

SCIENTIFIC EVIDENCE REGARDING THE IMPACTS OF AVERY DENNISON'S WATER-RESISTANT LABEL ON CONSUMERS' PERCEPTIONS

[OUTPUTS FROM THE STUDY]



17 SEPTEMBER 2015

STRICTLY CONFIDENTIAL DOCUMENT FOR THE EXCLUSIVE USE OF AVERY DENNISON

AVERY DENNISON has recently developed an innovative technology enabling the labels of bottles not to be altered when put into water (e.g. ice bucket).

The purpose of this project was to scientifically examine to what extent the perfect appearance of the label due to the water-resistance technology has significant positive impacts on consumers' mind, both regarding the emotion spontaneously aroused and the values/beliefs automatically conveyed by the product.

To this end, the project consisted in using the most sophisticated scientific tools to produce a comparative diagnosis of the genuine impacts generated by 2 products (bottles) after water immersion, one of which having its label manufactured with the innovative technology.

This project is definitely in line with recent scientific studies showing how many visual factors in a wine packaging (e.g. colors, typeface, visuals,...) can have effective impacts on consumers' spontaneous perceptions of the product/brand.



Standard label

Water-resistant label

Detailed information about the method used in this project (methodological steps,...) has been previously provided.

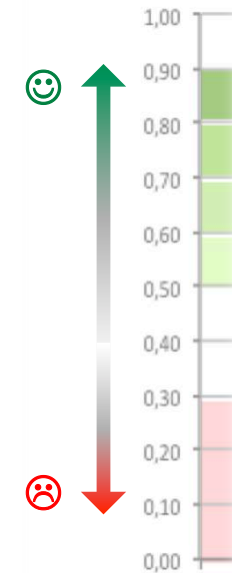
i *Prior information about the graphs of results presented in this section*

With regard to each of the criteria examined (i.e. emotion aroused and values evoked), the results are presented according to a simplified index ranging from '0' to '1' and corresponding to the percentage of automatic activation of the criterion in consumers' mind.

✧ In general, a '0,05' difference between two indexes tend to be statistically significant ($p < 0,05$; for the sake of simplification, the p-values are not systematically mentioned but they can be supplied on request).

✧ Interpretation of the indexes:

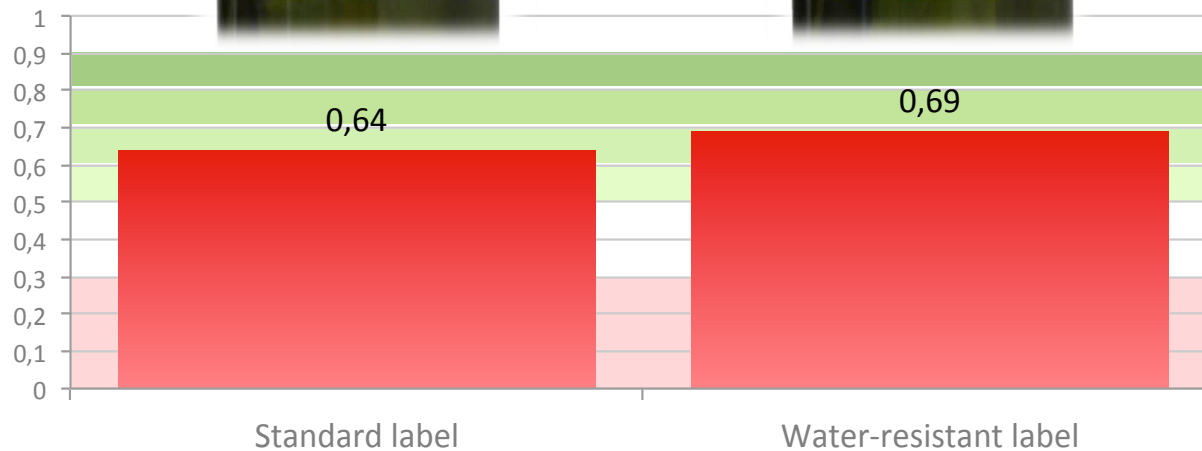
- **< 0,30**: Absence of activation of the criterion in consumers' mind; high probability of activation of the opposite criterion
- **0,30 – 0,50**: Neutral index; Absence of positioning on the criterion, but without any antinomy (no activation of the opposite criterion)
- **0,50 – 0,60**: Slight positioning (activation) on the criterion
- **0,60 – 0,70**: Relatively strong automatic activation of the criterion
- **0,70 – 0,80**: Very high automatic activation of the criterion
- **> 0,80**: Extremely strong positioning on the criterion (uncommon for many types of "marketing stimuli")





