

# What (Exactly) is the Role of Box Plants in Retail Ready Packaging (RRP)

By Linda Johnson



**To better understand** the retailers' objectives, Sound Packaging in Chandler, AZ attended a 2-day Webinar event hosted by AICC, in partnership with the Institute of Grocery Distribution (IGD), on the emergence of Retail Ready Packaging (RRP) and how it is driving major changes (not only within the industry, but) throughout the entire retailers' supply chain.

Consumer goods manufacturers are realizing the ever-increasing challenges faced by the retailer, and the important role they play in understanding & addressing these challenges. In turn, they are looking to their suppliers to respond & implement ideas that improve efficiencies throughout their distribution channel; thus, decreasing costs and increasing sales.

The aim of RRP is to produce an easy to identify carton to assist in the shelf replenishment process and ensure the product is available for sale when the consumer wants it. What is evolving for the Consumer Packaging Goods (CPG) supplier is a category by category approach to packaging & promotion, rather than a product by product approach. Consideration; in the design stage, needs to be given to not only production, but distribution channels and the end-user as well. The results are for box plants to focus on moving away from the traditional "design specific approach" into a retailer and consumer-friendly "performance specific approach."

Sound Packaging has always focused on quality, service, and design; therefore, moving towards innovation

in RRP is a natural progression for our plant. In the words of our founder, Leon Gale, . . . "if we're not constantly moving forward, we're standing still," truly, if we are not moving forward in today's market, we won't survive. When designing a Shelf Ready Package (SRP) or Display Ready Package (DRP), a corrugated suppliers' role must expand from just increasing value to their customer, to offering value all the way down the supply chain to the consumer.

In developing a new package solution, critical to the process is what IGD calls the 5 Easies (although there are many more in-depth steps in this process, this is a starting point). The package needs to be:

- Easy to identify product brand; from all sides in poorly lit warehouses and distribution centers
- Easy to open; should take no more than 5 seconds without the use of tools
- Easy to restock; better utilization of shelves and trays within the package for one-touch movement onto shelves, to eliminate individual unit restocking
- Easy to shop; product brand and category are quickly identifiable, making it easy to select (into cart)
- Easy to dispose of; broken down and stacked, separated and recycled, or stacked and nested (corrugated trays and returnable carts)

In the not too distant future, package design addressing only the buyers needs will be unacceptable; signed off solutions that (only address stacking,

storing, and transportation needs and) are not truly fit for the purpose of the retailer and consumer, will be a thing of the past. European and Canadian retailers are embracing this concept presently and the United States is quickly catching up, driven by the Multinational Corporations (MNC's).

Rather than wait for our customer to initiate the conversation, box plants should be looking for opportunities within product categories that are suited for RRP. We need to be asking what is the current form and density of the product package; is it easily stackable & identifiable, off the shelf; can the graphics be easily replicated to the tray and carton for easy identification; what are available shelf space dimensions; can mixed cases be offered to expand the product range; where are sales at presently and what role can RRP represent in increasing future sales?

One of the biggest challenges facing the implementation of the RRP design strategy is to get the buyer to understand that the cost associated with a box is more than the dollars and cents shown on the invoice. There are costs associated with every aspect of storing, stacking, transporting, and restocking the product. The box plant plays a very important role in transforming the thinking of the buyer to look at design as an innovative step within the process and not an end-all solution. Do we understand the total supply chain? What are the retailers' specific requirements? How is it

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being displayed? Can a case trial or test be offered to provide input for the total solution? Often, the actual need is quite different from the expressed want.

Although this sounds like an arduous task to compile this much information prior to design, the benefits far outweigh the challenges, as large producers of consumer goods are always looking to decrease cost, improve efficiency (in the supply chain), and help the retailer increase sales. If we can offer a package that is easy to assemble (minimize labor-intensive folding, simplify die-cut inserts), more durable (creative board combinations, better perf-pattern design), increase flexibility (internal trays used across product lines), and

improve the consumers shopping experience (ease of recognizing, viewing, and picking product); we, as a box plant have vastly increased our value to our customer.

As shoppers become more cost savvy and less loyal, when they do come into the store, retailers want them to be able to quickly find what they want. Anytime you assist the retailer by minimizing restocking time, you increase stock availability, which improves visual appeal for the consumer, making for a more enjoyable purchasing experience. It is in the best interest of not only our customers, but their customer to make it easier for the consumer to view, touch, and purchase the product, resulting in increased sales.

Because it is not being driven (on a large scale, as of yet), it is our job at the box plant to offer these cost-saving, sales-increasing solutions to our customer. Our role, at Sound Packaging is to be flexible in adapting to ever-changing market conditions and work at increasing our value to our customers; always striving to exceed their expectations. Looking at packaging from the end-user perspective (RRP) is the culmination of everything we have learned thus far and expanding on it. In order to secure our future, the time to start the conversation is now.

Sound Packaging wishes to acknowledge AICC and IGD, from whose Easy 5 Guidelines and webinar information this document was adopted. ■

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info@ompartners.com  
www.ompartners.com  
Phone : (770) 956-7118