

A Datamonitor report

Consumer Attitudes Towards Packaging: New Insights and Future Perspectives

Understanding the impact of key consumer trends on packaging development

Published: Sep-07

Product Code: DMCM4593

Use this report to...

Access a blend of quantitative and qualitative data aggregating the most compelling and recent research in this increasingly important topic

Providing you with:

- **Comprehensive analysis** of how key consumer trends are shaping the role of packaging both in product positioning and in consumers' lives more generally
- **Identification** of the intrinsic and extrinsic packaging functions that consumers most value through qualitative and quantitative analysis
- **Detailed recommendations** on leading innovations and offering practical strategies based on the trends and insights uncovered in the report
- **Coverage** of eight core countries across Europe and North America; France, Germany, Italy, Netherlands, Spain, Sweden, UK and US

Introduction

Packaging plays a major role when products are purchased. After all, it is the first thing seen before making purchase choices and it is widely regarded that over 50 per cent of purchasing decisions are made at the shelf, or point of purchase. Therefore, packaging which creates differentiation and identity in the relatively homogenous consumer packaged goods industry is therefore highly important.

Today, it is widely acknowledged that packaging decisions can have a significant impact on sales. Therefore, without some evidence of consumer acceptance towards different packaging concepts and designs, manufacturers and retailers will restrict their chances of profitable innovation. This report explores the changing nature of consumer attitudes and behaviors towards packaging in consumer packaged goods. It examines all the key trends shaping packaging led choices and ultimately offers actionable recommendations for industry players going forward.

Key findings and highlights

- The total volume of packaging has grown enormously and now contributes a very significant proportion of the domestic waste stream. Packaging will continue to be targeted as wasteful. Therefore, eco-friendly sustainable packaging that is recyclable, reusable/refillable, and/or made of biodegradable materials will be more sought after.
- An increasing interest in their health is driving consumers to check package labels with greater regularity. Labelling should not be unnecessarily confusing or misleading in order to hide the poor nutritional/ingredient profile of certain products.
- The decrease in consumer confidence in food safety is not a result of the number of recalls, but instead the high-profile, long-lasting nature of the safety incidents. Packaging is integral to boosting perceptions of safety and will therefore be an important part of more concerted efforts to regain consumer trust going forward.

Reasons to buy

- **Access** a blend of quantitative and qualitative data aggregating the most compelling and recent research in this increasingly important topic
- **Gain** a detailed insight into consumer views towards packaging and understand the implications for design
- **Improve** your marketing by following best-practice guidelines enabling more effective targeting with on-trend products and relevant communications

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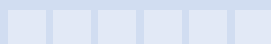
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The Future Decoded

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sources of information. The only other source of information controlled directly by companies that is used often by a substantial number of consumers is in-store information (25%).

Question: to what extent have you done the following more or less in the past year? Used nutritional information on product packaging to help make food and drink choices, by country (2006)	France	Germany	Italy	Neth.	Spain	Sweden	UK	US
More Overall	42%	37%	54%	42%	57%	46%	60%	58%
Much more	14%	13%	19%					
Slightly more	28%	24%	35%					
The same	53%	54%	42%					
Slightly less	2%	6%	3%					
Much less	2%	3%	2%					
Total	100%	100%	100%					

Source: Datamonitor Consumer Survey, 2006

Packaging labels can also help to regain consumer confidence

In a 2006 survey undertaken by UK research firm GfK, packaging came top of a recent survey into sources of information for adults. The survey found consumers rated packaging information and the press. This result should not necessarily be taken to assume that it must have been approved at some point.

Key take-outs and implications: packaging offering of on-pack information will be increasingly desired

- Consumers increasingly worry about food safety. Confidence in food safety is not a result of the lasting nature of the safety incidents. Packaging therefore is an important part of more concerted efforts.
- Freshness is increasingly becoming important. Freshness is increasingly becoming important. Freshness is increasingly becoming important. Freshness is increasingly becoming important. Freshness is increasingly becoming important.
- Smart packaging will go some way to revitalize the future. As the prices for innovative technologies fall, smart packaging will go some way to revitalize the future. As the prices for innovative technologies fall, smart packaging will go some way to revitalize the future.

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Packaging design heavily influences overall perceptions of a product and hence brand positioning

The role of packaging in product positioning and promotion is becoming more important due to a number of factors:

- There is an increase in the purchasing decisions made directly in the shop – in addition, when faced with reduced advertising budgets, brand building expenses are reduced in the traditional mass media and communication efforts are concentrated on sales promotions and on point-of-sale communications.
- Consumers assess packaging cues to determine the positioning of a product and whether it is right for them – for example, a consumer may realize a measure of enhanced self-image as a result of a prestigious design, and/or extract feelings of family or nostalgia via a brand with a strong history and continuity in package design. The key point is that buyers are actively involved with packaging as they examine it to obtain the information they need.
- Packaging is an important factor in adding traits to a product can stem from ingredients and product packaging and advertising.

