



PREMIUMIZATION — SUPERIOR
LABELS FOR SUPERIOR PRODUCTS



The consumer zeitgeist has shifted in the last few years toward premiumization. Every product category — from coffees to wines, skincare and shampoos, pet food to dietary supplements, and even sauces and condiments — is getting the premium treatment.

The goal of premiumization is to meet consumer demand for increased focus on flavor, high-quality ingredients and, most importantly, more appealing packaging. How can you leverage material, embellishment and design to upscale your labels and packaging?

Read on to learn how to make superior products more appealing and relatable so they stand out on the shelf.

THE GROWING TREND OF PREMIUMIZATION IN LABELING AND PACKAGING

Premiumization is about bridging the gap between luxury and the mass market by emphasizing the quality of your product compared to competitors. Generally this approach to product development increases focus on high-quality craftsmanship and materials and exclusivity. The way to communicate this premium attitude and value is through presentation through labeling and packaging.

“At the heart of premiumization is the understanding of how customers perceive and assign value,” [says Jason Martuscello of GreenBook](#). “Merely tracking awareness

and intention measures is not enough to inform actionable business decisions. Instead, focusing on what drives price premiums in a category allows strategic and actionable paths to move the commercial needle.”

Rather than trying to solve a new problem or pain point, premiumization performs the same function as low-cost counterparts but makes the customer think and feel they are getting more value. A focus on premium products can also be a more palatable means of tackling inflation costs compared to reducing items or packaging sizes, [says CNBC.com](#).

POTENTIAL FOR INNOVATION

Premiumization in labeling and packaging is an area in which product developers can shine and think outside the box with requirements, including:

- Artistry and creativity – Design and color theory can make labels eye-catching and foreground prestige, quality and class.
- Exclusivity – Brands have the opportunity to highlight their product’s unique look compared to competitors. “The idea that everyday products can have a special and exclusive look through their packaging creates a consumer experience that imparts luxury and quality without compromising consumer wallets,” [says Food Manufacturing](#).
- Sustainability – Labels can bring awareness of how eco-friendly the product’s ingredients are as well as the packaging itself.

Material choice for labels can dynamically supplement messaging and grab customers:

- [A recent neuromarketing study](#) shows that uncoated, tactile materials more strongly activate a sense of authenticity, price value and being “premium” over coated, flat materials.
- Embellishment techniques can be combined in the same label to create tactile effects that convey high-end value. Embellishment types include:
 - Embossing and debossing
 - Foil stamping
 - Custom die cuts
 - Varnishes, UV coatings and laminates
 - Custom screen prints
 - Specialty inks

Convenience is also key. Advances with existing packaging formats such as pouches, reusable zippers and easy-to-break-down boxes continue to make premium products stand apart.



BEVERAGE INDUSTRY

Premiumization has been an especially significant factor in the beverage industry, in particular beer and wine. This premiumization trend is occurring for several reasons, including:

- The proliferation of budget options makes premium products more appealing.
- Consumers are more likely to treat drinks as something worth spending a little extra on.
- Millennials are leading global ecommerce spending this year, [according to the most recent Global Voices Survey](#), and 73% of Millennial shoppers prefer online shopping. Brands have been reacting to this shift to online shopping by emphasizing exciting expackaging and labeling that clearly conveys a product's value and messaging.



PRIVATE LABELS

There has also been a proliferation of private label or store brand premiumization.

[As stated in NielsenIQ](#), “The rise of higher-end store brand products has come hand-in-hand with consumers’ inclination to spend more on store brands. The premiumization of private label really comes to life when we look at products by price tier.”

Whereas consumers used to buy generic goods to save money, many of these products are now viewed as high quality due to better packaging. This dramatic shift stems from retailers looking to get more competitive in the market.

Private-label brands used to model their labels and packaging around copying the national brand copycat. “Consumers were reassured with the packaging similarities, showing that a certain product is as good as the national one because the packaging is the same,” [says Packaging Strategies Magazine](#).

Imitation is no longer imperative, however, as private-label brands now seek a recognizable presence to stand out on both shelves and e-commerce. Strong packaging is an absolute necessity if customers are seeing the product for the first time on a screen.



5 CHALLENGES TO (AND SOLUTIONS FOR) IMPLEMENTING PREMIUMIZATION

Premiumization may be popular and widely accepted but the actual execution is not straightforward.

