



# Trends and Developments

IN THE FMCG INDUSTRY

P A P E R A N D W O O D

سایت اطلاع رسانی

# World Demand for Labels

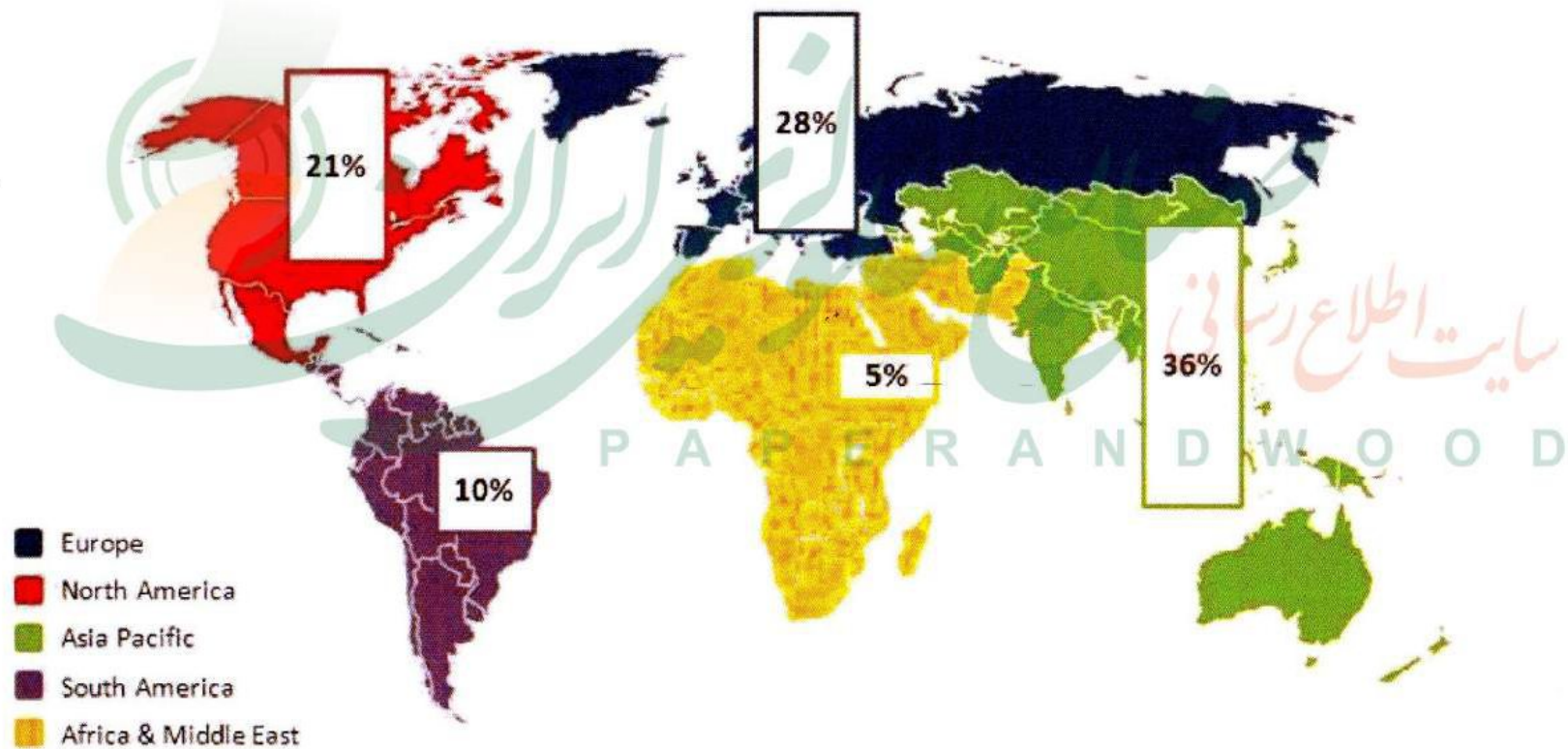


**50,050 MILLION  
SQUARE METERS**

P A P E R A N D W O O D

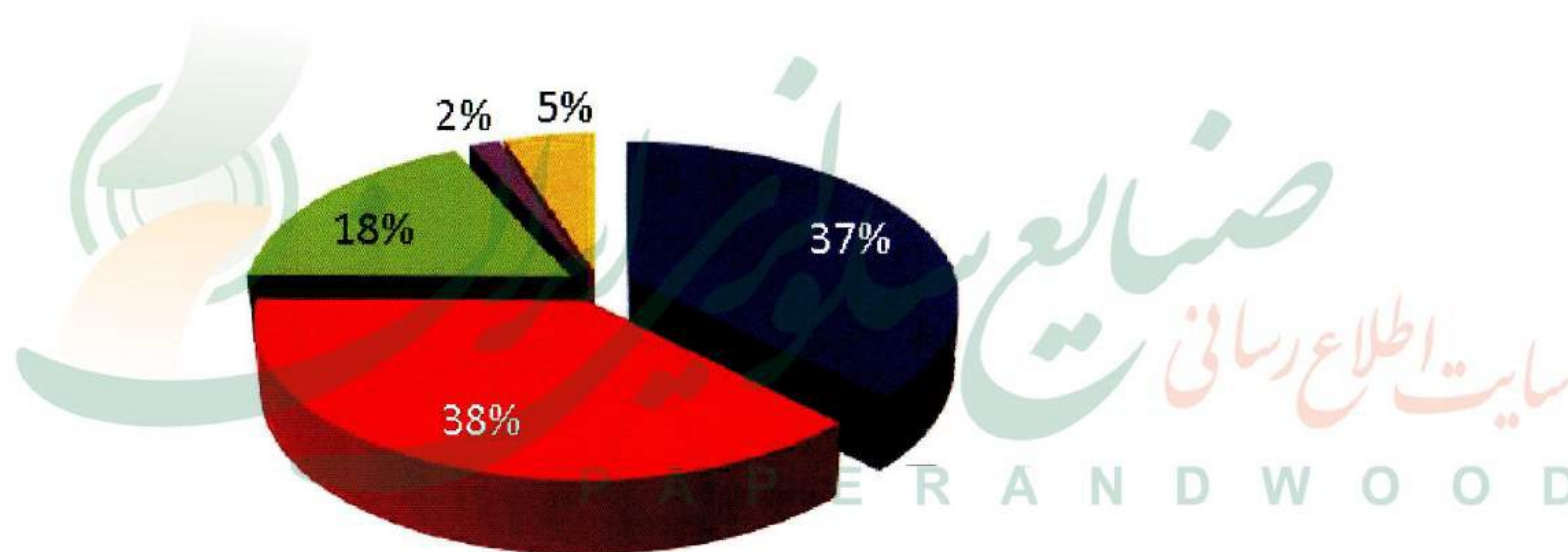
Source: AWA – European Label Market Study 2013

