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NOVEMBER 2017

VENDOR RESOURCES / TRENDS / NEW PRODUCTS

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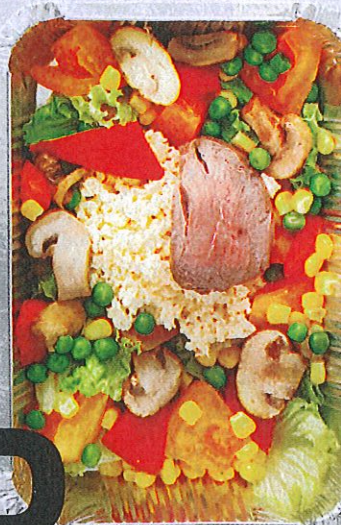
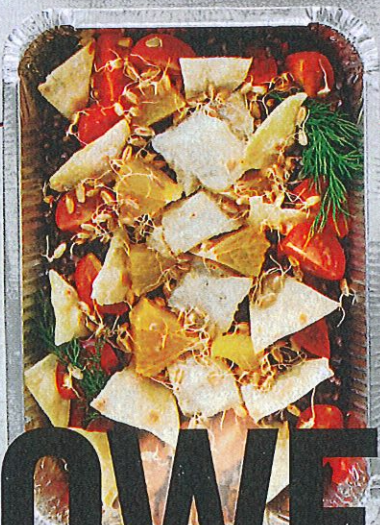
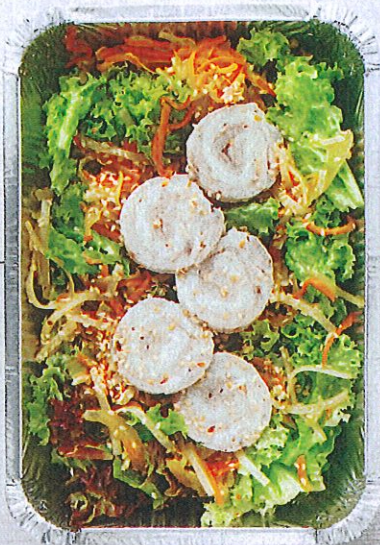
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THE POWER OF PACKAGING

BY JENN MORRISON

Effective presentation can boost guest loyalty and foodservice sales.

Your Restaurant, To Go

Delivery packaging re-creates the restaurant experience.

With the boom of takeout and delivery, a restaurant's signature is not actually the food but rather the packaging it comes in. Consumers are checking boxes against a list of factors.

"A big challenge is to design packaging that performs well in a number of areas," says Mark Schlossman, executive vice president of **Accurate Box**. "Obviously strength and durability, especially once it leaves the restaurant, is critical."

Destination quality heightens these basic expectations for quality packaging.

"People expect the experience that they have at home to be just as good as when they're sitting at the restaurant," says Scot Cissna, vice president of category management at **R3 Redistribution**. "That's a tall order when the average delivery is occurring 40 minutes later."

Cissna warns against underestimating the value that quality packaging offers. "Many restaurant leaders are still looking at packaging as just a takeout or left-over container at the lowest possible cost," he says. "But the consumer experience and what they're messaging through the packaging is central to whether patrons choose to come back."

Alexis Guetzlaff, foodservice product manager at **Huhtamaki**, says operators must consider how the material itself plays a critical role in maintaining the quality of food from kitchen to consumer.

"Molded fiber is a great solution for fried foods because it insulates while still allowing moisture to escape," she says. "Foodservice providers know their customers will receive hot and crispy fried chicken, rather than a soggy chicken sitting in a puddle of condensation."

Guetzlaff says restaurants must be mindful of how they deliver a high-quality



experience to delivery consumers.

With growing popularity of third-party delivery services, the brand becomes further removed from the consumers. Shawn Gerstenkorn, director of foodservice product line management at **Berry Global**, says packaging can help bridge that disconnect.

"When using a third-party delivery system, you lose a part of that control," Gerstenkorn says. "Packaging becomes a major component that operators can control to ensure consumers get the best possible experience with the brand at home."

Dorothy Heckle, director of marketing at **LBP Manufacturing** says, "Consumers are eating so much of their food off premises, and a brand loses control of how that food is served. The packaging needs to work harder because you don't have that element of going back to the counter."

Paying a premium for delivery sets consumers up with higher expectations. Alex Frisch, vice president and general manager of beverage, cutlery, and plates at **GP PRO**, says nearly half of consumers are

willing to pay more for a takeout meal if it's served in better packaging.

