VIEWS (/NEWS/VIEWS)

# Plain packaging hurts, plain and simple

Removing branding logos and trademarks on products makes counterfeiting easier and hurts jobs

MIKE RIDGWAY

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**In 1975, food-and-beverage giant PepsiCo started its legendary marketing campaign in which people took a blind taste test with two cups, one filled with Pepsi, the other with Coca Cola.**

Instead of picking their preferred drink, fans of either brand were often asked to name what they are drinking. An experiment by media company Business Insider with 21 participants found that more than half guessed wrong, even though all said they were confident of naming what they were drinking.

This drives home a simple fact: Packaging and branding made the difference. The testers' loyalties were to the brand, not to the taste of the beverage. The brands know this, because both companies devoted almost US$4 billion (S$5.2b), more than a 10th of their profit in 2015, to advertising and marketing expenditure.

But such branding efforts will be made useless if plain packaging - a growing threat to the packaging industry - is introduced for sugared drinks.

Plain packaging is that which removes all branding, including colours, logos and trademarks; manufacturers are allowed to print the brand name only in a standard size, font and placement.

As developed societies grapple with increasing health issues such as obesity, diabetes and heart diseases, some have pointed to glitzy product packaging as the cause of the problem.

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Nov 20, 2017

The argument goes: If the design elements are removed from the packaging and large graphic warnings took the place of fancy fonts and colour combinations, the unattractiveness of the packaging will turn consumers off.

Plain packaging has already been introduced for tobacco products in Australia, France and more recently, the UK and Ireland.

In June, members of the British Medical Association, the professional association for doctors in the UK, called for tobacco-pack style warnings for sweets to fight against childhood obesity and rising tooth decay rates.

But the law leads us down a slippery slope - which product type should have plain packaging next?

## ECONOMIC EFFECTS

It also comes with negative downstream effects on the economy.

Firstly, intellectual property rights are compromised when brand owners are not able to use their brands on their own products. Brands invest hefty sums in anti-counterfeit efforts to protect their logos and trademarks. Organised groups producing counterfeits will have an easier time faking a product that has standardised its packaging to a template.

Secondly, plain packaging discourages innovation as brands will have little reason to invest in product differentiation.

Starbucks, which prides itself an eco-friendly brand, has invested resources to improve its cups in line with the brand's environmentally-conscious image.

The company introduced paper cups in the 1980s and later used a hot-beverage sleeve made of recycled materials, to do away with double-cupping.

In 2008, it switched the components in its plastic cups to reduce the amount of greenhouse gases produced. The end product is still a plastic cup that looks no different from other plastic cups. But it was made with sophisticated technology and backed by research.

When a product's design is pared down to its most basic, the branding effort is so simplified it is almost redundant. This means job functions are lost and machines are dumbed down and no longer operating at their full potential.

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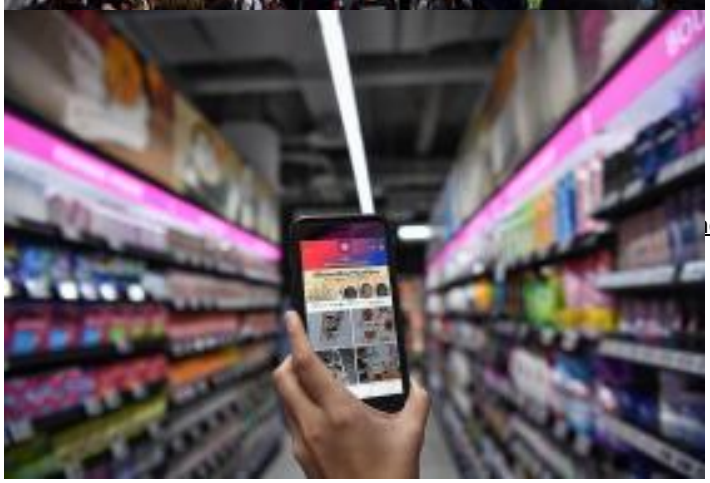

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The effects of such inefficiency have started showing in the tobacco industry in UK, where plain packaging has been enforced. Some companies in Bradford and Bristol that manufactured packaging for tobacco products have closed shop, with the new legislation having made their work unsustainable.

Other industries that work with packaging companies, such as the materials sector and the advertising and branding agencies, will get fewer jobs.

**The writer is the director of the Consumer Packaging Manufacturers Alliance, a UK-based independent advisory body of the packaging industry.**

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