# World Demand for Labels



Source: AWA – European Label Market Study 2013

# World Market Share by Labelling Technology



■ Pressure-sensitive  
■ Sleeving  
■ Others

■ Glue Applied  
■ In-mold

Source: AWA – European Label Market Study 2013

# World Market for Flexible Packaging

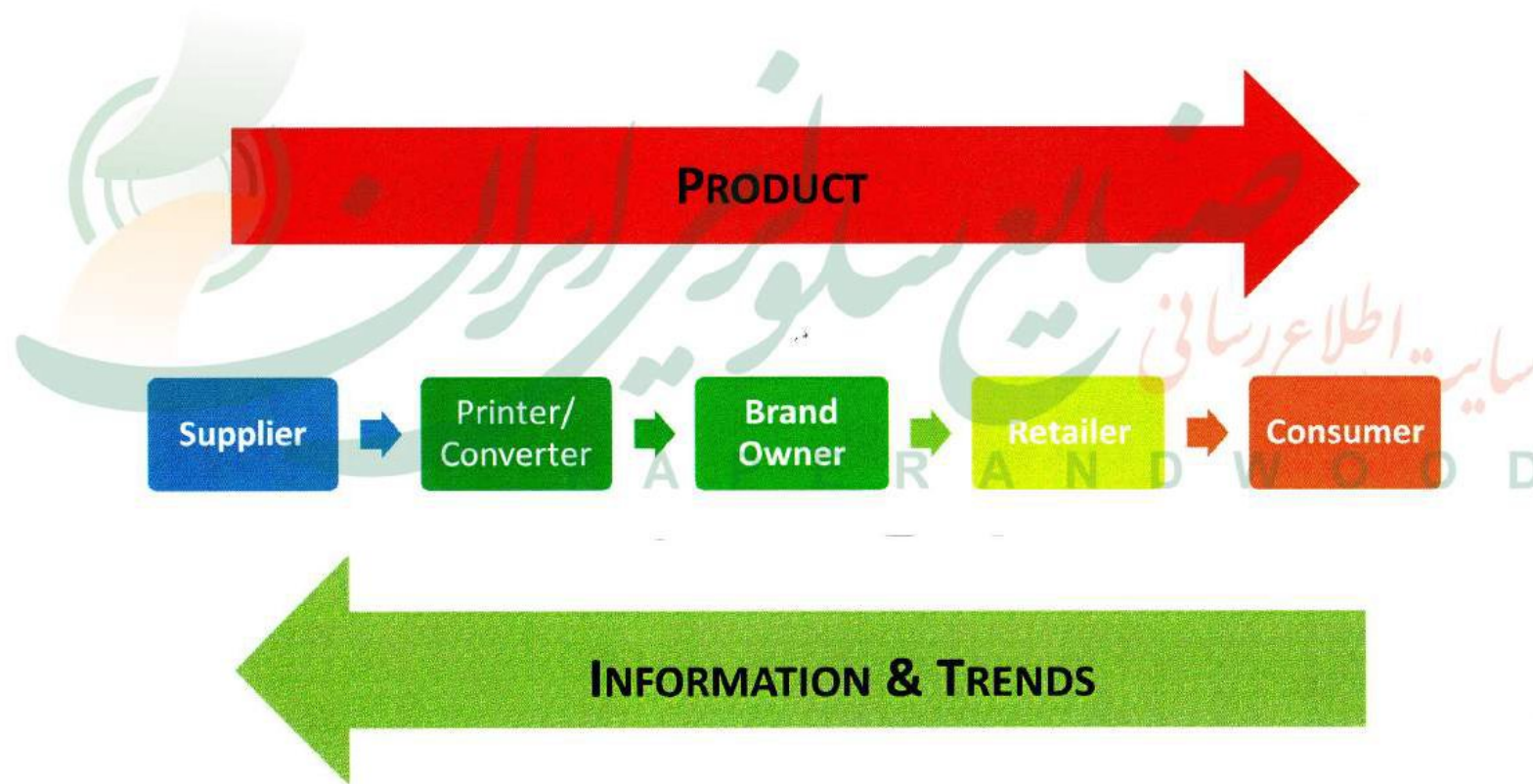


**US \$ 76 BILLION**

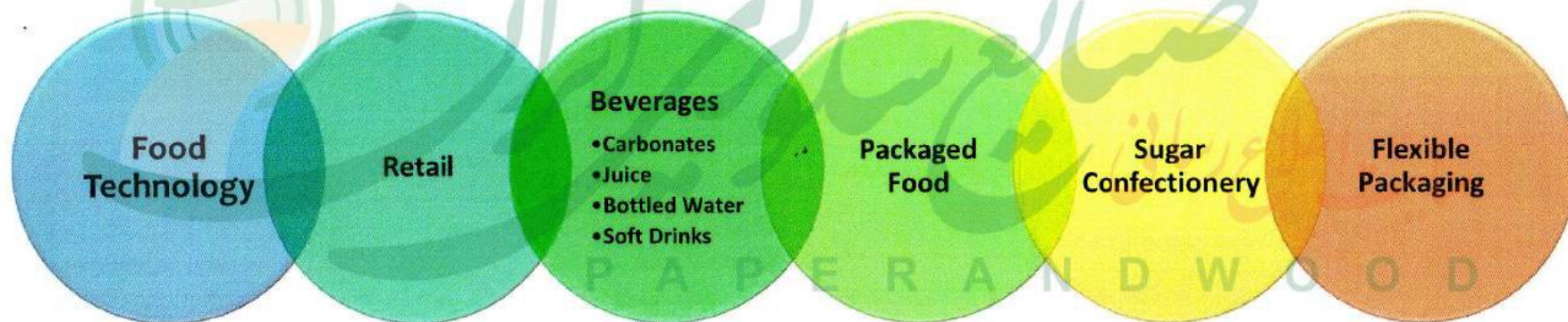
P A P E R A N D W O O D

Source: PCI – European Flexible Packaging Market to 2018

