

Harnessing the evolutionary power of smart packaging in Africa

For the last few years, packaging industry professionals have been curious about the future of smart packaging. Whilst barcodes and quick-response (QR) codes were once considered the "next big thing" in packaging, the acceleration of technology is transforming smart packaging that needs to fit in with the modern-day consumer purchasing habits.



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Smart packaging provides consumers with extra information, but also communicates with retailers and manufacturers, regulates temperature and oxygen/CO₂ supply, protects against theft, and makes it possible to track a product's journey during transit. However, this is only the beginning – 'The Internet of Things' (IOT) and Industry 4.0, otherwise known as the '4th Industrial Revolution', sees this digital transformation having so much more to offer the packaging sector.

This technology disruptor is changing and will continue to change the landscape of primary and secondary pack design and development, through substantial redistribution of marketing strategies toward the digital frontier, including budget allocations in the advertising and communication landscape to talk to the digital nomadic consumer of the future. This is particularly relevant in big brand premiumisation.

Shelves becoming high science environments

Gone are the days where packaging design is purely functional, used only to protect the contents of consumer package goods during shipment and storage. Brands are learning how powerful an effect packaging design can have on brand perception and sales.

In the West, most purchase decisions are still being made in front of the shelf, but traditional methods for measuring that moment of truth are no longer efficient. However, with advanced computer vision and machine learning technology, more and more companies are harnessing the power of shelf data and in turn transforming the health of every shelf.

The first mobile and digital stores are being [trialled in Shanghai](#), offering an unmanned self-service store and payment unit all through mobile commerce (m-commerce). Consumers on the African continent will become more m-commerce capable through smart devices, and, led by the lack of infrastructure, the drive to be connected will increase to satisfy basic needs, such as the inability to travel to retailers, whether through basic support applications or highly complex advertising and return on investment models.



Packaging needs bold, agile, visionary thinking

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The African continent is showing signs of accelerated progression, seeing the continent compelled into a digital packaging revolution, the demand being driven by increased markets for consumer products, burgeoning individual incomes, the move-to-mobile, an expanding population of younger consumers and growing domestic economies, particularly those in East and West Africa.

The key lies in transforming every Stock Keeping Unit (SKU) into actionable data that leads to consumer insight. Shelves are becoming a high science environment with AR technology enabling accurate stock taking, the logical step is to enable the packaging to drive information and added benefits.

Rethinking the innovation mindset

Gail Macleod from Stratcom Branding, a brand and packaging design and innovation company, says, 'Driving this technology in packaging is a core area of expertise for us, enabled through our global associates. The sheer volume of SKU's or individual units sold per day through high volume brands, means that the potential one on one reach to consumers with tailored content and language of one brand image or label, will drastically change the landscape of advertising and packaging for the future. The smart packaging will be a logical step in the eventual digitisation of the retail market.'

When asked what the roadblocks are, Macleod says, "Local brand owners seem to sit back and wait to see what the competitors do, and in the process, the first go-getter gets over 80% market advantage on innovation". South African customers would benefit from a true innovation mindset, range extensions, well I wonder if that is enough?

The opportunity is to use the packaging platform as the most financially viable initiative, and the value coming from not only the technology, but also the substantial opportunity of data capture by user, can then be used as the platform to launch other initiatives to the same end users. There is no doubt that this is exciting, however, as any new venture will require an appetite for risk as well as funds to build the model.

While brands do not have to jump at every new smart technology that comes out of the pipeline, they are wise to keep up with the latest technology, so they can incorporate the smart packaging design elements that make the most sense for their brand image and product lines.

A truly innovative and smart means of digital branding can seamlessly integrate with online media to strengthen relationships and consumer loyalty and also create a multi-dimensional marketing strategy.

We need to be able to strike a balance between cost-effectiveness and functionality; smart packaging is revolutionising the packaging industry and ensuring that packaging maintains its role at the heart of the customer experience.

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