

FLEXIBLE INSIGHTS

Club Store Packaging Drives Big Opportunities for Flexibles

The traditional retail supermarket has become accustomed to a certain way of doing business and feels uncomfortable thinking outside the “box”. Stagnant shelf displays and



Calamusa

expensive slotting fees have stifled product innovation and new product offerings. This is changing, but it is a gradual change that is primarily being

driven by increasing competition in the market. Merchandisers and consumer product companies are beginning to realize that innovation in both product and packaging can make a major difference in the velocity of how products move through the retail sales cycle. This wake-up call has come from the success of the club store and other alternative retailing business models.

Change is also being driven by the habits of today’s new age shopper. Busy consumers are hungry for products that provide convenience and save valuable time in the preparation of our meals. Convenience and time are equally important to the single person household or the traditional family unit, we are all looking to save valuable time.

The club store marketing philosophy encourages it’s shopper to “stock up”, “buy big”, try new products, new brands, and along the way save money. The club environment thrives on being different in every aspect of its marketing approach as compared to the traditional supermarket.

“Big” opportunities

You may ask what does this have to do with flexible packaging? Well flexible packaging is starting to be used widely by the consumer product companies to meet the objectives of the club store marketing approach. Dictates for lower cost and larger sizes are driving companies to look more closely at flexible packaging.

We also seeing this drive toward larger sizes increasing the trend toward the requirement for reclosability—it’s not a choice, but a requirement. Take a look and you will see hundreds of products packaged in big party sizes or large food service packages offering multiple servings with zipper reclosability. “Big” package sizes equate to “big” opportunity for our industry. The process may start with a test market at a club store chain within a region, but if the product catches the fancy of the shopper the volume can be huge when rolled out on a national basis.

Pallet displays that accommodate pouches and bags are becoming popular throughout the club store as well as now being utilized in the pallet ready freezer cases. Handling costs are cut as products do not need to be manually stocked on shelves.

To stimulate the sale of multi-packs off shelves and pallets, consumer product companies are meeting the club stores objectives by using attractively printed shrink and stretch over wraps to bundle multiple individual cartons or cans. This trend continues to represent a rapidly

growing opportunity for the flexible packaging industry.

Supporting your consumer packaging customers by presenting innovative flexible solutions for re-packaging their traditional products can create some new thinking in the way they present their products at the club store level. We are beginning to even see a trend toward the introduction of many commodity-based products including rice, sugar, flour, baking mixes being introduced in new packaging methods. For the most part this is not being done on the traditional retail shelf, but is becoming common place at the club store level. How else do you enhance and add value to a commodity price product? The club store offers the unique opportunity to try something new without causing chaos to your marketing traditional approach.

Yes, club stores may be difficult to deal with as they continue to put demands on the industry and their suppliers, but they deserve much credit for shaking things up and making things happen in an industry that has been traditionally reluctant to change. Based on this fact alone the club store and all other innovative marketers deserve to be applauded. ■

Dennis Calamusa is founder and president of ALLIEDFLEX Technologies Inc. a Sarasota, FL, based consulting-sales and marketing company providing global flexible packaging machinery solutions to the North American market. He can be reached at ph: (941) 923-1181, e-mail: dfcflex@hotmail.com, or visit www.standup-pouch.com.