

The Future of Packaging

A Designplus Delphi Poll

June 2009



Designplus

www.designplus.org.uk

This initiative is part of a wider Designplus project, aimed to develop strategic skills and capabilities for the packaging industry, which is currently one of the economy's most challenging support systems.

A well-established technique for gathering an objective consensus on future predictions, a Delphi Poll aims to obtain industry/sector insights through the shared knowledge and intuition of experts in a specific area, in this case focusing on the packaging industry.

We asked 33 experts and opinion leaders these 6 questions about their predictions and understanding of the future for their industry.

Why do we want to know about the future?

Does the future matter?

Businesses need to know about the future and link this knowledge to their strategic decision making. For example; to adapt and develop capabilities that will be relevant in the future, or to gain knowledge ahead of others, thereby gaining a competitive advantage.

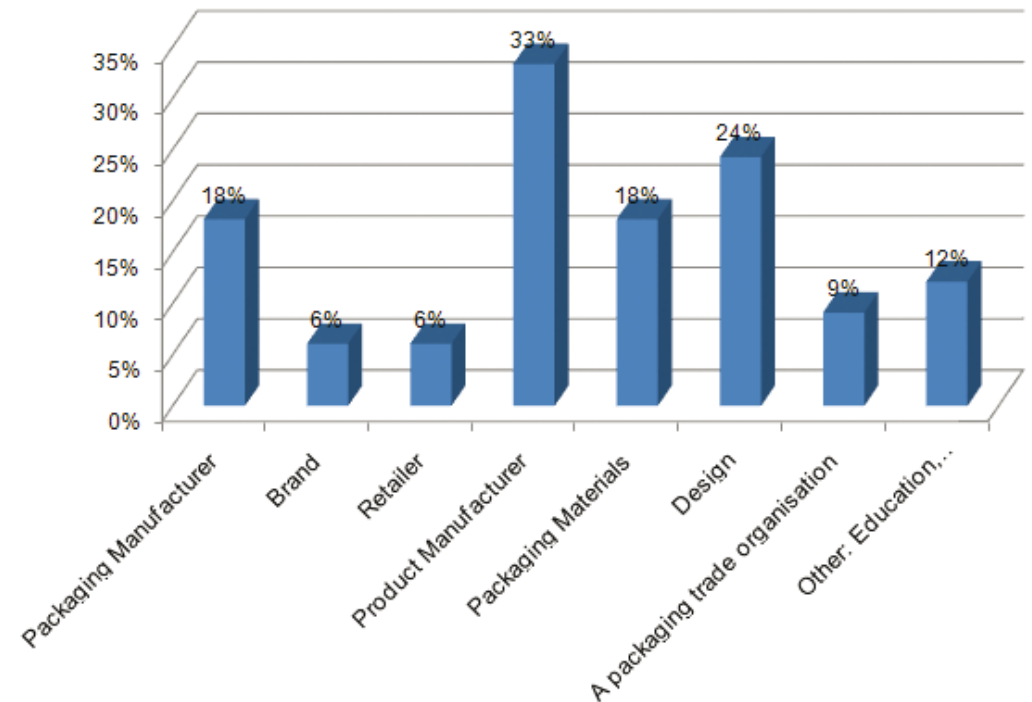
Future insights are relevant for academic research to determine which research agendas will be significant for society.

Understanding or predicting the future is essential for design; from anticipating future problems to solve through to creating products for the future.

We asked 33 experts and opinion leaders these 6 questions about their predictions and understanding of the future for their industry:

