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2019

PACKAGING

TRENDS



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WITH THE GLOBAL LANDSCAPE SHIFTING RAPIDLY TO DIGITAL,

there are many innovation opportunities for senior marketers and designers at consumer packaged goods (CPG) companies.

In this ebook, senior leadership from Pantone, Esko and X-Rite highlight four key trends that are currently impacting the packaging industry, providing suggestions on how to achieve growth and optimize the packaging process across all aspects of the value chain.

We hope that you find these insights helpful and use them to your advantage.

Pantone Color of the Year 2019:

Life-affirming coral hue energizes and enlivens with a softer edge

By: Laurie Pressman, VP of Pantone Color Institute

We get energy from nature. PANTONE 16-1546 Living Coral, an animating and life-affirming shade of orange with a golden undertone emits this desired familiar and energizing aspects of color found in nature. Just as coral reefs are a source of sustenance and shelter to sea life, vibrant yet mellow PANTONE 16-1546 Living Coral embraces us with warmth and nourishment, providing comfort and soothing reassurance in our continually shifting environment.

The humanizing and heartening qualities displayed by the convivial PANTONE 16-1546 Living Coral hits a responsive chord. Our desire for warmth is a fundamental feeling. In our quest to feel better amidst continued unrest, uncertainty and instability in our global culture, we are reaching out to gather up all the warmth around us; seeking out materials with texture and colors that welcome.

With many spending over 50% of their time online, and social media increasingly embedded into everyday life, we are craving human interaction and social bonding; authentic and immersive experiences that enable physical connection and intimacy. Symbolizing our innate need for optimism and joyful pursuits, PANTONE 16-1546 Living Coral embodies our desire for playful expression. Sociable and spirited, the engaging nature of PANTONE 16-1546 Living Coral welcomes and encourages lighthearted activity and the enjoyment of spending time with others and having fun.

**PANTONE
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While PANTONE 16-1546 Living Coral is a color organically found in nature, it is also very much a color that holds great appeal digitally. According to Leatrice Eiseman, Executive Director of the Pantone Color Institute, "Color is an equalizing lens through which we experience our natural and digital realities, and this is particularly true for PANTONE 16-1546 Living Coral, a color that represents the fusion of modern life, a nurturing color that appears in our natural surroundings and at the same time because of its cheerful brightness, displays a lively presence within social media."

Color enhances and influences the way we experience life. As a shade that affirms life through a dual role of energizing and nourishing,

PANTONE 16-1546 Living Coral

PANTONE 16-1546 Living Coral reinforces how colors can embody our collective experience and reflect what is taking place in our global culture at a moment in time.

We also see a gravitation toward more humanizing color in response to fear of robotics and artificial intelligence. Colors evocative of simpler times and previous era once considered retro are returning in more modern materials, silhouettes, tints and tones. PANTONE 16-1546 Living Coral is one of those tones being re-visited, re-discovered and re-invented.

Living Coral's vibrancy and buoyancy captivates our attention in social media and digital design. With its ebullient nature, Living Coral inspires uninhibited playful expression. An organic shade, PANTONE 16-1546 Living Coral is striking in digital mediums, evoking the same inspirational feeling ignited by our natural surroundings.

Bubbly and effervescent, Living Coral is naturally ideal for packaging applications across all product categories. Warm and welcoming as well as life affirming, Living Coral invites us to reach out and touch. Linked to humanizing and heartening characteristics, Living Coral evokes feelings of comfort, appealing to our desire for tactility and human connection. ■



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SINGLE SOURCE OF TRUTH KEY FOR CPGS LOOKING TO QUICKLY MEET GROWING E-COMMERCE DEMAND

By: Stephen Kaufman
Chief Product Officer, Esko | Brand Solutions

As more and more consumers embrace online shopping, packaging continues to play a pivotal role in the e-commerce experience. In a recent study conducted by Danaher's Product Identification platform, of shoppers who had purchased food and beverage products online, 75% of them stated that they plan to purchase more snacks online and 63% of shoppers planned to purchase more health, beauty and personal care products online in the next 18 months. The continuity of brand and product across channels is increasingly

important too, as 61% of shoppers expect the product packaging they see online to be the same as what they see in their local retailer, and 47% expect the product image online to exactly match the packaging that arrives on their doorstep. Even more shockingly, one third of e-commerce shoppers return health and beauty products because of the packaging.

