

touch

PACKAGING INNOVATION

INSIGHT | INNOVATION | DESIGN

Presentation for Bord Bia 2017 Trends day
18.01.17



World class innovation disciplines, all under one roof



Streamlined, cost effective and commercially viable





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MARS

COLGATE-PALMOLIVE

PEPSICO

P&G

HIGHLAND SPRING

Hill's

Mondelez International

Reckitt Benckiser

Nestlé PURINA

Warburton's

ASDA

Kimberly-Clark

Carlsberg

PZ Cussons

SAB MILLER

LUCOZADE RIBENA SUNTORY

Unilever

BRITISH AMERICAN TOBACCO

Nestlé

The power of packaging....

Marketing Tool

Iconic Recognition

Activates Purchase Habits

Improve line speeds

Brand differentiation

Protects

Premiumise or reposition a product

Improves product delivery

Creates new business opportunities



ON THE GO... HERE TO STAY...

Changing lifestyles is a key influential trend. People are busier, travelling further, working longer hours, and looking for **convenience**.

Recent studies reveal that one-third of the population prefer **ad hoc 'on-the-go dining'** to traditional 'meals'.

What was once considered as a trend bias toward younger commuting groups of consumers, has become imbedded into the way of life for most **spanning age, class and cultures**



clickcollect

Technology has been and will continue to be a key facilitator to making mundane shopping tasks simpler and faster

Against this backdrop of demanding 'time poor' lifestyle, consumers are placing increasing value on **SIMPLIFICATION**

Changing the way we live...





The term ON THE GO has become far broader in reach than 'consumption in transit'. FMCG manufacturers are considering how to make products as convenient as possible for OTG life styles

This generation of OTG consumers place great emphasis on **portability, convenience and instant availability,** resulting in much more **frequent top up shopping**





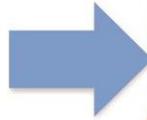
People are seeking broader cuisine 'excitement', that keeps up with world food trends and works with their OTG life styles.

"YOU CAN EAT WHAT YOU WANT, HOW YOU WANT, WHEN YOU WANT... PEOPLE HAVE MOVED WAY FROM FORMAL MEAL OCCASSIONS"

Caroline Crumby, global meal solutions, M&S.

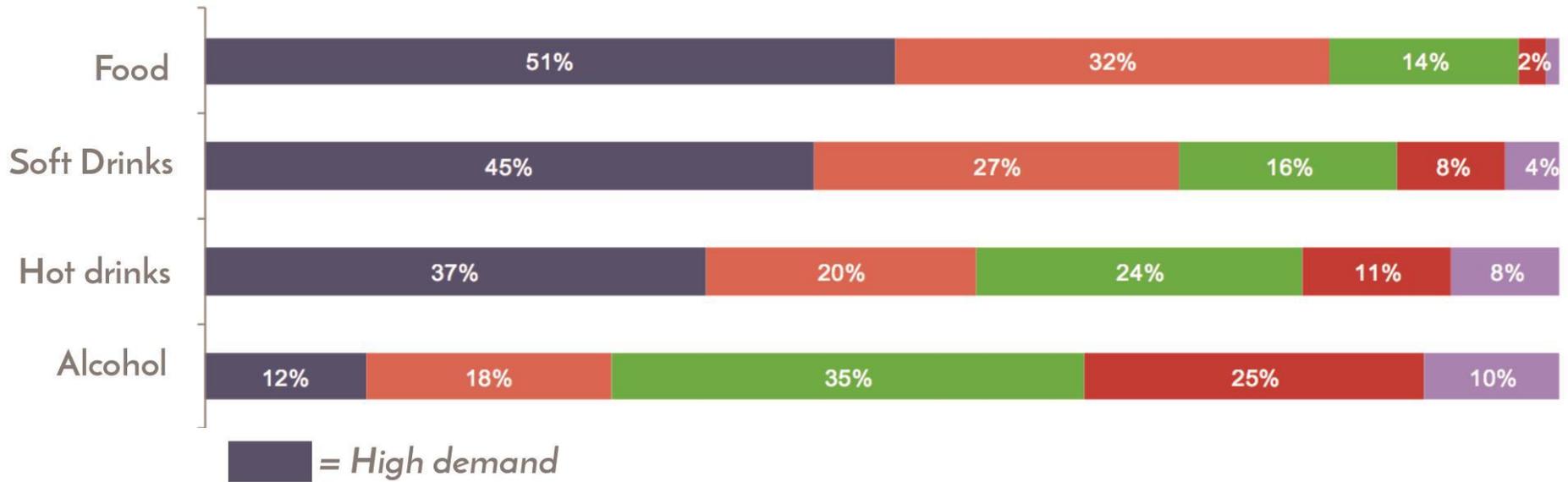
Retailers have responded with increasingly high quality 'ready meal experiences'