# Supply Chains, Coepitition and the Influence of the Consumer



# Iranian markets in detail



# Iranian markets in detail



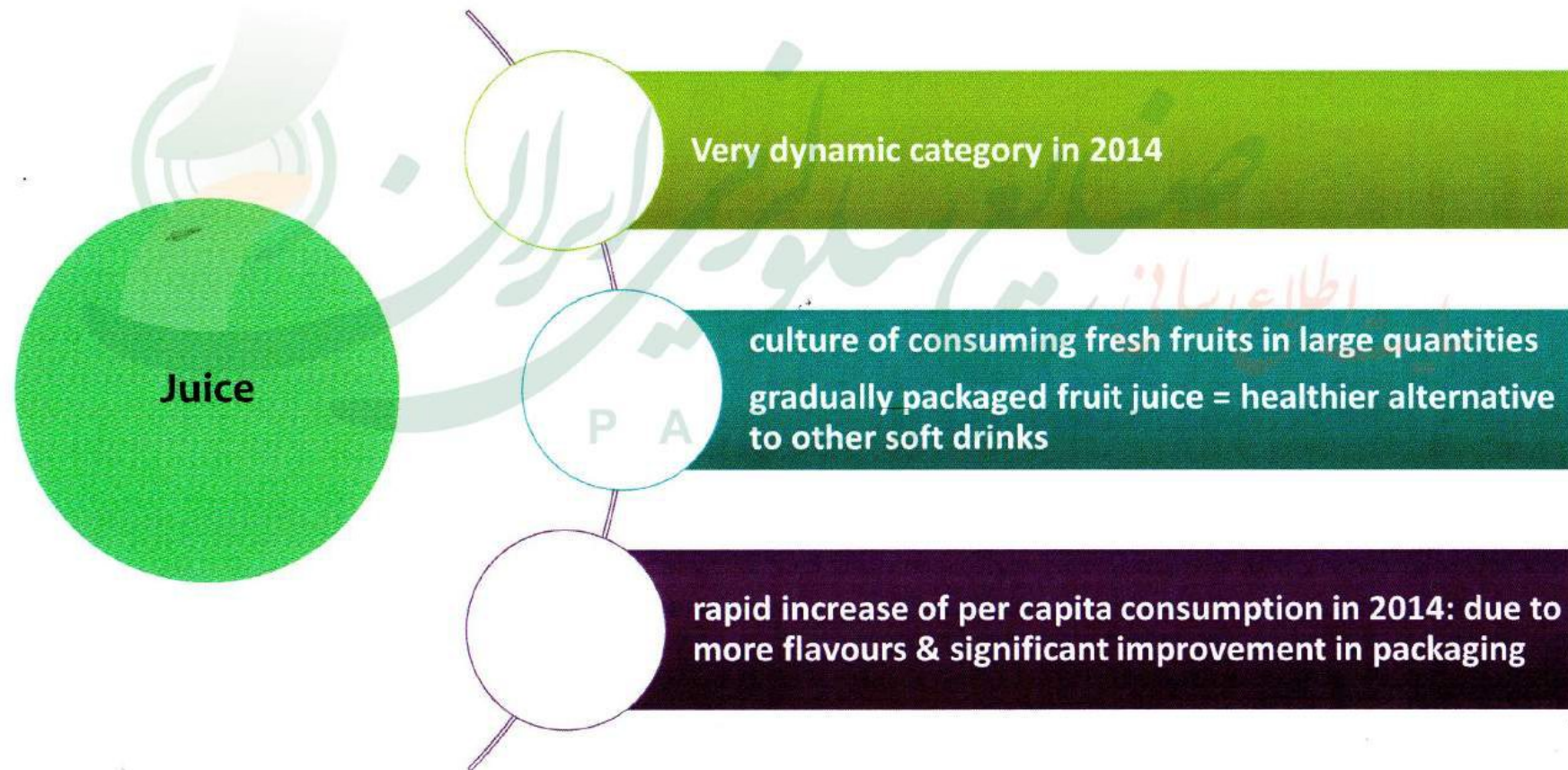
# Iranian markets in detail



# Iranian markets in detail



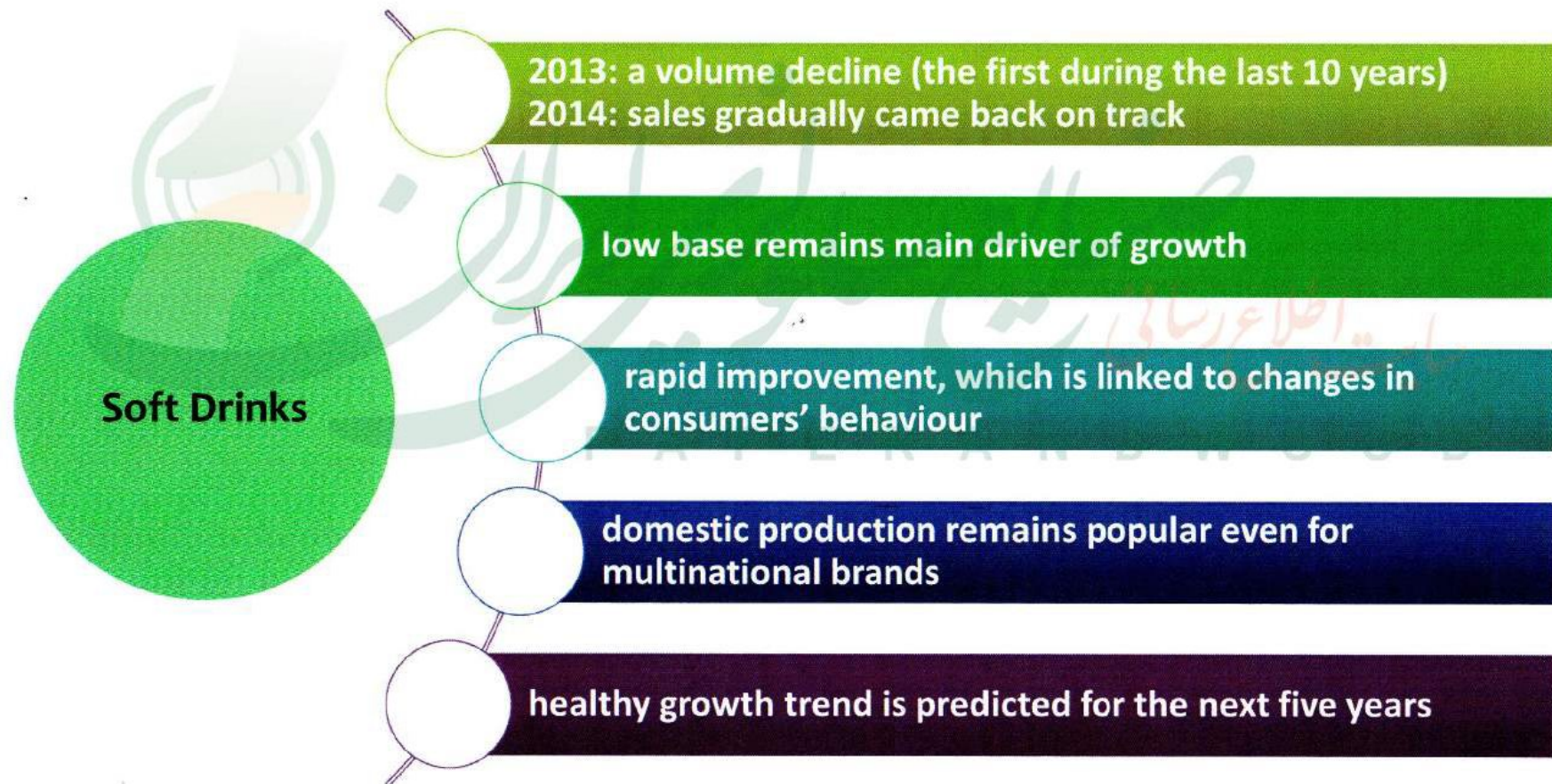
# Iranian markets in detail



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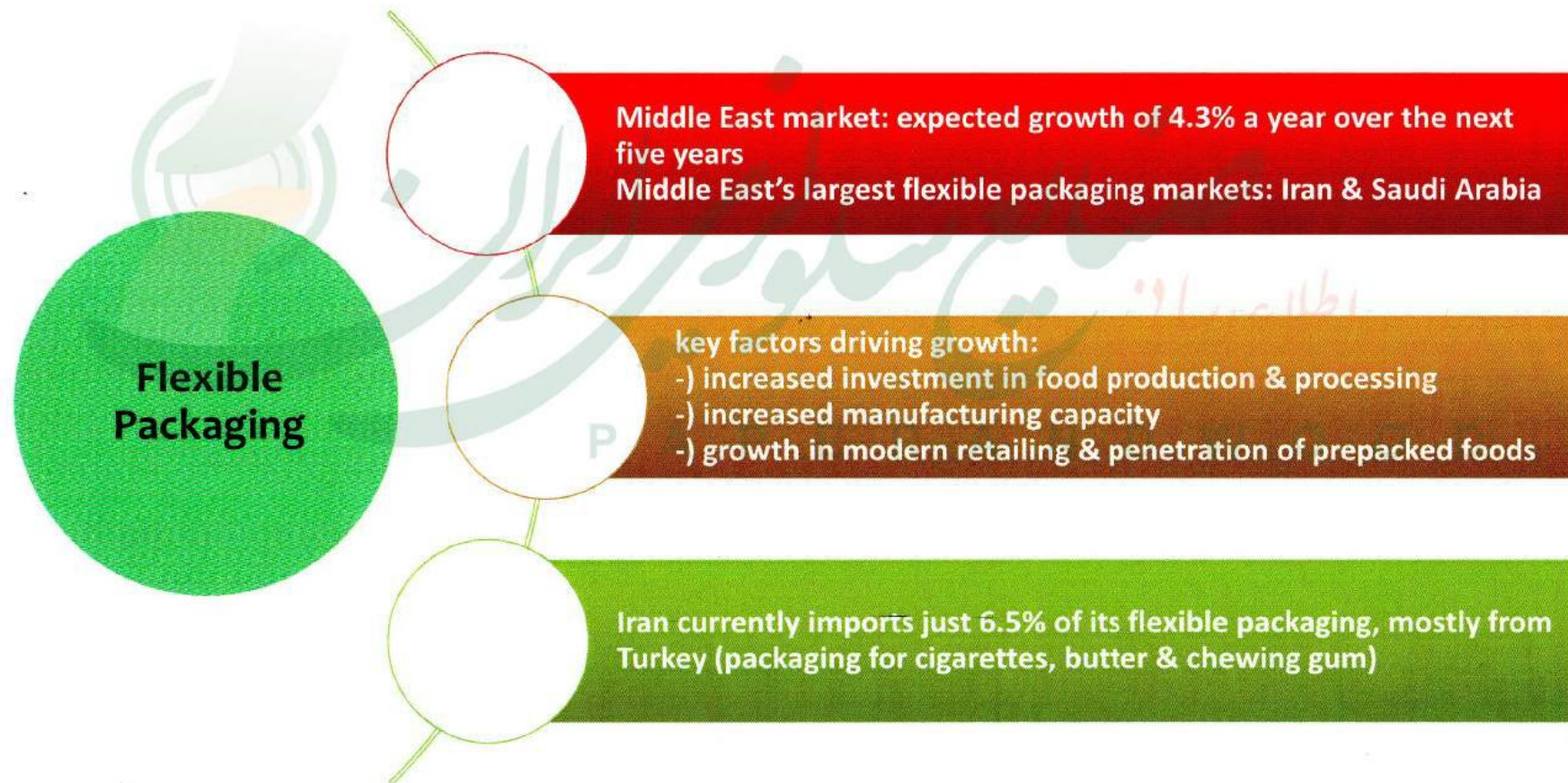
# Iranian markets in detail