Online purchasing requires consumer packaged goods (CPG) companies to adapt quickly to growing consumer desires and with the cut-throat, competitive environment of e-commerce, retailers are battling it out to meet the consumer demand as efficiently and profitably as possible. With all of these rapidly shifting dynamics, the relationship between CPG and the retailer is changing. In my experience, the uncomfortable relationship between both the CPG and the retailer often stems from inconsistent data and untimely communication. When designing product packaging CPGs think: "Why can't I give all of the retailers one set of data and they use it how they see fit?" While on the other hand, the retailer thinks: "Why can't CPGs get me the correct product data quickly? I need to be able to differentiate the product so we can compete against other e-commerce sites."

Often times the retailer would like to begin selling a product even before they have product inventory, and they can't because they don't have the data needed to promote the product. And what stalls CPGs from providing retailers quick and consistent data is the fact that they don't have a single source of truth to pull the appropriate data and messaging from.

In my conversations with CPG brands, one problem arises repeatedly: A lot of companies want to believe they have some master system somewhere that has the "truth", but the reality is that the data gets altered many times and cannot easily be found in a single database. The system of record for accurate product data is often embedded in the final released artwork file. Yes, the original packaging data is initially owned by a few master systems such as a SAP system, regulatory





system, etc., but there's no single central location that hosts all of this information – I've learned the actual consumer readable truth is something that evolves over time within the package and label development process, the approval process, and the "ramp up" by marketing as the product gets closer to the shipping date. CPG companies have been relying on a significant amount of manual processes to make up for the lack of a centralized product information source.

But with the rise of e-commerce, the need for fast-acting data drives CPG companies to establish and invest in structured data houses to find data quickly, remove waste and inefficiencies in the process and provide the ability to tailor appropriate messaging for retailers.

Retailers also find that multiple product and lifestyle shots with tailored messaging increase lift. Product shots, nutrition and ingredient data are good for some, but a shot of the product being used in the kitchen, on the sports field, on a hiking trip etc. help the consumer imagine actually using/consuming the product and this consistently drives online purchase behavior. Custom messaging also helps retailers differentiate themselves from their competitors. To organize the development of this information, many CPGs now refer to both "on-pack data" and "off-pack data" when talking about the product messaging during the packaging creation process. "On-pack" refers to the typical information seen on product packaging such as the ingredient, promotions, flavors etc. and "off-pack" data would include information on how to market the product

in different retail environments, actual weight (as opposed to net weight), physical dimensions (for shelf planning) and literally hundreds of other pieces of data. Managing this data, with tightening budgets, an uptick in the number of SKUs and changing global regulations and demographics is a tremendous challenge, particularly when attempted with manual or antiquated systems.

CPGs that focus creating a single source of truth for their package data are able to quickly pull both "on and off-pack" out of a database to automate the placement of text onto the package and then automate accurate data delivery to e-commerce portals, with the ability to be custom the data for each retailer according to language and need. This approach meets retailer's desires for compelling e-commerce copy that entices online shoppers and has the potential to alleviate some of the dissonance between CPGs and retailers.

While some departments within CPG companies will argue that they already utilize databases, each department is only one part of the process. This means that the key to increasing data speed relies on creative upfront information and a unified, orchestrated workflow. If companies get it all in the right place the first time, it's far easier to locate and share across departments, suppliers and retailers. When everyone is connected to a packaging workflow of integrated technologies, the ecosystem collectively thrives, leading to better online shopping experiences for consumers and increased product sales for both e-commerce retailers and consumer goods companies. ■



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PACKAGING GETS PERSONAL:

Adding Customization (and Color!) Into Brand Packaging Strategies

By: Cindy Cooperman, VP of Brand Global Strategic Accounts at X-Rite

In Danaher Product Identification's latest study, "[Packaging and the Digital Shopper: Expectations in Health and Beauty](#)" 62% of shoppers did not see a value in health, beauty, and personal care items personalized with their names. However, according to the survey, respondents did see value for products specifically customized for their skin or body type with personalized instructions; 22% of shoppers said they are highly likely to purchase or would like to see more customized products.