EMOTION

(i.e.: Emotional impact automatically generated by the 2 bottles)

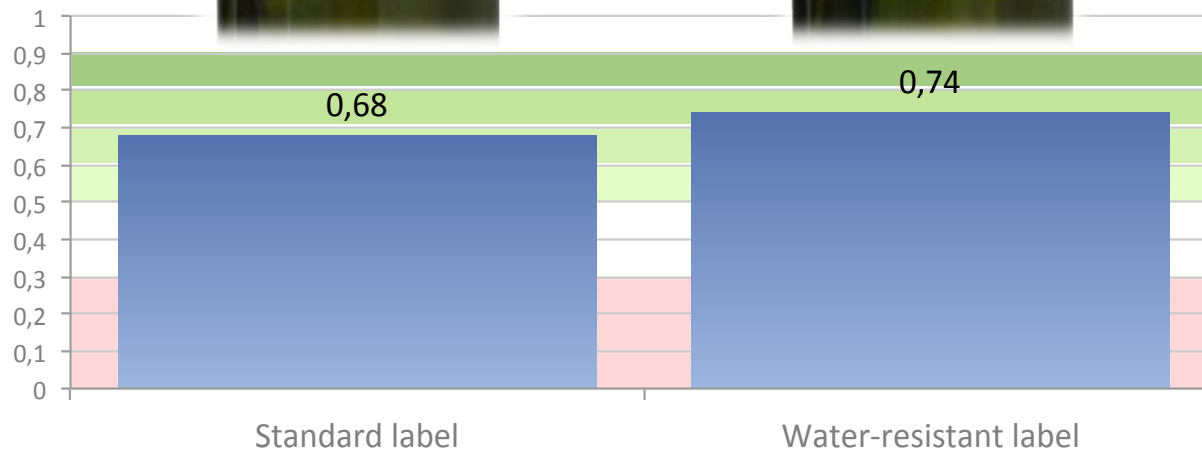


The water-resistant label arouses a slightly (but statistically significantly) higher positive emotion