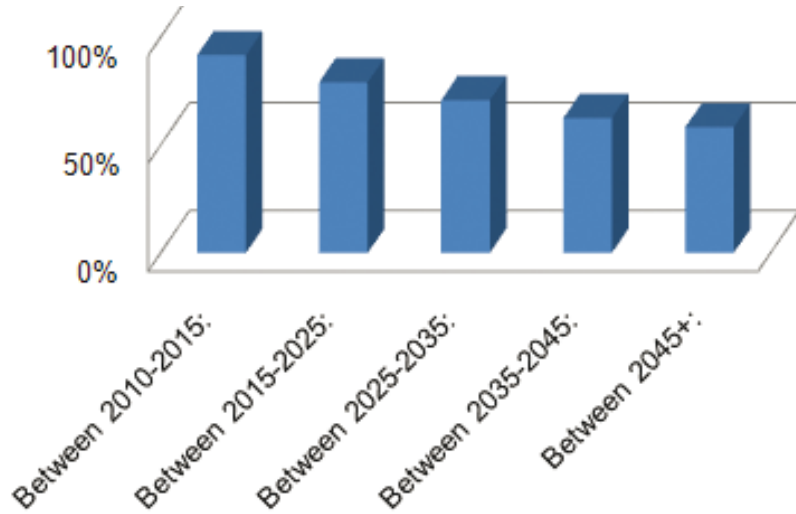
1. To what extent can you predict the future?
2. How do you foresee the industry in 25 years' time?
3. What will be the key drivers for innovation?
4. Where will your brand or business be in 40 years' time?
5. How will sector categories and brands change?
6. What world events will impact the industry over the next 35 years?

Our 33 contributors' backgrounds:



To what extent can we predict the future?

Respondent confidence in predicting the packaging future



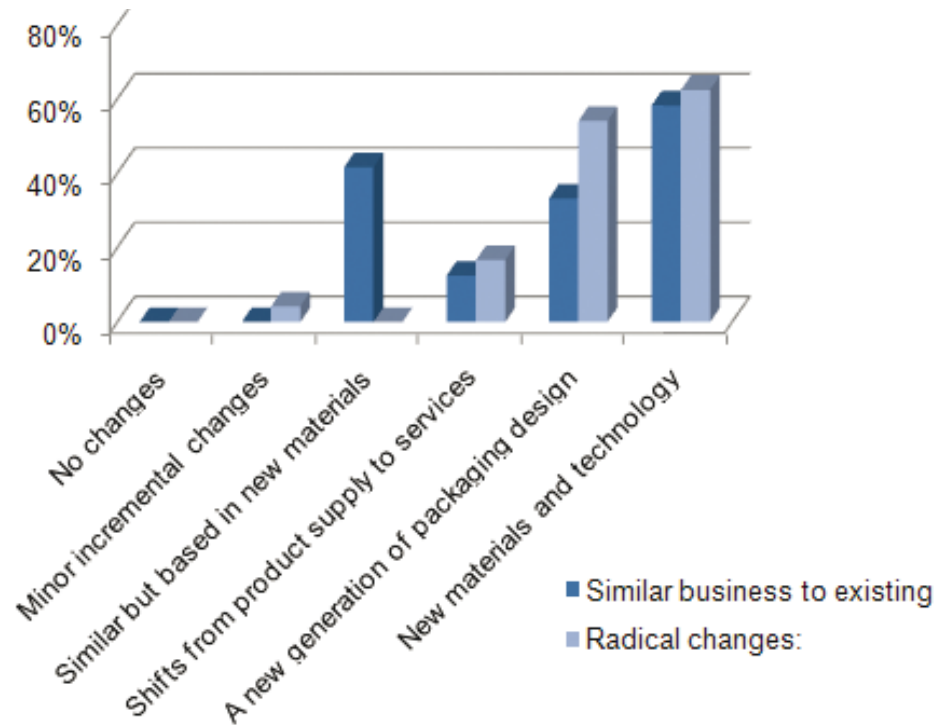
Asked to consider the next 35 years, 95% of the respondents felt they had accurate predictions for the next 10 years, but only 50% offered their visions to for the year 2045 and beyond. This is a clear indicator of the packaging industry's current medium-term focus and culture, which in turn reflects the industry's ability to formulate strategic decisions for the future.

How do you foresee the industry in 25 years' time?

Looking ahead to 2035 there is strong consensus, from over 50% of respondents, that there will be a new generation of packaging solutions. However there is also strong support for the idea that any new materials and technology will be used within a similar business landscape.

