

# Packaging Trends

- Return To Value
- Packaging Touchpoints
- The Rise of Responsibility

KNOWLEDGE DIVISION | PORTUGALFOODS

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## Return to Value



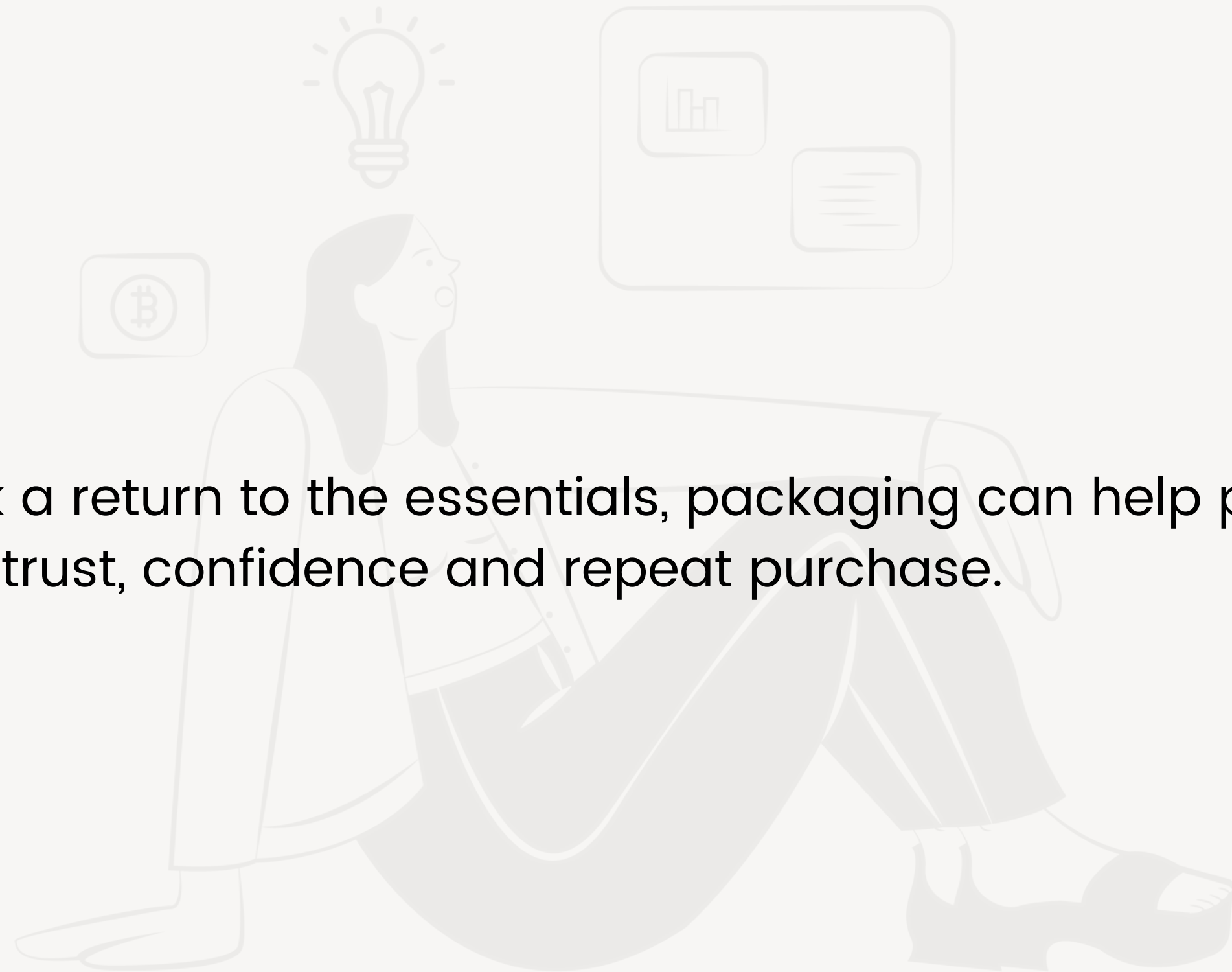
## Packaging Touchpoints



## The Rise of Responsibility

# Return To Value

As consumers seek a return to the essentials, packaging can help put value into a context that builds trust, confidence and repeat purchase.



