the display packaging. Here, the use of pictograms has proved the tried-and-trusted



From the transport packaging into the trolley – when products are prone to get lost on the shelf, punchy promotional packaging is a must.

method. One staff member should suffice for handling the merchandise and should not require any assistive equipment for stacking the shelves. No sharp corners or edges should pose any risk of injury during or after opening the transport packaging. There should also be no potential for damage to the SRP or product packaging. Within these requirements, there should still be sufficient freedom for design engineering innovations. To date, only every second solution succeeds in meeting these criteria to the full.

- Easy shelving refers to ease of handling as a result of dimensions, handling aids such as holes for gripping as well as a maximum weight of 15 kilograms per loading unit. Naturally, the items' stability and rigidity after opening the transport packaging must be beyond question. Transport units should correspond to the quantities required by retailers and likely to be sold by them within a sales period. Last but not least, the packaging must fit the size of the shelf. Industry has done an exemplary job of meeting these needs – fulfilling them 100 per cent.
- Easy disposability encompasses the disposal phase and is not limited solely to mono-materials in packaging and packaging components, for example, the label which should consist of only one material. Flattening the packaging should also be an economical process. Here, it helps if specific instructions are provided. In this context, compound materials are generally regarded with disapproval. In contrast, reusable solutions are a feasible option. Reusable transport packaging is stackable and should ideally also provide greater efficiency on return through a reduction in volume. It goes without saying that domestic regulations must still be complied with even when goods are traded internationally. With an 80 per cent implementation rate in SRP, achievements in this regard are impressive.
- Easy shopping targets consumers. For them, it's important that key information on the product packaging is not hidden by the transport solution. Easy removal and replacement allow "king customer" to evaluate the offer closely. In the past, transport packaging also served additional sales functions. While multi-colour versions are not yet the norm, already every third transport package in Germany is printed with more than one colour and this trend is really taking off, as will be highlighted at interpack 2008. Company and product logos are the minimum in presentation. Special attention is given to SRPs that are partially empty because, even when the first packs have been removed, an appealing impression should still be created. Visual gaps in the overall appearance created by missing products should be avoided if possible. Here retailers expect more, as only 75 per cent of these criteria are being met so far.

SRP not yet a reality everywhere

The practical realities in stores show that SRP has in some ways arrived but its distribution is still very patchy. The results of research conducted jointly by the EHI Retail Institute in Cologne and the German, Austrian and Swiss corrugated cardboard associations in February to March 2007 show that on average only 37 per cent of retailers use the transport



Contemporary SRP solutions facilitate a good overview of the packaging. And the staff, too, always has a good overview of which products need replenishing.

package to display products on the shelves. That leaves broad scope for action.

The differences are particularly apparent in the product range. When it comes to food, retailers present 42 per cent of products on the shelves in their SRP. But here, too, there are variations in distribution. In fresh produce sections, the transport packaging is used for displaying 31 per cent of articles, while among dry foods it is 48 per cent. Above all, it is small, flat, dry articles that are most at home in transport packaging. Ninety-five per cent of soups, sauces and stocks can be found in their SRP. Baby food also scores an above-average 85 per cent for use of SRP. Bird food, nuts and dried fruit as well as pre-cooked meals based on cereals or legumes are other success stories with values of over 75 per cent. Stable trays allow products to be arranged standing up.

Major catching up ahead for some segments

Especially in the non-food segment, there is plenty of catching up to do. So far, cosmetic and hygiene articles can definitely be counted among those items resistant to display in SRP. Only washing powders and a few detergents even make it into the double figures. But frozen foods and bread are also hardly worth mentioning with two and four per cent



respectively. Special logistical challenges are often cited as reasons for the lack of implementation although the popular flowpacks found in the deep frozen sections already provide attractive solutions for offering eight individual packages.

In many cases, however, and particularly among international brands, the explanation for this gap can also be found in obstacles to the use of such modular units on the retailers' side. One example for this is basic shelf depth in Europe which varies between 40 centimetres in the Netherlands, for example, and a metre in Italy.

Interpack Processes and Packaging 2008 to showcase SRP innovations SRP solutions focus chiefly on three materials – corrugated cardboard, cartonboard and solid fibreboard. At interpack Processes and Packaging 2008, which will open its doors between 24 and 30 April 2008, a wealth of SRP solutions will be presented. What's more, not only exhibitors but also the Innovationparc Packaging special presentation will feature options dedicated to product segments that were previously poorly covered. For instance, refill trays are currently a popular choice among packaging developers and one that need not be limited to impulse buys such as sweets. Additional elements including push or pull designs ensure that one pack is always moved to the front of the display packaging. Consequently, consumers meet with no gaps in the stacks on shelves and brand as well as product are clearly presented, plus the appearance is one of tidiness and order.

Flexibility: from the promotional area to the shelf

Increasing importance is also being attached to secondary displays. The Dutch retail chain Albert Heijn are calling for and promoting the use of what they refer to as “rolling dollies” created from metal and plastic. Displays of special offers can then be mounted on top of these mobile base sets, making them easy to handle and, if necessary, easy to move. Another approach that is gaining currency is retail-ready displays. They act as display units for SRP solutions. At the end of the promotion's run, these display trays can then simply be moved onto the shelves. Used to increase the turnover of goods, these secondary displays boast a modular construction that takes its cue from mass-produced transport packaging.

At the moment, suppliers of all-in systems are encouraging the use of “single-face packaging”, which serves as a response to limited available shelf space. Above all, cosmetics and technical chemical products often demand presentations in which only one package is visible to the customer.

The fact that the use of SRP pays off is already evident in the results of surveys. Polls conducted in Germany, France, Spain and the UK revealed customers to be in favour of SRP. Between 38 per cent (Spain) and 62 per cent (France) indicated that products were easier to find. Twenty-five per cent of UK shoppers and 47 per cent of Spanish shoppers felt that stores looked more orderly. There was virtually no difference in the overall positive impression, which ranged between 27 per cent (Germany) and 30 per cent (France, UK).

(Source: Interpack 2008, Courtesy: Messes Düsseldorf Press)