A package can be regarded as an extrinsic cue; that product (e.g. price and brand). This is particularly important in evaluations of store brand grocery items (the Underwood et al., 2001) highlights that shoppers tend to often:

- when the consumer is unfamiliar with the product (i.e. when insufficient opportunity exists for the consumer to evaluate the product)
- when the consumer cannot make an adequate evaluation

The general manner in which package design impacts on consumer perceptions of a product is a strong role in influencing quality perceptions of products. The general manner in which package design impacts on consumer expectations more than everyday food and drinks, although.

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Action Points

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Figure 20: Sustainability-led packaging innovation can take many guises

- Remove unnecessary packaging.** If packaging methods and designs can be altered to remove the need for secondary packaging this can be an easy way to reduce waste. P&G introduced rigid tubes for crest toothpaste to eliminate cardboard boxes which traditionally encased plastic tubes.
- Investigate more efficient/sustainable materials.** Sargenta recently developed a cardboard can that it claims has all the benefits of an aluminum can but is cheaper to produce and is more friendly to the environment. Stark changes in materials used for packaging could allow manufacturers to drive innovation and own a niche if communicated effectively.
- Identify opportunities for more efficient/sustainable materials.** Milk containers, often packaged in plastic or glass are increasingly being packed in 'eco bags' sometimes encased in recycled cardboard, which are said to use 75% less plastic than a polybottle.
- Use as much recycled material as possible.** Aveda, the natural personal care brand recently packaged its soy candles in 95% post-consumer recycled glass and a secondary paperboard carton printed with soy ink on 55% post-consumer recycled paper.
- If waste can be 'recycled' in to other things, find an appropriate partner.** Coca-Cola recently partnered with Ecobat to create fashion accessories with misprinted or discontinued Coca-Cola labels, effectively finding new uses for waste.
- Devise innovative concepts built on unique packaging design to show your strong commitment to sustainability.** Pangea Organics uses biodegradable and recyclable molded fiber packaging to package all of its products. Recently it has also added seeds to its packaging. After usage, the packaging can be planted to grow herbs and plants.
- Pursue opportunities in compostable/biodegradable packaging.** Marketed under the Superfood Snacks label, Chocolate Goji Treats come in a "biodegradable and compostable" stand up bag. Elsewhere, in New Zealand, Good Organic Spring Water is packaged in a biodegradable bio-bottle that is made from natural plant sugars. The bio-bottle label is made from wood cellulose derived from sustainable managed forest resources.

Source: Datamonitor / Productscan Online Database

Retailers need to embrace initiatives too. For instance, Wal-Mart, has begun pushing its 66,000 vendors to cut excess packaging. Wal-Mart has also promised to become "packaging neutral" by 2025. This means that through recycling and reusing it will try to recover as much material as was used in the packaging that flows through its stores. In the UK the largest supermarket chains have also begun focussing more on sustainability. Tesco has implemented a number of initiatives including eco-friendly packaging. For example, the original pack format for Tesco new potatoes was changed to a more environmentally friendly, recyclable film, saving nearly 500 tons of polystyrene packaging per year in the process. Sainsbury held its first 'Make the Difference day' in April 2007 where it gave away free 'bags for life' to shoppers to try to reduce the amount of waste its free plastic carrier bags produce.

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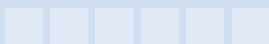
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- **Health benefits attributed to packaging are especially important in food and drinks**
- **Convenience is still vital to consumers' packaging needs**
- **Aging populations have stimulated the need for 'universal design' in packaging**
- **Packaging design is important in captivating consumer interest and initiating buying behavior**
- **Action Points**

THE FUTURE DECODED

- **INTRODUCTION: The role of packaging has evolved with consumer trends**
- **TREND: Sustainability is becoming a key lifestyle priority and impacts shopper attitudes towards packaging**
 - Consumers have moved into a more reflective and concerned phase of consumption
 - Environmental consumerism is becoming more sophisticated and is driven by five consumer segments
 - Packaging has a direct link to environmental consciousness as more consumers look to reduce waste
 - Consumers believe products are over packaged
 - Key take-outs and implications: packaging has an important role to play as environmental consumerism gains momentum
- **INSIGHT: Health and sensory benefits attributed to packaging are especially important in food and drinks**
 - Food and beverage safety is increasingly important for shoppers
 - Packaging is perceived as being integral to maintaining product safety
 - Consumers are showing extremely favorable attitudes towards, and increased consumption of, fresh food and drinks
 - Freshness is a highly valued packaging attribute
 - Consumers value packaging that enhances the

