



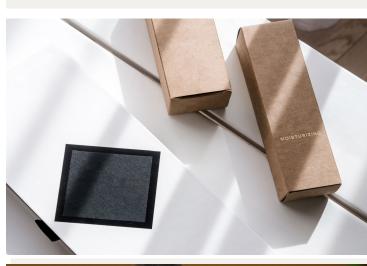
The label and packaging trends you won't want to miss!







Skanem

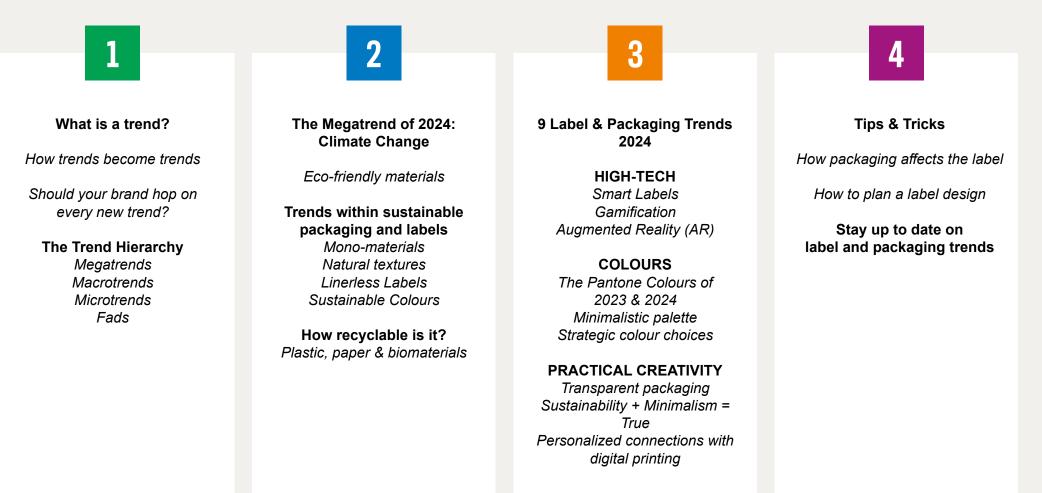




Global changes lead to new needs, new trends and new challenges which require technological development and sustainable solutions. And the consumers? They evolve along with these changes. They know what's going on, what they can demand and what they want. Therefore, in order for your packaging and labels to attract the customers' attention, you have to be aware of local packaging trends in East Africa as well as global trends.

In this eBook, we're mapping out the most important trends within packaging and labelling – for this year and well into the next. We'll also dig a bit deeper into *why* trends arise and *how* to best equip your brand for a market facing changes.

> Click on the chapter or subject you're most interested in, or simply scroll through it all. From all of us here at Skanem Africa, we hope you enjoy!





Label: Sunsilk Product: Strong & Shiny with Avocado Oil Client: Unilever

1 What is a trend?

A trend is something popular – something that many people or organisations are doing or engaging with. By mapping trends, we get a better understanding of what today's and tomorrow's consumers are attracted to.

When a new design detail can be spotted from three different sources, it's often a sign of an up-and-coming trend.

But remember; trends often arise from a specific need – regardless of industry, product or service.

3 needs that affect packaging and label trends:

- "CO2 emissions must be reduced" = Environmentally friendly materials
- "We want to buy more online" = Durable materials
- "I want to support local trade" = transparency of origin

The needs that lead to new, emerging trends may be realised with the aid of new technology, new materials and new manufacturing solutions. Still, the trend itself will always stem from a need.

Example:

A dairy company using their digital systems to highlight the supplier data can use that information to clarify the local origin per product. This enables the dairy product producer to design their packaging or label to present the dairy farmer to the end consumer. By doing this, the dairy company followed the trends of transparency and origin – stemming from consumers wanting to support local trade, which in turn became possible thanks to the digital systems.

So, the digital systems weren't the trend per se but rather the catalyst.

Should your brand hop on every new trend?

To strategically implement trends, it's important to familiarize yourself with how trends work.

This will allow you to pick up on trends from the start and more efficiently choose the right design for your components, packaging and labels. This is how a trend becomes a purposeful design function.

Does this mean that you should jump on every trend? Absolutely not. The trend must work for both your target group and the product itself, which is much easier to evaluate if you stay updated with global and local trends.

Limited editions, seasonal products or new campaigns can, for example, be a golden opportunity to test new trends – without having to lock your entire brand or product line to a new design.

Note! If the label design changes too often, there is a risk that customers will be confused, especially if you have a very well-known brand with an associated design. In this case, you might want to add a specific trend element to the existing label that does not change the main structure of the original design.

