

DEEP DIVE:

THE FUTURE OF PREMIUM IS PURPOSEFUL

Five premium trends and how you
can translate them into purposeful
packaging solutions



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PREMIUM IS CHANGING

People's ideas of what premium is are changing. Although maybe they have never been static, since the concept of premium is very connected to our personal values and lifestyle, which constantly evolve over time and place.

Premium for one generation might mean luxurious products from legacy brands, while for another generation it could be more about sustainable products that have been made by skilled craftspeople. There are also differences in definition depending on culture, gender, geography, ethnicity, and age. What stays the same though is the idea that a premium product brings more value worth paying more for. And packaging therefore should help strengthen that position of the brand. Holmen Iggesund believes that the new premium is more complex than just quality and branding power. We believe that there are more dimensions to today's ideas of premium, which include meaningful and sustainable experiences. We call this purposeful.

We choose the expression purposeful because consumer values are shifting towards more purposeful consumption and more purposeful lifestyles. This is driven by underlying values such as social and environmental responsibility, conscious consumption and a focus on personal well-being. To become truly purposeful we need to work together with our customers and co-learn together with the consumers.

Through discussions about the relationship between purposeful and premium with industry experts, we have identified five major trends and opportunity areas that can support a brand's value position and help differentiate themselves in a crowded market landscape. We will in this deep dive share these with you as well as our view on how packaging can support the position and purpose of your brand. But it is important to emphasize that purposeful is not a label that you can just put on your packaging. It is the brand that is purposeful – it is the packaging's job to help support and reflect that.

The five opportunity areas:

- Authenticity
- Localness
- Transparency
- Minimalism
- Trustpilot generation

A classic premium product that comes in premium packaging.



Photo: Getty Images

All purposeful solutions are ...

- made with clear and conscious intentions, taking every step of the value-chain into account.
- considerate of the after-use and are, at the very least, fully recyclable.
- smart – in terms of raw materials usage, being convenient and intuitive to buy, use and recycle.
- designed for circularity (closing the loop).

Photo: Simon Bajada

1

AUTHENTICITY

Many consumers want authentic brands and experiences but how can that be translated into packaging solutions?

The latest [Meaningful Brands](#) study by Havas found that consumers have become more cynical than ever and that their trust in brands is at a record low. Havas says that we have entered ‘an age of cynicism’ that is driven by a long period of political friction, societal demands, and disinformation which the global pandemic has only accelerated. The Havas study concluded that consumers find less than half of brands to be trustworthy, yet our expectations on brands are higher than ever. Sustainability has become a hygiene factor and we expect brands to do good for people and planet. In the same study, 64% of people asked said that they prefer to buy from companies with a reputation for purpose as well as profit, and more than 50% said that they are willing to pay more for a brand that takes a stand. Moncler

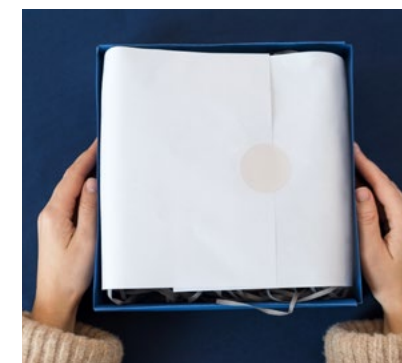
chairman and CEO Remo Ruffini explains: “Today is not only about products but is even more about our communities and the culture we want to shape together. The world is changing, and people do not want the same things as before. They demand and expect more from brands. Today, we must find new ways to connect and engage, becoming pioneers of new messages.” A brand that is, for example, built on a promise of natural ingredients, responsible sourcing or ethical business must convey these factors

through the packaging, otherwise the consumer might feel that there is a discrepancy in the brand promise and the story it tells. As James Brooks, the creative director at L:A Bruket says: It is not about adding or changing the story, it is more about knowing where to start the story. In order to avoid miscommunication with consumers, it is sometimes necessary to educate the consumers when implementing big changes on packaging. Packaging is after all often the first thing that you see when buying a product.

3 take-aways on leveraging authenticity with packaging



Packaging that makes empty promises carries the risk that the consumer will lose trust in the brand. Make sure that your packaging is aligned with your brand values and promises.



Packaging that is not sourced under the same core values as the product sends an inconsistent message to the consumer. A product based on the most natural ingredients and highest environmental performance should have packaging based on the same criteria.



