

UNIVERSITE DE NANTES

ANNEE : 2001-2002

UNITES D'ENSEIGNEMENT ET DE RECHERCHE
DE LETTRES ET SCIENCES HUMAINES

SESSION : 2 - 1er semestre

DIPLOME Maîtrise NIVEAU 2 CYCLE 2

DATE : 12/03/2002

HEURE : 8h30

SECTION Langues Etrangères Appliquées

SALLE : 442 CIL

INTITULE DE L'EPREUVE Cours en Anglais
(Langue Etrangère)

DUREE : 3 h.

Option C.I.

NOM DU PROFESSEUR RESPONSABLE : Wilma Binnard - Elaine Dubouard

LN

Innovative packaging: Stepcan

Package Design

Packaging can be simple cardstock tags printed or stamped in black ink (e.g., on machinery, tools, clothing, etc.), or unique, one-of-a-kind containers that are more valuable than their product contents (e.g., imported, hand-blown crystal oil and vinegar cruets).

For service businesses, "packaging" represents the way the firm communicates its sources of uniqueness to buyers and end users.

Package design essentials apply to both service and physical product companies and must do all of the following: reflect the business positioning, communicate graphic identity, reflect target buyer values.

The Introduction of Stepcan

When it first appeared on the market and was adopted by Marks & Spencer (M&S), Stepcan made the headlines in *Packaging News*:

"M&S Adopts Clear Plastic STEPCAN for Premium (= top quality) Fruit Presentation".

In the article that followed, Metal Box (MB), the developer of STEPCAN, explained the advantages of this form of food packaging for consumers and retailers (clarity; high-quality image; long shelf life; lightweight; shatterproof (= it does not break); easy-open ends; stackable; can be used for different products) and *Packaging News* seemed impressed as the article continued :

M&S has nationally launched oranges, grapefruit and lemons in clear plastic cans. A particular advantage of the can is that the shopper can see the contents at a glance and the clarity of the pack increases the eye appeal of the fruit. 5...) Metal Box has developed this style of packaging - Stepcan - over a number of years, and the metal ends have an easy ring pull to facilitate opening. Additional advantages include less rusting (to rust = rouiller), no shattering and of course distinction on the shelf. It is also lighter and easier to handle.

Previously, in fact, M&S had test-marketed Stepcan-contained products in several stores, with prices ranging, for example, from 60 pence to £1.30 for a 330 gramme 'can' of peaches. It was found that even where Stepcans were placed on shelves immediately adjacent to tin cans of similar weight and content, the Stepcans easily outsold (to outsell = to sell more than) the tin cans. And even when the difference in prices between the two containers was three to one, the consumer still preferred the more expensive Stepcan.

A revolutionary development

This was indeed a revolution in fruit packaging. For several decades, fruit products had been tinned by canning companies or fruit growers for sale as predominantly manufacturer brands such as Del Monte, or voluntary buying group brands such as Spar or VG. With the success of retailer own labels, fruit producers and canning companies had also to satisfy the large retailers with their own-label packaging requirements. In the mid 1980s, retailers such as Tesco, Sainsbury and M&S in the UK, or Carrefour in France, were seeking to differentiate their products not only through quality, value or taste, but increasingly with the packaging and appearance of their goods. The visual appeal of merchandise clearly increased sales, and potentially prices as well. For the suppliers of cans and packaging materials, however,

it was still very much a price-driven business: large volumes, low prices and small profit margins.

New Visual Appeal

Clearly, in a previously unexciting packaging market, Stepcan gave a product a considerable competitive advantage. The consumers interested in this new form of packaging wanted high-quality products: the visibility of the fruit implied safety in the purchase, as the packaging could not be used to hide poor-quality produce. These consumers were mainly quite well-off, 'up-market', educated shoppers, who could afford to make purchases, not out of necessity, but by choice.

As a result there was a high demand for MB's Stepcan. Several major retailers – including Sainsbury and M&S – had adopted it and wanted exclusivity for their products only. However, the retailers were not the only ones who were interested and the fruit growers (such as Del Monte) were also trying to obtain large supplies of Stepcan.

MB taken by surprise

For Metal Box, Stepcan's success was something of a surprise – and a problem. It had initially been developed as a side-line, the idea of a few engineers and middle managers. However, the product was 'too successful' too quickly, in so far as production could not meet this unexpected demand immediately. Indeed the company had a limited production capacity and the costs of making Stepcans were also higher than ordinary tin cans, most of the considerable value added to products by this packaging was going to the retailer. There was perhaps a need to set Stepcan up as a self-contained operation within MB, with separate distribution channels. There was also a need to tie in (fidéliser) customers, before copy-cat products appeared. Although MB explored various possibilities – ranging from the setting up of a separate operating company within MB, to joint ventures with a grower and a leading retail group – finally, the existing situation was allowed to continue.

The European Dimension

Outside the UK, Stepcan was building up a market, but it did not meet the enthusiasm demonstrated by the UK retailing groups everywhere. MB subsidiaries had mixed feelings, with some

seeking the right to produce and sell Stepcan, and others more reluctant, believing the product would not find general acceptance throughout Europe. However, at the same time certain competitors were known to be actively researching and developing similar products in various parts of Europe.

Consumer research differed from one country to another. The company commissioned market research in several countries to understand consumer reactions. In most of Europe, particularly in France and Scandinavia, the consumers believed shatterproof containers to be a real advantage. However, in Germany particularly, the raw material - plastic - was a significant drawback. Glass was preferred over any container made from plastic as it is easier to recycle.

IN YOUR OWN WORDS, write a report in English on Metal Box and its product STEPCAN. Judge the company's reaction to this new product and the market environment. Did they respond adequately? Suggest what else they could / should have done.