

FOIL STAMPING STRENGTHENS BRAND IDENTITY

by Elliot Young, Perception Research Services

For years, foil stamping has been associated primarily with promotional or seasonal packaging, or perhaps the initial rollout of a new product. Although foil is widely assumed to increase “shelf pop,” the incremental costs have prevented many companies from using foil as a long-term packaging strategy. Part of the problem has been the lack of hard evidence to justify the investment in foil – and there’s also been a concern that foil stamping could be perceived as a “gimmick” that would detract from brand perceptions.

To address these issues – and to better understand how to best utilize foil stamping – Perception Research Services recently conducted a large study (of over 1,500 shopper interviews) that explored the use of foil stamping on packaging across seven (7) product categories, including food, beverage, health/beauty and personal care products. The results confirmed that foil packaging can “add-value” across many categories and dimensions of packaging effectiveness. They also illustrated that foil stamping can be used to successfully address a range of fundamental packaging challenges.

How the study was conducted

This study was conducted through in-person interviews conducted at twenty different mall-based research facilities across the U.S. For each brand in the study, a total of 200 one-on-one interviews were conducted with category shoppers:

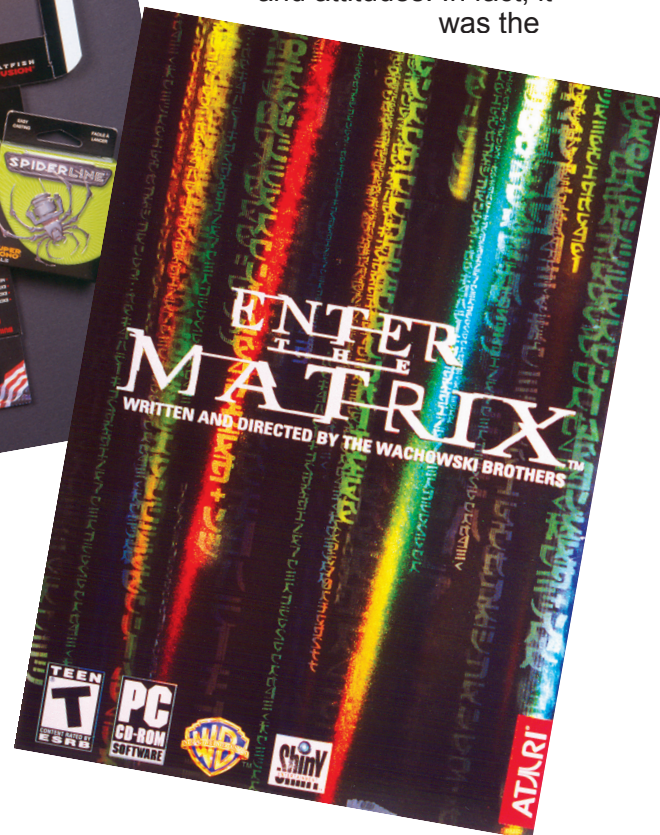
- 100 of these shoppers encountered a shelf set that included the current packaging of all brands in the category, without foil (the “control cell”)

- 100 other shoppers encountered an identical shelf set, except that one brand in the category now featured foil packaging (“test cell”)*

The test packages (with foil stamping) were created by Letterhead Press of Milwaukee, WI. In each case, Letterhead

the packaging. Alternative colors and forms of foil stamping were also used in different product categories, depending upon the packaging structure in use.

At no time did any person directly compare the foil and non-foil version of the same package, because these direct comparisons often lead shoppers to overstate (or understate) the differences between the options. Instead, each person saw and reacted to one version (foil or non-foil) – and the results were later compared between the “cells” of the study (control cell vs. test cell). This “monadic” research approach was important, because it simulated the actual introduction of foil packaging – and documented its impact on shoppers’ behavior and attitudes. In fact, it was the



worked with the marketer to develop an appropriate foil application. The specific applications varied from foil stamping of the brand name/logo, to the use of foil in the product visual or elsewhere on

only way to accurately gauge the “business value” of investing in foil stamping (or any packaging innovation).

Each interview began with a shopping exercise from the shelf set, followed by questioning as to which brands the shopper recalled as the most compelling or intriguing. Next, the shopper was re-exposed to the shelf and asked to evaluate the test brand and two directly competitive brands across several dimensions, including:

- Overall Appeal
- Packaging Descriptors/Attributes
- Product Expectations
- Brand Imagery
- Purchase Interest

The primary findings

Across the different product categories, the findings were compelling and also somewhat surprising:

- We found that the impact of foil on a brand’s “shelf impact” varied widely by category. In some categories (most notably in infant formula), foil stamping led to a definite increase the likelihood that a brand would be selected and recalled from the shelf. In other categories, there was not a measurable impact.

- However, foil stamping had a consistently positive impact on aesthetic appeal, product expectations and brand imagery across nearly all product categories. Specifically, in over 80% of the brands studied, we found that packaging with foil stamping was rated significantly stronger (than the same packaging without foil) in terms of overall appeal and in key product perceptions, including taste (cereal), quality (infant formula) and efficacy (electronic toothbrushes).

Importantly, these enhanced product perceptions translated to increased purchase interest in over 70% of the cases. For slightly higher-ticket items (such as infant formula and toothbrushes), there was also an increase in price expectation (i.e. what someone would expect to pay for the product).

Conversely, we did not come across a single instance in which foil packaging clearly detracted from shoppers’ perceptions of a brand, nor their interest in purchase. Therefore, there was no evidence to support the notion that foil stamping is inherently a negative influence on product perceptions or brand imagery (i.e. “cheap” or “cheesy”). In the few cases where foil didn’t have a positive impact, this appeared to be a function of unappealing incoming packaging. When the current packaging (without foil) was rated poorly (relative to competitive packaging), the foil-stamped version was also at a competitive disadvantage. This suggests that foil cannot necessarily “save” a poor packaging system, but it is better suited to taking a good packaging system and raising it to the next level.

Exploring specific challenges & applications

In addition to the overall findings across categories, individual studies provided interesting insights regarding specific issues and applications:

- In the infant formula category, PRS evaluated two different levels of foil stamping – a “partial foil” version and a “full foil” version of the same packaging system.

In this case, we very clearly found that “more is better.” Although both options proved to be a “trade-up” from current packaging (without foil), the “full foil” version performed stronger across multiple measures of shelf presence, communication and persuasion/purchase.

- In the electric toothbrush category, we studied two approaches to the use of foil – a scenario in which a full product line appeared in foil-stamped packaging and a scenario in which only the highest-end product appeared with foil-stamped packaging.

Here, we found that “less is more.” The selective use of foil facilitated product differentiation and drove greater interest in the most expensive product. Brand perceptions were also equivalent across options, suggesting that the additional use of foil (across all products) would not have represented a positive return on investment.

Re-thinking foil stamping

Of course, the viability and appropriate use of foil-stamped packaging will vary by each brand’s objectives and circumstances. However, these findings should lead some marketers to re-think their limited use of this tool. Certainly, they suggest that the benefits of foil may lie less in generating “shelf pop” and perhaps more in enhancing product perceptions and sending a positive brand message. In addition, the selective use of foil appears to be valuable in differentiating items, facilitating the shopping experience and driving interest in higher-end products.

Overall, these findings suggest that foil stamping can provide a strong return-on-investment – and should be considered as part of a long-term packaging strategy, rather than exclusively on a short-term promotional basis. ■

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