

FOOD AND PRODUCT SAFETY CHALLENGES FOR BRANDS: A BRAND POINT MANAGEMENT PERSPECTIVE

EXECUTIVE SUMMARY

Never has food and product safety been more top-of-mind for consumers, governments and brands. And with economies becoming more interdependent and with electronic media aggressively spreading the news of safety issues, product safety is certain to grow in importance – and to demand more and more commitment from brands.

Every participant in the product value chain feels these effects – and must contribute to delivering products whose safety consumers can count on. Vital among these participants are the companies who provide strategic, creative and executional services to brands for their consumer-facing materials, such as advertising, promotional materials and especially packaging. These “touchpoints” are where consumers make crucial decisions that affect their lives. For a brand to operate effectively and

confidently in the marketplace, it must be able to rely on the accuracy of its materials. Schawk believes that this calls for value chain partners who can carry both a brand’s vision and its product information through to the consumer faithfully. The stakes are high – but the potential rewards are great.

**FOOD AND PRODUCT SAFETY:
TOP OF MIND FOR SHOPPERS – AND BRANDS.**

As the first decade of the new millennium draws to a close, the health of the earth and its inhabitants is in sharp focus. On a global scale, there is political action and debate on global warming. At the national level, rapidly developing countries like China are grappling with new environmental challenges. This awareness of the health of the earth resonates at the personal level, too. When the First Lady of the U.S. takes the lead role in the administration’s anti-obesity campaign, it’s clear individual health is a prime concern.

These pressures are just part of the reality for brands. Just as important is the evolving relationship with customers. Brands are moving increasingly toward full disclosure with shoppers, not only providing government-mandated product information on packaging but locating it prominently on-package, knowing that shoppers are more sophisticated about product ingredients and are suspending their emotional reactions to products until they know all the facts.

In fact, sophisticated brands now make their healthy credentials part of the overall strategic “vision” and aim to express it in every medium. And because health is a more sophisticated “sell” than brands are sometimes used to, the vision needs to be executed thoroughly – in the choice of package materials and architecture that say “healthy and sustainable,” in design that marries information with inspiration, and in processes that ensure perfect accuracy in product data that can vary across dozens of SKUs, multiple regions, etc.

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Brands feel this shift in numerous ways. Among them:

- **Increasing product recalls in both size and scope:** One study found that although the rate of recalls is growing slowly, these encompass far more products: between 2008 and 2009, pharmaceutical product recalls were up 108 percent and food recalls 236 percent.¹
- **Increasing product-liability damage awards:** The top five in 2009 were 52 percent larger than the top five in 2008.²
- **Brand counterfeiting and diversion on the rise globally:** One study found that 12 percent of pharmaceutical products from a wide range of Delhi pharmacies were substandard and that two percent had no active ingredient at all.³
- **Government regulation increasing at all levels:** For example, the U.S. FDA has begun sending warning letters to manufacturers in cases where label claims might hinder consumer efforts to eat healthily and combat obesity; previously, warnings were limited to cases where illness could result. “The FDA is not merely firing a shot across the bow; it is declaring war on misleading food labeling,” said one expert.⁴



¹ Based on research by the RASMAS National Recall Center and Noblis; released March 1, 2010.
² “Jurors turned against companies in 2009 product-defect cases,” Bloomberg.com, January 7, 2010.
³ Roger Bate and others, “Pilot Study of Essential Drug Quality in Two Major Cities in India,” www.plosone.org/article/info:doi/10.1371/journal.pone.0006003 and widely quoted.
⁴ “F.D.A. Cracks Down on Nestlé and Others Over Health Claims on Labels,” The New York Times, March 3, 2010.

