

Label Redesign Creates a Powerful Brand Presence that Cannot be Ignored

Fonterra - Anchor® Butter



Pressure-Sensitive Labels Restore Quality Image of Premium Butter Packaging

What consumers see when they initially spot a product on shelf says a lot about the brand. If they've never heard of your product, first impressions are critical. Even if a consumer is already a customer, visual impact extends an initial greeting that confirms the brand promise and the consumer's decision to look specifically for your product.

But seeing a package with a loose or crinkled label could give the impression there wasn't much care taken in handling, packaging or getting that product to the shelf. Because shelf impact plays such a critical role in the purchase decision, anything that undermines what the packaging needs to deliver is unacceptable.

Making The Wrong Impression

Fonterra is the world's leading exporter of dairy products and is responsible for more than one-third of the international dairy trade. As with most products in the grocery environment, the company relies heavily on packaging to be the primary line of communication to its customers. Unfortunately an adhesion problem with the glue-applied paper labels on the lids for its Anchor® Spreadable Butter product was sending the wrong message to consumers in the Philippines, where the product holds prominent market share.

The edges of the glue-applied labels often lifted up and got caught on other containers. As a result, the labels became easily creased and wrinkled. This





negatively affected the overall shelf appeal and reflected poorly on the top-quality image Anchor holds throughout the country.

Anchor dates back to 1886 and has been an iconic New Zealand brand, synonymous with milk and dairy innovation. Anchor has a strong presence in New Zealand, Sri Lanka, Mauritius, Asia, the Middle East and the Pacific.

Fonterra employs approximately 15,500 people in over 30 operating companies worldwide and has about 140 employees in the Philippines. Anchor provides close to 24 million servings of dairy each day through a range of products that include powdered milk, ready-to-drink milks, yogurts, cheeses and butter. It is a flagship brand for Fonterra and trusted across Asia to provide quality nutritional products, including the Anchor Spreadable Butter.

The recurring issues with the glue-applied labels in the Philippines prompted Fonterra to explore alternative decorating technologies. And according to Paulo Ocampo, business development manager—Dairy Foods Fonterra Brands Philippines Inc., Fonterra needed a cost-effective solution from a label partner with a reputation for delivering products of reliable quality and guaranteed availability.

To that end, the company found a true partner in Avery Dennison, a leading global producer of innovative brand identification and product decoration solutions.

From its Philippine-based operations in Manggahan, Pasig City, Avery Dennison worked with Fonterra's Manila-based converter to develop an ideal decorating solution that would eliminate the issues of the label detaching from the container lid. Following production trials and testing of various materials and adhesives, Avery Dennison recommended a Fasson® pressure-sensitive label with a pearled white polypropylene facestock. The general-purpose emulsion acrylic adhesive complies with regulations for indirect food contact, and provides the added benefit of being substrate identical to the polypropylene container, which benefits the recycling process.

While the new material met all the performance requirements, it delivered a high-end, premium look that also enabled Fonterra to redesign the Anchor Butter lid label.

“We wanted to establish a new ‘look’ for the product to ensure it would continue to be recognized as one of the most trusted brands in the Philippines,” Ocampo said. “To do that, we needed the new label to be eye-catching and engaging, as well as uphold and promote the premium market position of the Anchor Spreadable Butter.”

The new labels are printed in four-color process and have a protective varnish topcoat. A third-party contractor applies the labels.

“Changing the decorating technology from glue-applied paper to pressure-sensitive adhesive labeling has helped Fonterra to stay true to what our Anchor brand stands for—consistent premium quality products that look as good as they taste,” Ocampo said. “One of the main aims of the company is to make Fonterra products the first choice of customers and consumers wherever we do business. The new film label dramatically improved the visual impact and delivers significant value in maximizing the market position of the Anchor Spreadable Butter as a premium product and a leading brand.”

While the shift in decorating technology from glue-applied paper to pressure-sensitive initially met some resistance due to a moderate price difference, objections were quickly overcome by the sharper, higher-quality image delivered by the new label.

“Pressure-sensitive materials offer the kind of visual impact that helps get products noticed on store shelves,” said Kathleen Soriano, business development manager with Avery Dennison. “It all comes down to enabling consumer product goods companies to differentiate their products on store shelves with outstanding brand presence.”

“This was the first time we used pressure-sensitive technology,” Ocampo said. “This new label has solved our packaging problems and helped the company image stay true to what the Anchor brand stands for—quality. And as we learn more about it, Avery Dennison keeps us informed about marketing trends and guides us in our decoration strategies.

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