- quality or pleasure experienced on consumption
- 'Smart packaging' innovation can help address consumers health and sensory demands
- Health concerns are driving increasing interest in, and usage of, packaging labels
- Consumers are spending more time checking labels for nutritional advice
- Key take-outs and implications: packaging offering enhanced freshness, safety and the effective provision of on-pack information will be increasingly desired by consumers
- **INSIGHT: Convenience is still vital to consumers' packaging needs**
 - A number of convenience trends impact consumer packaging desires
 - Consumers value packaging design that helps to overcome choice complexity
 - Key take outs and implications: convenient packaging is about both functionality and aesthetics
- **INSIGHT: Aging populations have stimulated the need for 'universal design' in packaging**
 - Populations are aging across Europe and the US thereby increasing the need for 'universal packaging'
 - 'Design for all' encompasses a wider range of consumers and will become imperative for future success
 - Key take-outs and implications: universal design should be the basic blueprint against which packaging design is scrutinized
- **INSIGHT: Packaging design is important in captivating consumer interest and initiating buying behavior**
 - Packaging design heavily influences overall perceptions of a product and hence brand positioning
 - The use of certain colors lead to differing emotive responses
 - Package pictures can shape consumer perceptions more rapidly than textual information
 - The structural elements of packaging reflect product personality thereby shaping consumer expectations
 - Key take-outs and implications: ensure that packaging design is at the forefront of brand positioning efforts

"...With the growing number of new products, the need to noticeably emerge from the clutter is gaining importance. Manufacturers need to position their products via a number of 'breakout' marketing strategies..."





ACTION POINTS

- **ACTION: Integrate sustainability principles into all packaging design**
 - Demonstrate a commitment to reduce packaging your packaging footprint by reducing material waste
 - Educate and inform consumers about your sustainable credentials
 - Develop branded initiatives that enable consumers to more easily identify eco-friendly packages
- **ACTION: Use packaging to help regain consumer trust**
 - Develop recognizable and trustworthy labels that are transparent and honest
 - Embrace 'smart packaging' technology to help reassure consumers about product safety
- **ACTION: Package products in a way that enhances the quality of the consumption experience**
 - Enhance food freshness through packaging formats where possible
 - Use packaging to maximize the sensory appeal of the consumption occasion
- **ACTION: Ensure packaging innovations offer convenience and simplicity**
 - Target new and growing occasions such as 'on-the-go'
- **ACTION: Embrace principles of 'universal design' to ensure user-friendly concepts**
- **ACTION: Use packaging innovation as a way to engage and interact with consumers**
- **ACTION: Burst through the clutter in the retail environment to achieve shelf standout**
 - Use color and shape to create contrast with competitors
 - Use packaging to create positioning and justify a price premium

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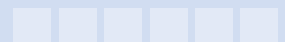
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"...Aging populations are giving rise to a large consumer group with limited mobility and a high number of people unable to use packaging. Universal design should be the basic blueprint against which packaging design is scrutinized..."



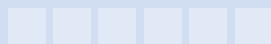
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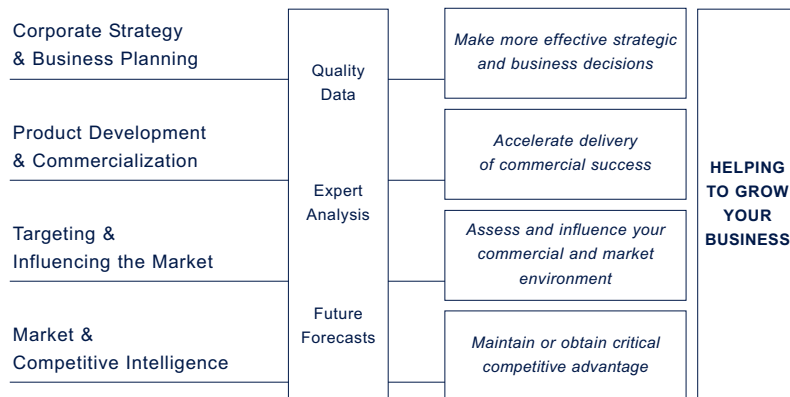
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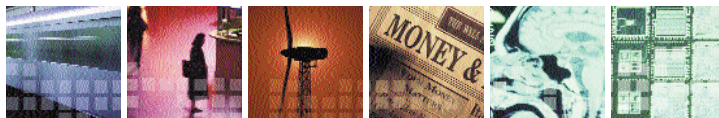
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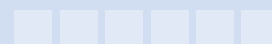
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