

Chanimal Marketing Package Guidelines

The following packaging design guidelines have been created after orchestrating the packaging designs of numerous top-selling packages, authoring several articles on packaging design, from discussions with numerous software buyers, and from original qualitative and quantitative package design tests for Retail Week, Seymore Merrin Corporation (an industry renown channel consulting firm), and others.

Persuasive Format

Every element in package design needs to sell. As such, it should follow the “Persuasive Format” outlined below:

1. Attention
2. Credibility
3. Problem
4. Solution
5. Overcoming objections
6. Visualization
7. Steps to actualize

Following are box variables that help achieve the desired result.

Attention

- Box color & design
- Name
- Graphic
- Violator (a sticker or balloon that calls out a specific offer, feature, etc.)

Credibility

- Testimonials
- Awards
- #1, Best, Most...

Problem

- Testimonial
- Box copy
- Headers
- Solutions (75% faster than Microsoft -- stating problem didn't even know they had)

Solution

- Testimonial
- Box copy
- Graphic
- Stats

Overcoming Objections

- Side Panel (list everything, even in small text, so you are not missing anything that might make a critical difference (SoundBlaster compatible, Windows 95, 98, ME, 2000, XP, supports ATI Radeon, etc.)
- Box copy

- Comparative Matrix
- Testimonials
- Statistics

Visualization

- Box copy
- Screen shots
- Testimonials

Step To Actuate – Close

- Box copy – call to action (Join, buy, invest, enjoy, be a part of, etc.)
- One more reason to buy (special offer)

Product Name

The acid test for product naming is to tell a prospect the name of the product (i.e., Mention your product name. Then ask, “What is it?” and see if they can identify it). The first prospect in retail is the distributor and software buyer—they look at thousands of products, see the sales of the overall category, and have to hear comments from their store reps (good or bad)—in addition, they have quotas per inch of shelf space. If the buyer cannot guess what the product does (at least the category) from its name 100% of the time, then it needs to be changed, or it needs a descriptor/positioning statement.

Descriptor / Product Positioning

The descriptor both explains what the product does (if the name is not self-evident) and positions the product within its category (best, fastest, best selling, least expensive, etc.). The positioning statement needs to be before or after the product name so it is readily apparent. The description portion often categorizes the product (i.e., programming...) and the positioning portion tries to get the #1 label (#1 choice, #1 best selling, #1 rated (most award winning), most, etc.). This helps establish credibility and positioning along with category identity.

The positioning statement should contain no more than seven words maximum (depending on the length of the words). This is a lesson from billboard marketing—measuring the number of words that can be viewed at a single glance.

FRONT OF BOX

Goal

The first and number one objective of the front of the box is to get people to pick it up. Just like in appointment setting, where we sell the appointment, before we sell the product, so it is in retail packaging. We first sell, “Pick Me UP!!,”... then we sell the software.

This is especially important considering that the average software “browser” will pass by a product area within 3 seconds—which is the amount of time you have to get them to pick up your package.

Placement of box elements

The name and descriptor should be at the bottom half of the box. This is to ensure that the shelf above it does not cover the product name if the box is not on the edge of the shelf (as a box is purchased, the remaining packages sit back a few inches, which may make the name hard to see if it is on a lower shelf). Exceptions exist in other certain retail environments (i.e., grocery stores, and with the smaller format found in mass merchants). However, these types of retailers often have dedicated “detailers” who “face” the product (pull it forward, put the label out, ensure visible pricing, etc.) throughout the day—this is not the case with software retail which is still relatively immature in this industry.

The placement of box elements should also attempt to create a vertical line (either with a different color, all the elements lining up, etc.) since it draws the focus to the center of the box and creates a psychological appearance of more product.

2" x 2" Test

When creating a box design you should ensure that it will pull for you (you can read the title, recognize the graphic, see the violator, etc.) within a 2"x2" space. This will ensure additional advantage when it is placed in a small catalog, a small ad, or as an icon on a Web page. Microsoft products are good examples. Products such as Vegas, from Sony (acquired), are terrible when seen as a small icon.

10 ft Test

You need to ensure that your product will get the prospect's attention up to 10 feet away—since most folks will look that far in each direction to find something that catches their attention. Your graphic should be obvious, your name should be big enough to read (have it cover most of the width of the box) and your violator (a balloon or coupon that promotes and is intended to "violate" the design) should scream, "Pick me up..."

