

Increasing consumer-brand emotional connections

The positive effect of shrink-sleeve labeling



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In today's retail market, the importance of at-shelf product differentiation has increased. Only 8% of consumer purchases result from advertising, while 35% of purchase decisions are based on eye-catching product packaging. Between 40% to 70% of brand decisions are made in the store,^a and consumers decide within 3 to 7 seconds of initial product interaction whether to try a product.^b

In a study, consumers were asked what caused them to try a new product.^c Was it a promotion? Did something catch their eye on the shelf? Did a friend get them excited? Across brands and categories, shelf visibility is the strongest driver of sales increases.



Packaging must quickly catch consumer attention, provide brand cues, communicate product information, and ultimately, encourage trial and build loyalty. It is essential for brands to select the most effective product packaging to establish an emotional connection and enhance usage experience.

AC Nielsen research

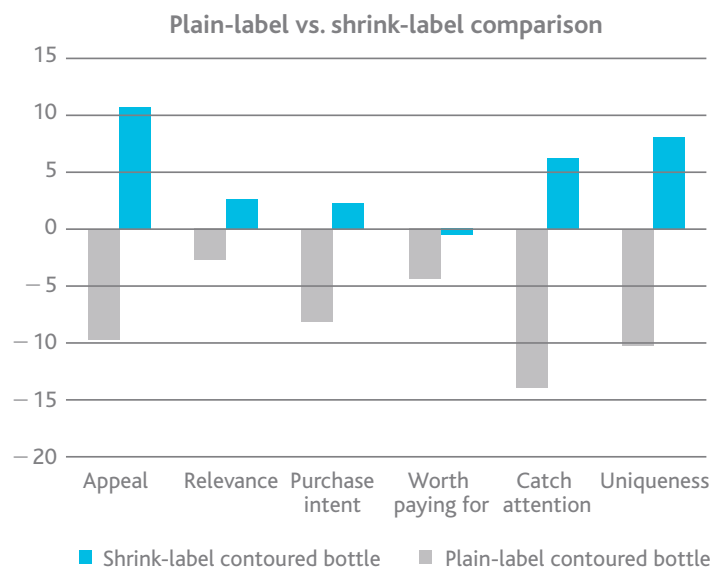
A packaging study by AC Nielsen,^d commissioned by Eastman Chemical Company to understand consumer preference for label format, confirms on-shelf effectiveness of and preference for high-contour bottles featuring shrink-sleeve labels. The study demonstrates that shrink-sleeve labels create stronger consumer emotional connections than traditional labels, acting as a key influencer of product trial and sales.

Product packaging of soft drinks, functional water, shampoo, and juices was evaluated. Research methods that neutralize consumers' brand preference were used to isolate the packages' effects on measures of

- Is it appealing?
- Is it relevant to them?
- More likely to buy the brand?
- Worth paying for?
- Is it unique?
- Does it catch attention?

Improving emotional connection

In the Functional Beverage segment, the Nielsen study analyzed consumer responses to five containers with a range of bottle and label types.^d Results show packages utilizing shrink-sleeve labels and high-contour bottles consistently ranked higher than those with plain labels.



^aEden-Harris J., Flink C., Ph.D. Which Brands are Excelling at Promotion in 2010? Implications for CPG Marketers (webinar). American Marketing Association, sponsored by Market Force Information. February 9, 2010.

^bNelson E., Ellison S. In a shift, marketers beef up ad spending inside stores. The Wall Street Journal. September 21, 2005:A1.

^cMarket Force 2010

^dAC Nielsen Study. Shrink Films: An alternative to traditional labels. 2010.

This data concludes shrink sleeves, especially combined with high-contour bottles, possess a superior overall appearance, command more shelf attention, and create stronger emotional connections for consumers. As a result, higher product trial rates, long-term sales, and brand loyalty are likely.

Increasing value

Package design has evolved from an expense to a tool that enhances brand experience which

