

Assuring brand loyalty: Make yourself a 'need' rather than a 'want'

Christopher Nutley

Have you noticed how waves of financial success, followed by strife, over time, spell a very unpredictable future for contract packagers? We are no different than any other segment of the packaging industry.

Budgets are shrinking, costs are rising, and the contractor must maintain a balanced business. But no matter whether you are a contract packager or some other type of packaging product or service provider, through this difficult time, are there ways to position your business to be indispensable? I believe so. It has a lot to do with you being the best at what you do.

Take a close look at consumer packaged goods companies. Too many are failing, most are retracting, a few are simply flat, and a small contingency is growing. On the surface, this landscape does not look promising for contract packaging, which is of great interest to me, because that's what I do. But look deeper. What lies underneath is where we will find the most important information, and this is only discovered by asking some very difficult questions about your own company. The questions are the same, no matter what area of packaging you're in. These questions include: Are we adding value? Is our service still relevant? Are we a key component for our customer's business? Finally, the really scary one: Does our customer need us any longer?

The last question is the most revealing, because it is impossible to answer without asking another—much more dangerous—question: Did your customer really need you in the first place? In 20 years in the contract packaging service industry, I've learned (sometimes the hard way) that "need" is a very fleeting notion. As with most other desires in life, it most often is diluted by "want."

I spent the first 10 of those years believing brand loyalty was alive and well and dominating the consumer market, just as it had in my youth. What was your favorite beverage as a child? I drank Orange

Crush soda. In my mind, everything else paled in comparison and was not worth the risk of my hard-earned quarter, which I had earned by cashing in 16-oz empty glass bottles found along the railroad tracks on the way home from school. For just three empty bottles, I could get one full bottle, and I was more than satisfied, I was loyal! Now, as it relates to our businesses, we long for our customers to experience that same sense of brand loyalty. Why is it sometimes missing?

Well, we now have to return to those questions asked previously. Is it valuable? During your last production run, did your customer have a feeling of satisfaction that they were about to receive exactly what they expected, repeatedly?

Is your service still relevant? Has the end-user changed their mind and wants something different? Be careful not to be too hard on CPG companies when this happens. In today's gotta-have-it-now environment, consumers will not wait for you to adjust as their wants change. This is the harsh reality I've experienced in more recent years. The consumer will move to the next item on the shelf, with very little provocation, and you likely will not know why until it's far too late. The key is to be constantly innovating and refining, and developing newer, more competitive, and more efficient packaging solutions.

Now, to the dreaded question, Did your customer ever really need your service? If you've lost an account, your service might be a want rather than a need.

Perhaps your service no longer is uniquely yours. If so, the factor that motivated your customer to buy from you in the first place has lost its value, and price has overtaken the equation. This, by the way, is an exercise that CPG companies should be conducting regularly to assure they're getting exactly what they need, when they need it.

The only way to combat these elements is to become indispensable. If you've developed a valuable product or service, make it more valuable. Strive to be a critical piece of the solution. **PW**



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