

Inching Up the Packaging Perception Pyramid

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Helping suppliers in the packaging business effectively connect with buyers of packaging components, containers, equipment and technologies has been of a way of life for me as the second generation owner of Delia Associates, a digital branding firm with numerous clients in the packaging business on the supplier side.



Before me, my father serviced the packaging industry for over 35 years. So, after helping packaging suppliers market and position themselves with improved effectiveness for most of my adult life, I've made some observations that may prove useful to suppliers with visions of a grander tomorrow.

There exists a definable progression of how suppliers in the packaging business are perceived by the buyers of packaging products and services. Perceptions range from the low end Commodity Supplier, to high end Strategic Partner, with a few steps in between. While this article is geared toward the packaging business, the same thinking can be applied to other industry sectors as well.

IDEAS THAT LEAD



The spectrum, from bottom to top, goes something like this:

Commodity Supplier: A commodity supplier is one that can readily source a certain type of packaging container or component, based on a customer-driven request. They're designed for efficiency, usually price-based, and wait on the demands of the marketplace to strike. To put it simply, a commodity supplier can get what you want, when you want it, and at really good pricing. Buyers that seek out commodity suppliers are usually looking for a relatively generic packaging solution at the best possible price or "deal." While quality is somewhat important, as long as the containers and components are not sub-standard or of inferior quality, they are considered acceptable.

Trusted Supplier: A trusted supplier is one that has built something of a reputation for consistently meeting their commitments in a certain packaging category. They have demonstrated through actions that they are capable of doing what they say they can do, when they can do it, and to a consistently high standard of quality. The trusted supplier is the one who buyers turn to in a pinch because they know how to literally "deliver the goods."

Valued Supplier: A valued supplier is one that provides packaging that has direct relevance to the success of the buyer's brand. The buyer perceives the valued supplier as bringing a little something extra to the table that will help establish a true competitive edge in the mind of the consumer. The supplier is often valued for a clear understanding of the buyer's brand attributes, and applies a bit of X-ray vision to look through the container or component to the end-user. As such, a valued supplier will tend to be more proactive and vocal about product improvements and in tune with potential opportunities in the marketplace, and on a more equal playing field with the buyer with respect to the consumer.

Preferred Supplier: A preferred supplier is one that lives and breathes continuous improvement. They are always looking for ways to improve product design and performance, and from an operations standpoint, to seamlessly link to their buyer's business. Preferred suppliers are the clear top choice for a packaging component or container, or in many cases, multiple product lines. They have demonstrated excellence in operations, design, manufacturing and have the depth to provide technical support to troubleshoot serious problems.

Innovative Supplier: An innovative supplier is idea driven. They can actually play a hand in driving the demands of the market. There is a continuous flow of new ideas, new concepts that have direct relevance to the needs of both their buyer-customers and consumers. They not only have the big idea approach to the business, but the resources and know-how required to take a big idea to commercial production. They are perceived by the buyers as much as a knowledge group in their area of expertise as they are a top quality player in the business.

Partner: A partner is one that penetrates deeply into the buyer's world to create transparent and open sharing of information. They are something of a co-creator, weaving together their R&D team with the buyer's, and becoming a vital

link in the buyer's supply chain. The supplier is no longer considered an outsider, but rather an integral part of the buyer's team. They are completely integrated, as the lines with respect to where the supplier ends and the buyer begins, are completely blurred. A partner is not a clear choice, but the one and only choice for a certain type or types of packaging.

Strategic Partner: While the term is overused and under-delivered on, it's largely because a true strategic partnership is a rarity in this business. In fact, possibly only a handful even exist that meet the following criteria. It's a case where the supplier actually joint-ventures on concepts with the buyer. There is a total sharing of resources that extends beyond the conceptual development, and actually shares in the success or failure of the consumer brand. As buyers continue to turn to their supply chains and demand greater accountability, this is one way to meet the demand.

If you seek to continue to advance in this industry, you have to continuously move up the pyramid.

Often, customers come to us because they believe they are stuck on a plateau or in a rut they can't get out of. Often, it's a case of not being quite sure how to advance. And the only way to advance in this business is to look for opportunities that will take you to the next level. You're only as good as your last customer engagement. Packaging is a highly competitive business. To stay in the game, you have to adopt an advance or die mentality. It means investments in process improvements. It means investing in top talent that has already helped other companies get where you want to go. It means putting yourself in challenging situations, successfully navigating them, and then talking about it. You have to drive a perception shift among your target audience. And the only way to do that is through continuous communications. You don't have to invest massive amounts of money on your marketing communications outreach program. But you do need to have one to establish credibility and demonstrate that yours is a company that's moving up the Pyramid.

While the packaging industry as a whole is quite vast, it still has something of a fraternal nature to it, where everybody seems to know everybody, and secrets, scandals, and rumors can spread like wild-fire. This is both good and bad. It's good because it doesn't take as much effort to get the word out. It's bad because there seems to be a bit of "everybody knows us" syndrome going around.

Often, when I speak with packaging CEOs, they tell me, "We don't need to market our services. Everybody already knows us." My reply: "It's not a question of whether or not the target audience KNOWS you. It's a question of what they THINK about you." That's where the perception shift comes into play. Move up the pyramid and prosper. Stay put, and be overtaken by the next wave of competitors who are already nipping at your heels.