From a strategic, design and technology perspective this forecast can be translated as a challenge to anticipate, access and develop future knowledge in order to benefit from these innovations. But also to be more open to the possibility of a radically changed landscape?

2035 – Similar business or radically changed?

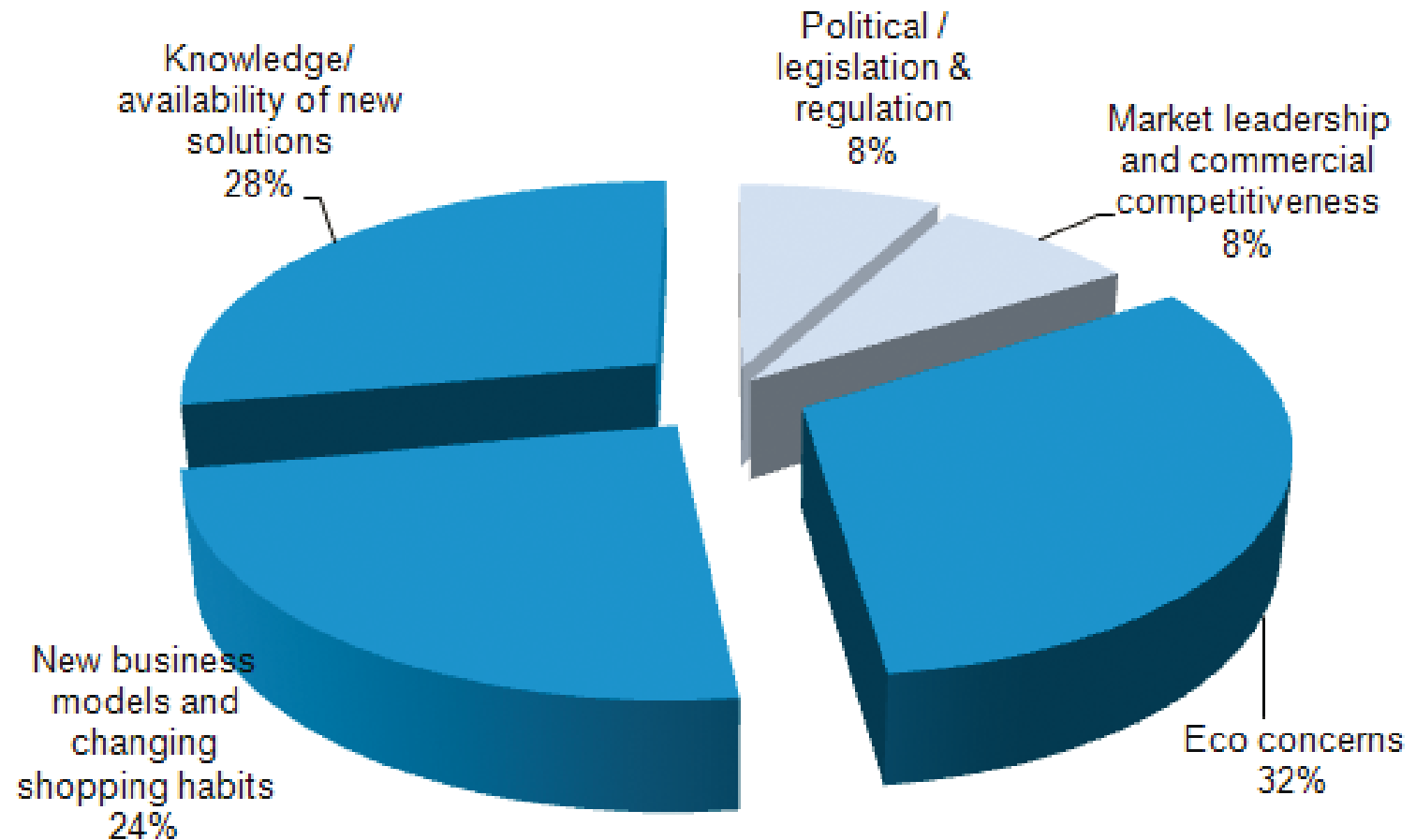


What will be the key drivers for innovation?

