June 2016

Packaging Matters™

Consumer Insights Study

WestRock

2016 Methodology

	Audience	Definition	Sample Size	Timing & Approach
	Consumers	Individuals representative of the US population when it comes to age, gender and region	N = 2,011	The survey was conducted online in late 2015 by an independent research agency
	Packaging Professionals	Individuals who work at CPG companies, who are manager-level or above and have influence over packaging for their brand or company's products	N = 200	

We included Packaging Professionals in order to understand the perceptions and priorities of both professionals making packaging decisions and consumers who interact with packaging on a daily basis.

Overview of findings

- Functionality remains the most important driver of consumer satisfaction
- Packaging is as important as brand when it comes to product satisfaction
- Packaging continues to have a major impact on shopping behaviors such as product trial, repeat purchase and brand switching
- Safety remains a top area of concern
- Out of 12 CPG categories, consumers continue to be the most satisfied with beverage packaging and least satisfied with packaging for to-go meals

Consumer attitudes on packaging satisfaction

WestRock

Packaging's importance to product satisfaction has grown year over year

% saying very / extremely important to overall satisfaction

	2013	2014	2015
Quality of the product	92%	90%	90%
Safety of the product	N/A	80%	81%
Price of the product	80%	78%	79%
Amount of the product contained	66%	65%	67%
Convenience of using/consuming the product	N/A	63%	64%
Brand of the product	30%	28%	26%
Packaging of the product	18%	24%	26%

Survey question: "How important are each of the following to your overall satisfaction with products that you purchase and use?"

Few consumers are **completely satisfied** with packaging today

	% saying completely/ very satisfied
Nonalcoholic beverages	69%
Alcoholic beverages	65%
Personal care	64%
Frozen foods	63%
Dry foods	62%
Refrigerated foods	62%
Medicine	61%
Household cleaners	60%
Average	**60%**
Baby care	57%
Fragrance	56%
Beauty products	55%
To-go, carry-out meals or beverages	49%

Survey question: "Please indicate how satisfied you are with the packaging for products in the different categories below."

Satisfaction with packaging is consistent with last year

% showing completely / very satisfied

	2013	2014	2015
Nonalcoholic beverages	65%	68%	69%
Alcoholic beverages	63%	66%	65%
Personal care	62%	64%	64%
Frozen foods	58%	61%	63%
Dry foods	58%	62%	62%
Refrigerated foods	59%	61%	62%
Medicine	54%	59%	61%
Household cleaners	58%	62%	60%
Baby care	N/A	N/A	57%
Fragrance	55%	58%	56%
Beauty products	53%	56%	55%
To-go, carry-out meals or beverages	44%	46%	49%
Average (excluding baby care)	**57%**	**60%**	**61%**