Adopting a Different Mindset

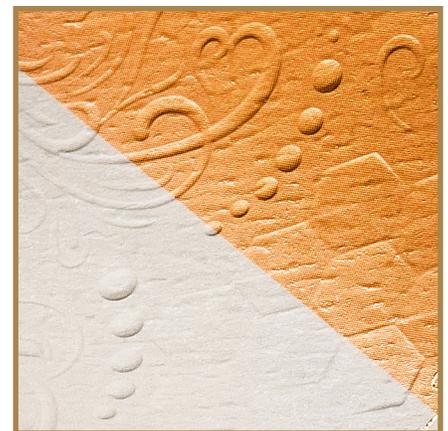
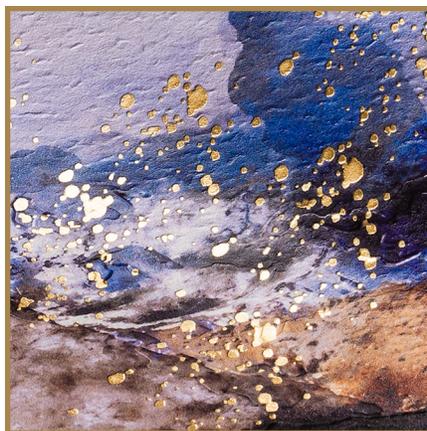
Premiumization success requires embracing new approaches to labeling. That head space may be intimidating for companies that have long operated with certain processes and appearances.

The shift requires a willingness to learn to operate under different rules and cater to the discerning needs of a premium consumer base. You'll need to work with specialists in your transition to premiumization who will respect your values and understand the differences in the details.

Cost

Profitability can be a challenge when attempting to introduce higher-priced premium label offerings. The “extras” of premiumization labeling can cost more with the development process and the actual printing. The complexity of and time spent on premium labels can slow down speed-to-market. Many brands struggle to realize profitability with premium products, resulting in financial setbacks.

Label and Packaging Experts can alleviate these added costs by evaluating your ability to create desirable premium label offerings. Find a collaborator who will pick up your slack to deliver premium labels and packaging more profitably than your budget or competitors.





Clarity

A label needs to clearly communicate your company's identity, brand message and the product's contents and personality to the target demographic.

"I believe the perfect wine label considers the total package and finds the right intersection between the story the brand wants to tell and the image they want to create to maximize the experience for the customer," says [Kevin Frydryk, Regional VP Sales & Marketing for Resource Label Group](#).

Don't pull consumers in too many different directions with your premium label design. Be clear and concise without sacrificing personality or dynamism.

Sustainability

Many CPG brands have set packaging sustainability goals for 2025 and some for 2030, [explains Packaging Digest](#). Unfortunately, reaching a recyclability goal can often mean a complete packaging overhaul. Switching from many materials to one material, lots of colors and adornments to clear, direct printing instead of labels that attach on, and more expensive materials — these changes require a lot of work.

Customization

Some brands struggle to understand their customers' category intricacies and expectations.

[According to Brand the Change](#), "One key truth about premiumization is that it is highly specific to each category. There are various levels and types of premiumness to consider, making it essential to avoid relying on generic advice for successful premiumization. What works in one industry may not necessarily apply to another."

You'll be able to unlock the full potential of premiumization with tailored labeling and packaging strategies that align with consumers' unique market position.

ACHIEVING PREMIUMIZATION FOR NUTRACEUTICALS - SPOTLIGHT ON BEYOND YOURSELF

Beyond Yourself is a Toronto-based supplement brand. Resource Label Group coordinated with Beyond Yourself's design team in 2021 on a new flavor line, Grape White North.

Designing this premium label included finishes and embellishments that elevated their already unique concept from good to great. The result has been a best-selling label that Beyond Yourself can barely keep on the shelves. This iconic new branding encapsulates the company's broader mission to honor Canada and Canadians.

The team at Resource Label can advise you on the premiumization process of your supplement and nutraceutical label solutions. We don't just focus on cost efficiency and timeliness. We are expert collaborators with the design-related guidance and engineering prowess needed to achieve your vision.



RESOURCE LABEL GROUP PREMIUMIZATION CAPABILITIES

What is the essence of true collaboration? Resource Label Group is ready to partner with you in your journey toward premiumization.

You can be confident with our experience, expertise and cutting-edge technology. Our cost-effective yet inventive packaging powerfully differentiates brands. We also provide clarity by working with you to ensure your product displays clear, intuitive, accurate information while optimizing shelf appeal.

One of our key priorities is sustainability. At Resource Label Group we create and promote eco-friendly labeling and packaging solutions that put your sustainability goals into action.

But we don't sacrifice tailored, customized options that capture the spirit that makes your brand so singular. We'll set your label apart with market insight and research mastery to translate trends into reality for your brand with our array of capabilities, including:

- I. Textured substrates
- II. Metallic and specialty inks
- III. Foils and finishes
- IV. Embossments
- V. Smart labels
- VI. Space-saving solutions
- VII. Attention-grabbing colors
- VIII. And much more!

Let's harness the complexities of brand development, technical know-how and regulatory compliance with a holistic aesthetic and packaging solution.

We'll help you achieve a premium look for your products — from ideation to manufacturing to the store shelf. Contact Resource Label Group about focusing on label and packaging premiumization to enhance your brand and bottom line.