FORMAT FRENZY...





In a recent Survey by Canadean, those responsible for packaging within major retailers, cited **food** and **soft drinks** as the categories that will continue to have the highest consumer demand for OTG packaging. Therefore warranting most foreseeable innovation and investment from them in the coming year.





90% of these packaging executives and marketers believed that there is real 'value' to be had in this arena...





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Identifying that OTG consumers are prepared to pay more for

- Novelty
- Convenience
- Pre portioned
- Improved quality
- Out of home
- Single serve





OPEN CONTAINER FOR SACHETS (EASY ACCESS)
In home, OOH / Sachets / Storage

Insight Clue: LIMITED SPACE IN HANDRAGS
OOH / Pots / Preparation

ON THE GO POT (ON THE GO)
OTG / Pot / Preparation

HOLDING WHILE TRAVELLING (HANDLING WHEN HOT)
OTG / Pots / Consumption

Observed need:

- Barrier to perceived fit of having porridge on train – dangerous to handle hot porridge when on the move?



Relevant for:

- Rail commuters (esp. younger)

Issues with current solution:

- Pots seen as made of too flimsy material
- Pots not delivering the ideal porridge
- Pots not suitable for one-handed, standing consumption
- Lack of control over preparation – prepared by coffee shops/kiosks
- No-where to store/dispose of pot after & during usage

New packaging ideas:

Evolutions of current packaging

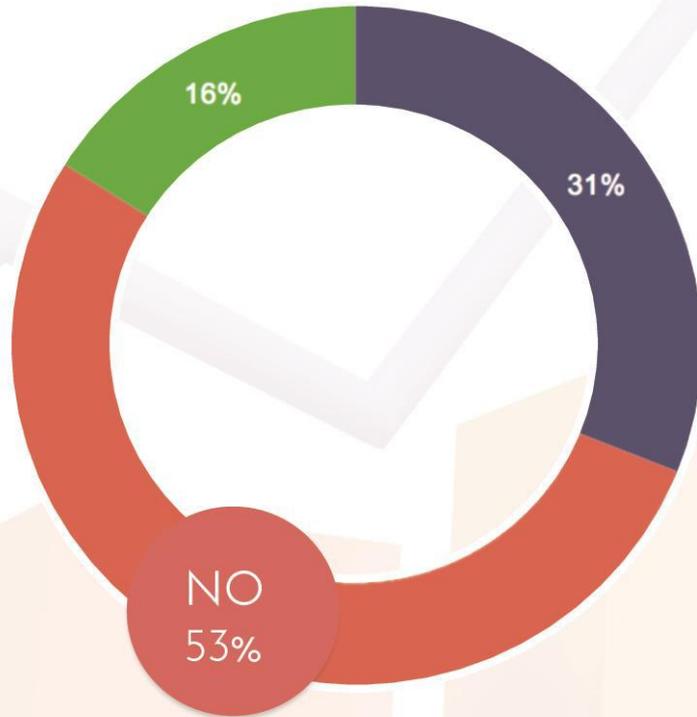
- Taller, thicker-walled version of pots
- Mobile version of the porridge quality delivered by sachets

New packaging approaches

- Borrow from coffee on the go packaging – reinforcement about middle of pot to protect hand from heat
- Strong lids than lock down



HANDLE WITH CARE...



Do you think packaging innovation to meet the needs of on-the-go consumption will enable a reduction in materials used by mass grocery?



Conclusions

ON THE GO
IS HERE TO
STAY



And they are
both willing to
pay more for
it

Consumers
want OTG
innovation,
and so do
retailers



VARIETY

Consumers want to be excited and entertained by products. Food plays a major role here



FIT FOR PURPOSE.