"Consumers have previously accepted a substandard for poor packaging, but that's changing," Frisch says. "They're becoming willing to pay for better. Part of that is they're already paying a premium for delivery, such as to UberEATS or another third party, so they may already be desensitized to that [additional cost]."

Ultimately, packaging is about engagement. Jeremy Keenan, vice president of strategic marketing at **WestRock**, says that makes solutions more important.

According to a "Packaging Matters" study produced by WestRock, 42 percent of consumers have used a product more frequently because of the packaging, and 65 percent of consumers have tried something new because of the packaging.

"This innovation is geared toward how you can have meaningful engagement with the consumer," Keenan says. "There's a lot of expectation ... and that's where engagement matters."

Unpacking Expectations

Consumers expect the basics from foodservice packaging.

Regardless of all the potential bells and whistles, to-go and delivery packaging can't ignore the basics. Marilyn Stapleton, director of marketing at **Anchor Packaging**, says function ultimately governs design. That means factors such as durability and cleanliness become all the more critical in ensuring a positive experience once the food leaves the kitchen.

"The package cannot absorb moisture or oils and must remain rigid when stacked for transport," Stapleton says. "Having product wrapped in paper and delivered in a greasy paper bag may not be the best way to build your brand."

Akiva Buchberg, president and CEO of **GreenDustries**, says the packaging design needs to be as user-friendly as possible and should aim to remove customer pain points throughout the experience.

"Structure governs function," he says. "So the structure of the packaging should consider everything from making it easy to wrap to retaining heat to better absorbing moisture."

He says that being more mindful of the consumer's experience with the packaging is crucial to encourage repeat business.

"If it has the 'wow' factor, the packaging becomes a reason the customers come back," Buchberg says. "The packaging has a major impact on the consumer."

Ultimately, there's no room for compromise in the basic needs of takeout and delivery packaging. It has to provide the basic expectations of the customer in maintaining temperature, preventing spills, and protecting food safety before it can dazzle the diner with additional features.

MULTIFUNCTIONAL DESIGN

However, once basic expectations are met, packaging presents a major opportunity



"If it has the 'wow' factor, the packaging becomes a reason the customers come back."

for operators to elevate a consumer's experience. In considering how the customer interacts with the package, a bit of creativity can greatly heighten value.

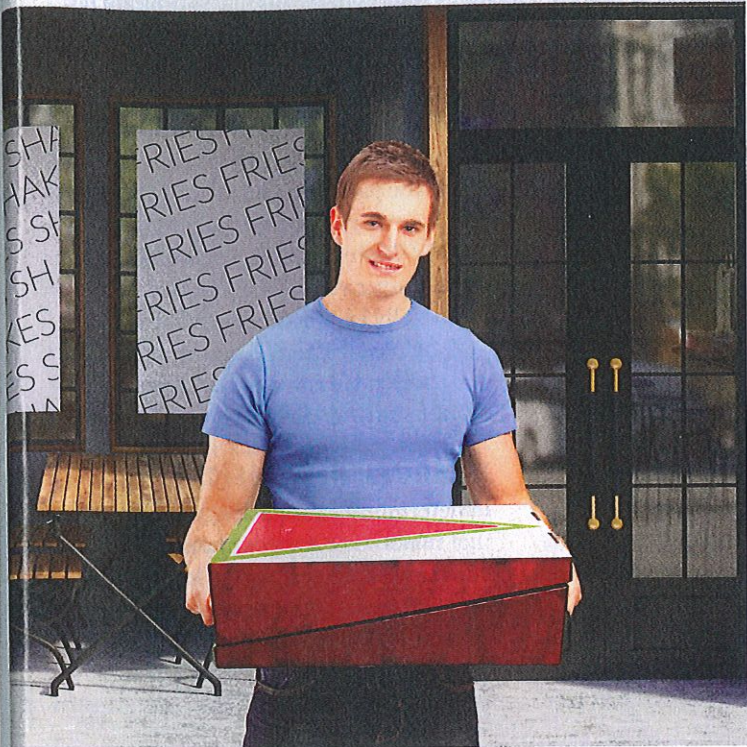
Mark Schlossman, executive vice president of **Accurate Box**, says this multifunctional design is a major opportunity for operators to differentiate their brand and

transform guest experience.