# Value is the new economy

## STORAGE VALUE

47%

of US adults report that  
resealable packaging has  
prompted them to choose one  
food item over another

The adage "the future isn't what it used to be" is as confusing as it is true.

As consumers globally enter the "next" normal that 2021 and beyond will present, lifestyles, mindsets and purchasing behaviors will shift and morph often and repeatedly.

At the same time as consumers continue to keep an eye on their shopping budgets, they are simultaneously exhausted with sacrifices made during the past year. That paradoxical situation means that, although price is important, value for money is supplanting "low cost" as a driver.

Brands should look to the value-added features consumers seek most in packaging. Structural and material innovations that reduce food waste, offer resealability and enable actionable eco-responsibility resonate with consumers' desire for value beyond simple budget offerings.



# Diverse pack formats convey myriad value drivers across categories

5

Meal kits, variety packs and large packs put value into context for consumers seeking normalcy, and who must stretch purchasing budgets a.



## POUCH APPEAL

Sodebo Pasta Box. This hard-bottom SUP has unique shelf appeal. The product can be microwaved in two minutes without adding water. The pouch also includes a fork, and the budget price point make this kit popular with Brazilian consumers.



## LARGE FORMAT

K Classic Biskopty Podluzne (Lady Fingers) have been repackaged. The economy product is made with free range eggs and retails in a newly designed 500g XXL pack containing 5 x 100g units.

# Packaging is helping to define a new center-of-store value proposition



Natobom's steel can with a value-added resealable lid (Brazil)

In 2019, US consumers expressed a desire to have center-of-store products delivered directly to their homes. Little did they know their wishes would be granted during COVID-19-induced lockdowns, when spending less time in stores, shopping more online and stockpiling ambient shelf-stable products delivered to their homes would become a necessity rather than a luxury.

In Europe, 52% of French respondents think people will buy long-life food and drink more often as a result of the COVID-19 outbreak. A renewed focus on the storage benefits of ambient foods offers a springboard for innovative functional packaging in the category, which can bring the added value of convenience.

**As lockdowns continued, brands began to roll out pack formats that not only offered long shelf life, but which also represented value propositions for both staples and more premium offerings.**



# What's happening next: economy vs ecology



Post-COVID-19, consumers will seek value by going back to basics. Competitively priced goods and services that deliver on their core needs for quality, health and safety over 'nice to haves' like brand name or adventurous (as opposed to practical) innovation, will appeal to value-based consumers.

Economizing, more than sustainability, will drive people to waste less. That said, attitudes that put personal health before the environment should be temporary. Once the pandemic has subsided, we can expect the emphasis on packaging and the environment to return to its pre-COVID level.

# Next: value-based private label could be poised for a longer run this time around



Aldi packaging addresses key value proposition touchpoints (UK)



Brands and packs that lack compelling value propositions will lose out to competitive private label (PL) offerings. This is particularly true in Europe, where PL's share of grocery sales is more than 40% in some markets.

In the US, 31% of consumers said they spent more on PL brands in 2020 vs 2019.

Low cost was once PL's sole calling card, but naming conventions, graphics and on-pack messaging will be key attributes that support a value-based price position.



# Consumers are value-driven... but also still have aspirational purchasing goals

BRAZIL

41%

of consumers plan meals ahead to make the best use of ingredients and avoid waste

US

36%

of consumers will continue to shop for the lowest price food/drink in the post-COVID era

CHINA

51%

of Chinese consumers expect to regularly buy premium foods/drinks a year from now

# Future forecast: pack format and function will find favor



The post-COVID desire for the best price, convenience and quality will extend well beyond the end of the pandemic. For brands and package manufacturers, this means understanding the fine line between economy and value, and ensuring pack formats and on-pack communication spell out the difference.

Multi-packs, larger sizes, club store-style formats, kits, sample/trial packs and variety packs will convey the fact that consumers can have options and opportunities, and are not just focusing on just getting by.