To succeed in today's market of mass choice, major brands must adapt their packaging strategies to meet this unmet need. From hair care to OTC medications, providing usage guidelines or instructions that are clear, customized, visually appealing and easy-to-read is an innovation area for brands. There are also opportunities to use color to enhance and customize products.

Color can be used to create a powerful strategy for beauty brands within their packaging to help create provide an engaging custom experience. ColourPop is a growing online cosmetic company that allows shoppers to purchase eyeshadows in single pods; placing each shadow into a larger six- or twelve-pod case. There are plenty of opportunities to personalize that eyeshadow case packaging with the name and eyeshadow colors while providing customized tips on the application using those specific color palettes.

Beyond the beauty category, there are opportunities for personalization within personal care. Personally selected color or patterns on tools such as hair dryers,

and other styling tools can appeal to shoppers. Even personal care items like shampoo or toothbrushes can be presented in an experiential way using color.

Color can invoke a sense of person style or represent a lifestyle and engages even the youngest of consumers and a very base level. Personalization first became a hot trend with monogramming and having an individual name printed or engraved on a product. Color can be used in a subtle and powerful way to engage with all kinds of people beyond the written word. Think of two young children who share a bathroom. Before they are able to read, they frequently rely on color to differentiate most of their personal care products. An opportunity for them to select a personal color for their toothbrush might be enticing. Imagine a sorority house with multiple hair straighteners and blow dryers – a pattern or a personal color on the packaging or product might be useful and makes a statement for the individual.

Why don't we see more personalization in beauty and personal care products and packaging?

Brand leaders must connect the product to the consumer experience at the speed of consumer expectations. Unfortunately, consumers' expectations are quite different than the reality for most consumer packaged goods (CPG) companies. For instance, [consumers expect packaging changes to take a mere 24 hours](#), but [brands take 198 days](#) to implement them.





There is an opportunity for customization to impact packaging and the consumer experience, but FMCG companies must be collaborative in how they do it. Operationally, many FMCG companies' departments function in silos. These silos create friction, disconnect and therefore, delivering changes and customization to the product or packaging at the demand of the consumer becomes impossible. Working together across the value chain using workflow software makes it easier for teams to communicate changes quickly and adapt to growing consumer desires.

How can FMCG brands incorporate personalization into packaging?

Beyond communication across departments and the value chain, companies must look at the consumer and strategy from multiple angles and ask themselves the following questions: what is the product function, who is our demographic, how will consumers use the product? Once they have answered those questions, companies must tie-in the psychological connection that color can play within the product's packaging. Ideally, when incorporating customization into the product and packaging, companies consider a three-tier approach.

The three-tiers of customization include:

Regionalization. As your first point of entry, regionalization focuses on entering a specific country, such as China.

Localization. Once you've entered the country, localization relies on entering a specific market within the country, such as Shanghai.

Personalization. Once you've entered the target market and city, personalization ultimately targets a specific. Within the Shanghai locality, what prevalent personas are interested in the product and how do they like to be marketed?

Specifically for color customization, regionalization could be selecting product colors that resonate with the country, localization could be selecting additional colors that align within a specific market, and personalization could be selecting the right color to match what a particular persona

or consumer desires. If beauty or personal care brands can successfully penetrate one tier of their desired market, it becomes easier to achieve penetration across all tiers.

The Role of Color Consistency in Personalization

It's important to note that color consistency is still key, perhaps even more so in customization and personalization. People strongly relate to their color identity, look at pop-icon and celebrity, Prince or The Muppet's own Kermit the Frog. When consumers choose a specific color to create their own product, they are more committed to that color. They have invested thought, time and money in choosing the perfect shade for them. They care whether or not the color matches what they chose to create; therefore it is imperative to keep the color consistent across the consumer experience.

