Euromonitor International

Consumer Packaging Strategies: Adapting to Cost Pressures

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INTRODUCTION

Scope
Key findings

COSTS FOCUS FOR MANUFACTURERS AND CONSUMERS

Packaging mostly exhibits crisis resilience but inflation is constraining consumer spend
Across packaged groceries, volume growth proves more challenging; “value” search is strong
Food packaging contraction: Staples fare best with cost-conscious shoppers
United Arab Emirates: The rise of private label in essential fresh dairy products
Navigating the many inflation drivers that impact packaging costs
Commodity price fluctuations ease for operations in 2023, but energy risks remain
Labour shortages and supply disruption are further concerns to watch
High operating costs currently translate into higher retail prices for consumers
Investor and regulator sustainability intervention add to Packaging cost pressures today
Packaging strategies to adopt in an era of elevated costs

REDESIGN TO IMPROVE AFFORDABILITY

Consumers show care in how they spend and search for savings
The value for money pouch is a growth format
Affordable pouch brings fun and functionality to food in Latin America
Premium beauty sees the rise of the value for money refill pouch
Flexible plastic: Another economic value pack choice
E-commerce expansion promotes boxed wine
Bag-in-box wine to a mezcal debut: Distribution efficiency lowers price and enviro-impact
Detergent: Detersolín Protect in Spain highlights the “reduced plastic” benefit
The rise of multifunctional and waterless beauty alters packaging design
Beauty: Europeans simplify hair care routine with 2-in-1 shampoo/conditioners

RIGHT-SIZING: USING PACK SIZES TO DELIVER VALUE

Right-sizing is more crucial than ever with today’s price-sensitive grocery shoppers
Downsizing: Food pack downsizing for immediate affordability
Dairy: Arla reduces the pack size of its Anchor and Lurpak butter brands
Small cheese indulgence in China: K iri’s cube cheese outperforms the category in downturn
Ice cream: Downsizing is strongest in the developed world but beware taxation risk
Beverages: Familiar pack/price/promotion strategy is most active in soft drinks
Beauty: Latin America hyperinflation meets shrinkflation in rise of “daily affordable” packs
Home care: Compaction expansion as Aromatel Rinde+ launches concentrate in Mexico
Price-competitive private label and discounter opportunities
Private label whistleblows on downsizing: Carrefour uses “shrinkflation” warnings
Up-sizing to deliver consumer value: From bulk to bundling to multipacks
Big bottle promise in beverages
Beauty mini bundles: Opportunity to experiment as “try before you buy” resonates

SUSTAINABILITY AND REGULATION

Sustainability regulation is set to intensify, making packaging progress a must-do
Consumers want to live more sustainably; this is backed by green packaging actions
Sustainability is of increasing strategic importance to businesses
Consumer goods players target packaging circularity and net-zero
The cost implications of environmental inaction are also strengthening
New plastic and packaging regulations reinforce responsible packaging momentum
Canada’s plastic multipacks ban creates demand for fibre-based alternatives
Reducing virgin plastics in progress but some way to go, to hit voluntary 2025/2030 targets
L’Occitane highlight: Improves recyclability, recycled content and launches EcoRefill bottle

Regulatory rise of reuse and refill in beverages: EU, France and Austria act
Refillable glass will grow: In readiness for regulation and to advance eco-positioning
The reputational return: Packaging sustainability delivers brand growth
Hershey ranks “packaging and end-of-life” top investment and reputational priority

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