



Bulletin

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Packaging Segment: Growing, Responding, Evolving



Printed packaging—in particular, digitally printed packaging—is one of the industry's bright spots. According to industry marketing consultancy **Smithers Pira**, the global packaging market has been growing at a compound annual growth rate of just over 4% since 2010 and is expected to rise from \$866 billion in 2016 to more than \$1 trillion by 2021.

It is an industry segment being driven by innovation, from new materials to interactive applications; changing brand owner demands; and consumer priorities, all helping to present printers with both opportunities and challenges. In a new technical report, ***"Ten-Year Forecast in Disruptive Forces in Packaging to 2027,"*** Smithers Pira researchers have identified 10 key disruptive forces expected to impact packaging trends over the next decade. They include:

- Greater connectivity with consumers—with packaging forming the physical bridge to online interaction.
- Packaging "premium-ization."
- Meeting tighter brand corporate sustainability targets.
- Designing packs for e-commerce.
- Adjusting transit packaging to dimension (DIM) weighting.
- Integrating the latest generation of sustainable packaging materials.
- Customization and co-creation of packaging.
- Designing packs for optimal in-store location.

and compete with each other across the study time period. They will also all see phased introductions with essential technologies for several already in place," notes the report. "Ensuring future success will depend on capitalizing on emergent technologies and responding to new brand and consumer demands within a rapidly evolving retail landscape."

"Considering the drive to customization led by a new generation of digital print equipment, consumer responsiveness to one-off and seasonal product editions can be a strong factor in increasing sales, as has been well documented in the drinks industry," says report author Simon Ford. He cites NFL-themed beer cans and the 'Share a Coke' campaign that "increased sales by just over 2% in the first year and was the spark for millions of social media hits and texts and photos." The idea, Ford notes, "is to provide consumers with a customized, personalized experience, or at least the perception of one."



Industry Demand

Demand for food and drink packaging in North America will continue to expand and add new functionalities across the next five years, according to another Smithers Pira report, ***"The Future of North American Food and Drink Packaging to 2022."***

"Despite the mature state of the North American food and drink market, industry demand for packaging continues to expand," says the report. Between 2012 and 2016, consumption rose by 9.8% to 700.92 billion packs—by 2022, consumption across the region is forecast to increase by a further 19.6% to 838.12 billion packs.

Increasingly, says Smithers Pira, food and drink packaging is expected to be recyclable and light weight, i.e. manufactured with as little material as possible. Lack of recyclability is one of the key reasons U.S. municipalities are increasingly moving to ban products such as expanded polystyrene/Styrofoam food packaging, with brand owners switching to more environmentally friendly materials such as paperboard.



- Adapting global brand packaging for transition market opportunities.
- Engaging consumers in anti-counterfeiting efforts.

"These trends will both complement