

Translating Consumer Trends into Tomorrow's Packaging



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As a frequent point of interaction on food and beverage packaging, dispensing closures provide key opportunities for brands to create differentiation on retail shelves and deliver memorable experiences that help build consumer loyalty.

For decades, dispensing closures have made products safer and more convenient. Recent advances in technology have allowed brands to build on these attributes and use dispensing closures as a means to transform entire product categories and inspire new uses. For example, dispensing closures have made inverted, squeezable packages for condiments and other goods possible. They have also been the driver behind the popular concentrated beverage enhancers, where consumers can add as little or as much flavor to water as they'd like, creating highly personalized experiences.

While convenience and safety remain important drivers for packaging innovation, there are other key trends influencing what consumers place value on and are looking for from packaging

- **Trend #1: Changes in Demographics**

There's more than just an age difference between baby boomers, Gen X'ers, millennials and Gen Z. Each demographic has distinct eating patterns, values and personalities that fuel their purchasing decisions. For instance:

- There are 92 million millennials in the U.S. versus 77 million baby boomers. Millennials are now the largest generation in U.S. history and are entering into their prime spending years (Source: Goldman Sachs).
- Consumers are eating "in the moment" and on-the-go. Data from The Hartman Group shows that 15 percent of all eating occasions involve food and beverages consumed within one hour of purchase, with millennials accounting for 40 percent of these occasions.

As demographics continue to shift, it is important to evaluate how the market is fragmenting. Brands seeking to meet the diverse needs of today's consumer, are looking beyond conventional product category definitions and developing packaging that changes how – and where – food and beverages are consumed.

- **Trend # 2: Health & Wellness**

U.S. consumers are attempting to take charge of their health, with 47 percent describing themselves as health conscious in 2015 (Source: Deloitte). The underlying question is what “healthy” means to today's consumers. For most, it has gone beyond calorie and fat counts to include goods that are “natural,” “fresh,” “craft” and “artisanal.” Organic and “free-from” foods also make the list of better-for-you products in the minds of today's consumers.

While these products tend to command a higher price point, consumers seem to value this trend. Data from Deloitte indicates that 26 percent of consumers are willing to pay more than a 10 percent premium for healthier versions of products, while 55 percent are willing to pay up to 10 percent more.

Packaging formats that support portion control or add value for the price point in terms of convenience and safety are a perfect fit for good-for-you products.

- **Trend # 3: Urbanization**

The United Nations projects that two-thirds of the world's population will live in urban areas by 2050, up from 54 percent in 2014. Here in the U.S., populations in big cities continue to grow, in part due to increased opportunities for jobs and access to public transit and other conveniences.

These consumers are seeking products that offer convenience and speed, and traditional shopping habits are evolving in tandem. In particular, the Internet gives consumers new ways to access products and digitalization has created

new forms of commerce. The e-commerce environment places unique demands on packaging, especially when it comes to product protection and convenience.

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