There is an untapped opportunity here within customization for CPG brands, particularly within the health and beauty categories. Brands that consider implementing a three-tier approach to customization, crafting the perfect regionalization, localization and then personalization strategy can truly better adapt to consumer's desires for tailored products and packaging. And of course, those who utilize color will find a unique way to connect with consumers, providing a truly unique packaging experience. ■



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How Design Leaders Can Count Business Value by

By: Danielle Sauv 
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Digitizing Packaging Design

I found a kindred spirit in Ben Sheppard. I recently read his study, [The Business Value of Design](#) and thought, here is someone who understands what my colleagues and I have been saying for more than a year now: designers ARE leaders, and they deserve to get promoted from the brainstorm room to the board room.

Design plays a strong role in brand and product creation, product packaging, brand experience, and all corresponding marketing materials, driving communication and the behavioral economics behind consumer purchasing decisions and consumption and loyalty, etc., etc.

But how can you objectively convey that? Can you measure design or is it subjective like art?

McKinsey logically asserts that to prove design's value, businesses must quantify key performance indicators (KPIs) for design. According to The Business Value of Design:

- "More than 50% of companies admitted that they have no objective way to assess or set targets for the output of their design teams. With no clear way to link design to business health, senior leaders are often reluctant to divert scarce resources to design functions."

McKinsey analyzed design actions that correlate with financial performance and two of the clusters identified are particularly interesting to those in design operations or who deliver design through the last mile of packaging. Let's look at these and understand how to interpret them.

McKinsey Design Recommendation:

Measure and drive design performance with the same analytical rigor as revenues and costs.

In organizations where design has no KPI's, design doesn't get a seat at the table. Design leaders must demonstrate that they can increase their teams' productivity and output quality over time using data. (For some packaging KPIs to start with, I have some suggestions.)

When design leaders come to the table armed with numbers and results they will be taken more seriously by business leaders. For instance: “We improved our design-to-launch process from 100 days to 30 days, and because we got to market faster, we beat our competitor and captured \$1.5 million in additional sales.” Wouldn’t that turn heads!

I have heard some design managers joke that they are allergic to numbers, and I think that’s very unfortunate, because I don’t know any business leaders who can’t quantify the output of their teams. Companies love revenue more than they love design, or creativity.

McKinsey Design Recommendation:

De-risk development by continually listening, testing, and iterating with end users.

When companies digitize their packaging operations, they are better equipped to test and iterate packaging designs for end users (also called consumers). For instance:

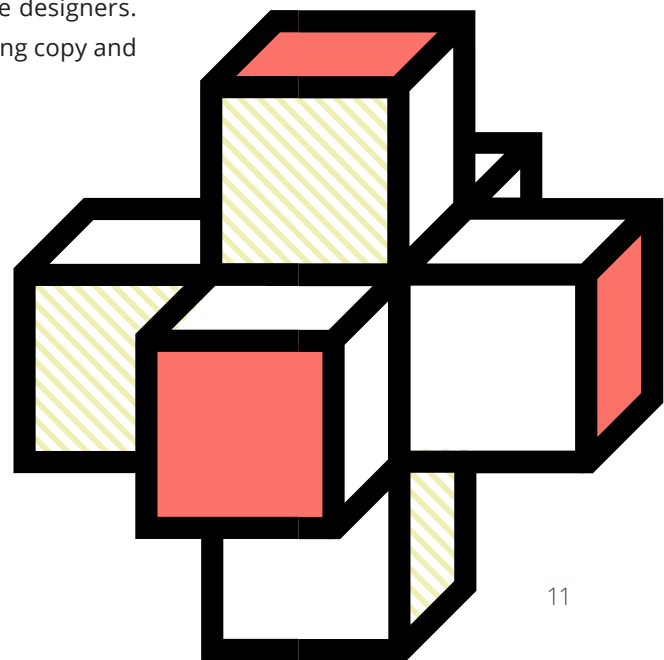
- Designers can create digital 3D mockups of package designs for online consumer panel testing, they can capitalize on user feedback much more quickly than the analog practice of hand-cutting printed boxes to present to an in-person focus group in several parts of the world.
- Beyond digital 3D renderings of designs, virtual reality (VR) testing within digital store environments, combined with VR eye tracking can deliver even more specific insights about shopper behavior and what draws their attention at shelf in a physical retail store, in the arena of competition.