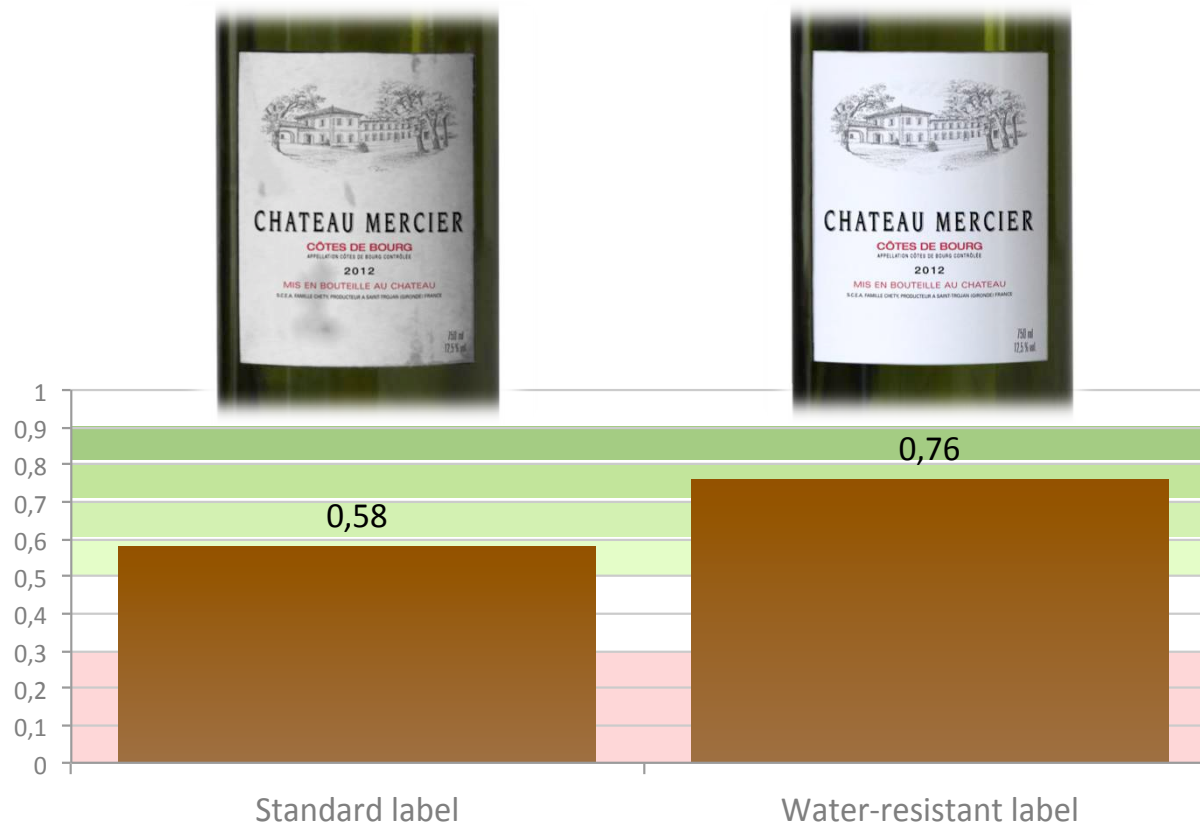


QUALITY

(i.e.: Extent to which the 2 labels automatically convey this fundamental cognition/value)



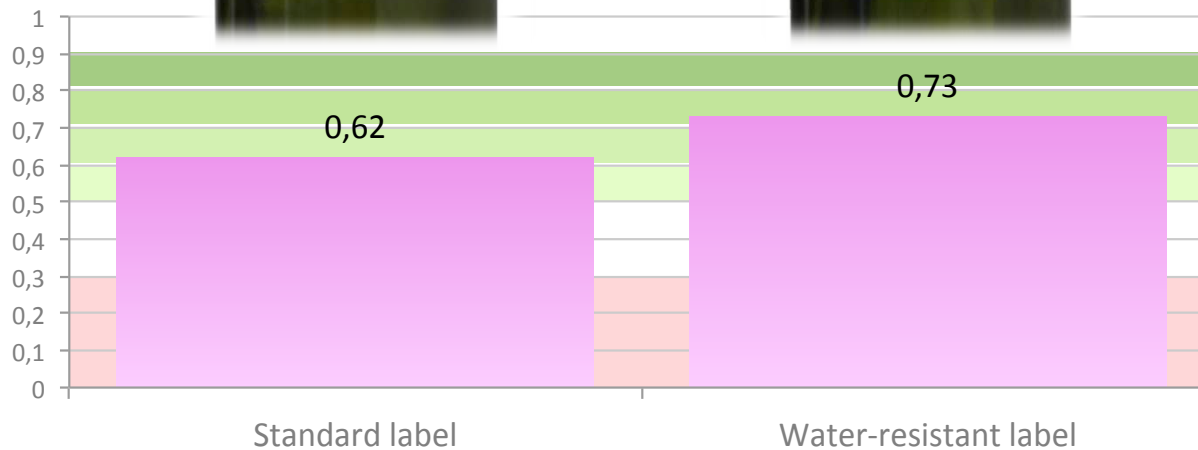
The water-resistant label automatically evokes a slightly (but statistically significantly) higher feeling of 'Quality'