No passive or hidden/subliminal designs—Your design MUST pull

Every box should have a design that helps identify, graphically, what the product does. An acid test for the graphic element is to cover everything else on the box but the design, and then ask a prospect, "What does this product do?" You should ask this question 10 feet away from the person—to ensure that the element is simple enough to be identifiable.

Unlike software, hardware typically includes a picture of the product—so the design element is obvious. However, it is still important to include a picture of the product...plus a picture of the connections (on the back, not the front of the box) since the hardware vendor may know it has four ports (router example), but the prospective buyer may not know it and may not be willing to take the risk—unless they open your package (which may not be possible, or may result in a return if the prospect decides not to take your product, or one with an open package (problems at checkout)).

I once "inherited" a product with a cool design on the front, that had no bearing on the product or category, or so I thought. After I had been there three months someone pointed out that the "design" was actually two face outlines in reverse (talking to each other). Once you saw it, it made sense and you never forgot it. Unfortunately, it was so subliminal that it would never pass an acid test of identifying the category within 10 feet and within the required three seconds. It was obviously "sold" to the company by the graphics design firm that "decoded" the image in advance, so everyone was pre-conditioned to see the value—I never allow a design firm to explain their elements before I've considered whether or not it passes the acid test.

Some products represent new categories (VRML is an example) and are hard to represent in a picture. However, at the very least, the category should be identified within the acid test (such as a graphics package, a spreadsheet, a contact manager, etc.), or else you should choose a different graphic--period. For example: When creating a package for 3-D Website Builder, we couldn't come up with a graphic that represented "VRML." However, we did find one that identified it as a 3-D graphics package—which was good enough since it still represented the graphics *category*.

In general, human faces that look *straight at you* (not caricatures) garner the greatest attention—since people notice when someone (including a picture) is staring at them. As such, a design that includes a human face, and still represents the product category (graphics packages work), should have more

pull. The defining acid test, however, is the number of people who can identify exactly what the product does, just from the design.

In addition, this design, like any good presentation with graphics, should not supersede the marketing message but should enhance it. This means it can't use reverse type, a cool, but unreadable font, or be so cluttered that the product positioning gets hidden.

Awards

Awards are part of the credibility requirement. They should be on the FRONT since they establish the credibility of the product. If the product is new, then the previous awards for the company, the prior version, the product line, etc. should be used. Warning: Make sure to include the award disclaimer (often in the logo usage guidelines of the award publisher)—we want to borrow from the credibility that we have already earned, but we can never, ever lie. In addition to the visible icons, the awards should be written into the copy (i.e., award winning). If you have won a substantial award since the package has shipped, consider having stickers placed on the packages (within distribution or at the stores (detailers or store reps (with incentives)) can do this for you. Consumers look for awards as a validation that they have made the right decision—do NOT hide them.

3rd Person Testimonials

3rd person testimonials cannot be debated—they are a powerful and proven method to validate our claims from a source that is more credible than ourselves. They are also critical for any early adopter products that need referencing. Short quotes (the 7 word rule) should be placed in front if possible. Longer testimonials should be in the back where the “close” occurs. Examples include, “The easiest product to use,” (PC Magazine), “Run, don't walk to get this software,” (VAR Business), “The bottom line: Editor's Choice,” (Internet World). These quotes would be followed by the source. If you don't have a quote, you can simply put your un-attributed positioning statement in quotes (“Undeniably, the best choice...”)—it appears more credible in quotes, even if “you” are the source.

Space for Violator

A violator is a bullet, a quote or a graphical treatment (usually using a highlight or sticker) calling out a credible offer or validation. It is called a “violator” because it is meant to violate the design. Graphic artists hate them, but marketing loves them because they help sell more product (i.e., if you have a strong benefit it should be shouted, not blended). It is best to design your packaging with a space where the violator can go, if used, that won't cover marketing copy.

The strongest marketing words: When making violators it is important to remember that the two strongest words in packaging copy are FREE and NEW.

Examples include:

- FREE – includes 7 books on CD-ROM (\$200 value)
- New – Includes RAD
- New – Includes FREE JAVA!

Promotions

All promotions that have a stated value (i.e., \$200 value) must be backed up. The software buyers will ask for evidence that the items have actually sold for the associated value.

Bullets

Your top 3-5 *benefits* (NOT features) should be listed on the FRONT of the box, and then restated and clarified on the back. They should use seven words or less so they can be read at a glance.