Packaging sustainability improvement initiatives are on top of every agenda today, yet some initiatives fail when the consumers feel that the implemented change has gone in the wrong direction. Make sure that time and effort is also spent on explaining the benefit of that change, backed up by data, so that consumers will not feel that their brands have betrayed them.

The Corona pandemic has
boosted our love for the local community
and our closest surroundings, but can
packaging support localness?

2

LOCALNESS



Most of us have probably spent more time exploring places closer to home and buying things made locally during the corona pandemic than before. At first it was about solidarity, supporting local businesses during a time of need. Throughout the period it has shifted more towards a change in fundamental values, both a need to know more about businesses that exist in our local proximities and a feeling of satisfaction when choosing domestic or local production. According to a [study from research firm Kantar](#), 65% of consumers now prefer to buy goods and services from their own country. A similar [study from Mintel](#) shows that 66% of consumers in the Asia-Pacific region are willing to buy more from local businesses since the start of the pandemic. The increased demand for local products is driven by consumer concerns

with products being produced and transported from somewhere far away and not knowing how and where those products are made, and the need to feel that they support small local businesses and local communities. What is considered local differs depending on the product. For a craft beer, the same town is considered local, while for a

car the neighbouring country can still be considered local.

And in a near future, when we can all look at the pandemic and all the supply chain issues it has created in hindsight, there is a possibility that businesses will start to revalue their value chains to increase efficiency and minimise risks.



3 take-aways on leveraging localness with packaging



Localness and authenticity can support and add to the brand and validate a higher price position. Make sure that the packaging supports and reinforces the brand story.



Localness is not only about closeness in geographic distance, it can also be a close connection with the consumer that gives the feeling of belonging to the same community. Use packaging as a channel to provide information about your work within different social areas (supporting sports, minority groups, climate change, etc).



Source your packaging regionally, you will save in shorter lead times, ease of communication and quality control. Note that domestic paperboard will not necessary mean lower carbon footprint, ask for data when doing the comparisons. Holmen Iggesund can support you in setting up new value chains and finding the right production partners.

3

TRANSPARENCY

Packaging is a great bearer of information and transparency, but how can we support more transparent packaging solutions?

As mentioned in the authenticity area, we are in an age of cynicism which is driving a greater demand for openness and transparency from brands. Consumers expect more from their brands today: a strong purpose, social responsibility, and doing good for people and planet. When brands and marketing agencies mislead consumers with false information or glorified versions of their actual environmental results it is called greenwashing.

Examples of greenwashing connected with packaging material claims include Windex's 2019 claim that they were using 100% recycled ocean plastic in their bottles. This was heavily criticised as the plastic was in fact not collected from oceans. The claim was later changed to "100% ocean bound plastic". Recent claims that have become more popular on products and packaging relate to carbon neutrality. But brands often fail to communicate the fact that the neutrality is sometimes achieved by carbon compensation, which can in some cases be seen as greenwashing.

Forest certification programs like FSC and PEFC increase transparency and trust about the sourcing of fibre-based materials. Read more about sourcing responsibly in our deep dive [Transparency in Sourcing](#).

3 take-aways for responsible sourcing



Choose suppliers that have the right accreditations and certificates in place.



Choose suppliers that are open with their environmental declarations.



Choose suppliers that are accessible and can respond to your needs when it comes to more specific questions on sustainability and supply chain, and can support in improving your value chain performance.



Packaging and blockchain technology can be used to secure the transparency and authenticity of a product. Arla, for example, is piloting the use of blockchain to provide full information to the consumer about the milk's journey from farm to fork. The packaging plays an important role here as it is the bearer and enabler of identification throughout a big part of the value chain.

4

MINIMALISM

Minimalism is cutting all the unnecessary things away, but can minimalist packaging design also assist us in doing smarter choices?