The Trend Hierarchy

How does a trend become a trend? Which target groups are the different directions suitable for, and which should you anticipate from the near future? These questions might seem difficult to answer, but luckily trends can be structured in a way that gives you a deeper understanding of how to benefit from them. **The trend hierarchy consists of four levels:**





A megatrend is a general direction that spreads across national borders, lasts for long time periods, and sets the tone for other trends. Megatrends are the starting point for all major social movements and a safe starting point for all design. A megatrend can arise, among other things, due to demographic changes, technical, political or health development, urbanisation or climate change.

As a company, you cannot change or influence such trends, but you can and should keep them in mind when developing brands and designs. Climate change is one of the megatrends affecting the packaging and labelling industry today.





Macrotrends emerge as a more nuanced response to megatrends. For example, the megatrend "technological development" leads to macrotrends such as artificial intelligence, smart products and IoT (Internet of Things), while the megatrend "climate change" leads to a variety of macrotrends related to sustainability.

In many ways, macrotrends are often the result of a megatrend.

Macrotrends often occur in a particular region or population before spreading across a broader spectrum, both demographically and industry-wise.







Microtrends turn macro-trends into practical solutions to adhere to concrete consumer needs. They are the most active of the trends, and they can appear as something new and exciting, or an innovation, even if they emerge from an existing megatrend and macrotrend.

In the book, Microtrends (2007), Mark Penn and E. Kinney Zalesne describe micro-trends as revolutionary and on the peripheries of existing trends – on the verge of becoming the 'new normal'. Disposable packaging for ready-to-eat food is an excellent example of a trend that arose to meet customers' demand for food on the go. Then they gradually became a macrotrend that reflected the fact that a hectic lifestyle was here to stay.

V Fads

While megatrends, macrotrends and microtrends can reach long and far, no matter what regions or demographics they saturate, fads are often fleeting. Unless they persist and get classified as a microtrend. Still, fads can be used as a marketing tool for brands looking to appear innovative and modern. Many use the word "trends" instead of "fads".

Fads often arise from popular culture and within the lifestyle segments. A strong focus on lifestyle is, in fact, a macrotrend in itself. Therefore, fads have a significant effect on consumers wanting to connect to a particular lifestyle.

Fads within packaging and labelling usually focus on aesthetic design details and communication.

2 The Megatrend of 2024: Climate Change

Environmental awareness has been widespread among consumers for a long time now. As suppliers and manufacturers, they demand that we do what we can to aid.

According to EY Future Consumer Index, as many as 73% – across national and generational borders – believe that companies are responsible for participating in the fight against climate change.

Measures that reduce waste, enable recycling and save resources and energy are simply expected in the 21st century.

Plastic has long been considered as the black sheep.

Still, we see a shift towards <u>food waste</u> being much worse.

Having containers, packaging and labels that protect its contents is therefore just as important as using environmentally friendly materials

Eco-Friendly Materials

A material can be said to be environmentally friendly if it can be recycled or if renewable energy is used in production.

Materials that require fewer resources and less energy consumption to manufacture are more environmentally friendly, but that does not necessarily mean that they are recyclable. That's why recyclable and renewable plastic, paper and biomaterials are considered environmental materials.

Plastics made from petroleum are not renewable or degradable, but they can be 'infinitely' recycled.

That's why it's so important to use the correct type and combination of plastic on both your packaging and label.

If not, your packaging might not be recyclable.

Trends within sustainable packaging and labels

There are 4 macro-trends and micro-trends in particular that have emerged in the wake of the megatrend that is Climate Change:

1. Circular Economy: Developing the Circular Economy by growing the Recycling Ecosystem.

2. Natural Textures: Paper labels can add a tactile texture which todays consumer appreciates. Especially those interested in renewable energy.

3. Mono-material: Packaging and labels made of the exact same material, which enables sorting and recycling as one component.

4. Sustainable Colours: Not only in term of colours that reminds us of nature and sustainability such as green, brown, blue and yellow, but sustainable ink. That's why our Skanem Africa label manufacturing site is FSCC 22000 certified and able to use Low Migration ink colours.







How recyclable is it?

PET/PETE/ PET-P	Polyethene terephthalate has a shiny and even surface and is particularly suitable for storage or protection against water, wind, heat and impact. In Europe, about 50% of all PET bottles are recycled, partly for new bottles and partly for textiles and fibres such as fleece.
PP	Polypropylene is a strong material with a high melting point. PP is suitable as a container for acids, alkalis and solvents. PP can be recycled into a number of products, and there is a large market for recycled PP in both Europe and Asia.
HDPE	High-density polyethene is a strong but at the same time flexible material that is often used as storage of chemical products. In most European countries, HDPE packaging can be collected for recycling. They are used partly for products such as pipes and car parts but also new packaging.
LDPE Film	Low-density polyethene is often used in food packaging and transport, especially as a transparent foil. The material also works well for organic oils and acids. There is a global market for LDPE film recycling, especially in industrial waste.