Corporate branding

People buy product brands. However, they buy more products from companies they believe in. This establishes the need for both product and corporate (institutional) branding. Retail boxes should have the large product name with the smaller corporate name or logo on every selling side. Examples include Microsoft Word, Microsoft Excel, HP Deskjet, Corel Draw, Autodesk Animator. Exceptions exist within highly segmented consumer products (such as toothpaste), where it would be a disadvantage for someone to know that one vendor has 4-5 semi-competing (segmented) products. This does not usually apply to high-tech.

SELLING SPINE

One side of the box is a selling spine and is similar to the cover. The other spine contains a massive list of features and technical details—it is used to “overcome objections.” Your selling spine should duplicate as many aspects of the front of the box as possible since a box is sometimes faced on the shelf sideways. Typically, the selling spine is on the left side of the front cover, as with books.

STATS SPINE (Overcoming Objections)

This “right” side panel is often viewed last. It answers this question, “If the product has... I will buy it.” It does not have to be pretty, but it does need to have everything that a customer may be looking for to remove any doubts before they hit the register. The old adage, “A confused prospect doesn’t buy” holds true—if the customer is looking for a feature and it is NOT found (even in small print on this spine), then he will either look around at a competitor that may have listed it, call to find out, or may never buy.

Example: Microsoft did not put “Sound Blaster compatible” on the side of their box and it became a major problem. They later had to add it to the side of their box (they didn’t want to highlight the competitor, but they couldn’t sell as much without acknowledging compatibility with what was already a defacto standard). Other good examples include the Linux boxes (Red Hat, Suse, etc.). The side of many of these boxes list compatibility with every known graphics adapter, etc. If a prospect does not see what they are looking for, they often put the package down and try another one. With graphics packages, all import and export formats should be listed on this spine. With terminal emulation programs, all protocols would show up here. If the system supports Windows ’95, ’98, ME, NT 4.0 *and* 2000, they should all be listed here. I once almost didn’t purchase a specific package because it did not specify ME support (I did, but had to check the vendor’s Website in the store before I finalized my decision)—this information should not be hard to find and it needs to be listed.

BACK OF BOX

Copy

The copy should be conversational and tell a story. It should also be in *the persuasive format*. It should contain short snappy, conversational sentences with an enthusiastic attitude—similar to direct mail pieces.

The copy should also be segmented with easy-to-understand headers. Once someone picks up a box, you've got 8-15 seconds to convince them to get into it. At this point, they will often either continue reading the box and trying to decide, or put the box back down.

Sell with pictures

Rather than telling about features, show them with screenshots along with call-outs showing feature headers and benefit subheads. This also helps prospects to visualize (one of the persuasive steps) using the software. Folks also want to see the product and often have an attitude that "I don't buy no ugly apps" (if the interface is hidden, they may assume the worst—I do).

- Screen shots should have lines pointing to captions whenever possible. You may understand the product since you are surrounded by it constantly. However, this may not be the case with a prospect.
- Use the screen shots to show the benefits. If you have a unique characteristic show it...don't just tell about it.
- If your software "builds" something, such as a Website, a graphic element, or software code, you can make it appear easier-to-use by showing numbered screen shots (i.e., step 1, step 2).

Text Design

Readability is key. No reverse text (white on black (or dark)) since readability decreases. Use serif font on body copy and sans on headlines. Use a white/light background for body text to increase contrast and readability. I'll admit, some fonts and reverse combinations look great—but we're not trying to win design awards (although your agency might), we are trying to SELL. Don't let them convince you, give them these rules (sorry folks), and have them work within these constraints.

BOX FLAP

Whenever possible, use a box flap. Even if the message we want to convey is not any more verbose, we can relay it graphically instead of verbally if we have the extra space. This graphical treatment also makes the software appear easier to use (nobody wants "hard to use") and it helps with the visualization step of the persuasive process.

- Use the box flap for the sales message, like a built-in brochure.
- A flap allows plenty of real estate to convince and explain.
- Use graphics to show features/benefits.
- Technical illustrations would go here.
- The flap itself should have a velcro tab to hold it in, with a cut out that says OPEN HERE, or something to that effect to ensure folks know it can be opened. A flap without velcro sticks out more, and attracts more attention, but many buyers will insist you have one.
- Do not shrink-wrap a box with a flap...for obvious reasons--choose your packaging design accordingly. Also, work with your retailers to ensure that they don't wrap the box (with plastic or with straps (i.e., Frys). Ask what it would take to avoid this.
- Exceptions – if buyers won't allow it (ask), then forget everything I just said.

BOX BOTTOM

The bottom of the box is a good place to list any disclaimers and copyrights. It is also a good place to put the UPC code (so it can be accessed easily in case the product has to be relabeled). I've also seen the UPC on the top—which may be even more accessible, but could interfere with one of the "selling" sides.