People want intelligent packaging that enables them to use products on the go, whenever and wherever they want

But when was the last time you asked them?

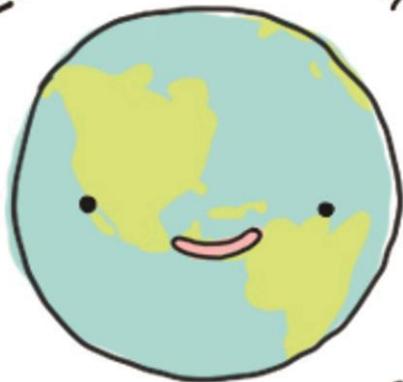


HANDLE
WITH CARE

Keeping up with
consumer demand is
key. *But being
responsible in the way
we meet their needs is
even more so...*



KEEP THE PLANET CLEAN



IT'S NOT URANUS
happymonsters.tumblr.com

THERE IS NO PLANET B

KFC No good™
FOR RAINFORESTS!



It takes
300-1000
years for
plastic to
decompose

Recycle it

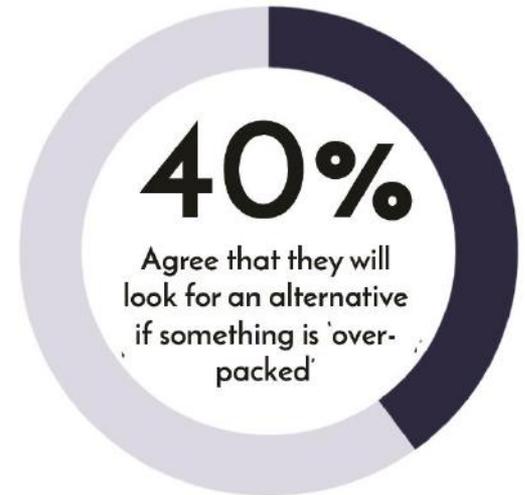
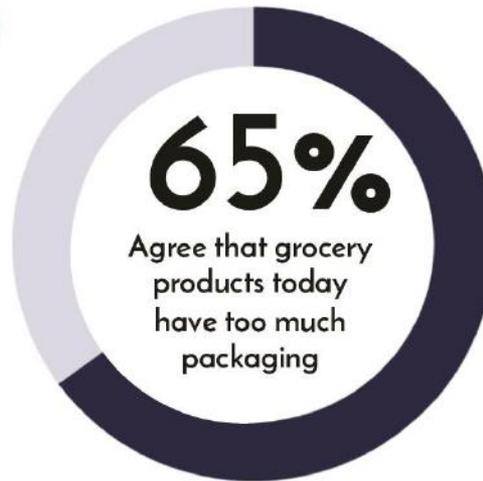
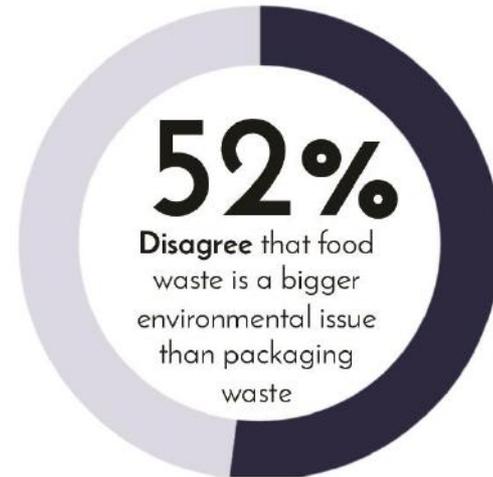