The respondents' views on the key drivers for innovation (which appear to be based on prediction of radical changes rather than incremental development) conclude that 84% of drivers may be represented by a combination of **eco concerns, new business models, changing shopping habits and new solutions.**

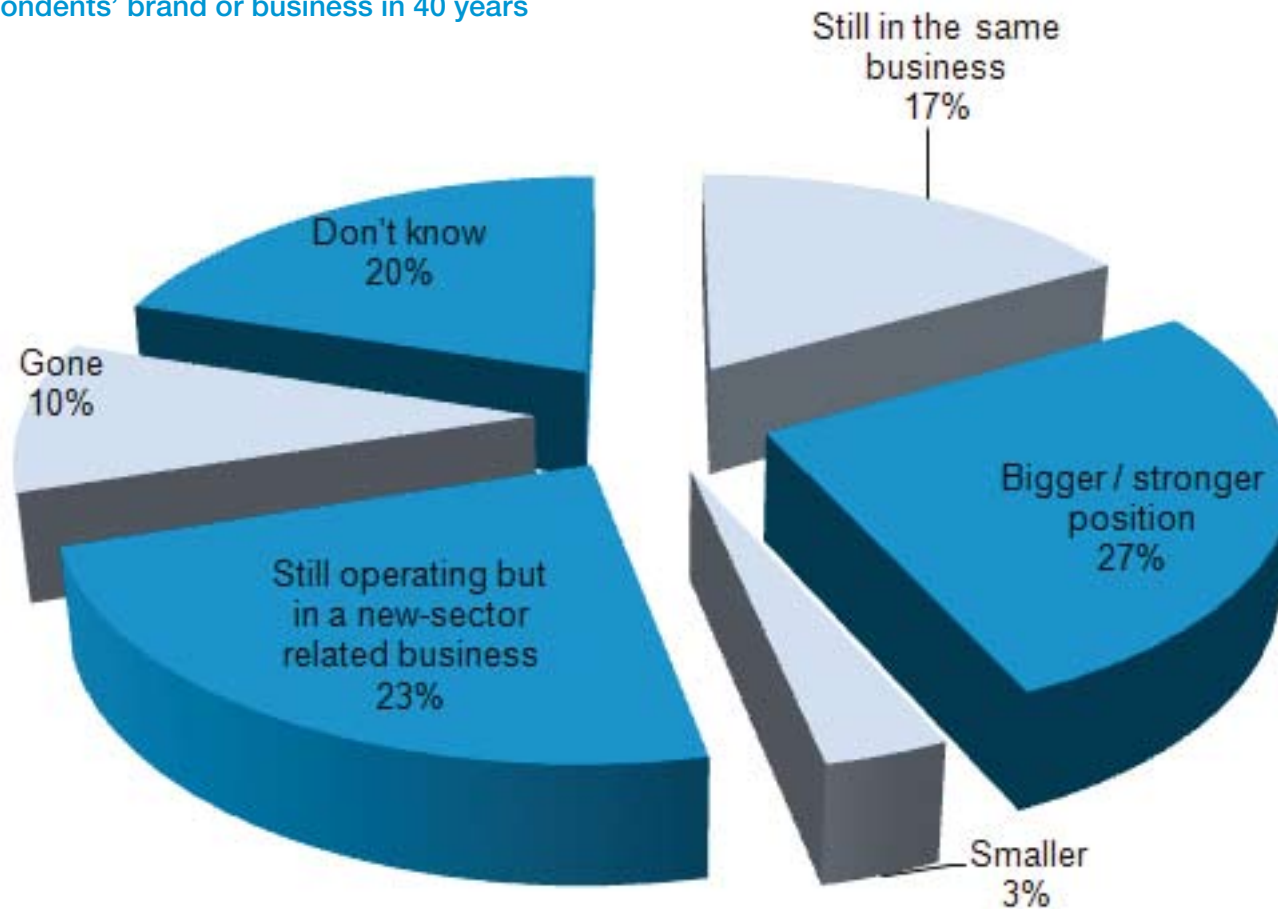
This is a departure from the current situation, where industry is mainly driven by commercial competitiveness, consumer perceptions and, to a certain extent, through legislation.