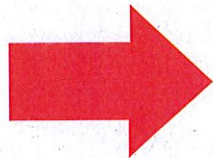
"A box that could be used for tailgating can also be used after the fact as a corn hole game or a lunch box, for example, and becomes more attractive to the consumer," Schlossman says.

By considering how multifunctional design and digital interaction plays into packaging, you can significantly transform consumer engagement. Printing QR codes to pair with mobile devices, for instance, can help gain traction around a promotion or initiate an online conversation. Bringing in that digitally curated space can be pivotal in the ever-growing world of takeout and delivery.

GER BAR

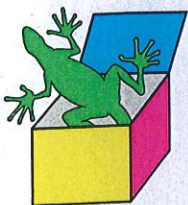


To Go



To Play

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LITHO-LAMINATED CORRUGATED BOXES AND CREATIVE PACKAGING

Anchor Packaging



“You can have a delicious meal, but if the plate gets soggy, or the cutlery breaks, or the food presentation is sloppy when it’s delivered, it creates a bad experience.”

Shawn Gerstenkorn, director of food-service product line management at **Berry Global**, says the connection between packaging and consumer experience needs to be top of mind to attract younger generations.

“We know that millennials are drawn to value experience, and packaging is a major part of that consumer’s experience with a [quick serve],” Gerstenkorn says.

The packaging design and its potential benefits to the diner are critical to the value proposition. Scott Brinda, owner and inventor of **FreeHand ThumbTray**, says operators must stay ahead of guest expectations and recognize the perceived value in quality packaging.

“In the eyes of the consumer, who is influenced by obvious practical considerations and [less] obvious evolving soci-

etal considerations, packaging has undoubtedly evolved to become an equal partner to the food it contains,” Brinda says.

By thinking more creatively about the purpose it serves, he says, the packaging and the overall brand avoid risk of falling flat.

“Oftentimes the potential for consumer value for a package is not fully explored because it can be cloaked by our concentrated focus on the fundamentals of package manufacturing,” Brinda says.

EATER-FRIENDLY DESIGN

In determining the packaging solutions that make sense for your brand and your customers it’s important to look at how evolving eating habits should influence design.

With more consumers eating on the go, that means more of them are eating in



Don't leave your packaging decisions up in the air.

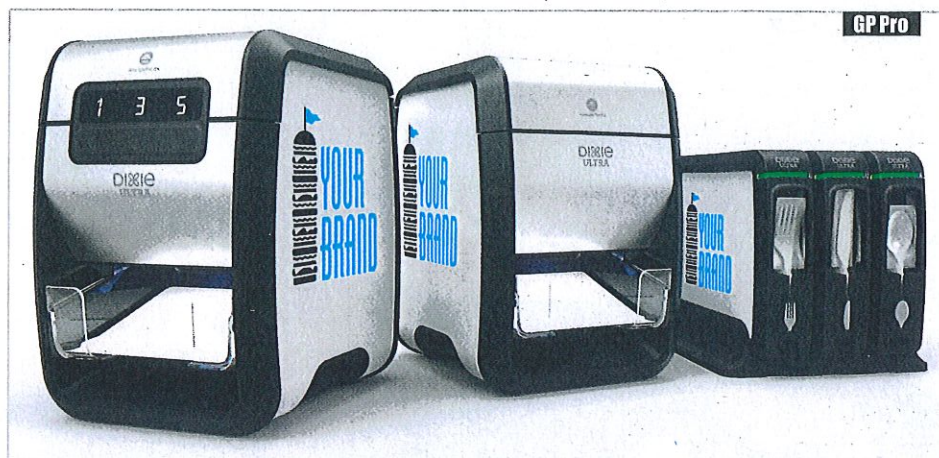
their cars. Cleanliness then becomes a key priority.

Gerstenkorn says this has become a major consideration in package design—not only finding leak-resistant designs, but also ones specifically geared towards fitting in the car, such as snackable menu items that fit in a cup holder.

Ugo Mazzarolo, president of **LidWorks**, says this has also driven innovation in coffee lid design, in moving away from a classic cappuccino style sip lid.

“Now there’s a multitude of options of being able to reclose that lid after it’s opened, and that’s all geared toward people who take that cup into the car,” he says.

The fundamental expectations are heightened for takeout and delivery packaging. Alex Frisch, vice president and general manager of beverage, cutlery, and plates at **GP PRO**, says ensuring durability, consistency, and care of the overall experience is nonnegotiable.



