

# A recession proof package?

## The future of the food packaging industry

It is a general assumption that an economic downturn leads to less consumption. However, this isn't necessarily true for all areas and, in the last six months, the global retail industry has reported an increase in sales in the food and beverage sector. For example, UK figures for January 2009 show that food and drink sales were up 5.1 percent, compared with the same period in 2008<sup>1</sup>.

Many food and beverage products are widely regarded as being 'recession proof', or even 'recession fuelled'<sup>2</sup>; including bread, canned food, frozen and fresh produce and even confectionery. Demand for these products is also fuelled by a reluctance to eat out – part of a 'recessionary mindset' that leads to increased home consumption.

However, challenges lie ahead for the packaging market. Whilst food demand is comparatively unaffected, consumer purchasing behavior is undergoing a marked shift and food consumers have new priorities. For instance, the sustainability aspect provides a great opportunity for the packaging industry and the Grocery Manufacturers Association (GMA) President, Pamela Bailey, has stated that, "companies reporting on effort in sustainability are substantially outperforming those who don't"<sup>3</sup>.

Technologies such as ultrasonic sealing enable brand owners to respond intelligently to consumer demands. Such sealing allows the use of less material due to, for instance, shorter seals. One of the biggest contributions towards a more environment friendly behavior is offering products in different packaging sizes and styles, in order to reduce food waste. Modular and flexible machine design gives brand owners enough flexibility to react quickly and cost-effectively.

### Separating the good from the common

These trends play out in the marketplace through increased competition amongst the suppliers of brand owners. In this respect, one of the beneficiaries of new consumer behaviors has been large supermarkets and, in this competitive environment, brands must have a visual means of conveying their added value. Product packaging and shelf appeal comes to the fore and there is a real opportunity for brands to revitalize their product lines and capture new market share through innovative packaging.

Flexible packaging solutions, such as bags and pouches, are also increasingly in demand. They are convenient, fun, eye-catching and transportable, offering consumers greater value for money. Assuming these trends will remain, the challenge in horizontal and vertical flexible packaging will be to increase

automation during food processing and packaging.

In the fast-changing global marketplace, quick response times are vital for the future growth of brands. Whether streamlining or expanding portfolios, food companies are taking their own individual approaches to new market challenges. A future save package for brand owners can be innovative packaging styles and machinery as well as enough flexibility to react to markets demands quickly and cost-effectively. The big challenge for technology companies is therefore to make innovations marketable, ready for mass production and highly adaptable in order to react to markets demands quickly and cost-effectively.

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<sup>1</sup> <http://www.foodanddrinkeurope.com/Consumer-Trends/UK-food-and-drink-sales-resist-recession-pressures-so-far>

<sup>2</sup> <http://www.foodproductdesign.com/news/2009/04/penny-pinching-recession-proof-foods-drinks.aspx>

<sup>3</sup> <http://www.foodproductiondaily.com/Packaging/Consumer-packaged-goods-companies-show-resilience-in-recession>