

What you need to know before you multipack

By Chris Turner, National Sales Manager, Roberts PolyPro

The success of club stores and big box retailers is due to many factors, including consumers' impressions that they are getting more for their dollar. Bargain and buy-in-bulk shoppers cluster to such products. For many, multipacks have become a way of life.

The deal aspect of the multipack attracts those consumers, but some undoubtedly are swayed by the look and convenience of the package itself. Not all multi-packs are created equal—neither from a consumer nor a production standpoint. Depending on a company's resources, desired throughput, and marketing goals, choosing the multipack style best suited to an operation can mean the difference between a profitable venture and a multipack misstep that doesn't deliver the desired return.

Making the most of multipack potential requires a close study of costs, benefits and features of each pack type: shrinkwrap, paperboard and handled carriers.

Uses, costs and complications

Numerous factors weigh into a packager's pack-type decision. Manufacturers logically want a secondary package that will protect their primary package, but also want to manage material costs, equipment costs, energy costs and product appearance.

The three basic modes of multipacking differ significantly across each of those factors.

* **Shrinkwrap.** Shrinkwrap systems provide high throughput and, strictly from a material standpoint, low cost. Shrink film is one of the least expensive choices of all the multipack options.

However, implementing a shrinkwrap system is one of the costliest options from an equipment perspective. A shrink system including a heat tunnel can run upwards of \$600,000, making it less than ideal for a startup or smaller operation. And the power needed to keep the heat tunnel at shrink temperatures can send energy bills skyrocketing. At a time when industrial plants are doing everything possible to minimize energy use, shrink systems add significantly to the electrical load. Power requirements become all the more important because of their variable nature and projected escalation.

Even though engineers are improving system designs to cut back on extraneous film use, shrink systems also create more waste than alternatives. At the start of every shift, a packager needs to warm the tunnel and dial in the film, which means energy costs stack up during the heating process and a certain amount of wrap is wasted.

In addition, shrink wrappers and their tunnels have a large footprint and require a significant amount of floor space.

From a package standpoint, shrink also falls short of the ideal should a primary package break loose from the secondary package. There are no quick fixes with shrinkwrap. It can't be simply remedied in the marketplace by the route driver.

* **Paperboard.** Paperboard, too, carries a large initial investment in machinery, although not the ongoing energy costs of shrinkwrap. But with only two major paperboard suppliers in the United States, and the paperboard manufacturing process lengthy and complex, the package material itself can be costly. And like shrink, should the package itself become damaged, there are no easy store level fixes short of unsightly packing tape.

On the plus side, paperboard offers excellent graphics capabilities and packaging systems provide high throughput.

* **Handled carriers.** Handled carriers come in three basic types: rigid die-cut high-density polyethylene (HDPE), rigid injection-molded HDPE and flexible low-density polyethylene (LDPE). Low-density LDPE carriers are the kind commonly seen on six-packs of 12-oz. or smaller aluminum cans and 20-oz. or smaller bottles. Rigid HDPE carriers have broader use, including 2- and 3-packs for 64-oz., 96-oz., 128-oz. and 2-liter bottles for club stores. In addition, 4-packs, 6-packs, 8-packs and even 12-packs in a variety of bottle and cap sizes are common configurations for rigid carriers for grocery stores and supermarkets.

Handled carriers can provide some of the most cost-effective multipack options, particularly for smaller businesses or start-ups looking to establish a niche and then step up as the business grows. They feature low initial investment in machinery, with a variety of handle applicators available to suit the size of the operation. A smaller manufacturer can start with a manual applicator, then move up to intermittent-motion as volume builds and then to a full continuous-motion system using the same multipack handle style. An intermittent-motion packaging machine that does around 20 cases of product per minute often costs less than \$100,000. Manual applicators are naturally far less expensive.

Although materials cost more than shrink, the systems are right in line after factoring in energy costs. When oil prices increase, any raw material with petroleum content—HDPE and shrinkwrap included—will see a corresponding price hike. But when electricity rates rise, shrink's costs go through the roof while handled carrier solutions remain stable.

Flexible LDPE is even less expensive, but, like shrinkwrap and paperboard, can be unforgiving if the multi-pack's integrity is compromised at the retail level. With a rigid HDPE handle, a new primary package can easily be snapped back into place on the carrier.

Rigid die-cut HDPE carriers, produce little waste, appeal to "green" consumers because of their recyclability and provide a high degree of consumer friendliness.

Injection-molded HDPE handles provide strength similar to die-cut

HDPE but with a size disadvantage. The nature of the injection molding process requires the carriers to be more bulky to provide the strength and stability necessary for carrying a multipack. Because die-cut handles are pressed from an extruded sheet, they are much denser than injection molded and, therefore, can be thinner. That translates to a 25 percent savings in shipping and storage costs, with no sacrifice in handle strength.

Back to the customer

Apart from raw material and equipment costs, the goal of any package is to appeal to the customer—so the average shopper will select product A off the shelf instead of product B. The varying multipack options differ here, too.

Manufacturers often spend the bulk of their package and graphics development budget creating a primary package that provides a point of distinction. Handled carriers allow primary package appeal to shine through.

Shrinkwrap obscures the primary package and, even though it can be printed, does not offer the vibrancy and eye-catching look of other materials. Although paperboard obscures the primary package as well, its graphic capabilities provide great point-of-sale opportunities with high readability, strong colors and the capacity to “billboard” the product.

Both rigid handled carriers and paperboard also offer consumer advantages after shoppers get the product home. Getting the primaries out of the secondary shrink package can be a hassle, and once the package is breached, those primaries can fall down and become sloppy looking when stored. LDPE handled carriers can be similarly uncooperative when it comes to removing individual primaries and, though better to store than shrinkwrap, not as easily storable as paperboard or HDPE handled carriers. Rigid HDPE carriers make it is easy to snap out individual products.

On the whole, although each solution has its place depending on the product and a company’s goals and budget, die-cut handled carriers cover a broad set of needs and are particularly useful for niche or smaller companies just starting out with multipacks. And taking into account equipment, materials and energy, a die-cut system is typically the frontrunner when it comes to return on investment.

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