“You can have a delicious meal, but if the plate gets soggy, or the cutlery breaks, or the food presentation is sloppy when it’s delivered, it creates a bad experience,” Frisch says. “With a negative delivery experience, consumers tend to blame the operator, not the delivery company.”

By taking a step back and looking at how customers’ eating habits are evolving, both the menu and packaging must also evolve. Stapleton says a major consideration in this regard is portion size.

“Consumer demand for healthier options, smaller portions, [and] snacking all day replacing traditional meal times



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D&W Fine Pack



[has called for] smaller packages,” she says.

Just as with food, packaging must stay ahead of trends. Gerstenkorn emphasizes that being able to easily adapt packaging solutions to menu innovations is key to staying ahead of what consumers are looking for, such as in bringing in a cup specifically designed for nitro coffee.

Lucian Gray, marketing director at **Sealed Air**, says a restaurant’s packaging solutions should continue to evolve to better support innovation across the brand.

“As menus evolve, more packaging needs arise, and it’s important to consider holistically how packaging can bring the most value and best end product,” Gray says.

SIGNED, SEALED, DELIVERED

Of course, having greater value in packaging isn’t limited to front of house.

Schlossman says it’s important to consider how the package design can bring the greatest value throughout the distribution process, such as in using boxes that ship flat but auto-erect to improve effi-

ciency in back of house and save on shipping costs.

Marianne Abreu, marketing director at **DS Smith Plastics**, says flexible packaging saves in terms of cost and space with distribution, while also improving the environmental footprint.

“Bag-in-box and flexible packaging delivers an approximate 11-fold reduction in transportation costs when compared to traditional packaging,” Abreu says. “This reduces freight, use of fossil fuels, and reduces CO₂ emissions.”

She says environmental impact also becomes an important consideration in limiting the amount of material required for the packaging.

Additionally, the flexible packaging design has a major influence on food waste. Gray says that aside from maintaining food-safety standards, the back-of-house packaging should also ensure consistency and maximize product yield while supporting the menu and reducing food waste.

The packaging choices can even improve consistency and ensure accurate

orders. Stapleton says clear packaging is extremely beneficial in this way to both the consumer and operator in seeing into the product and eliminating order errors.

Alternatively, coloring of the packaging can help signal size and cost differences, especially for a beverage program.

“We’re seeing a lot more customers taking advantage of using different colored lids, or even tinted lids to differentiate between the different size drinks that they offer,” Mazzarolo says.

Regardless of what aspects of packaging you can elevate in your brand, investing in better packaging pays off. Russ Stephens, vice president of engineering at **D&W Fine Pack**, says operators must look at this through a lens of opportunity.

“Packaging should be looked at as more than a cost,” Stephens says. “Cost is certainly a component, but if you want to represent your brand in a certain way and want destination quality, cost can’t be the only consideration. Hygiene, food safety, and branding are all important. At the end of the day, if cost is the No. 1 factor, you’ll shortchange the value.”

SC D&W FINE PACK

Better Box, Better Brand

Elevating packaging strengthens brand messages.

With the massive popularity of “unboxing videos” focusing entirely on the experience of unwrapping a product, it’s clear that packaging sends a message beyond the direct recipient.

“With social media, the consumer’s excitement over a product, over a package, or over an experience is a much more important factor than it was just a few years ago,” says Mark Schlossman, executive vice president of **Accurate Box**.

In fact, well-designed packaging can influence buyer decisions.

“Packaging has a more prominent point in the decision-making process for consumers, especially with digital presence,” says Dorothy Heckle, director of marketing at **LBP Manufacturing**.

Branding decisions can play a large role in how packaging influence consumer decisions. Schlossman says graphic enhancements are one way companies can elevate both the visual appeal and branding of the packaging.

Branding isn’t just limited to sticking a logo on a box. It extends to every detail given to the consumer. Ugo Mazzarolo, president of **LidWorks**, says that many brands are no longer just looking to put the brand on the side of a cup but also on top of the lid, whether by embossing or printing.

“We view it as being a very intimate relationship between the lid and the consumer,” he says. “When we drink out of a coffee cup or fountain beverage, we’re staring at the lid, so it’s the perfect advertising space to put your brand or other messaging on.”