# Value worth trading up for



Dove's 2021 retail introduction of an elegant steel, refillable deodorant container (US)

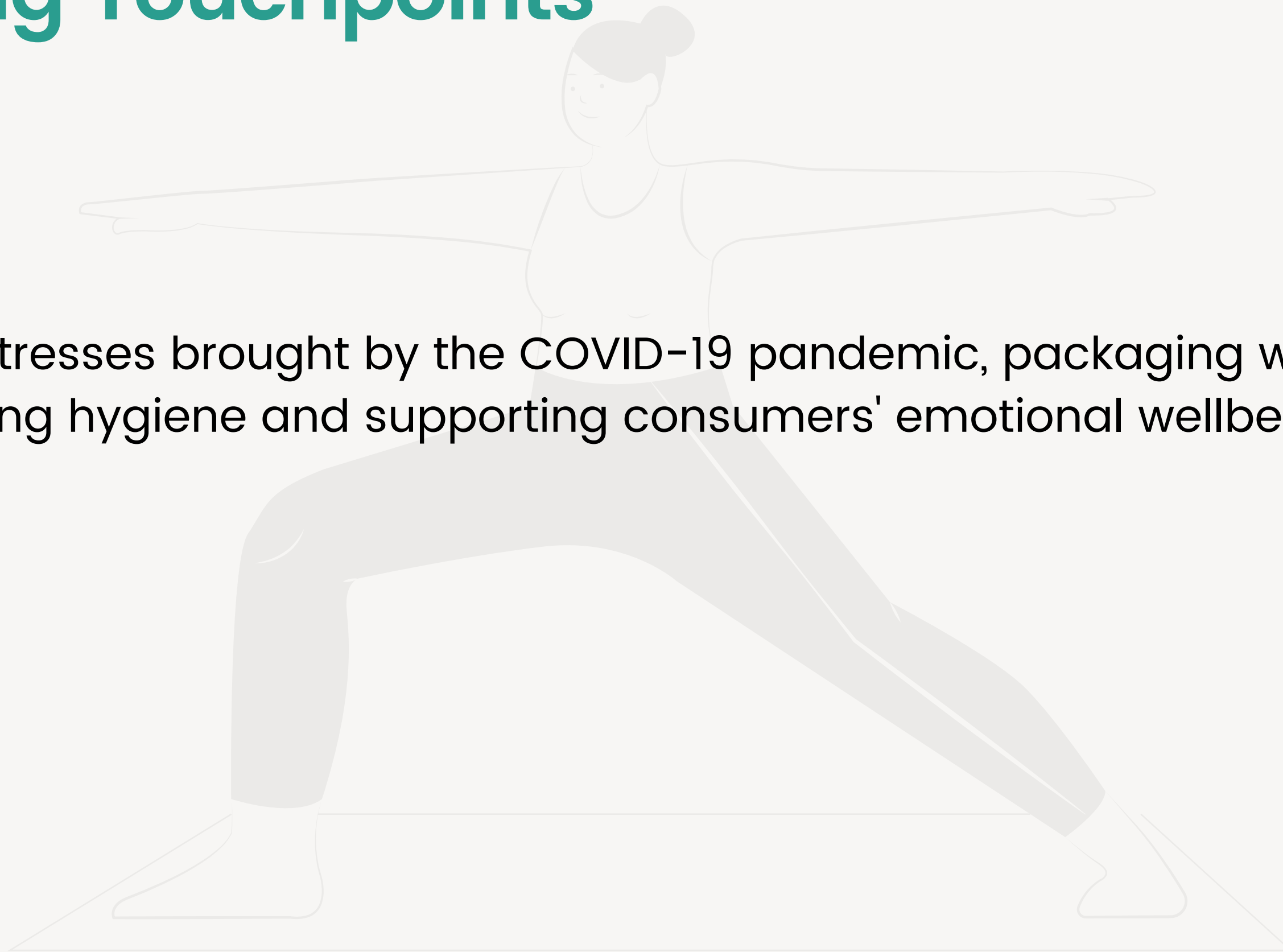
Post-COVID-19, consumers will seek value by going back to basics, but that doesn't mean they don't know a good deal when they see it. Going forward, value will be defined by more than just low price.

While Dove's new stainless steel refillable deodorant carries a premium price tag (US\$14.99), for example, consumers will see the value in the upsell by being able to buy economical and environmentally responsible refills.

Yes, economy purchases will prevail, but the occasional reward or indulgence purchase can be seen as permissible if consumers also see the greater value picture.

# Packaging Touchpoints

To combat the stresses brought by the COVID-19 pandemic, packaging will become a route to reassuring hygiene and supporting consumers' emotional wellbeing.





# Packaging will play a key role in creating physical and emotional wellbeing

## A GUARANTEE OF PROTECTION

69%

of US consumers prefer to buy products with packaging that will protect the contents from contamination

Packaging affords **a sense of physical safety** for packaged food, drinks, beauty and personal care (BPC) products and household (HH) products.