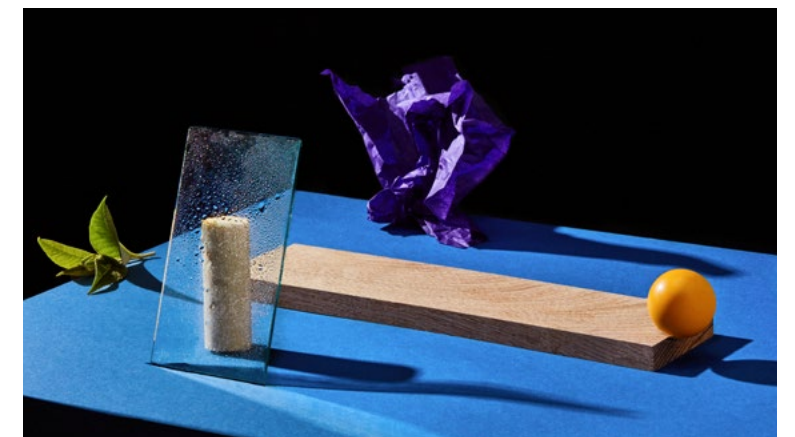
The use of minimalistic and sophisticated graphics on packaging is a trend that has come and gone in cycles for a couple of decades now. In recent years we have (again) seen a shift towards more minimalist designs, especially within electronics, wellness beauty, and artisan foods. By slimming down the messages and the use of unnecessary design elements, the design correlates better with values such as authenticity and transparency. Also, as consumers have started to do more product research online, packaging designers don't need to fit all the information onto the physical packaging anymore.

Minimalistic can refer to both the design on the packaging and the packaging itself. And with an increased focus on material circularity, CO₂ emissions, and frustration around overpackaging within, for

example, e-commerce, the benefits of removing unnecessary parts and scaling down the packaging to what is necessary have been increasingly highlighted in the last couple of years.

Minimalistic graphical design doesn't necessarily mean simplified print. It

can still be used to make packaging stunning and stand out on shelves. A way to create a rustic and old-style appearance is to print on the reverse side of the paperboard. Many paperboards have different finishes and surfaces on each side where one can be used to achieve different visual and tactile experiences.



3 take-aways on leveraging minimalism with packaging



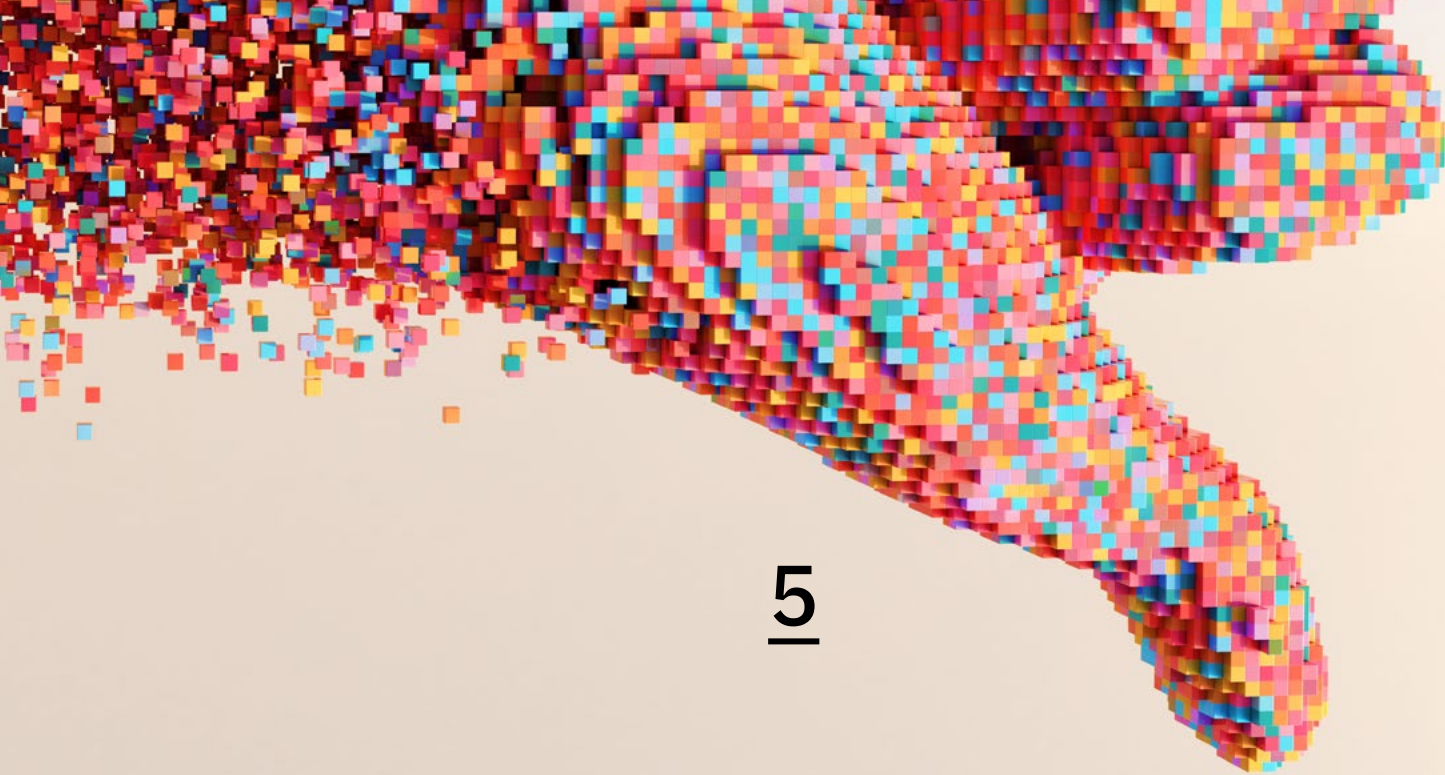
By utilising the paperboard's strength and other properties you can optimize the packaging design after the product, size and functionality, e.g. by using smart inserts and compartments to protect the product and make the overall packaging more fit for purpose.



