

## By rethinking packaging, a company reduces production costs while enhancing brand

By analyzing the labeling, use of recycled materials and the shape of the bottle, a consumer goods company reduced the cost of shampoo packaging while maintaining the brand image.

### Challenge

The use of product teardowns can extend to a product's packaging. The challenge is to reduce the cost of a product's packaging without compromising quality or the brand.

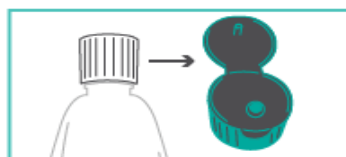
### Discovery

Few companies examine the cost of trade-offs implicit in their packaging decisions, much less look to their competitors for ideas. Such decisions tend to be the domain of marketers, since packaging is a key element of communicating a company's brand to consumers. Yet we have seen organizations reap considerable savings. One consumer goods maker reduced its packaging costs for a key product by 10% by making straightforward design changes that allowed it to use less plastic in manufacturing the product's bottle.

This example, based on McKinsey research into packaging and manufacturing costs in the European fast-moving-consumer goods industry, highlights cost trade-offs associated with shampoo.

### Illustration

The factors that influence the cost and complexity of packaging a shampoo:



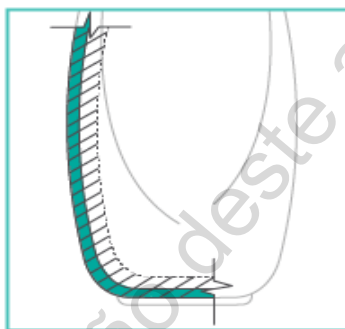
#### Recycled materials.

White or clear-colored plastics are more difficult to manufacture with recycled materials than darker ones. Substituting a dark-colored cap for a clear one for saves up to 20% per bottle.



#### Optimize labeling.

Printing labels directly onto bottle using offset, screen, or hot-stamp printing is up to 50% cheaper than printing to plastic labels that must be glued (and are harder to recycle).

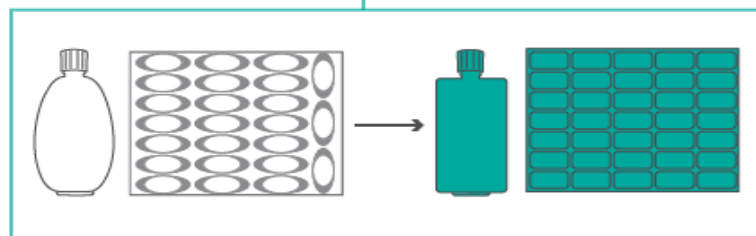


#### Volume-to-weight ratio.

For a typical 250ml bottle of shampoo, we observed variations in packaging weight of up to 45% — representing about 50% per bottle in materials costs.

#### Packing density.

Rounded bottles are less efficient to transport in bulk than rectangular or square ones. For two products of identical volume, more rectangular packaging can increase packing density up to 40%.



Fonte: McKinsey & Company [Portal]. Disponível em:

<[http://www.mckinsey.com/client\\_service/operations/case\\_studies/reduce\\_packaging\\_costs](http://www.mckinsey.com/client_service/operations/case_studies/reduce_packaging_costs)>. Acesso em: 11 Oct. 2012.