

## Industry Outlook | Packaging Predictions for 2013

December 03, 2012, Mike Ferrari

When talking about mega trends reshaping the future, invariably you will find technology and social media are at the root of change we experience. Two major trends that are influencing shopper behavior are:

- Connectivity to the Internet and one another “on the go”
- Content creation by everyone including individual expression

The proliferation of smartphones and tablets now puts the power of the Internet in your pocket, in the palm of your hand, or in your purse. These lightweight portable devices are allowing the freedom of mobility. Smart phones and tablets are connecting 2.3 billion people (32% of the people on earth) to the World Wide Web and 6 billion people have voice connection to one another.

### WHAT DOES THIS MEAN FOR THE PACKAGING INDUSTRY?

Internet connectivity and social media are changing shopper behavior and consumer habits. But not every brand will see this trend as an opportunity to leverage packaging to grow.

The year 2013 is predicted to be a sluggish economic year worldwide. Some regions, such as Europe, are likely to be worse off due to the uncertainty of the eurozone. Brands will continue to struggle, combating rising commodity costs and weak demand due to uncertainty and job loss. There are two approaches brands can follow in such a business climate:

- Cost savings—the traditional approach to apply automation & resource reduction to combat rising costs and shrinking margins.
- Generate revenue growth—innovate to create brand appeal to boost revenue.

Those that do dare to take some risk to enhance their brand are likely to be well rewarded. While cost savings is a worthy goal, it can't be the only course of action a company should take. You can't cost-save a brand to glory because doing so means to remain in a commodity status.

### HARVESTING DIGITAL PACKAGE PRINTING AS A COMPETITIVE EDGE

Analog print supply chains are limiting brands. The complexity of managing SKU proliferation, equity colors, production art, and inventories causes brands to compromise. The full impact of programs desired by marketers can never be realized due to the limitations. Purchasing departments have treated the analog package print industry as a commodity—it is just putting “ink on substrate.”

Those looking for innovative ways to reach consumers and create interest are turning to digital printing. The ability to “click and print” in stunning high definition resolution is creating shelf appeal and a premium feel. This discovery has begun a journey for several brands that now appear on shelf and Internet sites in multiple regions.

### SPEED IS THE NEW CURRENCY

Speed to market is key if brands are to capitalize on the new shopper behaviors desiring relevancy. Brands using relevancy through packaging have demonstrated the ability to generate engagement and interaction. The recent Jubilee celebration and Olympics in the UK brought numerous package examples designed and executed bearing the graphics and pride of Great Britain. The Union Jack and retro graphics have been retained on packages beyond the events.

Personalized packages are on the rise and can be found across various categories and in different parts of the world. All of this is possible with digital package printing.

Digital printing is more than a print press; it can be assembled as a digital workflow. The speed in changeover time allows for fast turnaround of printed package materials. This allows brands to order on Monday what they will pack on Wednesday. Such short repurchase cycles allow true “just in time” production. Most importantly it reduces the barrier to piloting new product/package launches with the ability to order small quantities without penalty.

### **MY PREDICTION FOR 2013**

Based on the conversations, active projects, and technology investments taking place, I draw the following outlook for the new year:

- In 2013 there will be an acceleration in customized and personalized packaging campaigns.
- Entrepreneurs that exist in large and small brands alike will pursue more of a one-to-one marketing through packaging.
- Supply chains will find answers in digital printing to reduce inventory and carry costs. The ability to produce what brands need, only when needed, will be seen as great value to companies.
- Creative transformation of package printing as a marketing vehicle to engage and create interaction through QR codes and augmented reality will be on the rise.

Companies are realizing that packaging is always on, communicating with consumers 24/7, and does not require the Internet or electrical power. It is one of the simplest means of reaching consumers and creating delight worldwide!

### **ABOUT THE AUTHOR**

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