Note! The Kenya Association of Manufacturers (KAM) released a Plastic Action Plan in 2019 with a Proposed National Recycling Target of 30% by 2030. The baseline of 2020 was marked as 9%.

Recyclable paper materials

Paper fibres can be recycled 6-8 times before they're worn out, and for every tonne of recycled paper, about 14 trees are saved. Paper is recycled into new paper products such as writing paper, newspapers, envelopes, corrugated cardboard and egg cartons. Recycled paper and cardboard can be recycled as raw material for new paper.

Biomaterials from renewable sources

Biomaterials are manufactured – in whole or in part – from renewable biological resources, but have similar properties to conventional plastics, both in use and recycling. For example, sugar cane can be processed to produce ethylene, which in turn can be used to make polyethene. Starch can be processed to produce lactic acid, which can become polylactic acid (PLA).

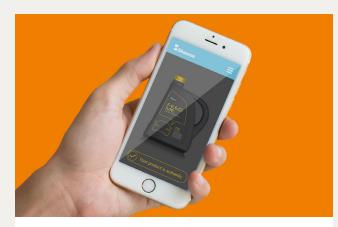
Examples of biomaterials:

Starch-based bioplastic	Starch-based bioplastic is moisture-absorbing. Plasticisers have been added to thermoplastic starch, which means that a number of optional properties can be obtained during production. Thermoplastic starch accounts for about 80% of all bioplastics.
Cellulose	Cellulose is a natural biopolymer of sugar molecules. This biomaterial is often used in food packaging.
Polylactic acid (PLA)	Polylactic acid is a transparent plastic produced by polymerizing lactic acid. A significant advantage of PLA is that while it's highly durable, it can be made degradable. PLA has a deformation temperature of 60°C and softens in water.
Poly-3- hydroxybutyrate (PHB)	The biopolymer poly-3-hydroxybutyrate (PHB) is a polyester produced by the biosynthesis of glucose or starch. Its properties are similar to polypropylene. PHB can be made as a transparent film with a melting point above 130°C. No residual products are left if degraded in nature.
Biologically produced polyethylene (Bio-PE)	The raw material in polyethene (PE) is ethylene. Ethylene can easily be produced from ethanol, which can be produced by fermentation of sugar or starchy agricultural products. Biologically produced PE has the same properties as petrochemically produced PE.

Note! The Kenya Extended Producer Responsibility Organization (KEPRO) was launched June 2021 to promote collaboration, seek commitment by waste value chain players and support the achievement of a circular economy. The organization, launched by Kenya Association of Manufacturers (KAM), brings together players in the value chain to help increase awareness and promote sustainable capacity building in Kenya's recycling and circular economy.

3 Label & Packaging Trends 2024

HIGH-TECH



Smart Labels

You may know them as interactive labels or digital labels, but here at Skanem Africa, we call them Smart Labels.

These are scannable labels that connect your product to IoT solutions.

Through technology such as NFC, QRcodes and Magic Codes, your customer can scan the product and be sent to e.g. an app or your website, or check for product authenticity, while you get to keep track of the products journey through your supply chain.

Read more about our Smart Labels here.

Gamification

Gamification is all about turning the label into a game that your customer enjoys, either in the form of physical prizes, digital points or fun challenges. This is not new, but Gamification is constantly evolving. McDonald's has had great success for over 15 years with its label hatches containing physical discount codes, while Coca Cola did the same with printed codes in their bottle caps. Products with Smart Labels, on the other hand, can send the customer directly to a website or a mobile app.





Augmented Reality (AR)

With an Augmented Reality experience on labels and packaging, the consumer can interact with your products. Either while they're still in the store or when using the product after purchase. By pointing their mobile camera at the label, ingredients, diagrams or perhaps animations can pop up on their screen – while they're still in their camera function. Yes, just like in the "Pokemon Go" app. It's also possible to place information about logistics in the AR code – making it easier for staff to locate the product from storage.

Want to know more about AR for your products? Get in touch with us here!

COLOURS



The Pantone Colour 2024: Peach Fuzz (13-1023). Two keywords are at the centre of this year's colour of the year: Closeness and Connection. The cozy shade emphasizes a shared need for togetherness, providing warmth and gentleness from the outside in. PANTONE 13-1023 Peach Fuzz representes, as Pantone puts it, an "allembracing spirit that enriches the mind,

The Pantone Colour 2023: Viva Magenta

body, and soul".

