



Euromonitor
International

Consumer Packaging Strategies: Adapting to Cost Pressures

December 2023

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: Kiri’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

About Euromonitor International

Euromonitor International is an independent market intelligence provider. Data, insight and analysis stem from in-the-field research spanning 210 national markets.

Content ranges from the in-depth and country-specific, to key strategic themes with a global range and significance. Products cover a comprehensive range of insights and market data, but can be broadly categorised as:

- **Strategy Briefings:** Global or regional in scope, and focussing on the most important themes shaping consumer demand, the key markets, competitive environment and future outlook across a range of industries.
- **Company Profiles:** Analysis dedicated to the world's most significant companies, with detailed insight into their activities, focus of operations, their competitors, their geographic presence and performance.
- **Country Reports:** For an in-depth understanding of specific countries, whether by industry, economic metrics or consumer trends and lifestyles. These reports cover current trends, consumer demand, market potential and future prospects, with country-specific local insight and comprehensive data, unavailable elsewhere.

For more information on this report, further enquiries can be directed via this link www.euromonitor.com/consumer-packaging-strategies-adapting-to-cost-pressures/report.