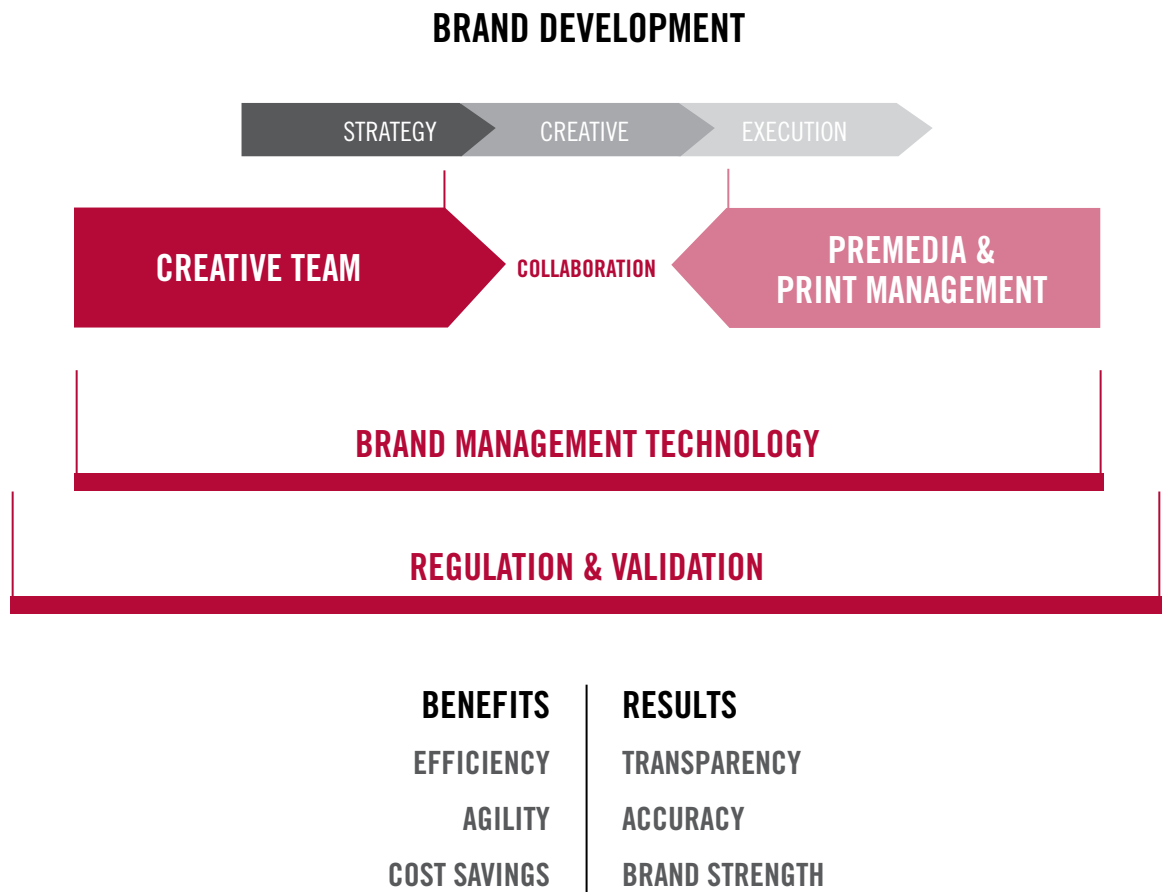
THE STAKES ARE HIGH.

Brands must satisfy government regulations and shopper demands for transparency and accuracy while crafting an inspiring brand “voice.” This requires processes and technology that carry ideas and data intact through the major stages of brand creation – strategy, creative and execution.

Early adopters of these processes and technologies will gain many benefits: not only adherence to government regulations but superior brand messaging along with process efficiency, marketplace agility and cost savings – all of which are permanent, not temporary, benefits.

Slow adopters will not realize the broader benefits as soon, risk running afoul of government regulations, could engender tougher regulations, and could face more expensive implementation of these processes and technologies due to a compressed time frame later on. So time is of the essence.

Let’s delve into the processes and technologies that enable brands to ensure that their materials satisfy everyone’s demands for health and safety: governments’, shoppers’ and their own. The chart below illustrates the key elements in food and product safety from the brand-development perspective.



The basic stages of brand development are **strategy**, **creative** and **execution**. For food and product safety, these stages must emphasize **collaboration between the creative team and downstream partners**, and deep expertise in **premedia and print management**. **Brand management technology** is vital to optimizing these processes. And principles of **regulation and validation** must govern both the technology and the processes.

Premedia and print management.

The premedia and printing stages are hugely important in food and product safety. Packaging materials aren't "home free" once they're given to production people. Brands need expert premedia service providers who can deliver a single inseparable file and avoid mistakes like accidental blackouts. And they need expert print management not only to protect assets like brand colors and to avoid costly rework on aesthetic grounds, but because inexact printing and converting can have serious safety repercussions – for instance if trimming or folding is done poorly, obscuring key product-safety information.

This calls for premedia and print management expertise – either in-house or from an outside partner. It also calls for collaboration upstream, with strategic and creative teams communicating with print management and printers/converters to ensure that nothing will compromise label accuracy down the line.

Collaboration between creative and downstream partners.

Collaboration between upstream contributors in creative areas and downstream partners in premedia and printing is crucial for packaging that meets branding demands, consumer needs and regulations for safety and accuracy. For example, when structural designers collaborate with production artists, print managers and printers, they can suggest structures, inks and substrates that help meet all demands. In a marketplace that demands creativity and speed to market on the one hand and ever higher levels of label accuracy on the other, downstream collaboration is vital to the brand development process.

Brand management technology.

Today there is advanced enterprise technology specifically designed and implemented to help brands create, track, store and publish brand materials, including assets both visual and verbal. The sophistication of this "brand management technology" is breathtaking, and its value to brands is proven, in its ability to streamline and strengthen the vital processes that bring materials to life, driving efficiency, agility, accountability and accuracy along with cost savings.

