

Half Yearly Insights Summer 2023



Key Research Findings

- 1** Consumers are more sustainability savvy than ever before SO clarity and ethics is key, with packaging taking a forefront
- 2** Emotional and social connection with perceived core values at the heart is mission critical
- 3** Technological futures top of mind for both brands and the consumer

1. Consumers are more sustainability savvy than ever before SO clarity and ethics is key, with packaging taking a forefront

It's no secret that sustainability is no longer a trend but an ever-evolving and complex subject that is becoming interwoven with our day-to-day lives.

As we learn more about our planet and the impact that 'we' are having on it, it's imperative to also understand the impact the sustainability drive is having on consumers and their buying habits.



There has been a sharp increase in the number of consumers embracing circularity with

1 in 2

claiming to repair or reuse an item instead of replacing it *Deloitte

* **50%** of consumers either do not know what commitments businesses have made that they can trust, or simply do not trust businesses on climate change and sustainability issues

*Deloitte

There has been a positive trend identifying that

37%

of GenZ shoppers make a conscious effort to read green messages displayed on packaging

*Modern Retail

- Google has recorded that users are more engaged, educated, and comfortable navigating sustainability and researching its terminology than ever before.

For example

Instead of simply searching 'sustainability' people are now actively searching '**sustainable fashion brands**' or '**sustainable beauty brands**' in their day-to-day lives. *Think with Google

- When consumers critique a business for sustainability credentials, **packaging and products are the most influential**. Frequent, and essential purchases drive the greatest consumer interest in sustainable and ethical values, with producing sustainable products and packages rating as the number 1 priority, above reducing carbon footprint & waste in manufacturing. *Deloitte
- **Accounting for 10 million online shoppers**, GenZ, digital natives are the new shopping powerhouse, and over half are influenced by packaging sustainability. *Duo

Summary

Sustainability is still a top and ever-growing subject matter particularly with younger GenZ consumers. As we navigate through the ever-changing economic climate, now more than ever **trusted knowledge and expertise** in this area is essential for boosting brand loyalty. Moving forward key focus on **clear green on-pack messaging, plastic replacement, and recyclability** will be paramount for success.

2. Emotional and social connection with perceived core values at the heart is mission critical

In this fast paced world, change is a constant and people are digesting more content than ever before and seeking new ways to shop for products that reflect their core values...**With increasing competition a deeper connection is required to stand out from the crowd and to deliver on what consumers really want & need – even if they don't know it themselves yet.**

There is an upward trend **in consumers seeking out brands whose core values identify with their own, with sustainability, equity, and authenticity** as driving factors. Now more than ever it's essential for brands to capture their customers for all the right reasons, whilst operating under the rapidly growing digital spotlight.

*Mintel

***75%**

of consumers would be willing to part ways with a brand if they felt there was a conflict in values, with **15%** willing to share their qualms on social media

*Consumer Goods Technology

Turning to social media to guide them in the digital realm,

87%

of people now use social platforms when making a shopping decision. While **55%** of smartphone shoppers have purchased a product after seeing it on social media

*Modern Retail

There has been a positive trend identifying that

49%

depend on influencers to make recommendations

*Digital Marketing Institute

According to YouTube, **videos featuring amateur unboxing of everything from running shoes to dog toys have been viewed more than 1.1 billion times.** This trend is set to keep growing as people seek out guidance on the right products for them and their values, to help them achieve the lifestyle they desire.

Summary

Ethical & 'Social Ready' packaging that is **photogenic, experiential, and connected** to the digital world is a MUST for brands operating within the social sphere.

Consumers want their products and packaging to be a reflection of them and their core values, and how this is presented to them in the digital context is more mission critical than ever to achieve success. As we move to an even more digitally immersive future, focus on **sustainable bespoke design** and **materials**, combined with **innovative on-pack messaging** is key. Packaging that interacts socially and delivers a new user experience, putting consumers core values and ethics at the forefront, is crucial for maintaining brand loyalty and future-proofing.

3. Technological futures top of mind for both brands and the consumer

Artificial Intelligence (AI) and The Metaverse are set to revolutionise the way in which we live our day-to-day lives, taking social media and the digital world to quite literally another realm of existence. Technology is front of mind for both businesses and consumers, but what does this mean for the future of packaging?