GENERAL

- Remember, promote benefits, not features—there is a difference (although sometimes they are the same).
- To decide what key benefits go on the box, identify which features people will *pay* for or where they will receive the greatest value (FREE...).
- To further catch attention, use the shiniest coating possible to catch people's eyes—do not use aqueous coating (it's great on the environment, but it does not afford enough protection to keep the box looking new). In addition, do not use a lot of black ink. It may look strong and classy, but black scuffs easily resulting in worn-out looking packaging (similar to a dented can)—you end up with a LOT of scuffed returns.
- Take into consideration the location for the retail store's pricing label. For example, at Fry's Electronics, all software has a price label affixed to the bottom right corner of the front of the box. On the other hand, at Best Buy, they put the price label on the bottom left corner. If you put text, your awards, your positioning statement, etc. in this space—it will not be seen. On the other hand, some chains, such as CompUSA or Target put no pricing on the package—only on the shelf (sometimes). It is best to leave a blank space around this area to accommodate.
- Ensure that the box height does not violate any retail shelf guidelines. Use competitive products or products from Microsoft as size guidelines (since they have so much pull) and indicators of acceptable practices. There are two sizes for packaging, A) Mini-box used in mass merchant locations (Wallmart, Target, etc.) which is a standard size 5.25 x 1.25 x 7.5, and B) A not-so-standard size that varies from apx. 8" high x 7" wide (depth is variable) to 11.5" high to 10" wide. However, to be safe, I recommend the Microsoft and Quicken size of 9.5" high by 7 ¾" wide (variable depth).
- Ensure that your box is solid. A squishy box looks unprofessional and won't stand up to the rigors of shipping and stocking which will increase the return rate. Visit retail, pick up and squeeze several software boxes on shelves—avoid careless packaging mistakes. In addition, take apart and evaluate several "solid feeling" packages and have your printer or box manufacture evaluate which will be easier (and less expensive) to pack (the cost all adds up).
- Include a 30 day money-back warranty to instill confidence in your product—it also helps take the risk out of the customer buying the wrong product. Your customers often get this return policy from retailers anyway—you might as well get some "no risk—can't loose" benefit by touting it.
- Do not settle for a product name or graphic element that does not pass the acid tests listed here. The packaging is too critical to be at the mercy of a designers' temperament or internal political opinion (the President chooses, rather than the customer base). The packaging evangelist needs to start with proven marketing guidelines and refine from there.

These guidelines form the template for effective package designs. They do not dictate graphical taste. Marketing's role is to establish the key elements and guidelines, and then design has to make the package look good—within the parameters. It would take a quantitative study to determine which of the "good" designs (that follow the marketing criteria), customers would prefer. This means that , unless you have the exact same taste of the majority of your target market...your voice and personal design preference should not carry any more weight that anyone else's.

Web-Based Virtual Packaging

Retail space has shrunk dramatically over the last 10 years. Software only chains like Software, Etc. and Egghead (previously one of the largest software vendors) no longer exist. In addition, retailers like CompUSA have reduced their software inventory. However, online sales of software have increased. Many of these online retailers only sell electronic copies. In addition, more vendors have dropped

physical packages and only sell downloadable software. As such, the need for a physical box has decreased.

Regardless, there is still a need for packaging—but it is virtual packaging. A virtual package should be used to turn an intangible (software (electronic bytes)) into a tangible—even if it only looks tangible—since tangible goods are easier to visualize and easier to sell. In addition, having a package helps dress up the product brochures and helps to position a product.

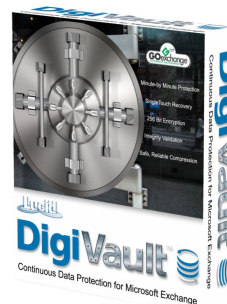
Unless a virtual package rotates, it only contains a front face, a selling side panel and the top. These faces would contain the same elements listed within these guidelines, but we don't need to worry about the back or the “overcoming objections” panel (since it is too hard to read).

Like all packages, I've seen some good designs and some poor. Sometimes I see a decent design, but the package does not look realistic since the designer is not good with 3D. There are several software packages to help create a 3D look, the manual process within Photoshop and several dedicated 3D packages.

Dedicated Packaging Software

I have tried several 3D packaging design packages. The one I use and highly recommend is 3D Box Maker Professional 2.0. It is only \$29.00, easily imports flat panel graphics created in your graphic application, and turns them into beautiful 3D images. The program allows you to rotate the package and add reflections or a drop shadow. It also “renders” the image so the edges look smooth. You can find it at: www.3d-box-maker.com.