Brand management technology links participants and artwork across the strategic, creative and executional phases in a single workflow; it tracks and analyzes that workflow for efficiency and other standards; it helps organize definitive visual and verbal assets and enables the safe and efficient review, editing, storage and publishing of them; and it's entirely compatible with the most rigorous standards of regulation and validation.



These elements of brand management technology bear most on food and product safety.

Copy management: This element organizes and dynamically allocates approved copy – ingredients, nutrition statements, track-and-trace information, other identifiers – across all materials, including printed and web. Keyword identification allows fast tracking and analysis of labels ("peanut," "casein," etc.) and establishes other areas as "not to be changed."

Workflow management: This element sets timelines and schedules for artwork, tracks progress, identifies bottlenecks and generates reports relating to efficiency and productivity. It can be engaged as early as the strategic stage. The benefits in food and safety terms are indirect but powerful: costly mistakes on packaging can be the result of poor workflows that cause deadline pressures. Workflow management technology addresses these workflow issues and relieves deadline pressures.

Online proofing: This technology allows real-time, collaborative proofing and comparison of official artwork and copy, promoting confident changes and approvals while saving time and resources. Online proofing technology increases accountability and decreases the variables involved with multiple collaborators in a widely distributed workplace. It highlights the differences in versions, including potential issues, and is superior to manual or photomechanical methods.

Digital asset management: This technology organizes and protects official brand assets plus briefs, timelines, art concepts and more. It saves enormous time by eliminating unnecessary re-creation of assets, and it saves money by preventing incorrect asset use that can force reworks or recalls. This efficiency drives accuracy in packaging. And digital asset libraries can be protected from unauthorized access, vital to protection against counterfeiting.

In fact, brand management technology excels in pharmaceutical and consumer-product contexts where package information is subject to multiple, rapid changes within tight timelines. And it excels for consumer product brands with high SKU counts for seasonal promotions and channel-specific products and brands that must be nimble due to competition from private label products. (For a fuller description, see Schawk's white paper "Brand Management Technology: A Brand Point Management Perspective" in the Knowledge Center section of Schawk.com.)

Full brand management technology systems can cost up to \$1 million or more to implement – a small sum compared to typical product development costs, and a required expense for pharmaceutical companies, but still more than some brands are prepared to allocate. We urge a reconsideration. It's been shown that a full implementation of a brand management technology platform can pay for itself in 18 months, and the benefits in efficiency, accuracy, brand fidelity and cost savings continue indefinitely. This too is explained more fully in "Brand Management Technology: A Brand Point Management Perspective."

Regulation and validation.

Pharmaceutical companies adhere to strict process regulations and validation regimes that aren't part of the consumer-product world yet, such as cGMP and CFR 21 certifications. But food and life sciences products require increasing attention to package accuracy, and brands are advised to seek out partners who are experts in devising and carrying out regulated processes that ensure both package accuracy and fidelity to brand ideas. There has to be a meshing of a brand's established best practices for accuracy and the process requirements of partners in the lifecycle of brand materials. Partners with expertise in achieving this collaboration are vital.

FOOD AND PRODUCT SAFETY AND BRAND POINT MANAGEMENT FROM SCHAWK.

All of the suggestions made so far involve superior processes that integrate stages and contributors to the brand process. This integration is what Schawk calls brand point management and what its nearly 3,000 employees practice for clients globally. Schawk defines brand point management this way:

Brand point management is the strengthening of a brand through the delivery of compelling and consistent brand experiences that create greater affinity between shopper and brand. Brand point management touches all phases of a product's life – from ideation to design to market implementation – because all phases contribute to that moment of interaction between a consumer and the brand.

"Compelling and consistent" is the key term here, and it applies strongly to food and safety. While all branded materials seek to compel the shopper and stay consistent with brand values, today's marketplace also demands absolute consistency and accuracy in package information, as well. Through brand point management, Schawk delivers this on materials at home, on the go, at the store and on the shelf.

Schawk is uniquely skilled in linking contributors across strategy, creative and execution; in deploying brand management technology; in delivering compelling and consistent materials for the most demanding clients and shoppers in the most demanding marketplaces and under the most rigorous regulations. When brands are confident in the accuracy of crucial product information, shoppers respond with their trust.



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Schawk, Inc., (NYSE:SGK), is a leading provider of brand point management services, enabling companies of all sizes to connect their brands with consumers to create deeper brand affinity. With a global footprint of 48 offices, Schawk helps companies create compelling and consistent brand experiences by providing integrated strategic, creative and executional services across brand touchpoints. Founded in 1953, Schawk is trusted by many of the world's leading organizations to help them achieve global brand consistency. For more information about Schawk, visit <http://www.schawk.com>.

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