

# Consumer Trend and Digital Packaging

## Declining Run Lengths,

Short-run printing in packaging is increasing is attributable to a number of factors. The first is the proliferation of SKUs (stock keeping units). Instead of one long run of packaging for a single SKU, there are now different variations of a basic package design created for each related SKU. The best example is perhaps toothpaste. If you visit the toothpaste aisle of a grocery store that where once there would have been a single SKU for a brand of toothpaste—and now a dozen or more smaller SKUs: Extra Whitening, Tartar Control, Sensitive Teeth, Sensitive Teeth with Extra Whitening, Sensitive Teeth with Extra Whitening and Tartar Control, Extra Powerful Sensitive Teeth Whitening with Extra Zesty Tartar Control Mint Flakes and Spam... and on and on. Each of those SKUs thus needs its own smaller packaging run.

Other factors affecting run length include experimentation with package designs—to determine which package will have the most effective, Product for campaign or test market.

Then there is...

## Customization & Personalization,

UK potatoes brand crisps, Walkers - launched a campaign whereby 2,000 entrants could get their names or a unique message printed on bags of crisps. (Twelve of these entrants actually used the personalized bags to propose marriage.12 Make of that what you will.) It's a fair assumption that images of any or all of these personalized items ended up Facebook, Instagram, or Pinterest. Such has become the power of social media.

The point is that these types of personalization efforts help build brand loyalty and in some ways gives consumers something of a stake in the brand. And these types of one-to-one packages can only be produced digitally.

## Ecommerce and the Role of Packaging

It should come as no surprise to anyone that ecommerce has been on the rise. U.S. According to the Census Bureau, in Q4 2014. Some products now even sold more on the internet than on shop. For example a bricks-and-mortar. Prices tend to be cheaper



online, as well; some retailers have complained about being the "showroom for Amazon": shoppers scope out a product like a flat screen TV or other large electronic item at a physical store, then order it more cheaply online—sometimes right in the store from their cellphone,

Ecommerce also opens the doors to new opportunities for digital short-run packaging. Ecommerce has facilitated the growth of small and "boutique" businesses and can solve one of the knottiest problems that any product manufacturer has: distribution. These companies can



Sample Corrugated Box  
By AUTOBOX BCS



Sample Corrugated Box  
By XANTE

now sell directly to the consumer online without worrying about selling into any kind of retail store. These small companies don't need hundreds of thousands of packages—maybe only a few hundred or at most a few thousand at a time would suffice. Many solve this with labels, but as low-cost short-run corrugated and other types of packaging printing becomes more and more feasible, it opens up opportunities for small companies to have packaging that matches what much larger consumer goods companies can produce.

#### Adapting to These Trends,

Brand owners and the various links in the supply chain have no control over these consumer trends. All they can do is respond to them, and adapt their own processes—creative and production—to the best advantage. Digital processes have become ideally suited to helping print providers help brand owners capitalize on shorter-run, customized, personalized, and just-in-time packaging.

Understanding these demographic changes and the effects they are having on packaging is important background information to have, but it's important to look at the practical side of what all this means. How can the printer/converter, armed with this information, be more of a partner to the brand owner, helping them achieve their objectives and streamline production? Opportunities abound for print service providers in packaging, and a comprehensive look at how to break into that market.

#### The New Supply Chain,

Where does this all leave us? We have:

- Changes in consumer behavior driven by (or perhaps driving) changes in technology, such as on-the-go lifestyles, greater time constraints, and the desire to be seen as individuals;
- Changes in consumer demographics, such as more single-person households, especially among seniors;

- Changes in the purpose of packaging, from simply being a container for products to an increasingly crucial piece of advertising, marketing, and brand management;
- The demand for an environmentally sustainable supply chain;
- The proliferation of SKUs and sub-SKUs, or different variations of the same basic product (the toothpaste variations);
- The ability to customize packaging thus target it, laser-like, in a variety of ways, from geography to the type of store a product is sold in;
- The ability to personalize individual packages (à la Coke, Wheaties, or Walkers);
- The emergence of smart packaging that can add interactive media or electronic capabilities to packaging.

These may seem like a wildly disparate group of trends, but there is one common denominator to them all: they can all be facilitated by digital printing.

Admittedly, packaging has been a traditionally tough market for new players to get into. There are substantial barriers to entry, not only in terms of equipment investment, but also navigating the regulatory landscape, as well as gaining the trust of consumer products companies and other brand owners who often see their packaging lines as proprietary manufacturing processes.

But as few traditional packaging printers/converters have a background in digital and how to leverage digital technologies to take advantage of the major packaging trends outlined in this white paper, the door is open for those with digital expertise. Whether it be in label printing or in other forms of short-run packaging, brand owners are looking for not just packaging printers, but partners in brand management. And the savvy print provider who can service those needs, supported by a different business model that embraces mobile technology à la Uber or Airbnb, may be just what the brand owner is looking for.