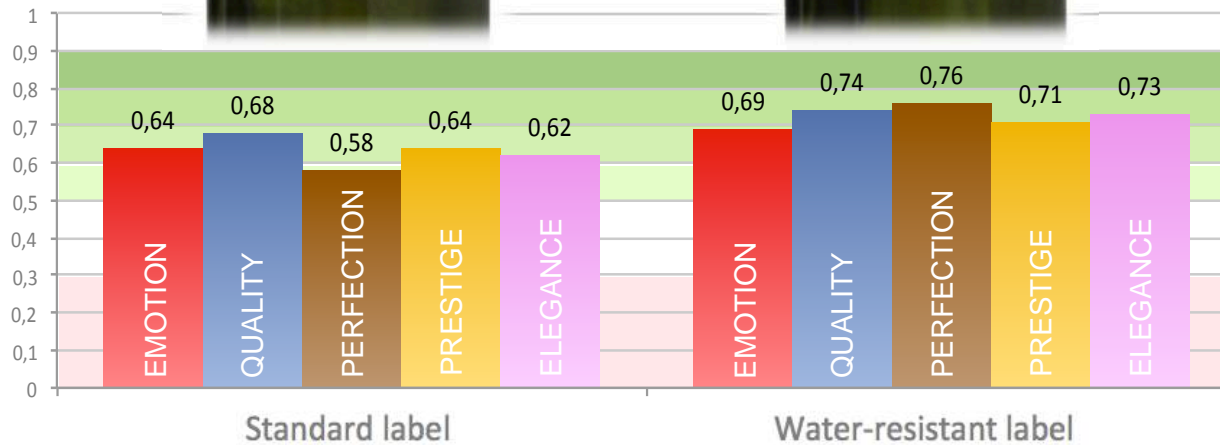
The water-resistant label automatically evokes a higher sense of 'Perfection' (strong effect)
The water-altered label seems to hamper the automatic activation of 'Perfection'
in consumers' mind

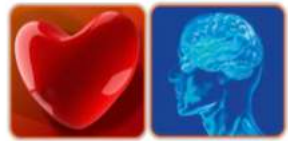


The water-resistant label automatically evokes a slightly (but statistically significantly) higher sense of 'Prestige'

