

# FOOD & DRUG<sup>®</sup> packaging

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## THE ARCHITECTURE

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CPG companies are known for constantly updating their packaging, according to director of package design David Kessler; but private-label companies are historically less likely to make a change. When he came to Safeway eight years ago, the company did a package redesign every year, but not on every brand, and some weren't significant enough to be noticed by consumers, he says.

"In many cases it was cost-based, in other cases it was their own experience, or lack of experience," he says. "The development of the consumer's confidence in private-label programs has spurred the need to be competitive in every level."

Safeway's packaging department consists of 20 people, but all of the design work is done by outside firms. Safeway's two primary design partners are San Francisco-based Phillipe Becker Design Inc., who was responsible for the O Organics line, and Anthem, a Schawk Strategic Design Co., who has worked extensively on many of the other power brands. When developing a new brand design architecture, the team identifies the audience they're trying to attract and the tier of the brand. They then study consumer habits at the shelf.

"Are they looking at a brand first? A category? A flavor? What order of things do they go through?" Kessler says. "We look at it from a hierarchy and communication standpoint. It's integral to the way we've designed our packaging." And they make sure to do this outside of the comforts of the office, paying close attention to how a product is stocked on the shelf.

According to Kessler, the design process timeline for a retailer can be a lot shorter than for a CPG company because they need to get products out on their shelves. The development of O Organics, for example, took just under a year. The impactful design and success of the products garnered extensive media coverage and \$164 million in sales in its first year on the shelf.

"It's a bright, simple execution. Because it was a new

brand and organics were such a buzz, we wanted people to know instantly that it was organic," Kessler says. At the same time, the team knew they didn't want it to be a "farm" brand. "A lot of the organic brands give you the impression that it's right out of the barn. We wanted to give it a much more contemporary, clean and healthy feeling, but also emphasize the source of the product," he says.

The "O" communicates the brand across product categories, while the graphics communicate the individual product. The desired result is that many customers don't even know the line is a private-label brand. Safeway is still looking to expand the O Organics line to 260 products by the end of 2007, and they've developed line extensions for O Organics for Baby and O Organics for Toddler. Because of the flexible architecture of the brand, the design team was able to use more youthful type and imagery for the extensions.

Safeway's flexible design architecture allows the company to accommodate value-based and premium markets across all product categories with successful standalone brands, rather than national brand copies. An example of this is the design for Eating Right, Safeway's newest brand

For now, the company uses stock containers from suppliers for its packaging production. Because Safeway is only distributing to 1,765 stores, spending money for molds on plastic and glass containers can be cost-prohibitive.

The company is looking into developing proprietary containers in the near future—as long as it provides a benefit, either aesthetic or functional, for the consumer.

"It's difficult to add more cost for a package of an existing product without a noticeable benefit, because consumers don't want to pay for a new package with the same product," Shields says. "When you design a new package and product together that meets a consumer need, the whole concept can drive a premium price that can enable you to still hit your margin targets with a unique design."