

# Time to Stand-Up

• *by Huston Keith* ●●●●●●●●●●

Stand-up pouches seem to be everywhere! Nearly every category has a product using this innovative package, quite literally from soup to nuts. In fact, the latter was one of the early users in North America, for a Planters snack product. Today several nut items use these pouches successfully. Beginning with Stockpot, soup has often found a home here.

## WHAT IS A STAND-UP POUCH?

Originally it referred to the Doy-style pouch, where a separate die-cut piece was sealed into the bottom of pouch so that it would stand up without support. However, the industry has begun re-defining it to include any flexible pouch that will stand up on a shelf. That now includes flat bottom bags, brick-style pouches and a variety of gusseted pouches.

Using the latter definition, the pouch has been around quite a long time. It was and still is widely used for cookies and various milled products such as flour and sugar. However, these bags required the weight of the contents to stand up for display.

But the real growth began in the early 1990s when the Doy-style stand-up pouches were re-introduced into North America. Proponents claimed that material cost savings, reduced storage and transport expense and dramatic source reduction would lead the pouches into quick replacement of rigid containers in the giant cereal, baked goods and beverage markets.

## THE ROUTE TO SUCCESS

But as with many products, the markets took a few twists and turns. Heinz adopted the pouch for a line of pet treats, meeting with such success that it quickly became the package of choice for the category. Even some dry pet foods converted.

While improved economics over a foil-lined carton was a factor, the real driver was the merchandising appeal of the unique pouch. Similarly, the successful adoption for a pesticide led to the use for a variety of lawn and garden products ranging from potting soil to ice-melting salt to pool chemicals. Most of these products had been using less expensive multiwall paper sacks.

Because it could stand unaided, the pouch was more noticeable than its counterparts on the shelf. Furthermore, the glossy, reverse-printed materials were also more eye-catching. And the pouch permitted the addition of a zipper for convenient reclosure. Marketers in a variety of categories, such as frozen food, confection, and dry mixes have found the pouches add appeal to their products.

## STANDING VERTICALLY

The growth of the Doy-style pouch has brought a revival of the flat bottom bag and other gusseted styles. These pouches have the advantage of being formed on vertical form-fill-seal machines, which cost much less than the horizontal pouch machines used

for the Doy-style pouch. Because the sealing is less complex and the vertical machines have gentler handling, the materials can be also downgauged.

While machinery makers have made many improvements to improve bag stability, these bags often do not stand-up as well as the Doy-style pouches. The overall appearance is arguably less attractive, plus unique shapes cannot be formed. Nonetheless, many packagers have found that vertically formed pouches suit their needs perfectly.

## **NOT OUTSTANDING EVERYWHERE**

Yet the original targets of converting rigid containers like folding cartons and beverage containers continue to elude proponents of the package style. Despite a few innovative trials, cereals remain in the traditional bag in box. Kraft's Capri Sun and now Minute Maid have successfully marketed juices in stand-up pouches to children, but most beverages are still packaged in bottles or cans.

What is holding up the switch? Several reasons have been cited. Horizontal pouch machines are expensive, especially since these companies already have a large installed base of equipment. Speeds are slower, although the gap is closing. Material cost savings appear to be slim or non-existent, especially since the rigid containers have huge economies of scale. Rigid containers provide a better "billboard" display. And distribution and retail systems are set up to handle and merchandise rigid containers.

Yet other products have adopted stand-up pouches at greater cost and seen success. Which is the real reason why these cereal and beverages have not adopted them. Several market tests and niche entries in stand-up pouches have not yielded favorable results to date. Could it be that the consumer does not find a real benefit to pouches in these categories?

## **STAND-UP AND BE COUNTED**

By most accounts, the stand-up pouch is an unqualified success. Estimates of usage vary widely, with counts ranging from four to eight billion packages in North America. Most observers expect the current market to double over the next five years. As in most successful packages, the key will be whether it ultimately helps sell the product.

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