

5 branding and packaging trends R&D managers need to know

If 2018 was the year of limited-edition packaging and personalisation (think FIFA World Cup 2018), 2019 promises to be the year of retro designs and futuristic formulations as research and development (R&D) managers are under pressure to keep on top of brand and packaging trends to add value to their product lines and devour market share.



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This is according to Gail Macleod, who is the CEO of Stratcom Branding and founder member of the Global Local Branding Alliance (glba).

Here Macleod takes a look at five trends R&D managers should watch out for in 2019:

1. Blockchain

While large-scale implementation in South Africa is yet to come, blockchain for packaging, AR and smart sensors are proving effective worldwide. Blockchain, a decentralised record of transactions spread out among many platforms for security purposes, has so many more applications beyond Bitcoin. One of the ways it can be used in packaging, is in the supply chain.

Blockchain allows consumers to track products from field to table through scannable codes, improving trust and visibility.

Jim Holland, country manager at Lenovo Data Center Group Southern Africa <u>says</u>: "Imagine a simple head of lettuce on a supermarket shelf. What farm was it grown on? What methods were used in the growing? How far did it travel to the store? When a business deploys blockchain, consumers can track the lettuce from the time it was sown to when it reaches the store shelves."

How does blockchain technology benefit supply chains?

The supply chain is the vehicle by which value is delivered to customers efficiently and effectively and loss of trust can leave an indelible mark. Through blockchain technology, trust is hardwired into the supply chain through labour optimisation, tracking and increased accountability for resources. Brands can also save on manual labour and paperwork costs.



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2. Innovation

While budgets in organisations everywhere are being cut, the good news is that almost one-quarter of CMOs (23%) now have fixed annual innovation budgets according to a recent Gartner survey. The challenge, however, is creating economically viable and profitable product lines as opposed to innovation for innovation's sake which will lead to disillusionment and disinvestment.

Macleod warns, "We are seeing an influx of "innovation experts" from all over, consulting with limited knowledge of the local technical capabilities, global competencies, let alone the constantly evolving needs of the consumers and true trend reporting. Brand owners are left with a file full of 'big ideas' which are often not actionable, or even going to be recognised as true innovation. Innovation has become a generic term, used by many."

Approaching a local expert, with global capabilities to get to know the consumer and what he really needs, is an integral part of the process of gaining knowledge and accurately ideating against speed to market versus impact, that will speak directly to the customer's needs and be technically feasible.

3. Omnichannel

'Omnichannel' refers to a "multichannel form of brand delivery where all the parts of a brand jigsaw are not just complementary but have been considered holistically at the outset, so that they are connected and form a cohesive whole".

It is the place where marketing for bricks-and-mortar and e-commerce experiences intersect and packaging still has a massive part to play to entice the traditional as well as the new digital customer.

"The most successful brands," argues *Design Week*'s Angus Montgomery, "particularly in fast moving consumer goods, will still be those that use their packs as the key pillars of their branding."



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4. Sugar tax

As brands scrambled to change their formulations and packaging sizes to comply with the sugar tax implemented in early 2018, consumers are consistently being wooed by "lite" brands. However, there is a gap in the market for beverages that speak to the informed consumer who is opposed to sugar and artificial sweeteners.

5. Sustainability

2018 ushered in a renewed and almost frenzied focus on plastic pollution thanks to, among other initiatives, the Volvo Ocean Race. Major retailers opted for recyclable plastic bags and many restaurants implemented the use of paper and reusable straws.



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Feroz Koor 25 Jan 2019



Raw materials like bagasse, polylactic acid (plant starch) and wood are some of the locally available plant-based alternatives to plastic. But where the use of different raw materials is not practical due to cost or availability, brands can consider other measures to contribute to the cause:

- Reducing the use of colours in beverage and home care bottles: Uncoloured plastic is more valuable in the recycling stream and so it's more likely to be recycled.
- Replace unnecessary polluting items with more environmentally friendly solutions, i.e. straws, ear buds, plastic fast food containers and plastic cutlery.
- Collaborate with converters and others in the value chain to reduce the overall size of the product and resultant plastics used also known as light-weighting. An example is global leader in beverage alcohol, Diageo, whose goal is to reduce packaging weight 15% by 2020. They looked at their 1.75L bottles of Smirnoff and made a simple change by removing the handle, they shaved 137g off their packaging. With 8.7 million bottles sold, the resulting savings in packaging material is the equivalent in weight to 7 Boeing 747 jets.
- Collect plastics before they get to the ocean: Companies such as Dell have pledged to use bio-plastic and other sustainable materials in 100% of their packaging.

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