(18-1750). Last year's colour of the year distinguishes itself in its timely symbolism. Pantone describes it as a "a new signal of strength" - something we all need in our lives after a turbulent time in history. With its vibrant hue, oozing of energetic and empowering vibes, PANTONE 18-1750 Viva Magenta urges us to be braver, fearless, and more optimistic about the future.

Minimalistic palette

Minimalism has been a trend for some time now. It's easily recognized by its soft and natural colour palette, with light pink, blue, and creamy tones. It gives off a sophisticated and timeless aesthetic that is hard to beat. This design trend has also made its way into the labelling and packaging industry, where it is expected to dominate well into 2024.







Strategic colour choices

Although minimalism is the overarching trend for 2024, that doesn't mean that we should forget all about colour. Going against the tide can make you stand out from the crowd, and using colours strategically can make your brand more recognizable among consumers. If you have a set of similar products with different smells or flavours, consider using unique colours or distinct surprise elements for each variant.

PRACTICAL CREATIVITY



Transparent packaging

Adding a transparent or see-through element to your packaging, such as a window or a physical cutout, is a two-in-one deal. Giving your consumers a sneak peek of your product is an attention-grabbing strategy, but it also showcases your brand's authenticity. Additionally, it can serve as a basis for implementing alternative label design elements, such as stickers and banners.

Sustainability + Minimalism = True

In 2024, sustainability still reigns high and plays a prominent role in tandem with the minimalism trend. It's not just about neutral and soft colours; it's also about simplicity in your choice of embellishments, as well as labelling and packaging materials. We expect to see more eco-friendly coatings and inks. Many businesses are also experimenting with reusable packaging that customers can return and refill, which will help drive sustainability efforts and improve brand loyalty.





Personalized connections with digital printing

Digital printing provides new possibilities for more advanced designs and interactive features while also reducing valuable production time. Personalization is key this year, and brands can leverage elements like QR codes and games to connect with consumers. However, you must always align your digital efforts with your overall brand vision and purpose.

4 Tips & Tricks

How packaging affects the label

For the consumer, the packaging and the label are two sides of the same coin. But as a company, you should be aware of the many ways your packaging will affect your label and vice versa. Remember! The design elements you choose should complement each other.

Product packaging has two main functions:

To enclose and protect the product.
To attract and inform the customer through design and information.

A great packaging design can't be either stylish or functional – it must be both.

Ideally, the functional and the aesthetic aspects should overlap in a way that makes it both practical and pretty.

Example: Nike Air Max

March 26th of 2014, in celebration of "Air Max Day", Nike developed a fantastic packaging concept. Instead of using an ordinary shoebox, a limited number of shoes were placed in a transparent air cushion made of recycled plastic.

Not only to protect the shoes and show off the product but to emphasise the shoe's function and concept, which is based on air cushions.



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HOW TO PLAN A LABEL DESIGN:

All packaging developers want the best possible conditions for each of their design components. According to Katrine, there are four steps, in particular, to follow when developing a new label or packaging:

#1: First and foremost, you want to have an idea of how the packaging should function. How should it work, what requirements should it meet, what should it communicate to the consumer? Start with the product as a whole – including the components, the container, the packaging and the label – instead of addressing one design detail at a time.

#2: Next, you'll want to develop the design concept and add parameters related to the practical function of the packaging, a detailed description of the product that the packaging will contain and an idea of what you want to do with the creative design part.

#3: Then comes an important, yet often forgotten, step: Benchmarking your options and solutions for the packaging or label.

As soon as the sketch is complete, contact your current suppliers to a) ensure that your design is doable and b) allow for even better ideas at an early stage. When you ask critical questions to suppliers at an early stage, the design and manufacturing process runs much smoother in the long run.

#4: Once you've done this, you'll have a better overview of which parts of your sketch and ideas are doable and can now go back to the drawing board to complete the design at a detailed level.

Stay up to date on trends, news and design tips!

In this eBook, we've taken a closer look at trends, where they come from, how they are defined, and described methods for predicting packaging and labelling trends. We know how important it is to keep up with global and local changes and trends.

As a label manufacturer, it's our job to continuously update ourselves on global and national requirements and guidelines regarding label and packaging materials. We have a genuine passion for making labels that help you sell more while living up to its practical and functional potential.

We're happy to advise on packaging and labelling trends and practical functions within your product segment, preferably in person, but also via <u>The Skanem Africa Blog</u>, where we share our industry experiences within sustainability, design, supply chain and materials.

If you subscribe to The Skanem Africa Blog, you'll receive articles about packaging and labels directly to your inbox.

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