The ability to easily disinfect or quickly (and properly) dispose of plastic wraps, containers or bottles affords **a sense of emotional safety**. This means packaging, and specifically plastics, continue to play a leading role relative to the current and future new normal in packaging, transport, distribution, display, delivery, dispensing, storage and preservation of food, drink, BPC and HH products.

For the majority of adults, worrying about the future is their main source of stress, emphasising the impact of the COVID-19 pandemic on emotional strain.

# What's happening now: consider packaging's role in keeping consumers safe



Coca-Cola's paperboard 'topper'

The need for visible product protection is being answered by additional wraps, covers and overcaps that provide additional physical barriers separating the product from potential contamination events.

**In Spain, 71% of adults reported in June 2020 that they were trying to disinfect their purchases when they got them home.**

Coca-Cola is rolling out a new 'topper' for can multipacks across Europe. The solution is an environmentally responsible alternative to plastic ring carriers, which also provides a complete barrier to the can top, ensuring a physical hygiene barrier throughout the entire supply chain.

Beyond physical health, packaging can also help to alleviate anxiety and promote calm. Packaging that enhances the rituals of preparation for consumption or offers mental and emotional wellbeing solutions can help people celebrate the good and cope with the bad moments of life.

# What's happening now: consider packaging's role in keeping consumers safe



Responding to consumer concerns, material providers and packaging converters are working together to create the next generation of COVID-19-safe packaging.

**In Brazil, 74% of adults report being concerned about who may have touched a product's packaging before they picked it up.**

Surface protection suppliers Touchguard have partnered with packaging company DS Smith to develop a new range of bacteria- and virus-safeguarded sustainable cardboard packaging across its operations in Europe and North America.



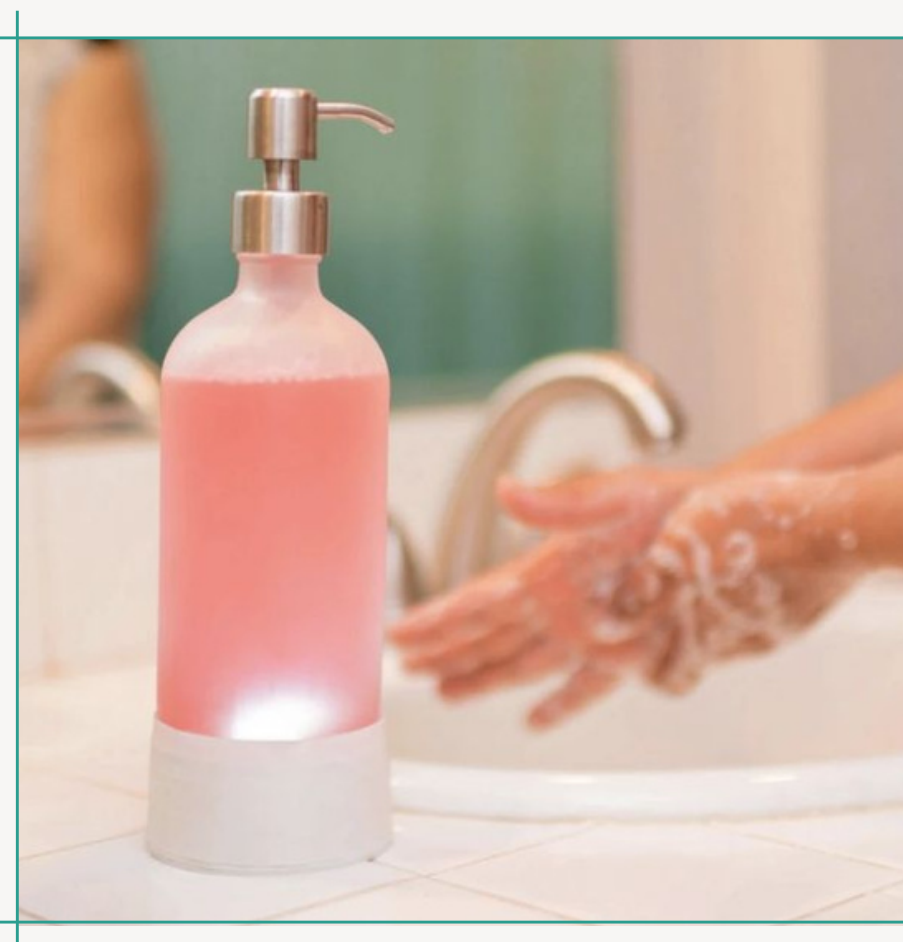
# Now: use packaging structure and materials to link with emerging consumer behaviours

Consumers are looking for packaging that enables and rewards responsible behaviour, whilst pack design can provide distraction and emotional relief from COVID-19 anxiety.