# Iranian markets in detail



# Iranian markets in detail



- Consumer Buycott & Holistic Sustainability
- Confectionary & Packaging
- Clean Label
- Water, Soft Drinks & Near Water Beverages
- Premiumisation & Luxury Packaging
- Storytelling

**TRENDS**

P A P E R A N D W O O D



# CONSUMER MATURITY AND THE RISK OF „BOYCOTT“

BEING REALLY SUSTAINABLE TAKES MORE THAN WEIGHT REDUCTION

# CONSPIRE WITH YOUR CUSTOMERS



PEOPLE WANT TO BUY PRODUCTS AND SERVICES WITH A **POSITIVE ENVIRONMENTAL AND SOCIAL IMPACT**, WITH SUSTAINABLE PACKAGING FEATURING AMONG THEIR TOP CONCERNS.

WASTE FEATURES AS ONE OF THE TOP CONCERNS FOR COMPANIES TO TACKLE, AND

**CONSUMERS ARE PREPARED TO BOYCOTT BRANDS** THAT THEY CONSIDER TO BE **ACTING IRRESPONSIBLY.**

# READY TO SWITCH OR BOYCOTT

[SOURCE: CONE COMMUNICATIONS/ECHO GLOBAL CSR STUDY, 2013]



Boycotted (refused to purchase) a company's products/services upon learning it behaved irresponsibly

55%

If I learned of a company's irresponsible or deceptive business practices, I would stop buying its products.

90%

# TRUE SUSTAINABILITY & BRAND PREFERENCE

(SOURCE: MADANO, 2014 – BASE 3031)

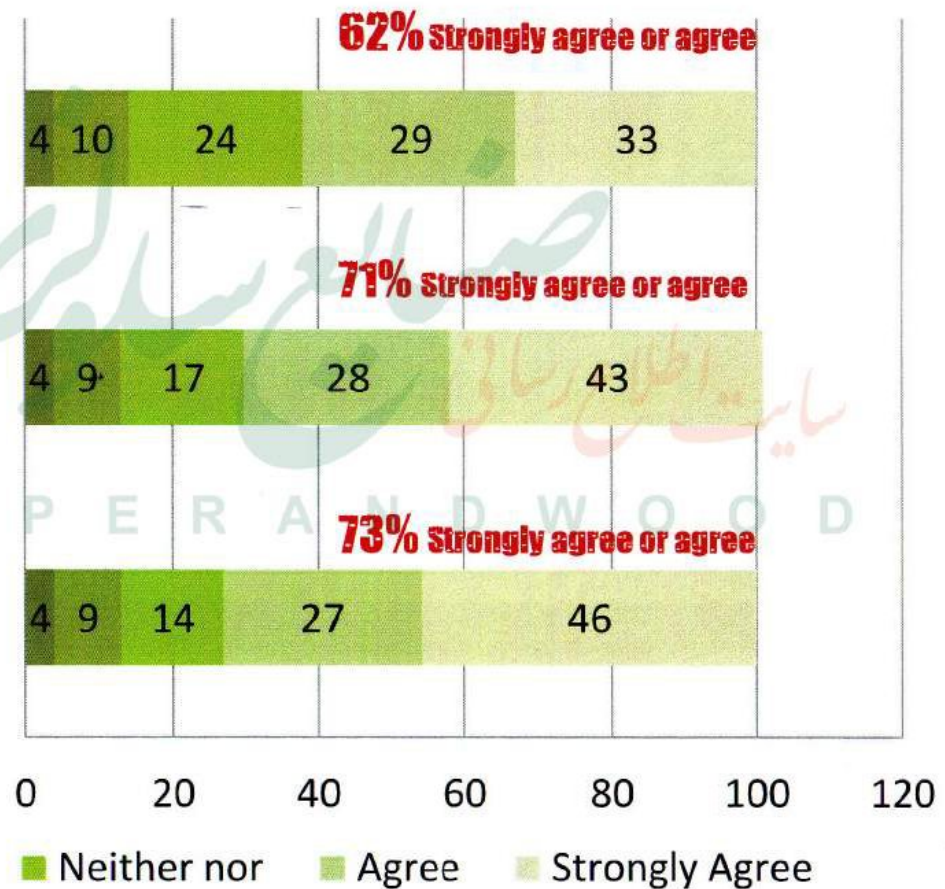
B B  
LABS AND TEMPLATES

IRAN SUMMIT 2015  
13. - 14.10.2015  
TEHERAN

I would feel negatively towards a company that didn't use the most environmentally friendly packaging available when it could

I would feel better about the beverage company if their packaging was made of recycled material

