

Packaging Innovation: A Key Business Tool And Enabler For Growth and Profitability

I. Executive Summary (Abbreviated)

This report and instructional guide on packaging innovation benchmarking and best practices is a totally new look at the business and processes of packaging innovation. It follows a 2006 body of work based on the *Packaging Benchmarking and Best Practices Study*, authored by Packaging & Technology Integrated Solutions (PTIS) and published in 2006 by Packaging Strategies. Many things have changed or have been reemphasized during the past three years in packaging. This guide will help professionals across the value chain to better understand and take forward packaging innovation in their organizations.

More than 50 telephone interviews with leading companies and leading decision makers were used to put this report together.

The packaging value chain has been rapidly evolving during the past decade and has just recently passed a critical tipping point where packaging now has a seat at the table. There are a variety of change-forces and trend-drivers currently pushing packaging to become the new brand and product differentiator. They are outlined in detail in the report.

Open innovation practices, now being employed by about one-half of the organizations interviewed, are also outlined.

Purchasing will become a greater influencer as it shifts from a tactical to a strategic resource. Cost control will not be the sole focus. Purchasing will become much more involved in the packaging innovation process from total cost of ownership to third-party sourcing certifications.

There are still many different organizational structures for packaging departments (centralized, decentralized, matrix, etc.), and each has pros and cons, and each is outlined in the report, to include the authors' opinions on which work when clear goals, objectives, and metrics are established and communicated.

The report includes extension perspectives supporting why a packaging strategy is required for successful innovation, including the three most important components of an overall strategy.

The authors also spend considerable time examining the tie between innovation and consumer insights. Consumers are the acceptors of innovation and are referenced many times during the innovation process. Understanding consumers and what they value is critical, and packaging is playing a more prominent role in that function.

The benchmarking survey used for this report identified many best practices. Common themes did occur, but it is ultimately determined that organizations must tailor their innovation efforts to fit within the culture and processes of the company.

Top innovators across product, technology, and packaging are identified in the report. Consumer trends, sustainability, and private label were identified as major influencers in the packaging innovation process.

The authors have explained and supported their believe that suppliers are the enablers of innovation, and that to be successful, suppliers must understand their customers' business and consumers' needs to bring relevant ideas to the table.

Retailers and their private label efforts are outlined, including new statistics revealing how national label brands view the threat from innovative private label efforts.

Top best-practice observations and tools are identified in the report.

Significant primary research was used to develop the content, insights, and net conclusions presented in this guide to approaching packaging innovation.

Key leaders and decision makers across the value chain made significant contributions to this report.