## TOUCH & STRUCTURE

Cosmogen offers an extended line of 'safe contact' applicators for skincare and makeup, allowing users to apply formulas without contact with the hands or fingers.



## RESPONSIBLE BEHAVIOUR

Lumo Soap dispenser lights up for 20 seconds when used, encouraging the user to wash for the CDC-recommended time for preventing the spread of COVID-19 and other viruses.



## MENTAL SUPPORT

For its Christmas campaign, coffee brand Juhla Mokka has dressed its product in a festive knitted packaging that includes a knitting pattern for woollen socks.

# What's next: recognise the power of packaging in raising awareness



The need to circulate life-saving information about the pandemic is creating a role for packaging as a vehicle or messenger. This includes efforts to help consumers adopt more responsible behaviours as well as providing 'feel good' touch points around themes such as heroes, gratitude and escapism.

In China, 70% of adults\* say that it is important for them to feel part of a community.

In Argentina, where it is common to pass cans or glass bottles between a group of friends, Brahma has found a packaging solution that encourages more responsible behaviour whilst supporting social engagement. The beer brand now includes stickers of six different colourful characters in its six-packs to help consumers differentiate beer cans and avoid drinking from the same can as another person, which may be dangerous during the pandemic.



\* taken from Mintel's 35 country consumer research, July 2020

Base: 1,000 internet users aged 18+

Source: KuRunData/Mintel/Pulso Cervezero



# Next: packaging graphics and design will increasingly engage with the social realities of the COVID-19 pandemic

Packaging can be a valuable source of information for remote consumers or those without ready access to the internet or other media.



## RAISE AWARENESS

In South Africa, Sasko White Bread updated their packaging design to include messages around COVID-19 to help reach those without access to the internet and to encourage responsible behaviour.

# Future forecast: what it be like in 2030/how to prepare for it

## ANTI-MICROBIAL PACKAGING WILL DELIVER SAFE PACKS

London-based household care brand Tincture retails in plastic bottles provided by Berry M&H that harness innovative anti-microbial polymer technology.

As new anti-microbial packaging materials become available, more brands will look to active packaging to deliver increased hygiene throughout the supply chain.

## CONNECTED PACKAGING WILL PROVIDE PEACE OF MIND

Counterfeit or sub-standard versions of products such as face masks, hand sanitisers and anti-viral surface cleaners are damaging consumer trust. Brands will be expected to provide anti-counterfeit verification on pack supported by technologies such as blockchain.

Isolation and stress caused by the pandemic means people will look to brands to facilitate the social connectedness that can provide community support and increase mental wellbeing, with smart packaging offering a direct connection to the consumer.

# The Rise of Responsibility

Two decades of overuse of the term 'sustainability' has given rise to the idea of and context behind environmental responsibility.





# Responsibility is the next sustainability



The Mintel Packaging Team has coined the terms and recommended that 'responsible', 'responsibility' and 'responsible packaging' supplant 'sustainable', 'sustainability' and 'sustainable packaging', believing that the latter have been overused, misused and exploited to the point that consumers are numb to them and their context.

The terms, and more importantly, the meanings and actionability behind 'responsible', 'responsibility', and 'responsible packaging' are more intimate, and reflect a more easily understood context for consumers. Responsibility is intuitively understood and carries the burden of a personal connection. It incites actionability toward the greater issues, challenges and solutions associated with our planet, its people, consumer products, and of course, packaging.

# The paradox of overuse and waning relevance

Globally, on-pack claims that tout association to ethical or environmentally friendly packaging have become prevalent to the point of being irrelevant, or at least overlooked.

