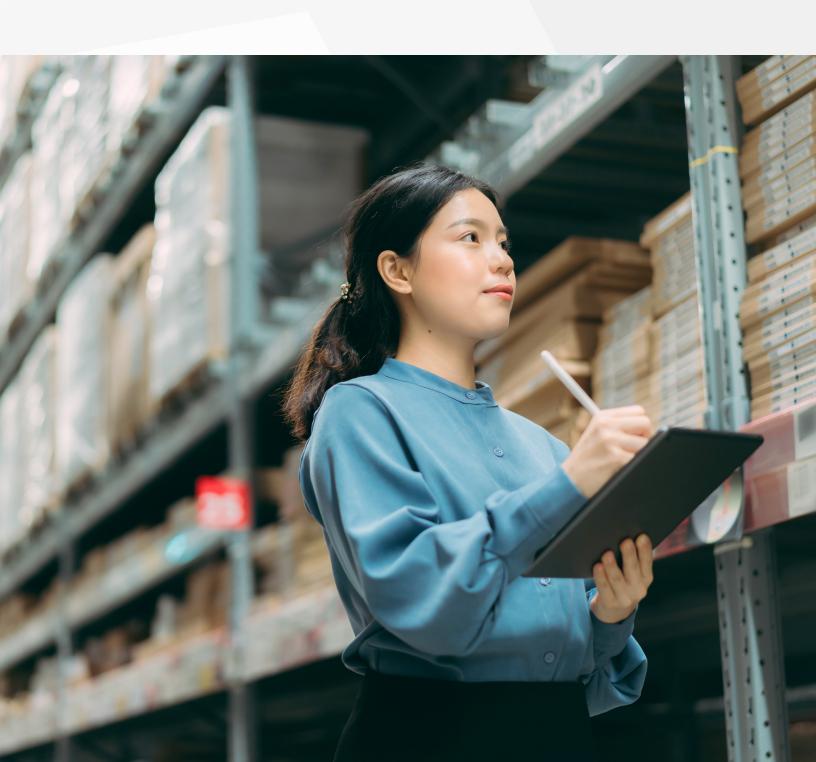
# AdeptGroup

# Considerations for Club Store Packaging DESIGNING PACKAGING FOR UNIQUE ENVIRONMENTS



## **Club Stores Popularity**

For many consumer brands, it can be easy to think about designing packaging to meet the needs of brick & mortar or e-commerce environments, but club stores represent a third retail channel with its own unique requirements.

As consumers seek the best bang for their buck, club stores are an appealing option that has thrived over the past decade and experienced a bump in popularity during the COVID-19 pandemic.

This growth hasn't gone unnoticed – many brands are exploring how they can get their product on club store floors, but they are often unaware of the unique considerations for getting into and succeeding in that environment. Through careful planning and design, brands can flourish in club stores like BJ's, Costco and Sam's Club.





### **Design Considerations**

Unlike traditional retail settings, club stores' products are constantly changing and moving.

Club stores are like a treasure hunt. There are constantly new paths, new items and new value opportunities available on the store floor. Helping a product stand out among the sea of pallets, racks and boxes requires an understanding of the competition products face and also how to <u>design packaging</u> to attract consumers. While the design of a product's packaging is a priority regardless of the setting, designing for club stores often calls for a different approach than traditional retail.

Club stores and retail stores have their similarities, but they vary greatly where it matters: display and appearance of the product. Unlike retail stores, where products are stocked and displayed based on a store layout and plan, club stores often place products directly on the salesfloor, pallet and all. They're typically a no-touch environment, where everything is designed to be displayed as "shopper-ready," meaning stores will display the pallets without changing much from the way it looks upon arrival to store. In traditional retail, another forward facing product is available behind a product that is removed from the shelf, but items in club stores are pulled straight from the pallet or display case. This calls for consideration of what the remaining product looks like once an item has been removed and how to make the remaining product stand out in what is essentially a giant warehouse.