I would feel better about the beverage company if they supported recycling





**BEING REALLY SUSTAINABLE  
TAKES MORE THAN  
WEIGHT REDUCTION**



**IT IS NOT ALL ABOUT  
REDUCTION OF CO<sub>2</sub>  
EITHER**

PART AND WOOD



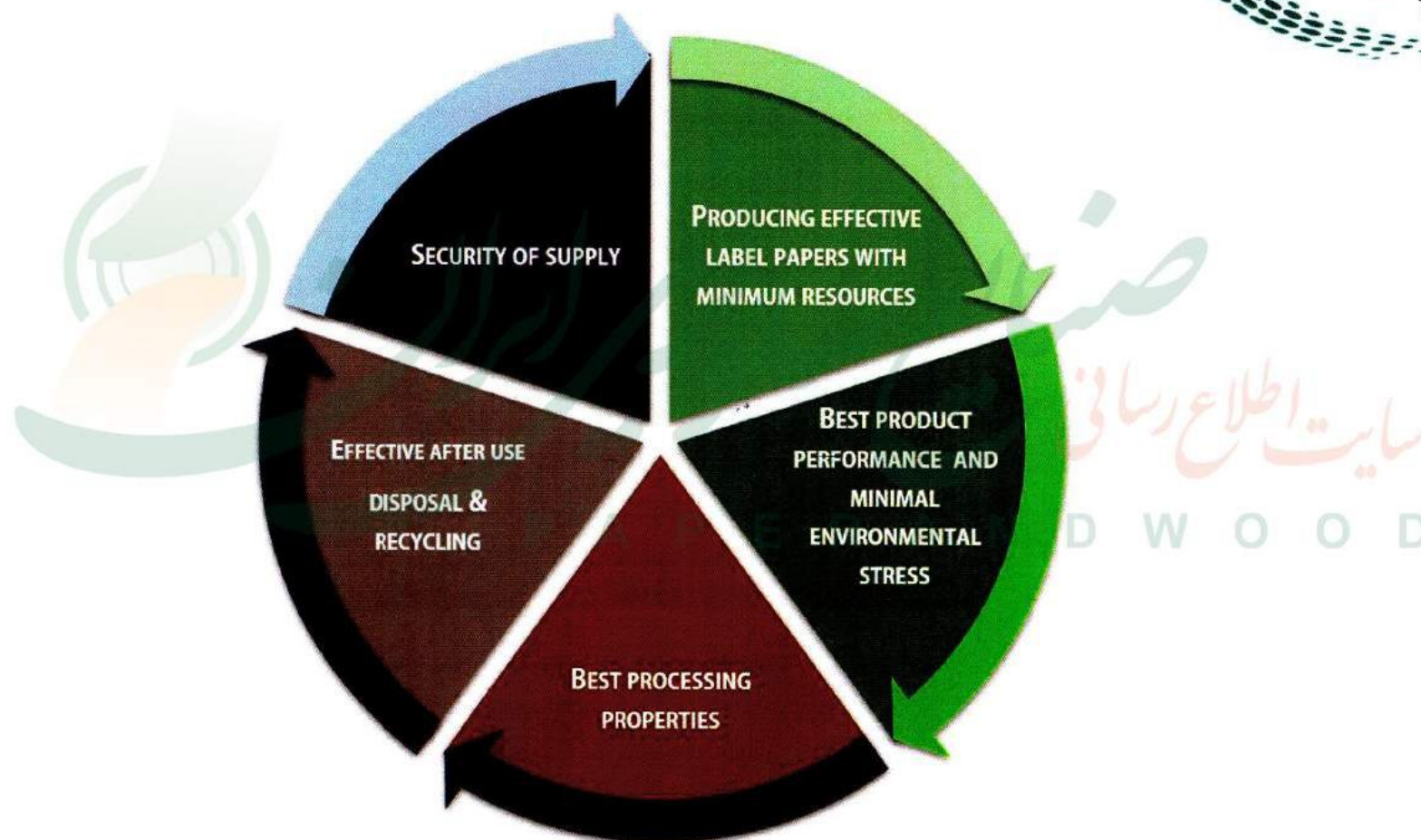
**LOWER YOUR  
TOTAL  
ENVIRONMENTAL  
IMPACT!**

# Ingredients of Sustainable Packaging



- **REDUCING** PACKAGING AND **MAXIMIZING** THE USE OF RENEWABLE OR REUSABLE MATERIALS
- **USING MATERIALS WHICH REDUCE NEGATIVE END-OF-LIFE**
- **USING MATERIALS WHICH ARE FROM CERTIFIED, RESPONSIBLY MANAGED FORESTS**
- **DEMONSTRATING COMPLIANCE** WITH REGULATIONS REGARDING HAZARDOUS CHEMICALS AND LEGISLATION SUCH AS THE **MODEL TOXICS IN PACKAGING LEGISLATION OF THE TOXICS IN PACKAGING CLEARINGHOUSE (TPCH)**, FORMERLY KNOWN AS **CONEG**, AND THE **EUROPEAN DIRECTIVE 94/62/EC, PACKAGING AND PACKAGING WASTE**
- **OPTIMIZING** MATERIAL USAGE INCLUDING **PRODUCT-TO-PACKAGE RATIOS**
- **MEETING CRITERIA FOR PERFORMANCE AND COST** (E.G., MINIMIZE PRODUCT DAMAGE DURING TRANSIT)
- **REDUCE** THE FLOW OF SOLID WASTE TO **LANDFILL**
- **REDUCE** THE **COSTS** ASSOCIATED WITH PACKAGING (I.E., LOGISTICS, STORAGE, DISPOSAL, ETC.)
- **REDUCE CO2 EMISSIONS**

# Beyond Sustainable Packaging ...



# B&B embraces the triple bottom line principle:



- **PLANET** (360° environmental care)
- **PEOPLE** (social competence)
- **PROFITABILITY** (competitive advantages, brand reputation, healthy bottom-line)



Picture source: <http://realbuildingconsultants.com/beta/wp-content/uploads/2014/05/triple-bottom-line1.png>



صنایع سلولزی ایران  
سایت اطلاع رسانی

# CONFECTIONARY & PACKAGING

# Influence of Retailers on Packaging



# Influence of Retailers on Packaging



<https://lh3.googleusercontent.com/-PsSm3U8GZ28/VLjsGQpiBdl/AAAAAAAAABj0/a-Vqrc3BPPg/s319-p/g2.jpg>

<http://www.packagingunlimited.com/uploads/image/NewPortfolioPages/ContractPackagingLayout.jpg>

# Consumer Packaging Preferences



90.3%



aluminium foil wrap  
in combination with  
paper

91.9%



= optimum material

# Global Chocolate Industry



**Revenues (2014): US\$117bn**

**Driving markets:**



# Trends



**PREMIUM**



P A P E R A N D W O O D



<http://blogs-images.forbes.com/eustaciahuen/files/2015/04/CADBURY-SPECTACULAR-7-1-1940x590.jpg>

# Cocoa Supply

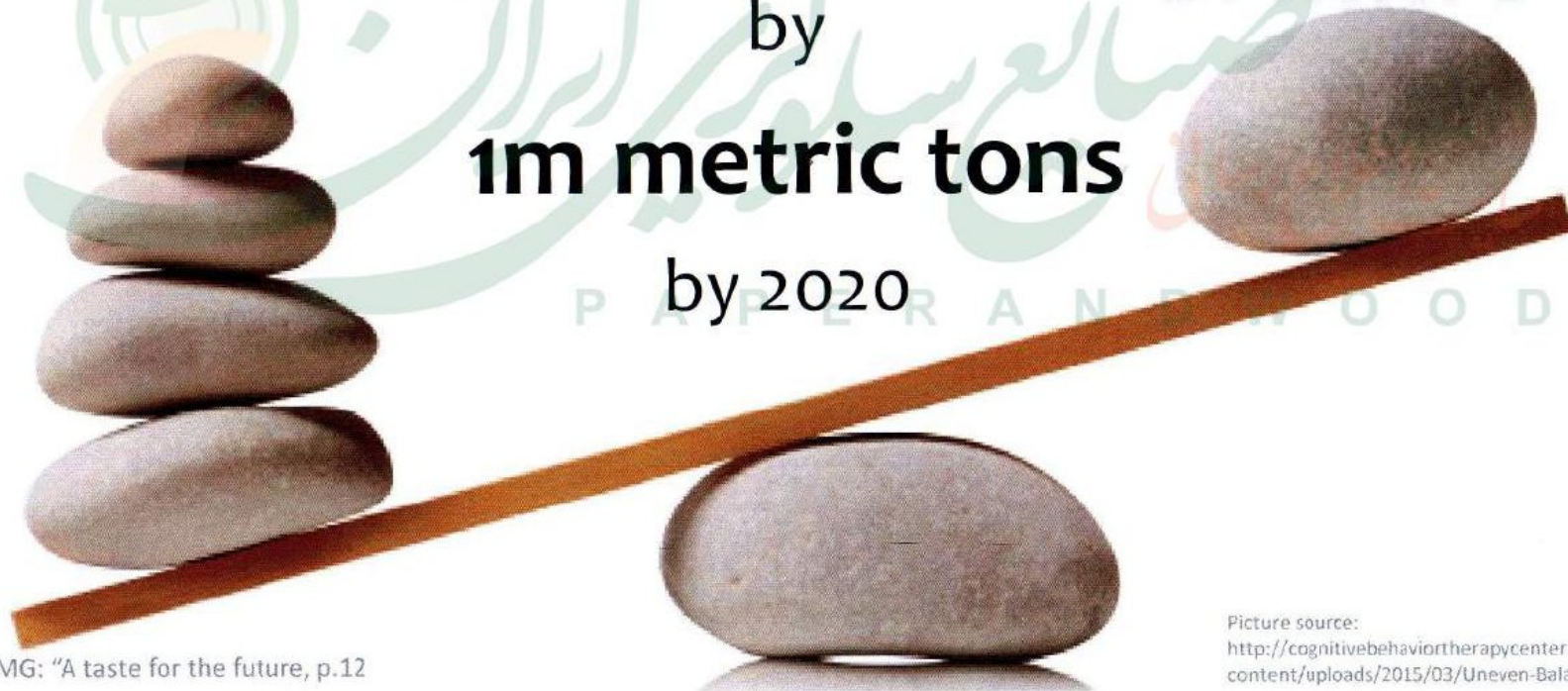


**DEMAND**

could exceed  
by

**SUPPLY**

**1m metric tons**  
by 2020



KPMG: "A taste for the future, p.12

Picture source:  
<http://cognitivebehaviortherapycenter.com/wp-content/uploads/2015/03/Uneven-Balance.png>