Artificial Intelligence (AI) has proven to be a reliable tech to lead the way for the next evolution, from production to packaging to distribution. Increasing market demand for **eco-friendly materials, paper-based packaging, sustainable consumer goods and service**, and **the circular economy** are some of **the critical drivers for the packaging industry** to onboard Artificial Intelligence (AI). *Monolith

Whilst Artificial Intelligence (AI) could transform sustainability and the supply chain, the consumer focus is more on the virtual world.

69%

of the global shoppers
(and **53%** in Europe)
would appreciate a brand
being present in the
virtual world

*LinkedIn

60%

of the global shoppers
(and **50%** in Europe) are
interested in Augmented
Reality driven shopping
experiences. New shopping
formats enable interactive
ways for product discovery
and commerce

*LinkedIn



Summary

The future is coming and fast, and we are committed to being your **trusted** and **knowledgeable packaging partner of choice**, at the forefront of the latest cutting-edge developments. Whether it be a virtual store selling virtual boxes designed by Smurfit Kappa, or onboarding AI technology to assist with sustainability, it is imperative that we **embrace change together** to move forward into a new future.

Sector Specific Insights



Fashion & Luxury

82%

of consumers say they need fashion and luxury brands to assist in expressing their true self

*Think with Google

Consumers are also seeking out clothes and accessories that communicate certain values and aspirations, such as **kindness**, **acceptance** and a **desire to minimise their environmental impact**.

To earn loyalty, luxury brands will have to communicate their **sustainability credentials** clearly and honestly.

*Think with Google

SK UK Fashion & Packaging Partner Success Stories

[Oh Polly's Fashion Packaging | Success Story](#)

[Adidas | Sustainability Success Story](#)

[Rare Boots 4 U | eCommerce Success Story](#)

Food & Drink

45%

define food and drink 'value' as products with additional health benefits, making it the most prized quality that shoppers seek

*Mintel

31%

of adults who buy alcohol are prompted to purchase alcoholic drink due to a visual 'wow factor'

*Mintel

46%

of consumers state that being sustainable is most important in drinks packaging

*Mintel

52%

of adults in the UK have bought alcoholic drinks as a gift for someone in the past 12 months

*Mintel

29%

of alcohol drinkers agree that the environmental impact of alcoholic drinks and brands is a concern. This rises to 54% of alcohol drinkers aged 18-24

*Mintel

SK UK Food & Drink Partner Success Stories & Blogs

[Food and Drink Trends Blog](#)

[How Sustainable is 'Bag in a Box' Packaging](#)

[10 Innovative Ways To Ship Your Wine Products](#)

[Strykk | Protective Packaging | Success Story](#)

[Horseshoe Gin Distillery | Success Story](#)

[Ginger Pig Chilled Packaging | Success Story](#)

[Seedlip Luxury Gift Packaging | Success Story](#)

[The Cheese Geek | Crash Lock Base | Success Story](#)

[Chivas Brothers | Composites | Success Story](#)

[Hattingley Valley | Success Story](#)

[Healeys Cider | BIB | Success Story](#)

[Corrigan's Original | Litho Print | Success Story](#)

[Dalston's Soda | Unboxing | Success Story](#)

[The Wine Caverns' | Premium | Success Story](#)

Health & Beauty



Speeding into the age of the expert, for beauty and wellness this equates to research, testing, proof points and facts that will foster understanding, trust, and positive sentiment among audiences. With a desire for clarity on ingredients also comes a focus on how such ingredients benefit the user.

*Thg ingenuity

SK UK Health & Beauty Partner Success Stories

[Equi London Women's Supplements | Success Story](#)

[Paula's Choice | Success Story](#)

[Messiah & Eve | Success Story](#)

[Hawkins & Brimble | Composites | Success Story](#)

Pet Sector



Experts expect **organic cat litter** to take a larger market share from 2022 to 2027 due to increased demand. *Pet Keen

SK UK Pet Partner Success Stories

[Naturesdiet | Crash Lock Base | Success Story](#)

[Closer Pets | Amazon Certified | Success Story](#)