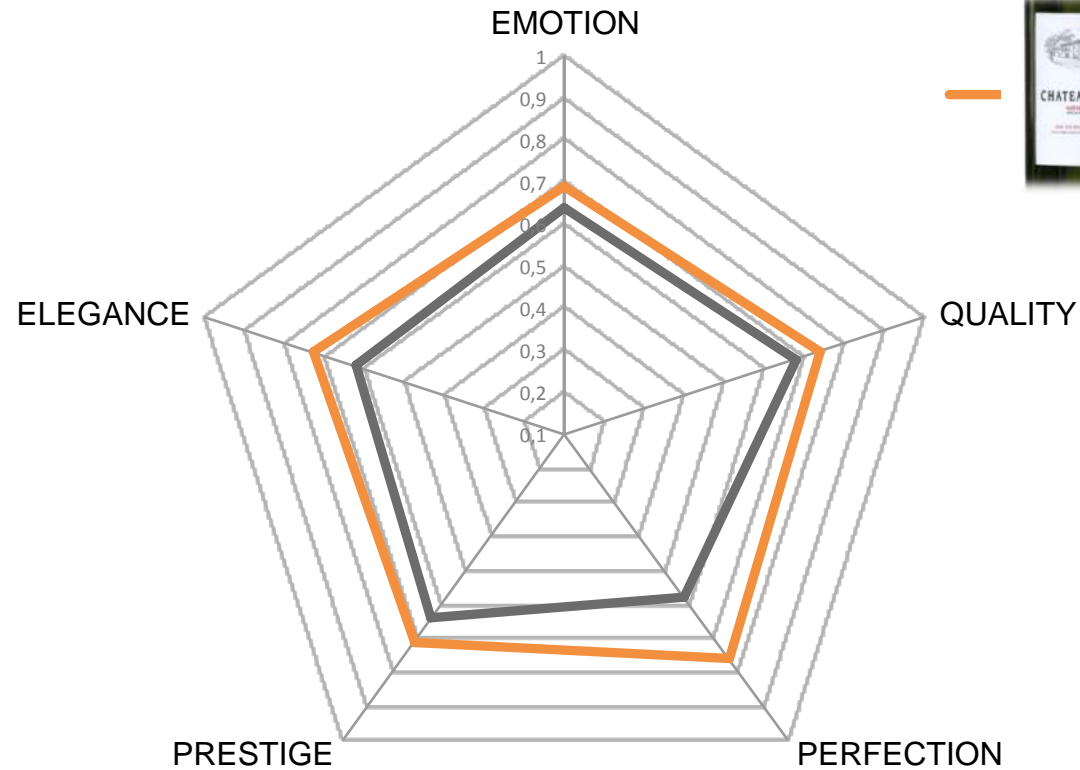


The water-resistant label automatically conveys a higher feeling of 'Elegance' (relatively strong effect)





GLOBAL



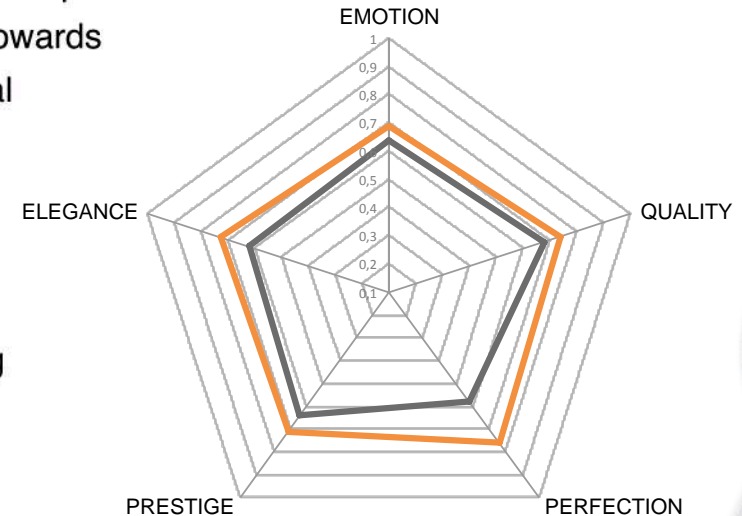
The purpose of this study was to precisely analyze potential causal impacts resulting from a water-resistant label on consumers' perceptions towards a product/brand – in other words, to scientifically examine potential added-values related to the new technology developed by AVERY DENNISON.

In summary, the results clearly show the actual advantage of the water-resistant label in terms of automatically conveying/activating some fundamental values (cognitions) in consumers' mind.

More specifically, in comparison with the standard label, the water-resistant label automatically evoked a higher sense of

- 'Quality' / 'Prestige' (relatively small – but effective – impacts)
- 'Elegance' / 'Perfection' (relatively large impacts, especially regarding 'Perfection')

In addition to this “cognitive dimension”, the study also provides evidence of a small (but effective) impact on the “affective dimension”, as the water-resistant label aroused a slightly higher positive *emotion* in consumers' mind.



It should be noted that this conclusion applies only to the type of product used in this study, as different results could be found for other wines/spirits products.

As an example in respect of wine, it would be interesting to examine how a water-resistant label would affect consumers' attitude regarding a well-known prestigious wine. In such a case, the positive impacts of a water-resistant label could be either

- reduced (or even inexistent), as consumers' attitude could then be predominantly influenced by the content (and not the appearance) of the prestigious label; or
- maintained (or even increased), as a water-altered label could be viewed as inconsistent with the sense of "Prestige" (in line with some scientific studies which have recently emphasized how inconsistencies between different elements in a packaging can have a detrimental impact on consumers' attitude).



As a conclusion, this study allows AVERY DENNISON to bring forward scientific evidence regarding some fundamental positive impacts its water-resistant technology can have on consumers' automatic perceptions towards a product/brand.