# Sustainability Remains a Key Challenge



A STRATEGIC APPROACH IS NECESSARY ...

... to improve

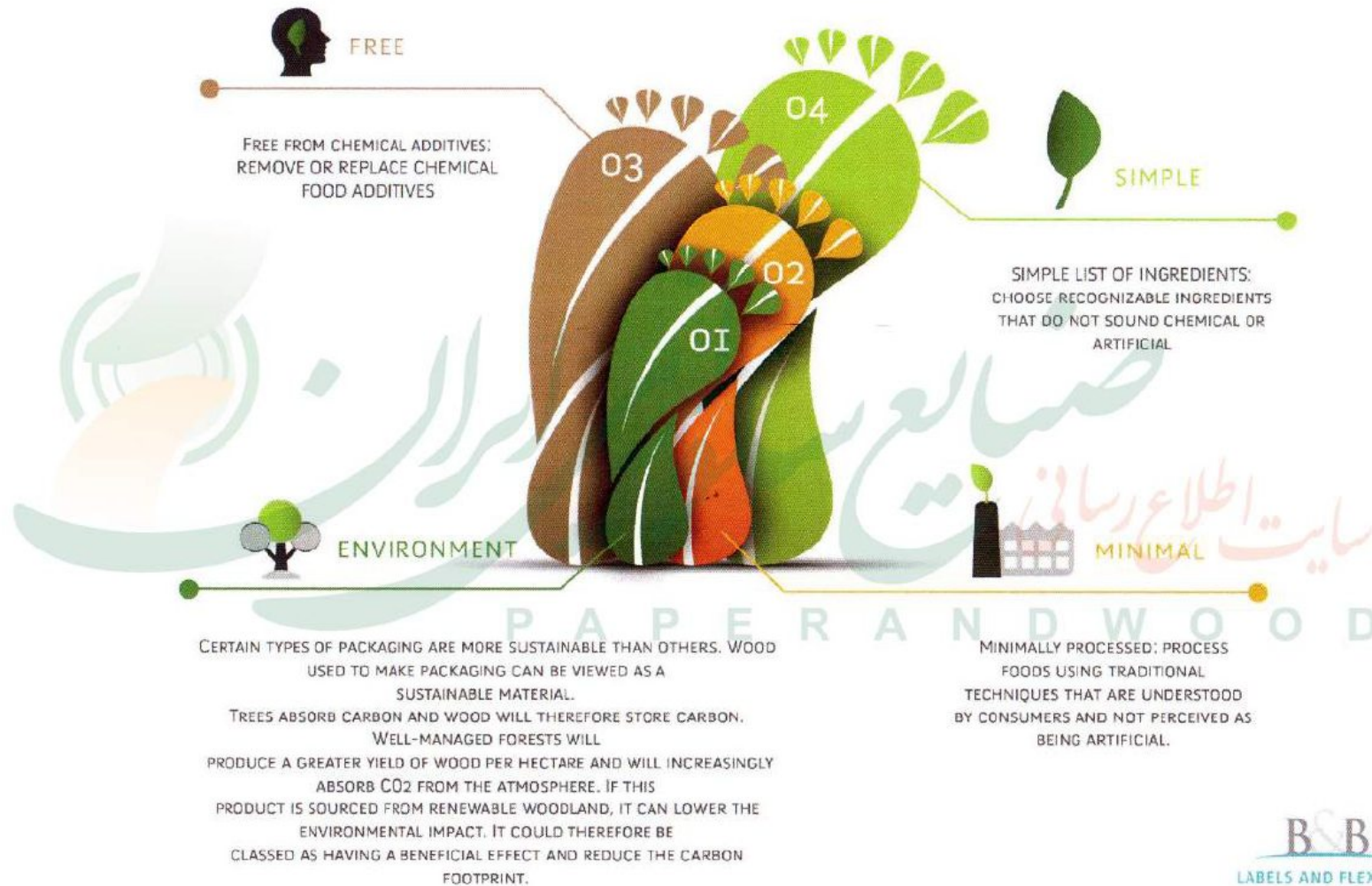
- brand value
- yields
- consumer trust



Picture source: <http://realbuildingconsultants.com/beta/wp-content/uploads/2014/05/triple-bottom-line1.png>



