By Lisa Pruett, svp of sales, PaperWorks Industries Inc.

According to a report by the Food Institute, consumer packaged goods (CPG) marketers introduced nearly 1,900 new products in 2012. With new products hitting store shelves in numbers not seen since pre-recession years—or ever before in some categories—brands must compete fiercely for consumer attention and dollars, and they face several challenges in doing so.

One of the biggest hurdles is posed by the crowded state of store shelves. However, the number of options vying for shopper attention is prompting CPGs and private-label brands alike to use advances in packaging to capture consumer interest and loyalty.

Lisa Pruett, svp of sales at PaperWorks Industries Inc., a leading supplier of paperboard packaging solutions, discusses the challenges facing consumer product manufacturers in differentiating their brands on store shelves.

Crowded shelves, proactive consumers and new frontiers

Q: In 2010, the Food Marketing Institute (FMI) reported that supermarkets carried an average of more than 38,000 items. That's a large number and likely to have grown since. What should brand owners do to make sure they don't fade into the background?

Pruett: There is a lot of competition that these brand owners face along the retail landscape. However, many companies are working to stay relevant with fresh and engaging package designs. This is key to disrupting product categories. For example, some brands are moving towards more minimalist look with fewer graphics and colors. This is a popular method for communicating that a product is wholesome or natural because consumers will associate the simplicity of the design with simple ingredients.

Another part of this trend is using large cutouts to spotlight the consumable as a design element. It demonstrates that a brand is proud enough of their product to let it speak for them. Additionally, these cutouts can also contribute to a brand's sustainability story. Reducing material in a smart, effective way helps brands affirm their commitment to the environment and resonate with eco-conscious consumers.

Q: How have consumer buying patterns changed over the past several years and what effect is this having on product packaging?

Pruett: Consumers are constantly evolving to reflect societal values, likes and dislikes. Affordable and widespread access to the internet has resulted in consumers who are savvy and increasingly opinionated about their personal preferences—and this is reflected in their purchasing decisions.

For example, a growing middle class with greater spending power and increased access to consumer goods is leading the health-conscious food and beverage trend, focusing on products that provide nutritional benefits. With so many nutritional and added-value food and beverage products entering the market, packaging must be both eye-catching and adequately reflect health benefits.

Additionally, with sustainability as important as ever, these smart shoppers are also making increased demands of consumer goods manufacturers. Actively seeking out brands that they feel share their set of values, consumers want to see companies demonstrate a greater awareness of environmental concerns—just as they do. In many cases, packaging and even packaging materials must communicate a manufacturer's concern for the environment.
Innovations and value in packaging

Q: What are a few of the more interesting innovative packaging trends that customers are seeing on store shelves?

Pruett: We're not just "seeing" innovative trends in packaging. Recent advances in printing technologies and materials science are yielding options that hit one or more of the senses, including sight, touch and even smell.

In particular, consumer goods manufacturers are taking advantage of new printing processes to produce eye-catching holograms, metallic images, mirror finishes and selective pattern reproduction. Technological advances in packaging development allows for holographic and metallic effects to be embossed during printing, eliminating the need for PET, thus saving time and labor of secondary process to laminate PET to paperboard. This provides packaging with increased store presence while decreasing production and transportation costs.

Replacing conventional hot-stamping, mirror metallic finish and selective patterned reproduction can be applied with patterned metalized direct transfer technology. These finishes have no effect on key characteristics of packaging and can be RFID compatible, as well.

Attractive tactile finishes are one of the more compelling innovations we're seeing. Consumer goods manufacturers can opt for packaging with a velvet-like feel using press-applied ultraviolet (UV) or water-base coating, as well as renticular coating for a textured finish.

Above all, what could make shopping more interactive than inviting the consumer to actually smell a product? Also known as "scratch-n-sniff," labels that consumers can pick up and smell are uniquely well-suited to personal care, cleaning, and food and beverage product packaging. Microencapsulation technology allows for a unique shopping experience, engaging the consumer.

In addition, with today's advances in printing, microencapsulation can be applied in-line for manufacturing efficiency, while also supporting additional graphic design and providing consistent performance.

The road ahead

Q: What do you see for the distant and not-too-distant future of consumer packaged goods? Are there any upcoming trends or issues on the horizon?

Pruett: Sustainability continues to be a growing trend in food and beverage packaging, as consumers demand less waste and manufacturers are looking to streamline their operations for increased value. As it turns out, the two are not mutually exclusive as sustainability measures can help to reduce costs. I think we can count on seeing more environmentally-conscious packaging, such as an increased use of recyclable material.

On a parallel track, manufacturers will also focus on maintaining cost-effective operations. In an era of continued global economic recovery, streamlined manufacturing has emerged as the new status quo. Consumer goods manufacturers are not immune to these economic realities and must focus on maintaining the bottom line. This is where manufacturing efficiencies can come into play. Packaging solutions that streamline process and material handling can help increase consumer goods manufacturers' ability to compete, as well as overall profitability.

Additionally, as consumers continue to educate themselves with online information, another trend we can count on will be the increased use of digital and social media to interact directly with the consumer, gauge real-time preferences and receive instant feedback. Brands will continue to use near field communication (NFC)—and more specifically, QR codes—to provide smartphone carrying consumers quick access to product information and promotions.

Similarly augmented reality will also provide digital channels for brands to interact with consumers at the point of purchase, allowing companies to demonstrate their brand personality with engaging and entertaining graphics. As manufacturers take consumer wants and needs to heart, this type of direct communication with the consumer may very well result in the next big "thing" in packaging design.

Source: PaperWorks Industries Inc.