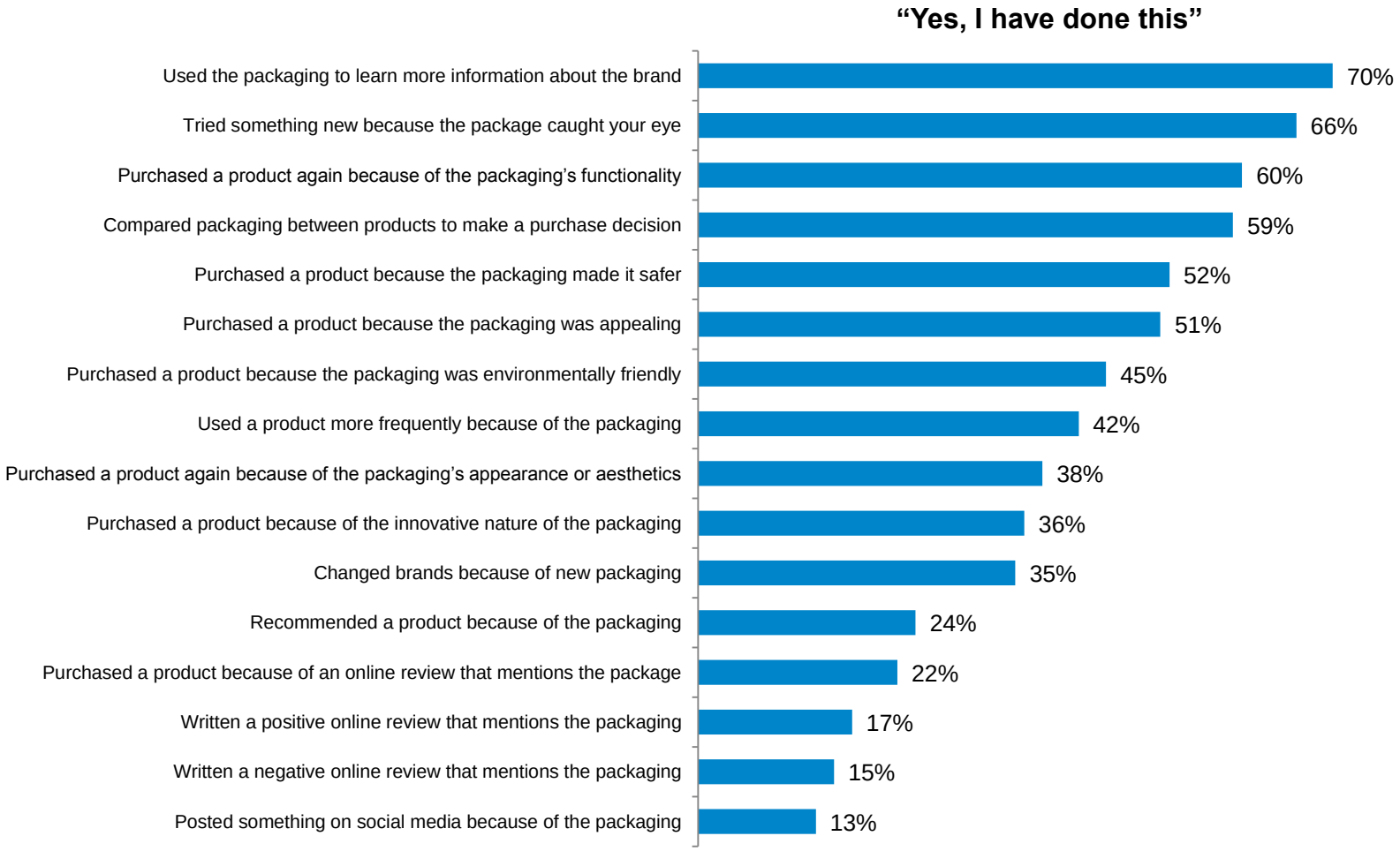
Survey question: "Please indicate how satisfied you are with the packaging for products in the different categories below."

Only 14% of consumers feel brands are making a strong effort to improve packaging to meet consumer needs

	Strongly Agree
Safety of the product	23%
Quality of the product	20%
Convenience of using/consuming the product	18%
Packaging of the product	14%
Price of the product	11%
Amount of the product contained	9%