Leveraging social media can be greatly valuable in not just pushing out your brand but also getting feedback, even on



“With social media, the consumer’s excitement over a product, over a package, or over an experience is a much more important factor than it was just a few years ago.”

the packaging design and what’s working and not working for guests.

“In having online presences, all operators now have vehicles where their customers can provide feedback, not only about the food but the packaging, too,” Mazzarolo says. “It allows them to become much more involved in the quality of the packaging and want to adapt based on that feedback. Now that the feedback loop

is so short, operators can afford to take a risk, get quick feedback, and hopefully land on something that is innovative and will benefit them in the future.”

He says this automatic feedback loop has been a major driver in raising quality expectations of packaging. However, he warns that some extreme cases of brand loyalty can be reason for hesitation to change, such as in being accustomed to

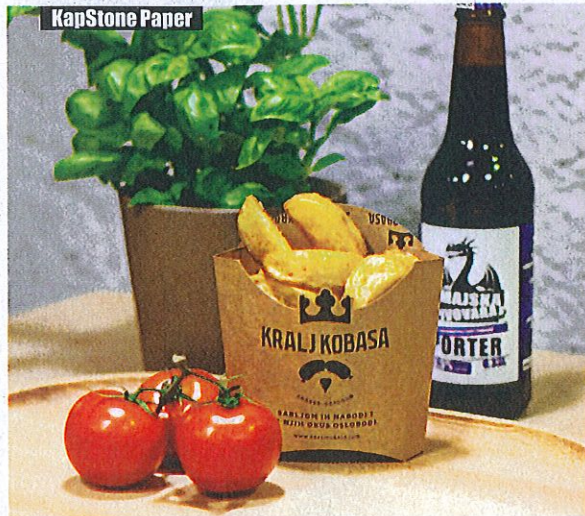
a specific kind of coffee lid at a specific brand. In these cases, brands have even greater reason to listen closely to customer desires and thoughtfully adapt.

STREET TALK

With the growing demand for takeout and delivery, the packaging becomes a key aspect of the brand's messaging.

Scott Cissna, vice president of category

management at **R3 Redistribution**, says that packaging then has to become a point of fulfilling the brand promise.



“If you go to Yelp or Open Table and look at pictures of what people posted of their experience with that brand, you see how important both the presentation and the packaging of the food are,” Cissna says. “Even with a simply branded label and professional delivery experience, it’s a pretty inexpensive way to say, ‘I care.’”

The packaging becomes an extension of your brand promise. Jeremy Keenan, vice president of strategic marketing at **WestRock**, says packaging and trust of a brand go hand in hand.

“Consumers have such a wide breadth of options, so trust becomes a key factor in that decision process,” Keenan says. “And packaging is an important component that creates that trust.”

WestRock found through its “Packaging Matters” study that 76 percent of consumers say brands build trust by using high-quality materials and ingredients. That means guests aren’t just looking to ingre-

redient lists to determine their brand loyalty. They’re evaluating the total package, including the packaging itself.

Of course, some diners are breaking that package down more than others. Shawn Gerstenkorn, director of foodservice product line management at **Berry Global**, says it’s often a generational appeal.

“The environmental impact of the packaging the restaurant is using mat-



ters greatly to millennials and Gen Z,” Gerstenkorn says.

GREEN LABEL, GREEN BOX

For brands with greener label, customer expectations for sustainable packaging is heightened.

Akiva Buchberg, president and CEO of **GreenDustries**, which makes PleatPak, says that sustainability is a top-of-mind concern, and that efficient packaging that minimizes the amount of materials needed to produce it can improve a business’s green footprint, as well as the bottom line.

Keenan says for brands looking to present a more environmentally conscious appeal, kraft paperboard works well to translate that message.

“It depends on the brand strategy, but, in general, the kraft paper plays into the sustainability aspect by reflecting that craft, artisanal design and creating a more natural look and feel,” Keenan says.

In the growing popularity of sustainable packaging options, Keith Dunlap,

senior vice president of sales and marketing at **D&W Fine Pack**, says it’s a way to stay fresh in the minds of consumers.

“We’re seeing more of an emphasis on how packaging can perpetuate a brand to not lose relevance,” Dunlap says. “That aligns with the growth of green packaging, or packaging with recycled content. It’s more relevant to the consumer.”

John Benson, director of marketing at **KapStone Paper**, echoes that the natural, clean look makes a perfect foundation for customization and brand differentiation.