Proportional importance of key drivers



Where will your brand or business be in 40 years' time?

Respondents' brand or business in 40 years



The largest proportion of respondents (27%) believe their business/brand will be bigger and stronger in 40 years time. 23% believe their company will be operating in a new-sector, while 20% answered 'don't know'.

An interpretation is that the future is perceived as challenging, but despite eco damage, scarcity of materials and international conflict, there is a belief the industry will survive, possibly through radical, but currently unknown changes. A majority will become stronger brands or businesses. In other words, changes can be seen as opportunities rather than threats. For example the music industry has continued to grow despite, or because of the paradigm shifts brought about by digital technology.

However it is important to factor-in the possibility of unexpected changes, reflected by the views of the remaining 30% with less confidence, and the fact that the packaging industry is demand-led, meaning changes on the client side will resonate throughout this industry.

How will sector categories and brands change?

Here we had two types of answer: category-focussed and brand-focussed. In categories the clear trend is for the increased success of eco-brands, ethical and local brands (what does this mean for packaging's future?), while oil-based businesses and international brands are predicted to weaken.

Brands associated with a negative social impact (cigarettes, sweets, fat food) or perceived as unethical will be gone.

Stronger	Weaker	Gone
Eco brands more popular and all processes pertaining to this	traditional media and entertainment (cds, dvds, etc..)	cigarettes
all eco brands, pharmaceutical	airlines	traditional publishers
bicycle brands	Petrochems	all bottled water
locally sourced & environmental & healthy	any oil/petrol brand	car brands
Ethical based companies	niche markets	bad for you & wasteful of resource
homecare and personal care products	brands who are reactive rather than proactive	Poor performers
supermarket		sweet, high fat foods
essential food brands / water	non-essential and luxury brands	brands who are reactive rather than proactive
		individual brands all will become retail brand products
		many motor vehicle names
		luxury brands

Brand Categories: predictions for 2035

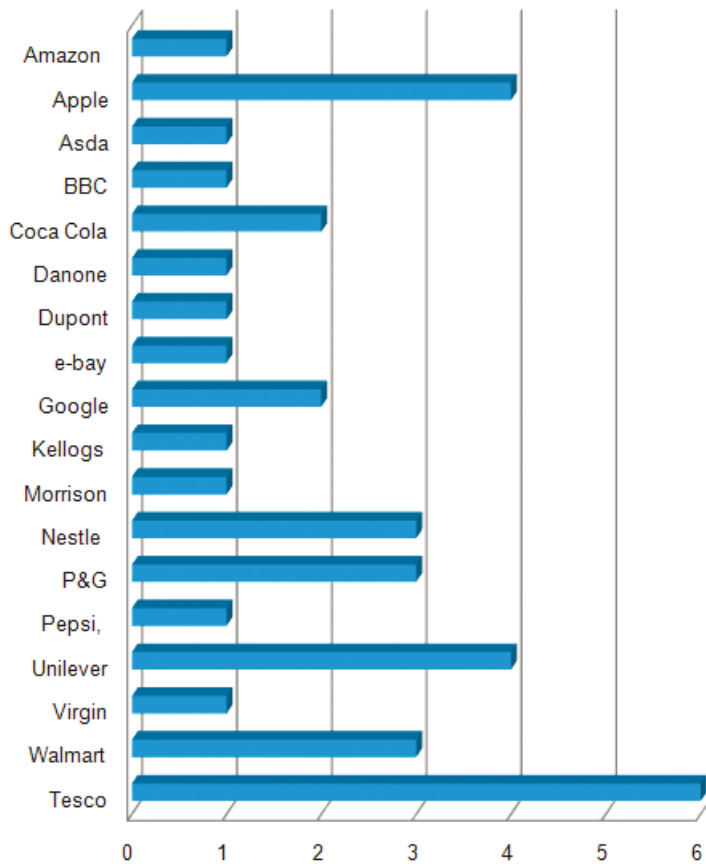
How will sector categories and brands change?