Happiness
Inside and Out

PACKAGING - *Hero or villain?*



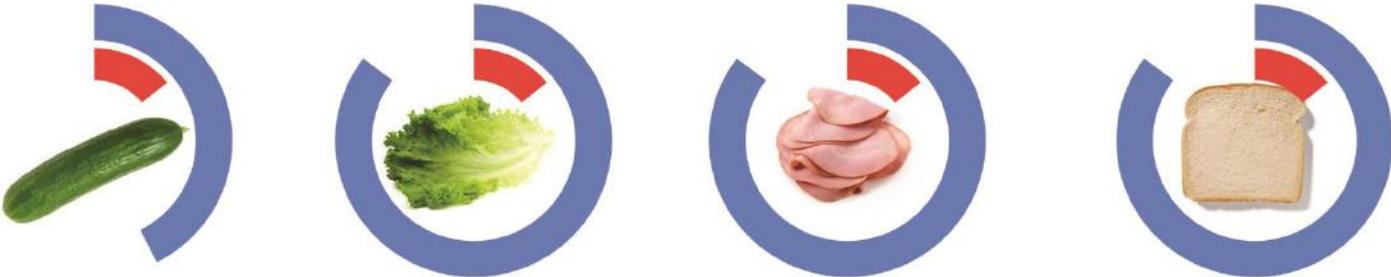
PACKAGING - Hero or villain?



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PACKAGING - Hero or villain?

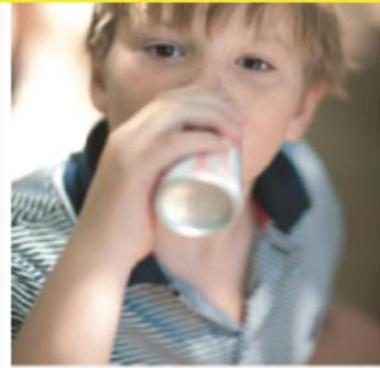


● UNPACKED FRESHNESS LONGEVITY

● PACKED FRESHNESS LONGEVITY



Infinitely recyclable
Ready to use again in 6 weeks
But we throw € millions into landfill





52%

Of global food consumers are committed to purchasing environmentally positive packaging

Millennials make up the largest group of consumers who actively purchase environmentally positive products

54%

Of global food consumers are willing to pay more for sustainable products



INCREASED PROFITS

When we prevent physical waste, increase energy efficiency or improve resource productivity, we save money, improve profitability

233%

The average return on investment for sustainable initiatives

50%
packaging
reduction

103%
increase in sales

48%
pack cost
reduction

~75%
CO2 reduction

43%
packaging
reduction

90%
packaging
reduction



Minimal filling
line changes

*locally
sourced &
sustainable
*18% sales
value increase
*35% growth

*New usage
occasions
*Pack cost
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Creation of a
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In the world of packaging innovation

There's lots going on!



DERIVED FROM POTATOES

Wrapper is made using potato starch waste product.

Now rolled out across many European markets

65%

Less energy to
make vs standard
polypropylene

NUTS!

Ferrero are creating paper labels derived from the discarded hazelnut shells



PAPER FIBER BOTTLE

Danish firm Eco X Pac
can turn FSC paper
into bottles





Yesterday

Today

Tomorrow?

100% BIO MATERIAL

Tetra Rex is
manufactured
from only bio
derived polymers
(sugar cane) and
FSC paper



A person wearing a blue denim jacket is holding a large, rectangular, light-colored, fibrous block of biodegradable packaging material. The block has a rough, textured surface and is being held with both hands. The background is dark and out of focus.

18%

Growth expected
from biodegradable
packaging between
2013 - 2019

A demand on bin
space is driving
consumers to
consider
biodegradable
packing more
seriously