## FOOD/DRINK

69%

of food/drink introductions globally in 2020 included an on-pack claim about environmentally friendly packaging

## BEAUTY/PERSONAL CARE/HEALTH & HYGIENE

43%

of BPC/Health/Hygiene introductions globally in 2020 included an on-pack claim about environmentally friendly packaging

## HOUSEHOLD

49%

of household product introductions globally in 2020 included an on-pack claim about environmentally friendly packaging



# What's happening now: rising to the occasion



Lush is using carbon-positive cork to reduce its use of plastic.  
Supplier: Cork connections, Portugal



Kellogg Europe has unveiled plans to remove excess air from its cereal packs – a move that it expects will help to remove 700 tonnes of carbon from its operations per year.

Brands, NGOs and package manufacturers around the world are collaboratively responding to the call for holistic responsibility and responsible packaging. At the same time, they are focusing on the values of ethics, equality and localism within the greater context and new definition of sustainability.

Attention by brands and package manufacturers to such efforts is paramount, as 77% of US adults are prepared to boycott companies who behave unethically.

# Now: recycle-ready vs actually recyclable



The barrier tray used to pack this meat is made from sustainable materials and is not only fully recyclable, but also contains recycled Plastic equivalent to a 600ml water bottle, the first meat in NZ packed this way.

'So please be a tidy Kiwi, once you remove the meat leave the top film attached to the tray, wash and put out with your kerb side recycling'

This New Zealand beef pack carries a suitable responsibility claim



Bear Naked's recyclable pouch is ready for future curbside collection

Communication focused on the use of recycled content for rigid and flexible packaging of any material type will continue to resonate well with consumers.

In the UK and US, 57% of adults believe brands should be using more recycled content in packaging.

The use of high-value PCR in such non-recyclable formats as pouches leaves the door open for debate as to their best use in future, and what on-pack messages regarding recyclability are appropriate.



# What's next: taking responsibility to a higher level



As responsibility rises, so too does the need for greater transparency of environmental reporting. To that end, carbon footprinting is creeping into the lexicon of retailers, brands, manufacturers and even consumers.

Frustrations among consumers over the lack of real transparency on important environmental measurements related to sourcing, production, distribution and even packaging have ushered in carbon footprint reporting.

Between Jan 2016 and Dec 2020, there has been a 120% increase in carbon-neutral claims on packaging across all end-use categories globally. That may not seem like a notable increase, except for the fact that such claims as carbon-neutral, positive, negative, balanced, responsible, free, offset and sequestered are being used without the benefit of telling consumers which is good, better or best.

# Carbon creeping into consumer lexicon and driving purchasing mindset

37%

of Canadian internet users  
age 18+ say carbon footprint  
is an environmental issue of  
concern when purchasing  
food and drinks

25%

of US Millennials say  
beverage companies should  
purchase carbon credits to  
offset their plastics use



# Putting their best foot[print] forward

Forward-leaning brands are currently exploiting carbon reporting by dedicating front panel space to the claim, and then further helping consumers understand what it means.



## SPREADING THE WORD

Flora. Amsterdam-based Upfield will introduce on-pack carbon labelling to 100 million packs of its dairy and plant-based margarines and spreads by the YE2021. Upfield has also begun using the term "responsible" in lieu of "sustainable."



