

# Packaging trends unpacked at GLBA Shanghai conference

It takes intervals of mere seconds for a package to delight the consumer and shopper. The first two seconds is when a consumer notices the pack and the second is when the decision is made to purchase. This is according to Nigel Li, Mondelez International senior R&D manager China, Asia Pacific and Middle East Africa Biscuit Packaging.



He was speaking at the Global Local Branding Alliance (GLBA) Brand and Packaging Trends Forum held in Shanghai in September 2018. Being the 10th conference held around the globe, the forum looked to address the way forward for the growing branded packaging industry. As more and more consumers embrace online shopping, packaging will play a pivotal role in brands' and consumers' e-commerce experiences.

The over-arching theme was a focus on how to reach a consumer who is now viewing your product online. With e-commerce sales forecast to reach \$4 trillion globally by 2020, representing nearly 15% of total global retail sales according to eMarketer, brands are left to consider when, not if, they will enter the online retail and e-commerce packaging fray.

According to Xiadong Du, president of the GLBA Shanghai Flamesun office, much of the popularity of online shopping stems from convenience, and the Chinese are setting the example with over half of Chinese consumers aged 20 to 49 who shop online saying it is fast (53%) and saves time (51%). South Africa is not as far behind as we had imagined. Now is the time for brands to consider how packaging can alleviate, if not eliminate, consumer frustration with over-packaged and even under-branded goods sold online and delivered via e-commerce.



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Packaging that safely delivers products through the e-commerce supply chain is only part of the equation, with opportunities for material optimisation and improved sustainability. While online shopping's key advantage is convenience, consumers expect more from their favoured brands.

When designing packaging to be viewed online and transit packaging to be opened upon delivery in the home, the experience of e-commerce packaging must reflect consumer expectations from shopping with that brand in-store.

A snapshot of the other topics discussed in Shanghai:

## Innovation

With a focus on the Asian market trends, GLBA's Du opened the conference, introducing industry specialists from around the world. Notably, Rachel Lee from Kantar World Panel made a synopsis on innovation in the new retail era and the fact that there has been a fundamental shift in consumer demand in the past 5 years, drawing attention to viable ways that innovation can affect this shift.

Winnie Hung from Indigo shed some light on packaging innovation that sells and connects. She stated that confidence keeps rising among the country's consumers, despite economic headwinds, but just what they are buying (and where and how) is evolving rapidly.

## Sustainability

Thomas Renier, who is from GLBA Germany, chairman of German Packaging Association and the CEO of B+P Creality spoke on sustainability. Renier focused on real-time trends and the fact that everyone is keeping an eye on what companies are doing to reduce their carbon footprint. Packaging that provides for the sustainability of our planet will be favoured by consumers. Recycling will become critical in all forms of packaging and printers are continually seeking ways to incorporate recyclable materials.

Consumers care more than they ever did before and Renier presented shocking statistics from the Ellen MacArthur Foundation that estimates that by 2050 there will be more plastic in the sea than fish. With lobby groups pointing the finger at packaging, brands are right in the firing line. Concerns over safe packaging disposal will increasingly colour consumers' perceptions of different packaging types and impact shopper purchase decisions. Only by communicating that a brand is working towards a solution will this growing barrier to purchase be overcome.

Collecting waste plastic from the sea to recycle into new packaging can raise consumer awareness but won't solve the problem. In order to keep plastic out of the sea, a renewed effort towards the circular economy is needed to keep valuable packaging material in use.



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With younger consumers avoiding some areas of the store altogether, packaging needs to work harder in order to meet their specific needs and desires and to communicate this fact at the point of purchase. Packaging features such as

transparent materials can create a feeling of openness and trust, as well as aligning with millennials' interest in fresher, healthier foods.

Contemporary design, recyclability, or unique shapes can also draw in younger consumers. Shelf-stable foods are more likely than chilled or fresh to be associated with attributes such as time-saving, helpful, and good value. Packaging can strengthen these assets to make shopping at the store centre as appealing as the burgeoning perimeter to younger consumers.

## **Black technology**

Gail Macleod, founder member of the GLBA and CEO of Stratcom Branding, led presented her insights on black technology. iCitizens, millennials, digital natives... call them what you will, but if your business model is still trying to catch up with what millennials want in packaging, you are going to get left behind. It has less to do with age and more to do with their increased buying power, tech saviness, global connectedness, environmental concern and an insatiable craving for instant gratification and the experiential.