# Successful Components of Clean Labels



# CLEAN LABEL CLAIM GROWTH

## A global phenomenon





**WATER, SOFT DRINKS & NEAR WATER BEVERAGES**

# Consumer Trends

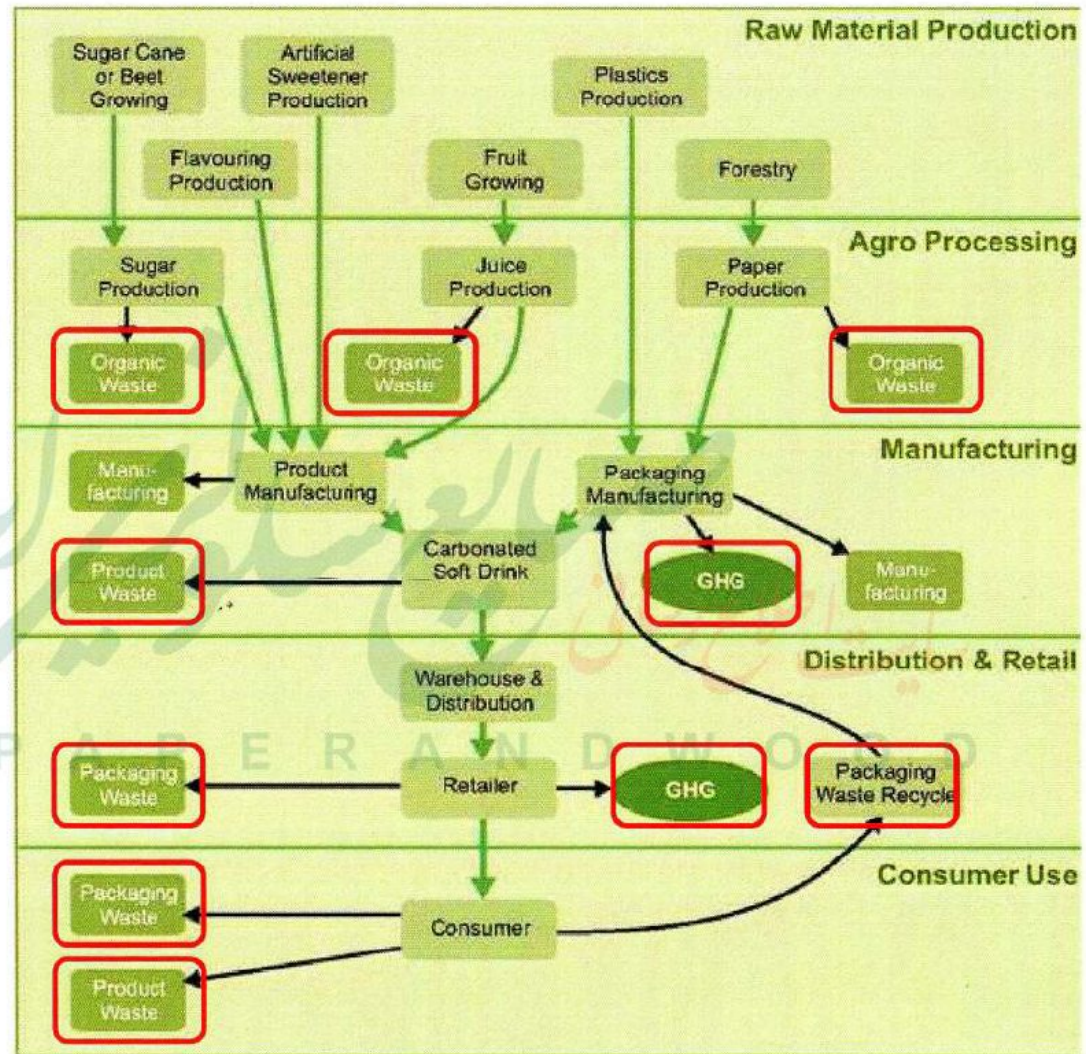


- Health and nutritional concerns  
→ low- or no sugar options
- Growing demand for new, natural plant-based sweeteners
- Rise in energy drink consumption

Picture source: <http://images.sciencetimes.com/data/images/full/1601/energy-drinks-may-not-be-safe-for-kids.jpg>



# Greening Soft Drink Packaging



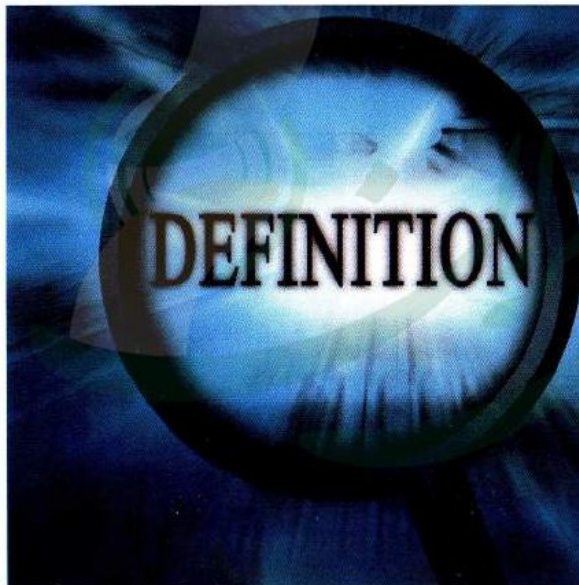
<http://ecocentric.gingerdomain.netdna-cdn.com/site/wp-content/uploads/2013/07/reduce-reuse-recycle.jpg>

<http://ww1.prweb.com/prfiles/2008/03/05/83479/ssfootlogo1copy.jpg>



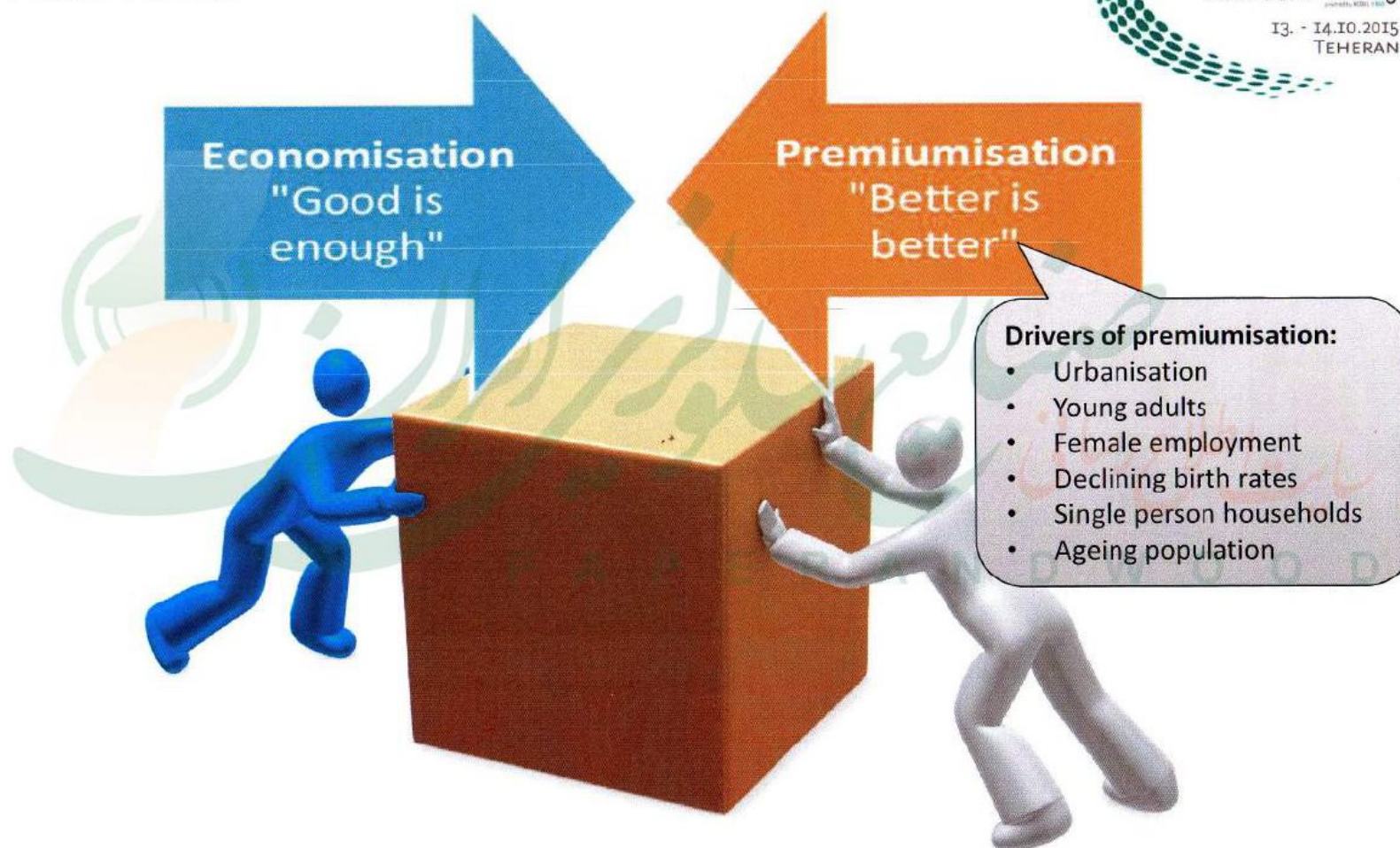
# **PREMIUMISATION & LUXURY PACKAGING**

# Premiumisation



- of exceptional quality or greater value than others of its kind
- of higher price or cost

# Opposing forces in the market



Source: Presentation "Premiumisation" Diageo, 16 April 2010

# There are many routes to premiumisation



Ingredients

Production

Packaging

Storytelling

Source: Presentation "Premiumisation – A Carlsberg Group perspective"

# Luxury Packaging



... is not a „NICE TO HAVE“

... it's a ...