## COUNT OATLY IN

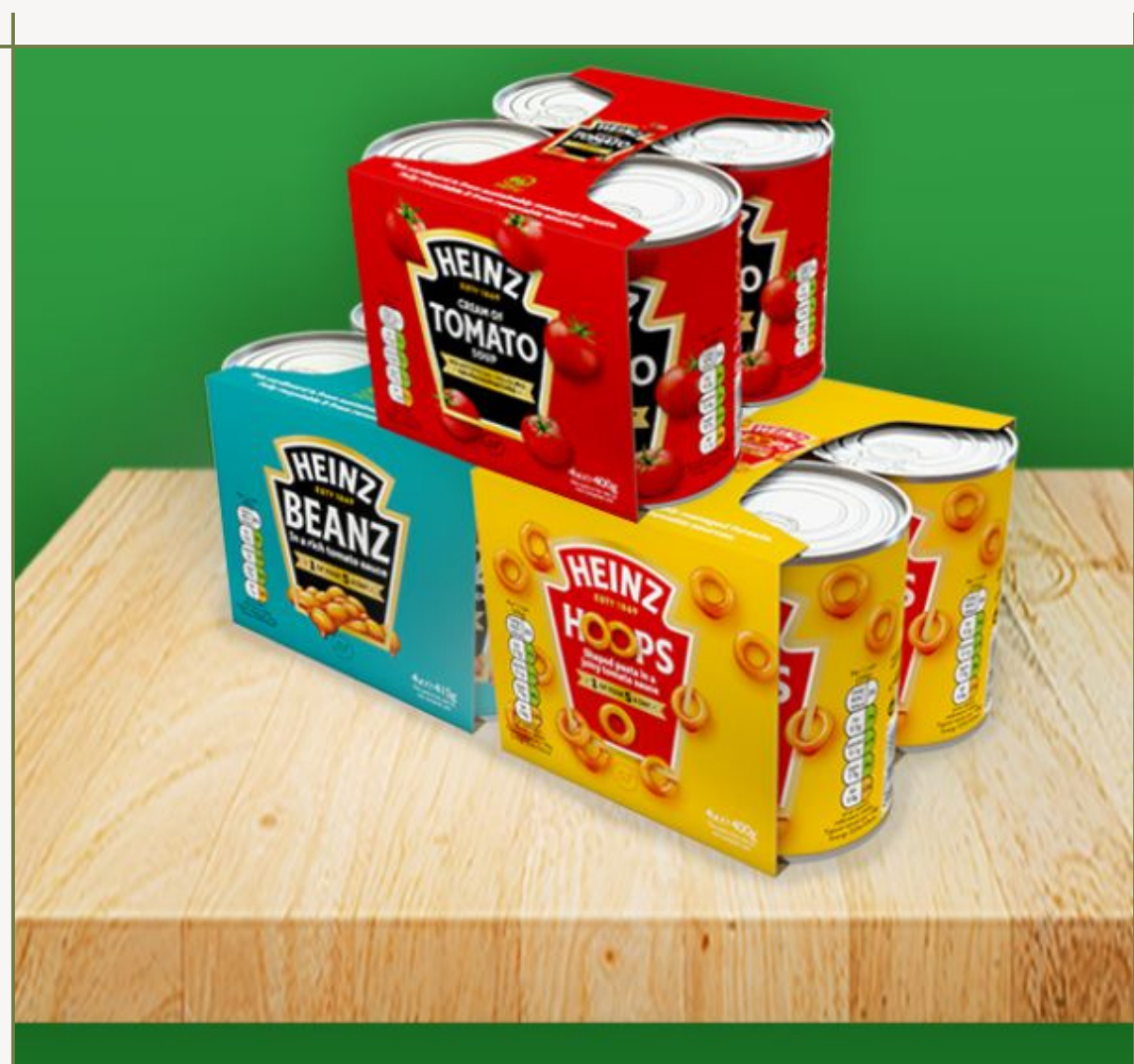
Oatly Ikafe. Sweden-based Oatly shows its carbon footprint on the front panel, and then dedicates an entire side panel to putting this into perspective for consumers.



## TRASHING THE COMPETITION

Økologisk Lårmix. Not only is this pack made using recycled content, but front-of-pack labeling shares the CO2 reductions that result from its use, as well as issuing a challenge to consumers to reduce their carbon footprint.

# Carbon claims top billing for Heinz paperboard sleeve innovation



Heinz carbon-neutral paperboard sleeve

In late January 2021, Heinz introduced a PEFC-certified paperboard multi-pack sleeve it claims is manufacturing and transportation carbon-neutral.

The sleeve, which replaces current plastic shrink wrap, is recyclable and reportedly comes from renewable and sustainably managed forests. Heinz also claims the wrap design uses 50% less material than a fully enclosed wraparound box and 10% less than a traditional paperboard sleeve design, giving it a 20% lower carbon footprint compared to an equivalent shrink-wrap.

The paperboard sleeve is sourced from sustainably managed forests and is 100% recyclable. It will be available across the Heinz Soups range as part of the 'winter bundle' on Heinz to Home, and will be launching across all Heinz's canned products and major retailers in the UK in Autumn 2021.



## Next: let's shake on 'carbon hand-printing'



Just when you thought you had a handle on the shift from sustainability to responsibility and the introduction of carbon footprint reporting, carbon hand-printing is emerging.

Unlike a carbon footprint, which is the total amount of greenhouse gases (including carbon dioxide and methane) that are generated by such actions as farming, manufacturing, transportation or disposal, a carbon handprint is more personal.