"Digital natives are estimated to be as much as 70 to 80% less loyal to brands than previous generations, which makes targeting them less about on-shelf presence and more about regional, digital and social presence", said Macleod.

"The idea is that the distinction between content and advertising is increasingly blurred and that, as a result, packaging design has become an exceedingly powerful approach to put your product out there – it's often the element that receives the greatest exposure from influencers," she adds.

In June 2016, Chinese president Xi Jinping outlined his vision for China to become the leading player in science and technology globally. Speaking at the National Congress of the China Association for Science and Technology, he said the country must be on course to being a leading innovator worldwide by 2030.

According to a post on the Chinese Academy of Science website, Xi said: "Great scientific and technological capacity is a must for China to be strong and for people's lives to improve," adding that the country and even humankind "won't do without innovation, nor will it do if the innovation is carried out slowly".

Minimalist packaging design is all the rage. Participating in the creation of a product that's just for them is a digital nomad's 'ON-button'. They enjoy participation and being able to play active role in designing the products they choose to consume. Innovative brands are empowering these buyers with the tools to add custom messages, their own image, or other creative elements to enhance the products they purchase.

Additionally, these personalised products are typically created through an e-commerce platform, crafting packaging that meets digital nomads where they shop – online.

## **Personalisation is key and a strategic differentiator**

The challenge is of course volume vs value for the bigger brands, as they are changing their approach continuously, while still trying to hold on to their profits.

The world of limited editions is going to drastically change the landscape of packaging. From the ideation, concept and creation stage, through to moving from traditional print processes to digital print, in the drive to be more responsive in record time, more relevant to smaller groups of purchasers, and be able to engage through AR and multi-channel to each user – brands will have to cater to the ever-changing needs of these nomads.

Today's consumers are spoilt with choices and have more power over where and when they want to exercise these choices. Retail brands that do not invest in creating individual experiences risk being pushed down the consideration set or even out of it. Consumers are now expecting personalised experiences even when they are shopping at value or at

discount-pricing retailers.

Successful branding strategies need to be able to provide such experiences at every consumer touch point. The retail industry has embraced big data analytics capabilities to create such experiences, but the link between data analytics and branding continues to be weak. There are significant opportunities to revamp loyalty card programmes also, which have immense potential to strengthen brand equity.



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5 Sep 2018



## Engaging with the global market increases China's innovation

Going global is going to increase the innovation capacity of Chinese companies. David Aikman, chief representative of the World Economic Forum's China operation, said their previous research shows when companies are exploring overseas markets, it makes them much more innovative and competitive in the domestic market. This is because the very challenge of going out to tap the needs of overseas customers in new markets and new regulations force the companies to adjust their services and solutions.

“The more China goes out there and the more Chinese companies engage with the global market, the more they will increase their innovation capacity,” he explained.

Aikman said the current generation of tech entrepreneurs in China have the global DNA from the beginning. “So many of the first generation of innovators like Lenovo or Huawei were very much domestic and then went global. When you look at companies like DJI in drones, BGI in genomics these companies have been wired globally from the beginning.”

Communication is still a big problem with Chinese tech companies. Aikman said he hopes to see more Chinese companies engage in conversations with its global peers and shaping important conversations on emerging tech industries such as blockchain, AI, and automotive.

The conference also covered the kind of products that are needed in current China, and the developing trends in food 2019. Creative packaging design was presented by Anna Lukanina, a GLBA member and highly awarded Penta Judge from Russia. Delegates were treated to a review of food innovation and packaging trends in the US market by David Ceradini, the US GLBA member.

In a fiercely competitive retail world, every element of product packaging counts. Marketers need to understand all influences that attract consumers to invest in their brands. Trends in packaging reflect the demands of consumers that tend to become primary factors in the success of winning brands.

## SA to learn from China

South Africa has only to incorporate learning from our global partners and especially China. These trends are moving our way and the sooner we pay attention and move with the trends, the quicker we will adjust to the changes. “Global packaging disruptors exist in South Africa and are on the trajectory for change. We need to learn what we can from our global partners and be ready for the revolution that is on its way”, said Macleod.

Behind every trend is a comprehensive consumer market and competitive research that supports the emergence and future impact of the trends, as well as examples that highlight the best that brands are delivering to consumers around the world.

She said that design thought has not changed significantly over the years in that it still aims to offer consumers or end

users of products the ideal gratification from their purchase. What has evolved is the technical ability of designers that is pushing the boundaries of design intertwined with the digital explosion.

*Source: Stratcom Branding*

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