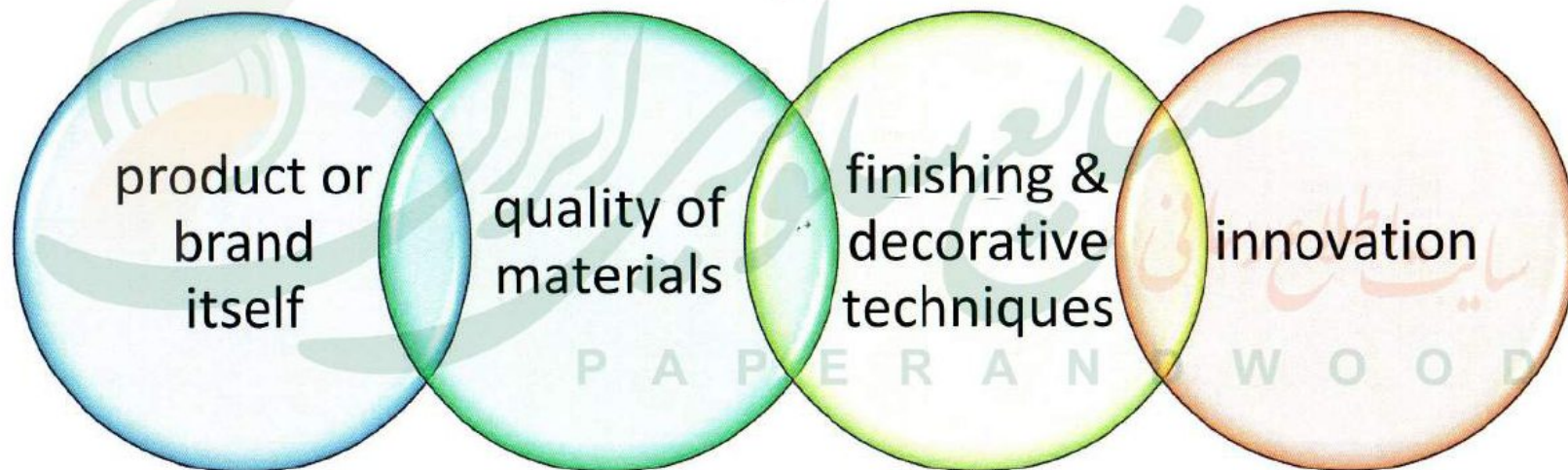
**MUST  
HAVE**

... for luxury  
products.

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N D W O O D

# Factors of Luxury Packaging

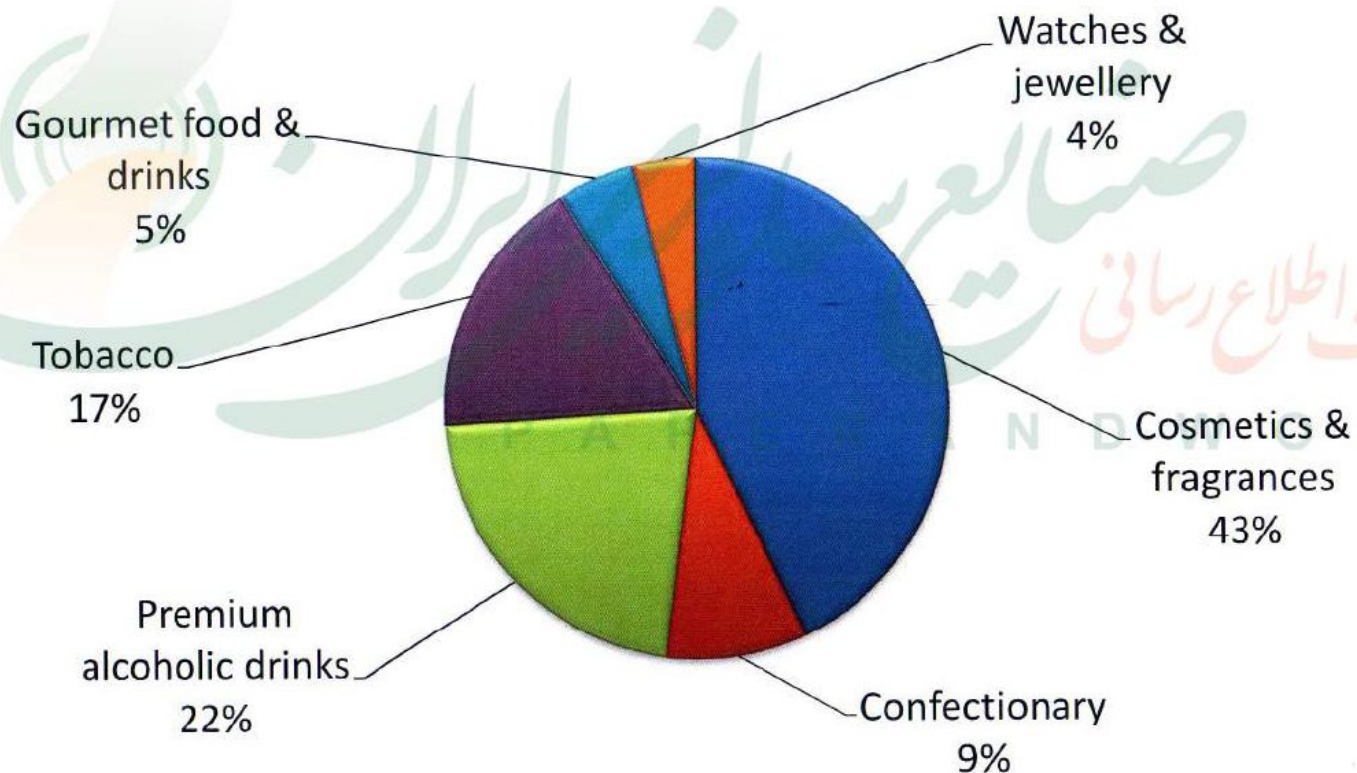


Source: Smithers Pira, Whitepaper "What is Luxury Packaging?", Nov. 2014

# Luxury Packaging | Application markets



**Global luxury packaging sales by end-use sector,  
2014 (% share of value)**



Source: Smithers Pira, 2015

# Luxury Packaging | Packaging Material



**Globaly luxury packaging sales by material type, 2014**  
**(% share by value)**



Source: Smithers Pira, 2015



**AMONG ALL THE TRENDS  
IN THE  
LUXURY PACKAGING MARKETS,  
TWO STAND OUT:**

## Personalisation



## Sustainability





**STORYTELLING**

IS THE **OLDEST FORM**  
**OF PASSING KNOWLEDGE**

**BUT**  
**IT IS ALSO**

**A POWERFUL MARKETING**  
**TOOL!**

# Storytelling is ...



... A WAY OF TRANSMITTING A MESSAGE IN AN ENTERTAINING AND MEMORABLE MANNER.

Examples range from

- fictitious movies (e.g. Lego)
- visual stories on websites (e.g. Bellroy – slim your wallet)
- “behind the scene” insights of how products are sourced/manufactured (e.g. Honest Tea – Origins)

# Storytelling is not just for campfires...



... corporate storytelling can  
**INCREASE REVENUE** and  
**IMPROVE CUSTOMER LOYALTY.**

P A P E R  
GOOD STORIES  
COMPEL PEOPLE  
TO CHANGE:

THE WAY WE **FEEL**

THE WAY WE **THINK**

THE WAY WE **ACT**

THE WAY WE **BEHAVE**



... to ensure that your **AUDIENCE**  
does **NOT FEEL SOLD**, but instead  
is **LED DOWN A PATH** that arrives  
at the destination or desired action.

**THE KEY IS ...** P A P E R A N D W O O D

# A Good Story is ...



- **AUTHENTIC & CREATIVE**
- makes an **EMOTIONAL** and **PERSONAL CONNECTION**
- inspires **ACTION**
- takes the audience on a **JOURNEY**

A P E R A N D W O O D

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This presentation examined:

- Relevance of trends & developments in the FMCG industry
- Trends & developments in selected Iranian markets
- Global trends



**THANK YOU  
FOR YOUR ATTENTION!**

P A P E R A N D W O O D