Consequently, the findings of this study can act as a powerful business case that may be used by AVERY DENNISON from a commercial perspective, when it comes to promoting the benefits of the innovation developed (i.e. in the context of the "Label Expo Europe 2015" exhibition, which was mentioned as the underlying purpose of this scientific project).

More generally, such a study can emphasize AVERY DENNISON's connection with the most advanced scientific developments in the fields of neurosciences and consumer behavior (thus strengthening the company's innovative positioning).



TERMS OF SALE

Article 1 – Application

- 1.1. These general terms and conditions of sale apply to all orders that are placed with MIND INSIGHTS, including for the provision of incidental services.
- 1.2. These general terms and conditions of sale apply exclusively, to the exclusion of any general or special terms and conditions of the customer which have not been expressly agreed to in writing by MIND INSIGHTS.

Article 2 – Offer and order

- 2.1. Unless otherwise stipulated in the special terms and conditions, offers made by MIND INSIGHTS are valid for a period of 1 month.
- 2.2. Any order which has not been preceded by a written offer from MIND INSIGHTS will be binding on MIND INSIGHTS only after it has been accepted in writing.
- 2.3. The agents or representatives of MIND INSIGHTS do not have a power of agency. The sales that they negotiate therefore become definite only after written acceptance of the order is sent by MIND INSIGHTS.

Article 3 – Prices

- 3.1. Prices are given in EUR, not including VAT. Any increase in VAT or any new tax which may be imposed between the time of the order and that of the delivery will be payable by the customer.
- 3.2. Unless otherwise stipulated in the special terms and conditions, the prices quoted by MIND INSIGHTS are for delivering an assignment report to the domicile of the customer or any address that he has stated in the contract. Travel or transport costs will be payable by the customer.
- 3.3. Our prices cover only the assignment described in the special terms and conditions or the contract signed with the customer and exclude any other work or services. If additional work or services are requested, they will be the subject of a preliminary quote and will be invoiced in addition to the price provided for in the special terms and conditions.

Article 4 – Payment

- 4.1. Our invoices are payable to our accounts department in cash and in full (without discount).
- 4.2. Any objection relating to one of our invoices must be sent to us in writing 15 calendar days at the latest after its receipt. Failing this, the customer will no longer be able to dispute that invoice.
- 4.3. In the event of failure to pay an invoice by the due date, payment of all the customer's invoices will become due immediately.
- 4.4. Any invoice unpaid by the due date will, ipso jure and without formal notice, be subject to interest on late payment of 1 % a month, with a minimum of 50 EUR.
- 4.5. Any invoice unpaid by the due date will also, ipso jure and without formal notice, be subject to a fixed penalty of 10 % of the sum remaining unpaid, by way of damages.

Article 5 – Methods of delivering the work

- 5.1. The work carried out by MIND INSIGHTS will be delivered to the address indicated by the customer according to the method of transfer (by e-mail, by post) and on the data carrier (CD-ROM, PDF file, PowerPoint, paper) chosen when the order is placed.

Article 6 – Delivery periods

- 6.1. Unless expressly guaranteed in the special terms and conditions, the delivery periods stated in the special terms and conditions are not compulsory deadlines. MIND INSIGHTS can be held liable only if the delay is significant and due to serious transgression.

Article 7 – Confidentiality

- 7.1. During the course of the contractual relationship and after it has expired, MIND INSIGHTS will treat as confidential any information provided by the customer and/or information of which it may have become aware in the context of its activities on exclusive behalf of the customer. Therefore, none of the information provided by the customer will be given by MIND INSIGHTS to third parties. This article does not cover information that the customer has made public or information that has fallen into the public domain.
- 7.2. The customer also undertakes, both during the performance of the contract and after it expires, to keep confidential any information relating to the know-how and working methods of MIND INSIGHTS and, in general, information of any kind whatsoever which belongs to MIND INSIGHTS and to which it may have had access during the performance of the contract. By way of example, and without this list being exhaustive, the silent partner undertakes not to divulge in any way whatsoever (verbally, in writing, electronically, etc.) data (information, methods, results, reports, financial aspects) to any organisation or person outside of the organisation of the silent partner carrying out consultancy activities which may be seen as competing with those of Mind Insights (except in the case of a written waiver requested from Mind Insights).
- 7.3. The customer is aware that any breach of this confidentiality obligation is likely to be highly detrimental to MIND INSIGHTS.