The more interesting analysis comes from a list of brands and the shared perceptions of their position in 25 years. New-internet businesses have a greater presence in the 'stronger' brands list than in the other two groupings ('weaker' and 'gone').

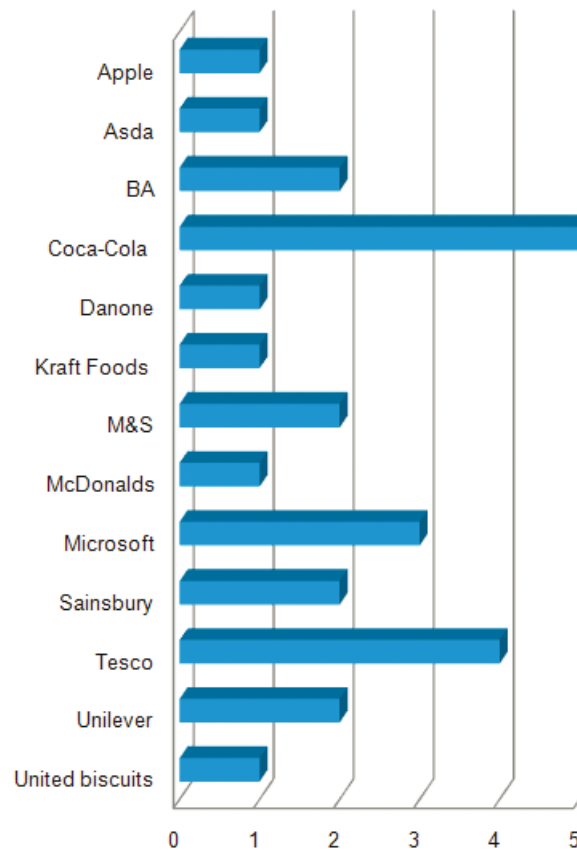
Older or more traditional brands seem to be perceived as less resilient compared to younger brands. However it is interesting to consider the links between the future position of these brands and the predicted future events.

Brands: predictions for 2035

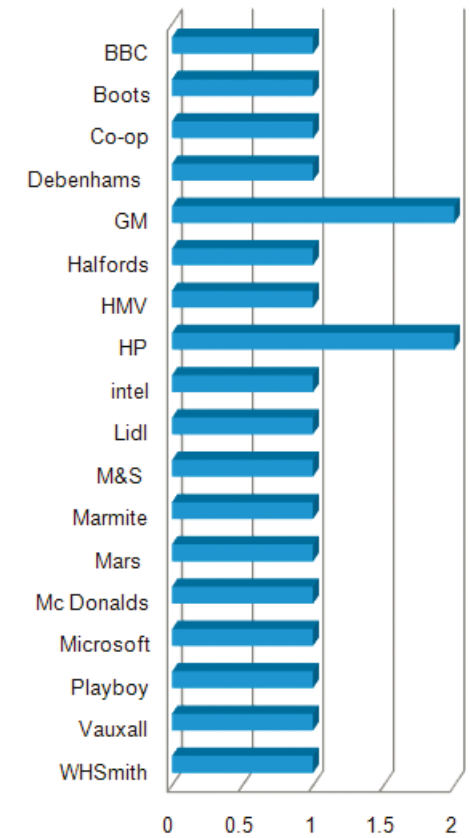
Stronger



Weaker



Gone



What world events will impact the industry over the next 35 years?

In 2015-25 political conflicts and oil agenda seem to dominate, whilst for the 10 years following 2025 there is an increasing environmental agenda, widespread technological developments, for example the possibility of widespread 3D printing of components, and greater threat to political and social security. For the period 2035-45, radically new packaging materials

and concepts are anticipated together with the emergence of post-industrial states and a dramatic population decrease. Future events can be mapped into four main clusters: **environmental incidents**, **technological developments**, **economics** (energy-led issues (oil) and demographics feature strongly) and **political agendas**.