Functional opening and closure mechanism enable good reuse of the packaging, but also simplifies the return handling process (in e.g. E-commerce). Using integrated solutions also helps avoid the unnecessary usage of added materials (e.g. replacing metal tie wraps or plastic hangers).



Using a renewable material that can be recycled into new packaging materials supports the circularity of materials and saves valuable resources from being wasted. It is important to look at data over what is actually recycled and not only focus on the 'recyclable' claim of a material.



5

TRUSTPILOT GENERATION

Consumers trust other consumers,
but how can the packaging support
and help them feel good about
their recent purchases?



Most important factors influencing US e-commerce purchase decision



Sources: ARK Investment Management LLC, 2021; eMarketer, PowerReviews.
Survey conducted in April 2021.

According to a [study commissioned by GE Capital Retail Bank](#), 81% of consumers research products online before making a purchase. This is a figure that is increasing year by year. And during the pandemic we have seen that consumers have become more willing to try new brands.

Deep Dive

A [survey conducted by McKinsey](#) showed that 68% of Thai consumers and 80% of Filipino consumers are trying out new brands due to product unavailability during the pandemic. [Forty per cent of US consumers](#) (most notably millennials and Generation Z) have switched brands or retailers during the pandemic due to value, availability and purpose. Based on these insights, brands should leverage all the tools they have to convince new consumers to select their products over others.

For online purchases, [rating and reviews can play a key role for most consumer decisions](#) and it is becoming more and more common that reviewers talk about the delivery and packaging experience when reviewing the product. 'Star' ratings have become more important too, especially for products that fall into a higher price range. Ultimately, giving a consumer experience that corresponds to what your customers are expecting is what counts. If that doesn't happen, consumers will express their discontent through product reviews and ratings.

3 take-aways on leveraging product rating



Have a close dialogue with your customers to better understand current and new consumer needs. Digitalisation has enabled new effective ways of being closer with and inviting consumers to co-create solutions.



Don't overpack your e-commerce products. Overpacking is becoming one of the more common frustrations for consumers today. The packaging needs to be optimised for the product and use, and in some cases also support the return procedure.



Packaging design matters. Unique designs are more likely to be shared on social media and packaging still has a high influence on purchases offline and online.

GET STARTED

We hope that this deep dive has provided you with some food for thought on how packaging can help convey brand values, purposefulness and add pricing power. To get the most out of the insights, ask yourself what each opportunity area could mean for your brand. We also want to send you three workshop questions that you can run in your own departments to leverage this even further.

We at Holmen Iggesund would gladly participate in workshops with you, we can help you with packaging optimization, prototyping or material substitution projects creating purposeful packaging solutions together.



Contact us for your individual consultation now!

Good questions for your workshop

- ↓

How can your packaging convey purposefulness?
- ↓

How can your packaging effectively capture/convey minimalism and authenticity?
- ↓

How can your packaging better align with your target customer's newfound values?



Do you want more information or discuss possible solutions?

Contact Elin Li, writer and expert
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Want to know more about premium and premium packaging solutions?

Go to iggesund.com/inspiration

Holmen Iggesund is the premium paperboard company for purposeful solutions. We invite our customers and partners to be part of creating the next generation of sustainable packaging solutions and graphical applications together with us.

We are part of the Holmen Group, relying on our own sustainably managed forests to ensure a renewable material for centuries to come.

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