Article 8 – Intellectual property

8.1. All intellectual property rights, including trademarks, patents, royalties and know-how linked to the results, their design and implementation, are and will remain the exclusive and absolute property of MIND INSIGHTS. These clauses do not, in any event, permit the transfer of all or part of these rights to the customer or any user of these results and, in general, to any third parties whatsoever.

8.2. The customer therefore undertakes to use the results only for the agreed purpose, for his personal use, and will refrain from passing them on, circulating them by any means of communication whatsoever or selling them. The customer acquires only a right to non-exclusive use of the results.

8.3. The customer will refrain from submitting any application whatsoever for industrial property rights or from claiming protection for the results passed on by MIND INSIGHTS or for the inventions, know-how or technologies developed by MIND INSIGHTS for the purpose of the contract with him.

8.4. The customer's data managed by MIND INSIGHTS will remain the customer's property.

8.5. The customer will use all or part of the results provided by MIND INSIGHTS without omitting the references to MIND INSIGHTS' copyright regarding these results.

Article 9 – Advertising

9.1. The customer agrees that MIND INSIGHTS may mention his name and/or logo with a view to promoting its services.

Article 10 – Head-hunting

10.1. The Customer undertakes not to hire members of the staff of MIND INSIGHTS nor to take the slightest preliminary step in that direction without the prior, specifically written agreement of MIND INSIGHTS.

Article 11 – Guarantee

11.1. MIND INSIGHTS is bound by an obligation of means. MIND INSIGHTS undertakes to fulfil the obligations incumbent upon it with all the care that is customary in its profession and to operate by the rule book of the time.

11.2. The results are given to the customer without any form of guarantee. In particular, MIND INSIGHTS does not provide any guarantee in regard to their use, accuracy, performance, reliability, completeness or their capacity to be in keeping with any particular use.

11.3. The hazards, risks and dangers linked to the use of the results are borne entirely by the customer, who accepts them in full knowledge of the facts. With the exception of intentional and serious transgression, MIND INSIGHTS cannot be held liable for any financial, commercial or any other kind of damage or loss caused directly or indirectly to the customer or to a third party by the use of the results.

11.4. The liability limits and guarantee exclusions will apply within the maximum legally permissible limits. In the event that, notwithstanding the aforementioned stipulations, MIND INSIGHTS should be deemed definitely liable by law, that liability will, in all cases, be limited to the total amount of the contract.

11.5. The surveys carried out by MIND INSIGHTS are conducted according to the regulations of the European Federation of Market Research Associations (EFRAMO) and of the ICC/ESOMAR. These regulations guarantee, in particular, that participation in any survey is voluntary and confidential and that the results must not allow the participants to be identified personally. In addition, MIND INSIGHTS will comply with the laws and regulations relating to the protection of privacy.

Article 12 – Cancellation of the sale

12.1. MIND INSIGHTS is entitled to cancel the sale, ipso jure, by notifying the customer of its wish to do so by registered letter, in the event of serious failure by the customer to fulfil one of his contractual obligations, in particular if he is in default of payment of an invoice by more than 30 calendar days or if it emerges that he will not fulfil or there is a serious risk of his not fulfilling one of his main obligations, even before that obligation is due.

12.2. If the sale is cancelled pursuant to the above paragraph, the purchaser will be liable to us for damages laid down by contract at 20 % of the selling price.

Article 13 – Jurisdiction

13.1. The parties will endeavour to resolve amicably any dispute that may arise during their contractual relationship. In the event of lasting disagreement, the courts and tribunals of the administrative district of Namur will have sole jurisdiction.

Article 14 – Applicable law

14.1. The contractual relationship with the customer is governed by Belgian law.