Packaging for club stores should follow the Rule of Five, allowing consumers to know what the product is from five feet away and in five seconds or less. Using contrasting colors, bright imagery and minimal text that describes value to the consumer can make a product more appealing or noticeable. It can be helpful to think of what happens as the product is removed from the pallet or case – including graphics on all sides creates a consistent visual. Using graphics that fit together to form a complete image when products are placed next to each other is another a great way to enhance visual appeal. Unlike stores with aisles of shelves and endcaps, club store products may be shopped from multiple sides, so it's also important to consider pallet efficiency. While products should feature branding that consumers can recognize, changing up product design keeps the consumer engaged and demonstrates to the retailer that a brand is invested in succeeding in the club store environment.



#### **Rules and Requirements**

Because some club stores are part of a small group of large, nationwide chains and because their shopping experience is significantly different from traditional retail, the rules are a little different.

Each of the major club store chains provides a comprehensive handbook with all their requirements, so it's important to review that material closely to ensure compliance.

Employees aren't stocking shelves with small amounts of product like they would in traditional stores, so safety is a top priority. Every element of the product display must comply with the requirements set out in the handbook and be approved by the stores. Packaging that fails to meet their requirements is grounds for non-approval or even fines, which can be costly, waste time, and impact the brand's reputation with consumers and relationship with the store. That includes dimensions of products, optimal positioning on pallet width or length sides for shop-ability, the material used, and the look and feel of products and packaging.

The integrity of the pallet is an essential part of packaging development for club stores. Pallets must follow sizing rules so forklifts can move them easily and not be too high or too wide to ensure they're not inaccessible or dangerous to consumers and store associates. Containment is another requirement, ensuring that pallets have stretch wrap or pallet shrouds to reduce potential damage. Pallets also must be strong and sturdy; the stability requirements included in the handbook establish the types of approved pallet materials and the dimensions necessary to hold the product safely. Pallets with splinters or knots won't be accepted as they inherently increase the risk of injury. Overhang is also prohibited for the same reason.





#### Rules and Requirements

Case packs are also subject to tightly controlled rules, mostly in terms of their dimensions to ensure they fit within the space provided for the product.

Beyond the rules laid out in the handbook, there are a few other best practices for case packs to help products stand out in stores.

They should be designed to make the primary pack easy to see (graphics, etc.) and clearly display flavors or other distinguishing features, so large openings in corrugated are a must. Case packs should be designed to emphasize selling points such as the product's value proposition. Club stores don't have the same promotional tactics as a traditional grocer or other retailer, so packaging has to attract attention and communicate product features quickly.

Every club store will have its own requirements, but there are many constants across the industry. While an exhaustive list of club store rules and requirements would be impractical to include here, the basic tenets of dependable, safe packaging hold true for all club stores. For a brand to be successful, it must consider that these companies often partner with reliable and consistent suppliers. Brands that can maintain safe and stable ongoing shipments benefit from packaging that is developed with these requirements in mind.





#### Other Factors

In some cases, less is more. Avoid over-engineering to minimize material usage. This means being conscientious and selective of packaging components that aren't filler, over-designed or difficult to distinguish from other items in the store. It also means taking care to ensure packaging isn't wasteful - an increasingly important preference among sustainability-minded consumers.

Consumers take <u>sustainability</u> into account during their shopping trips, so finding opportunities to make packaging recyclable, reusable or compostable can help a brand reach its sustainability goals while meeting the consumer's expectations. Working with packaging experts that have experience strategizing for club store packaging and material usage can accelerate sustainability initiatives for an organization.

Succeeding in the club store environment calls for an understanding of store conditions and design that accounts for ambient, humid or frozen conditions where applicable. Brands benefit from a simplified approach that leverages secondary packaging to sell the product and design that identifies quantity and clearly communicates the product's value to shoppers. Cost optimization is possible through maximizing units per pallet or case and efficiently organizing pallets to be shopper and display ready.





#### Get Into the Club

Designing packaging for club stores calls for an understanding of the unique size, stability and safety requirements necessary to not only make it into the stores, but also to successfully sell the product.

Brands need to be conscious that club stores are a different way to shop. Many otherwise successful companies struggle to develop packaging designs that will be approved by club stores and increase sales, not just in those stores, but also outside of them as brand recognition grows. The packaging engineers at Adept Group have decades of combined experience working with club stores and designing packaging that meets their requirements.

Reach out to our team of professionals and let's talk about how we can help your brand in club store settings.