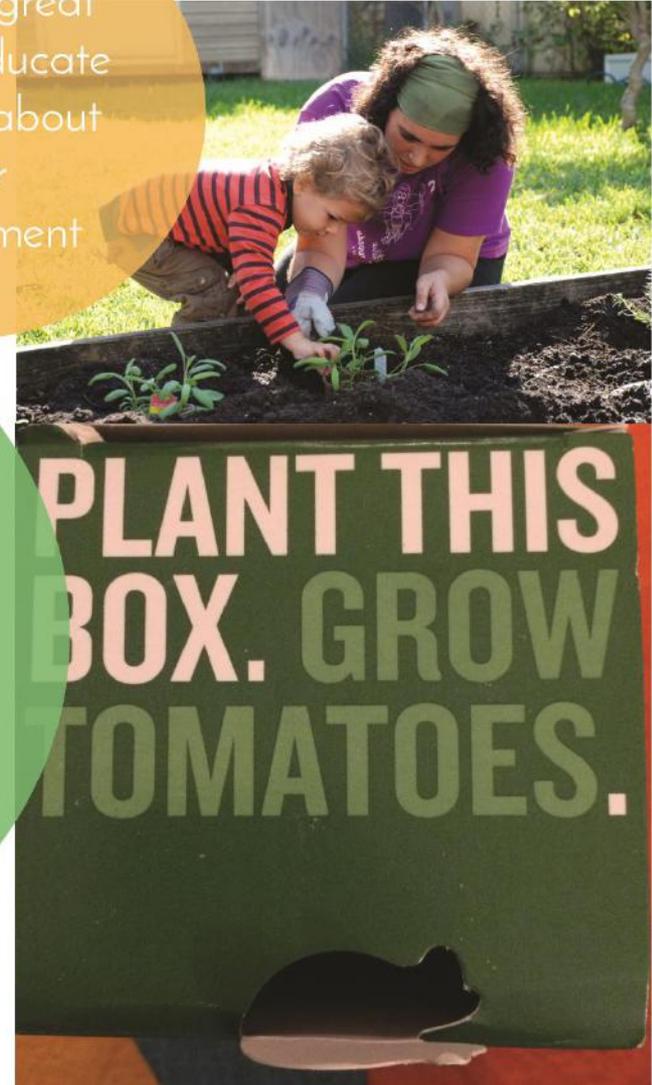
MUSHROOM PACKAGING

Pitched as a cost
competitive, sustainable
alternative to plastic
foam





This is a great way to educate children about their environment



PLANT ME

Made with seeds impregnated in the carton. Leaves no waste as the carton is compostable

PLANT THIS BOX. GROW TOMATOES.

BEES
WAX
WRAP





MORE WITH LESS

Consumers expect a better experience from the next generation. Therefore we must do more with less

Consumers aren't prepared to sacrifice a great packaging experience for sustainable packaging alone

-50%

PACAKGING

+40%

CATEGORY GROWTH





Lucozade
SPORT
BRAZILIAN
GUAVA
PERFORMANCE
PARTNER

Lucozade
SPORT
RASPBERRY
PERFORMANCE
PARTNER

Lucozade
SPORT
ORANGE
PERFORMANCE
PARTNER

Lucozade
SPORT
MANGO &
PASSION FRUIT
PERFORMANCE
PARTNER

Lucozade
SPORT
CARIBBEAN
BURST
PERFORMANCE
PARTNER

The background image shows several rectangular cereal bars wrapped in a translucent, yellowish-green edible film. The bars are arranged on a metal tray or conveyor belt. A large red circle is overlaid on the left side of the image, containing the title text. A smaller teal circle is overlaid in the lower center, containing descriptive text.

EDIBLE FILM

Edible,
biodegradable and
sustainable. This
film Could also be
available as a
spray coating for
products like cereal
bars

SEA FOOD PACKAGING?

Polymers
derived from
shrimp shells

Seaweed
based
polymers

But the most effective and efficient change will not come through pack or material innovation alone



We need **JOINED UP INNOVATION** across the packaging life cycle



UNITED BISCUITS CHALLENGE:

Create a pack that's more profitable, more premium, more functional, and carbon neutral. Investigate the total supply chain and tell us how!



48%

PACK COST
REDUCTION

- Exceeded KPIs!
- Sales value up by +18%
- 5% increase in penetration
- Locally sourced, sustainable materials
- 35% growth from new shoppers.
- And...increased facings on shelf.

Conclusion

touch

PACKAGING INNOVATION



QUICK WINS

Sustainability doesn't have to be a huge investment. There are often simple changes that can be made that can make a big difference.

But knowing how and where to apply them is key



DO MORE WITH LESS

Consumers don't want to sacrifice their experience of your products for the sake of sustainability.

Its expected that the next gen food and drink packaging will simply be **"better"**.

THINK BIG & DIFFERENT

Looking at innovation within the total supply chain for your food or drink product could leverage major advantages.



A GOOD INVESTMENT

As an industry we have to be leaders, not followers. Investing in sustainability makes good business sense. But we have to step up to make it happen.

233%
The average return on investment for sustainable initiatives



Thank You