“While the brown, natural look is hugely popular among consumers and is a reflection of the brand’s commitment to sustainability, the brand can print anything on it,” Benson says. “It’s the perfect canvas for your brand.”

He says the natural coloring is an immediate signal to consumers of what that brand stands for, but there’s great opportunity to use the material to make the packaging unique to that brand.

The packaging then becomes a physical extension of the brand promise. Jeff Stacy, market segment manager at **Cascades Sonoco**, says guests are paying attention to the texture and what it says about the brand.

“For coating on a recycled material, it’s a look and it’s a feel,” Stacy says. “The consumer feels good about it and says, ‘I believe you’ in its efforts for sustainability.”

Stacy says this attention is propelling movement towards using water-based technology for coating that performs as well as polyethylene but with compostable or recyclable materials.

Beyond brown paper signaling to the diner that it can be recycled, Stacy says, having that easily customizable packaging offers an opportunity to communicate to consumers beyond branding, such as by saying “please recycle” on the box.

Without clear communication around proper disposal of packaging and without the infrastructure to handle it, the greener choice may be less beneficial, both to the environment and to the bottom line. Alex Frisch, vice president and general manager of beverage, cutlery, and plates at **GP PRO**, says the infrastructural support must keep up to make sustainable packaging



programs most effective and valuable.

“A poly-lactic acid, or PLA, hot cup, which is compostable, can cost 50 percent more than a regular hot cup, and unless consumers are able to actually compost it, it has the same end of life by going into a landfill,” Frisch says.

He says that legal pressure to find more sustainable options, such as in the legislative bans on foam in some states, is also growing the demand for recyclable options.

“We think over time the pressure on foam is going to continue, but innovations, such as with paper products, can help with that transition,” Frisch says.

Dan Ahern, director of global innovation and design at **Graphic Packaging**, says considering how consumers interact with packaging, including disposal, is vital.

“It’s important to understand how the packaging will be used at all stages of the life cycle,” Ahern says. “Understanding each of these drivers is absolutely critical in creating packaging that is effective and adds to the overall brand experience.”

COLOR, QUALITY, COST

The color and material chosen speak volumes about the quality of more than just the packaging. Cissna says that using black packaging often signals a sense of value to guests and can be a perfect backdrop for colorful food.

Gerstenkorn says it’s important to consider the intended perception of the menu

items being served in that packaging and how the two best work in concert to suggest a certain quality or style.

“Packaging is a reflection of quality, so if the goal is to present the food as a more premium menu item, the packaging needs to convey that,” he says.

That not only means having high-quality material, but also the right portion size in packaging.

“As [quick serves] add premium beverage options, there are more ‘right-sized’ cups needed, as well as clear cups for a higher-quality feel,” Gerstenkorn says.

Beyond beverage service, clear packaging has overwhelmingly become a simple packaging solution for higher quality. Cissna says that quick-serve restaurants can take a lesson from retail in that clear sells, because it allows the customer to see the product and put the attention on the food.

Just as with the popularity of natural-colored packaging, Gerstenkorn says, the appeal of clear also echoes the heightened desire for transparency and clean labels.

“It mirrors the same desire for people to want to know exactly the ingredients that are going into their food, so with packaging, it’s no surprise that clear [packaging] resonates well with consumers to see the food and give a fresh appeal,” he says.

Russ Stephens, vice president of engineering at D&W Fine Pack, says the clear material can offer both functional and

aesthetic value to the diner.

“Consumers are looking for fresh and healthy foods, and when you combine that with new technology, it benefits everyone,” Stephens says. “People want to see what they’re eating and see that it’s fresh, so there’s a lot of development in packaging with polymers to be a clear, lightweight window to the food. There’s no hiding anything.”

While the message the packaging conveys becomes a more holistic brand statement, using a clear or natural-colored material makes a less distracting backdrop for branding. Gerstenkorn says this balance between branding and an emphasis on the food itself helps consumers want to share their purchase.

“The package isn’t just a vessel for food,” he says. “It’s also an advertising piece that can be both incredibly powerful in building that brand association with the consumer and encouraging repeat business, but if the consumers also see it as attractive enough, they’ll want to share it on social media.”

From material to graphics, Cissna says, guests are paying attention to what a brand is saying through the packaging.

“The packaging becomes the way that you signal to the customer who you are and what your brand is,” Cissna says. “There’s a lot wrapped up in that package. Everything from leak resistance to compartment integrity matters.”