Following are a few samples created with 3D Box Maker.



Packaging Approval Process

Following are the steps I have used to design and “politically” maneuver the best packaging (sorry to put it that way, but that’s what happens):

- 1) Insist that everyone that has “veto” power over the design sit in on the ½ hour presentation where you review the elements of effective packaging. This means the President, the graphics design firm/individual, the sales VP, etc. The guideline should help ensure that “self appointed experts” (or the highest ranking officer) do not ignorantly influence a bad choice in the package design. Sometimes such experts may not have any expertise, just their own personal preference. If they have horrible taste, and do not represent the majority market preference, the product line could die a horrible death in retail.
- 2) Turn these bullets into slides to formalize the discussion.
- 3) Set a realistic time frame. I’ve re-tooled the look of an entire companies packaging within 2 weeks, but I would allow six-weeks for the process.
- 4) Start with the copy, before you even look at designs. This will help determine the amount of real estate that will be needed to “market” the product. Divide your copy by panel.
- 5) Find compelling screen shots to show your product, rather than just tell about it.
- 6) Test your product name with your software buyers before you solidify it.
- 7) If you can’t come up with a self-evident name, then be sure to have a descriptive positioning statement (test this also). For example, “3D Website Builder,” what is it? This may only identify the category. Follow up with, “The #1 way to create 3D VRML world’s on the Internet.”
- 8) Once the copy is done, create a design element that best represents your product. Red Hat was good since it was a tangible object. A cup of coffee might represent a “Java” software package. A picture of a judge, or a balance might represent legal software. A map might represent mapping software, etc. Test this element. I would go to a local software store and ask folks as they pass by, “Here is a new software product. What is it?” (and only show the graphic element). If they can’t relate, start over—no matter how cool it is.
- 9) Do not route the boxes until you have them almost completed. You do not want folks to have time to setup political camps. The “elements” are not debatable, the treatment is, as is the overall image. Without quantitative data, you will have to do your best with internal opinion poles (and don’t forget to pass them by the buyers—who should be your #1 consultant).
- 10) Once you have most of the details worked out, start to route them to the “veto” influencers. Work in the reasonable suggestions and then have a meeting to finalize the packages.

I once had a President who wanted classy packaging and did not want a “retail” look—even though most of the 27 titles were sold in retail. Unfortunately, his undo emphasis on a cool look, rather than on what worked, created a box that could not sell (not even the buyers liked it). With the 10 step approach above, he was convinced to let us re-do the packaging. The revised packaging alone helped increase sales over three fold (we were also picked up by buyers who wouldn’t previously take the product because of the packaging). When the sales came in...he was completely convinced.

I also had a very good director of design that was almost appalled when I went through my packaging guidelines. He felt stifled and became depressed. I persuaded him to try the guidelines and explained that it would actually allow him a better chance to focus on just the appropriate design elements. He gave it a try and LOVED the results. He took a chance on a similar ad guidelines I provided, and the ad had a 35 times greater response than his previous design. Now he is a die hard advocate and brags that his “designs” sell more product!

Packaging testimonial

These guidelines have been used to create multiple best-selling software packages, including Goldmine Software (the most award-winning contact manager software), The American Online

Membership Kit (#3 worldwide best-seller), and Netscape Navigator (the #1 best-selling software in the world at the time). They've been honed from over 400 product launches, most in retail. In addition, I've included a testimonial from a startup software company that had very good success in retail—based in part on their packaging:

"Greetings from Boston, Ted!

As we have often discussed, your advice to me and our company president has always been right on target. To cite just a few examples:

You encouraged us to solicit the participation of select software buyers at important chain stores nationally as we designed our software box. This sage nugget produced an immediate sale of our newest software product in the biggest reseller of software in the world. You suggested a box design and production firm which later gave to us a box so functional and beautiful that it put us on a level playing field with Microsoft.

Your list of retail chains to target for immediate volume sales resulted in our reaching enormous sales gains almost overnight. The detailing of retail locations that you recommended has stimulated sell-through well beyond everyone's expectations.

I wanted you to know that your friendship has meant much to us and that your expert advice is valuable well beyond calculation."

Curt Anderson
Vice President, Sales and Marketing
Boomerang Software, Inc.
Belmont, Massachusetts

I hope these guidelines are as effective for you as they have been for me. Best of luck.

Ted Finch

www.chanimal.com (Chanimal – The Ultimate Resource for Software Marketing)