I think it is also worth noting that McKinsey asks a question in the introduction to their study that never really gets answered: “How do companies deliver exceptional designs, launch after launch?” In my experience, companies that deliver exceptional designs consistently have built organizational capability or muscle to do these things (and hire designers who ultimately end up with a seat at the table!):

1 They digitize design and creative operations.

I cannot stress this enough. Designers benefit from digital technologies and the best companies leverage digital workflow software to improve their visibility over the design-to-launch process and to connect cross-functional teams. This means giving all contributors tools like digital asset management so they can keep their finished work organized, centralized, and accessible. It means enabling legal to review designs and provide feedback efficiently and easily, so delays don’t frustrate designers. They remove manual errors from copy/paste by dynamically managing copy and content through structured copy sheets.

They digitize because it allows them to offload to systems the tracking of projects and the number of days it takes stakeholders to review or give their feedback on designs. Digitizing the design process gives design leaders the KPIs they need to get a seat at the table. KPIs help them investigate problems and create countermeasures to continuously improve. In this way, digitization gives design leaders the visibility and data to apply design thinking to their design processes, continuously iterating with an eye on their teammates as the end users.



2 They automate, for quality and capacity reasons, which ultimately impact cost.

They support and enforce quality with automated tools that pickup more errors than a proofreader's tired eyes or a busy brand manager's rushed glances, and faster too. They enforce quality with connectivity and measure the results objectively, for instance, the color was in-target based on what the automated color measurement device says, not only what the production assistant's eyes tell him.

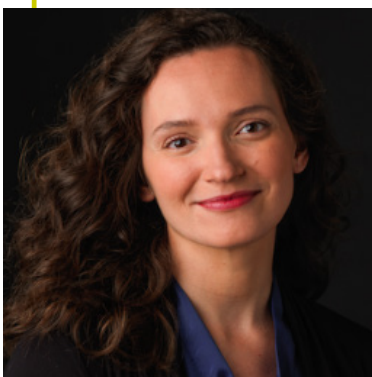
They preserve designers' most valuable limited resource (Inspiration!) by automating as many administrative design tasks as possible, such as converting files from .AI to .JPEG or cropping images so they're suitable for the PowerPoint presentation or a social media post.

Don't be comfortable living in the privileged land of subjectivity without objective measures (numbers).

Conclusion

Within consumer goods companies, the interplay between physical functions (packaging, shopper marketing, etc.) and digital functions (e-commerce, marketing, etc.) is increasingly overlapping, and handoffs are becoming more and more frequent. The risk is that investments in design could be diluted as projects move from design into execution. Leaders in these organizations need to investigate the difficulty with which teams currently collaborate, to what degree these functions may operate separately, and seek ways to connect them with digital tools and processes that remove redundant work, speed collaboration, and communication, improve the quality of the work, all with the mission of returning better results from their investments in design.

To designers and design leaders: Don't be comfortable living in the privileged land of subjectivity without objective measures (numbers). It is a dangerous place and residency there will not last forever. Designers do deserve a seat at the table, and the ones that claim seats will be those who can leverage technology to generate KPIs and prove the value of design. □



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ABOUT US

Pantone enables color-critical decisions, from inspiration to realization, for brand and manufacturers. Over 10 million designers and producers around the world employ Pantone products and services to communicate through color and control consistency across various materials and finishes.

www.pantone.com

Esko helps its customers make the best packaging for billions of consumers. Our product portfolio supports and manages the packaging and print processes for brands, retailers, designers, premedia and trade shops, packaging manufacturers, and converters.

Esko solutions are used in packaging management, asset management, artwork creation, structural design, prepress, 3D visualization, flexo plate making, workflow automation, quality assurance, sample-making, palletization, supply chain collaboration and/or the production of signage and displays.

The Esko family includes Enfocus, with its PDF quality control tools and automation solutions, MediaBeacon, with its digital asset management (DAM) solutions and BLUE Software, with its SaaS label and artwork management applications.

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X-Rite is a global leader in the science and technology of color and appearance. X-Rite offers a full range of solutions used by manufacturers, retailers, printers, photographers and graphic design houses to achieve precise management and communication of color and appearance throughout their processes. X-Rite products and services are recognized standards in the printing, packaging, photography, graphic design, video, automotive, paints plastics, textiles and medical industries.

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