- Increase demand for barrier packaging to extend shelf life
- Higher energy costs
- Investment in nuclear power
- Sustainability in food production and processing pursued with more vigour
- China will dominate the supply of Packaging
- Environment / financial markets / legislation
- Problems with petroleum
- Using the mobile phone for shopping
- Economical world crisis
- 2012 Olympic Games London
- US/Europe debt repayment crisis-hyperinflation
- End of existing economic slump.
- Globalisation, increased population
- Recovering from recession
- Nuclear brinkmanship with Korea/Iran
- North Korean conflict
- Global recession washout
- World markets will become more competitive
- Packaging reduction
- Taliban controlling Afghanistan again.
- Climate change
- More legislation, more internet buying
- Economic meltdown and re-appraisal of the world economy

- Global resource demands increasing cost to business/consumers
- Increase in energy recovery from food waste and contaminated packaging
- Greater emphasis on general waste recovery - no such thing as waste
- Climate Change legislation will become a reality
- Growth of importance of developing countries
- 3D printing of products
- Environment concerns
- China becoming the dominant global power
- Political realignment of states to form stronger trading partnerships (African "EU" ?).
- Environmentalism, nanotechnology, biotechnology,
- Growth of India and China to superpower status
- Increase in alternative energy supply
- Green explosion - technologies and demand will create a market bubble
- Climate change
- 1st wars between countries over the control of water supply.
- Ubiquitous flexible, wearable printed electronics
- High street shops become display areas for internet retailers
- Melt down of food resources and first border wars over water

- Major investment in more sustainable technologies
- Development of intelligent packaging to react clearly with consumer
- Greater rates of starvation in the world and assisted by environmental changes
- In house production will be out sourced
- Global war against terrorism
- Oil price increase
- Water rationing impacting on agriculture and production
- Global political instability stemming from poverty, climate change etc.
- Climate change beyond repair
- No longer dependant on crude oil
- Peak oil
- Material source availability
- Final demise of reliance on oil for power and transport
- Water same price as petrol
- Fuel wars in FE
- Major global viral disease and large population crisis

- Increased political tensions/wars/ social unrest due to population pressures and stress on water/food supply
- Greater concerns of land use for food/fuel
- Search for new technologies to address food shortages, material processing and environmental issues
- There will be increased demand in UK for Packaging
- Change of society in Europe
- New technology revolution
- Artificial Intelligence technologies democratizing production
- Climate change will begin to bite big time.
- Oil stocks decrease.
- Retreat from global to regional/ national supply chain
- More local purchasing
- Long term drought making more of the world uninhabitable.
- Space travel commonplace
- Mass famines

- Effects of climate change causing disruption to food supply/ causing migrations
- Population increased to stretch supply chain to breaking point
- Peak oil production?
- IT will have imploded
- Eco concerns
- New packaging materials and concept
- Unpredictable
- Emergence of post "industrial" states.
- Population begins to decrease dramatically
- 1st and 3rd worlds only with most of the 3rd world resembling present day Somalia (anarchy)
- All the things portrayed in the film 'Minority Report'
- Hopefully a coming together of all nations under one direction
- Mass famines



In what way can the packaging industry re-think current innovation strategies in order to become more competitive in the future market place?

This Delphi Poll clearly establishes a future framework of world events and their potential impact on both the packaging industry and on businesses and brands.

What is less clear is the extent to which the industry is pro-actively developing strategies and business opportunities arising from these future scenarios. Therefore this work provides a platform for further research to explore the links between forecast events and the specific implications for innovation and brand development within the packaging industry

The present findings can also be cross-referenced with other future forecasts and modelling in terms of demographics, economic growth, environmental scenarios and new technology developments, to create even more meaningful and objective insights for packaging stakeholders.



As a next step, we invite your comments and interpretation of the facts, insights and future scenarios presented in this report. We are especially interested in links between future knowledge and strategic directions for business.

To participate in this and future debates, please get in touch:

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