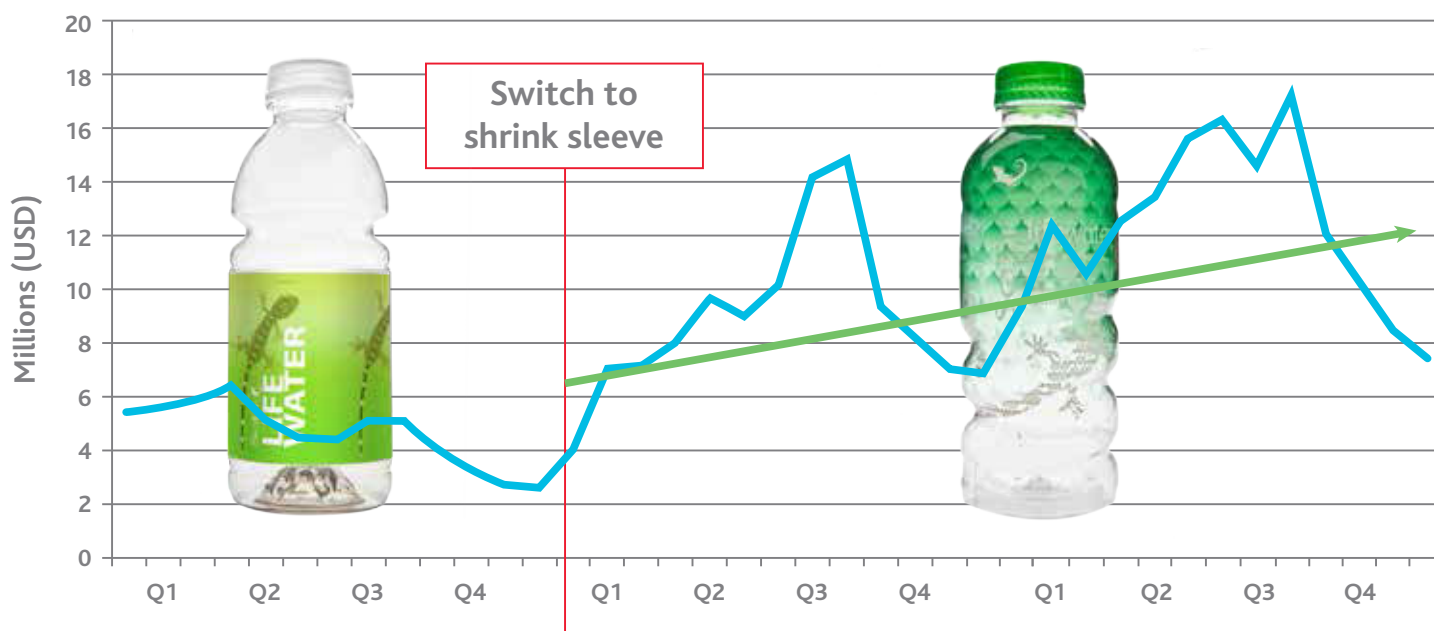
- **Grabs attention:** cuts through shelf clutter and autopilot shopping behavior, and drives consideration
- **Creates enticing appeal:** causes consumers to pick up the product, making them want to take a closer look
- **Provides communicative brand cues:** identifies brand at point of sale and shows product variant, flavor, size, benefits and image, and nutritional information.

The Nielsen Consumer Study also showed a real-life example of sales when SoBe® Lifewater® switched to a new container with a shrink label.

In the first year of shrink-label usage, average monthly sales grew 103% vs. a flavored water market decline of 8%. In the second year of shrink-label usage, average monthly sales grew 45% vs. only a 2% growth in the flavored water market. The new packaging and shrink label helped this product succeed against all odds.

While traditional labels have limited coverage on contoured containers, shrink-sleeve labels provide up to 100% package coverage. This translates into more container coverage and greater opportunity for emotional connection with consumers. Shrink-sleeve labels provide drastically improved billboard effect, creating stronger emotional connections and increasing at-shelf performance and trial.

SoBe® Lifewater® sales



- **Year 1 of shrink label usage:** AMS grows 103% vs. flavored water market decline of 8%.
- **Year 2 of shrink label usage:** AMS grows 45% vs. flavored water market growth of 2%.

AMS—Average Monthly Sales

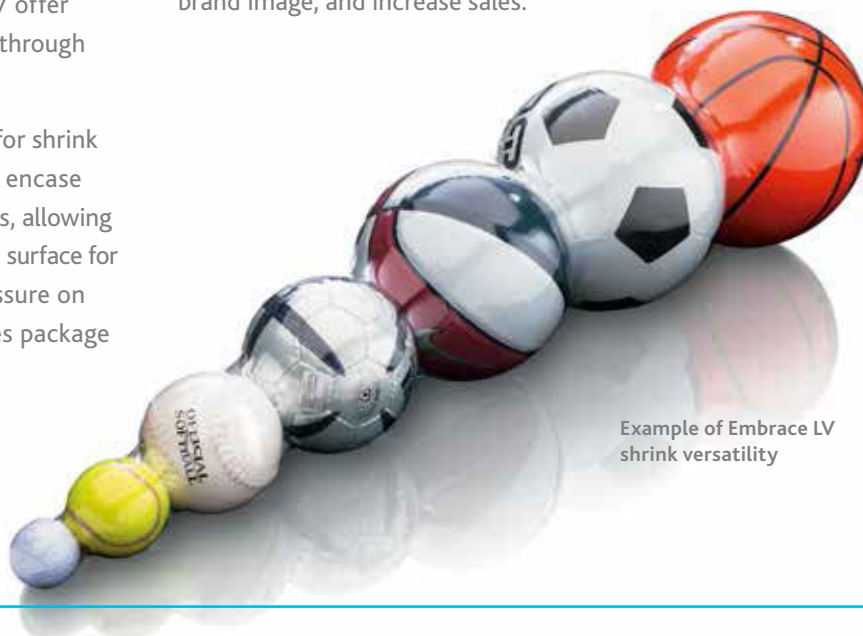
Maximizing design freedom with Eastman Embrace™ LV copolyester

The AC Nielsen study indicates shrink-sleeve labels combined with contoured containers provide the highest potential for emotional connection with consumers, added value, and increased brand loyalty. While enhancing product appearance, shrink-sleeve labels made with Eastman Embrace LV offer the greatest opportunity for product differentiation through package design.

The machine direction growth of Embrace LV resins for shrink labels permits 5% less film use, as labels expand to encase the entire bottle—eliminating high-shrink drawbacks, allowing for integrated tamper evidence and providing increased surface for branding opportunities. Embrace LV places less pressure on the container due to lower shrink force. This reduces package deformation and enables container light-weighting

by requiring less packaging material to take advantage of lower shrink force. Additionally, the versatile shrink curve of Embrace LV provides the highest ultimate shrinkage of competitive materials, allowing flexibility in material performance properties.

Brands demanding package design freedom use Embrace LV resin for shrink-sleeve labels to maximize shelf appeal, promote brand image, and increase sales.



Example of Embrace LV
shrink versatility

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