In the same way responsibility is an intuitive concept for consumers, carbon hand-printing are the "hyper-actionable" events an individual consumer can take to offset the footprint of the goods and services they buy or use.



# Future forecast: packaging will be just one piece of a much more responsible world



Population stress and a new climate reality will drive societies, science, politics, economics and even packaging to innovate around the ethical and responsible use and care of resources.

Consumer consciousness about the environment will evolve beyond plastics, recycling, carbon reporting and any existing ideas about sustainability that have been fostered during the past two decades.

The business, innovations and marketing of product packaging (including one material or format being pitted against another) will become just one piece in the greater packaging and product responsibility puzzle.

The solution to this puzzle will consider land/soil use for the extraction and production of base raw materials. It will include water use for manufacturing and package production. The puzzle pieces, along with others, are poised to become the next 'claim-worthy' on-pack differentiator.

# Consumers are seeing the link between climate change purchase decisions

## IN BRAZIL

77%

of consumers agree or strongly agree that climate change will have an effect on the foods/drinks they buy

## IN GERMANY

51%

of consumers agree or strongly agree that it is hard to know which factors have the most impact on the environment

## IN THE US

68%

of consumers agree or strongly agree that food/drink companies/brands can be leaders in protecting the environment

# Get to know your water footprint colors

## WHAT IS A WATER FOOTPRINT?

The water footprint is a geographically explicit indicator of the total volume of direct and indirect freshwater used by a consumer, a community, a business, a producer or a product.

### GREY WATER FOOTPRINT



An indicator of freshwater pollution that can be associated with the production of a product over its full supply chain. It is the volume of water required to dilute pollutants to an extent that the quality remains above agreed standards.

### BLUE WATER FOOTPRINT



The volume of surface and groundwater consumed as a result of the production of a good or service. It is the amount of water abstracted from groundwater or surface water that does not return to the catchment from which it was withdrawn.

### GREEN WATER FOOTPRINT



The volume of rainwater consumed during production. This is particularly relevant for agricultural and forestry products, where it refers to the total rainwater evapotranspiration, plus the water incorporated into the harvested crop or wood.



# Future forecast: packaging making it rain responsibly right now

Using packaging that is water-responsible and which helps educate consumers about the impact of water use on production is a win-win.



## COMPARING APPLES TO APPLES

Oatsome Better Body Foods. Side-panel messaging touts the reduced water use for the production of oats vs almonds. Introduced in the US,



## GLASS HALF-FULL

Born Simple. Back-panel graphics on this flexible pouch, introduced in the US, tout that the pack format cuts package production water use by 80% vs a comparably sized glass container.



## WATER WORLD

Sugared Tiger Nuts. From Austria, this gable-top carton is made from grass, which is said to save resources as it requires less water than other paperboard alternatives and can be sourced regionally.

# 2021 GLOBAL PACKAGING TRENDS

The opportunities to take now and into the future

## Return To Value



Quality, safety and price are givens. Shift your product and package selling propositions from economy to value-added.

Focus on how to reintroduce environmentally responsible attributes of packaging, which were temporarily parked in lieu of safety and hygiene.

Don't forget that consumers have been getting by on the essentials for months, and will be seeking a reward or indulgence, albeit one that is still good value for money.

# 2021 GLOBAL PACKAGING TRENDS

The opportunities to take now and into the future

## Packaging Touchpoints



Guarantee protection. Consumers are seeking overt cues related to the physical, emotional and mental wellbeing attributes packaging can afford them.

Use packaging as the messenger. On-pack graphics, text and other signals will help consumers react and behave more responsibly, as well as providing a simple "feelgood" emotion, which will help build brand equity.

Make the connection. Consumer will seek out touchless and digitally engaged opportunities that will facilitate social connectedness. Packaging, again, can be the vehicle that delivers on those needs.

# 2021 GLOBAL PACKAGING TRENDS

The opportunities to take now and into the future

## Rise of Responsibility



Recognize the call for holistic responsibility and responsible packaging. At the same time, focus on the values of ethics, quality and localism within the greater context and definition of sustainability.

Become more aware of consumers' frustrations around the lack of transparency and understanding. Work to help make your efforts actionable for consumers.

Move responsible packaging initiatives beyond material sourcing, manufacturing, distribution and disposal. Think about water, soil, energy and other inputs.



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# PORTUGAL FOODS

Atlantic meets Mediterranean