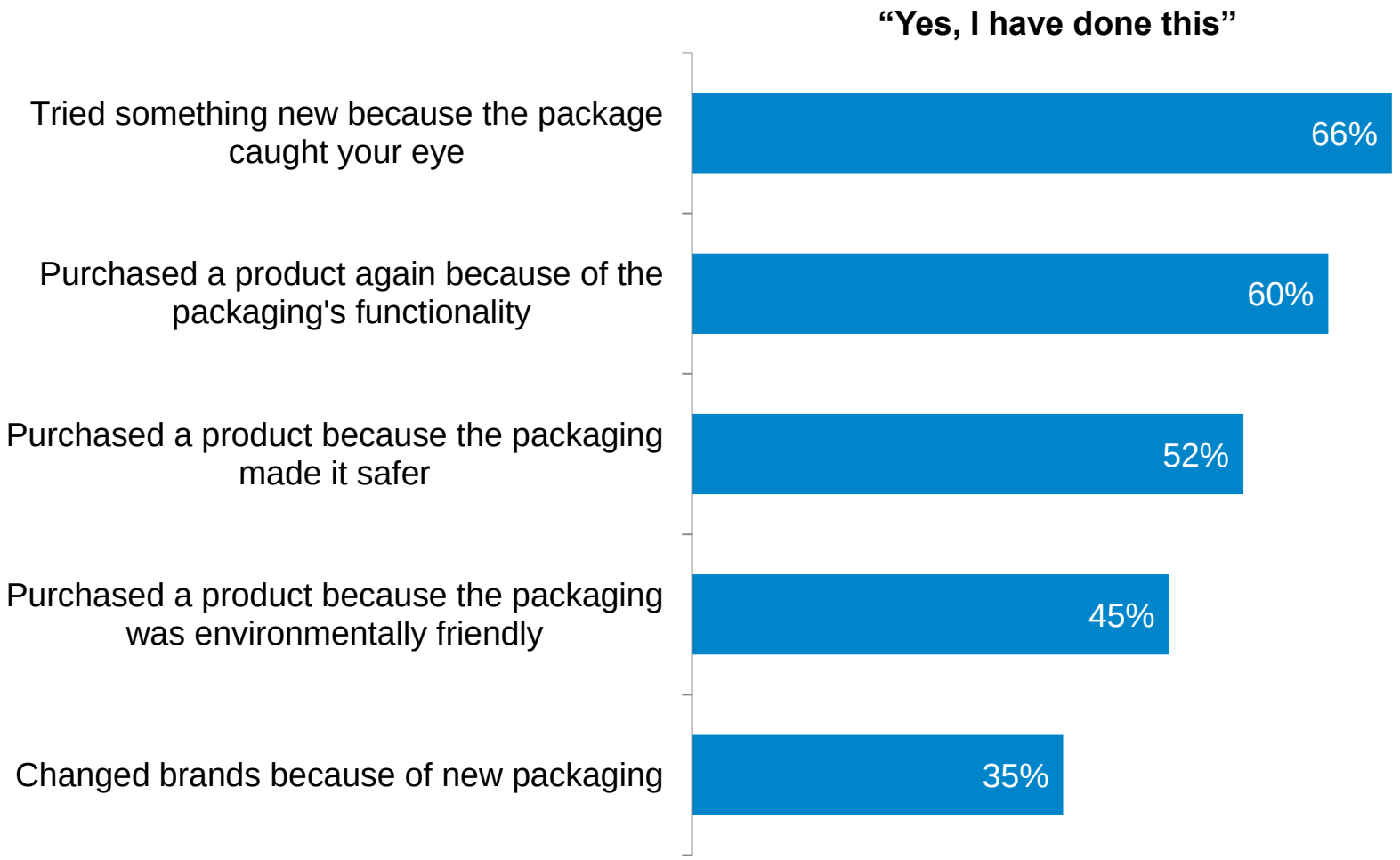
Survey question: "To what extent do you agree brands are making an effort to improve each of the following product elements in order to better meet your needs?"

Packaging has an impact on shopping behavior



Survey question: "Now, let's think about shopping for different products, and the impact of packaging. Please select if you have done the following for products you have purchased. "

Two-thirds of consumers try new products because of the packaging



Survey question: "Now, let's think about shopping for different products, and the impact of packaging. Please select if you have done the following for products you have purchased. "

24% of consumers have recommended a product because of the packaging

Survey question: "Now, let's think about shopping for different products, and the impact of packaging. Please select if you have done the following for products you have purchased. "

WestRock

The impact of packaging on the decision to purchase is consistent with last year

% showing extremely / very impactful

	2014	2015
Refrigerated foods	31%	33%
Medicine	29%	31%
Baby care	N/A	31%
Frozen foods	30%	31%
Personal care	28%	30%
Household cleaners	28%	29%
Nonalcoholic beverages	27%	28%
Beauty products	26%	27%
Dry foods	25%	27%
To-go, carry-out meals or beverages	26%	27%
Fragrance	22%	24%
Alcoholic beverages	22%	23%
Average (excluding baby care)	**27%**	**28%**

Survey question: "Thinking about your decision to purchase products in each of the following categories, how impactful is packaging on your decision to purchase a product?"

The most important features to overall packaging satisfaction are related to safety and functionality

Survey question: "Thinking of the package itself and not the product that comes in the package, how important are each of the following features to your overall satisfaction with the following products?"

Key findings about the impact of packaging on consumer satisfaction and purchase

- As with last year, packaging is as important as brand for product satisfaction
- Packaging proves important for trial, purchase and repeat purchases
  - Nearly three-quarters of consumers have used packaging to learn information about the brand and two-thirds have tried something new because the packaging caught their eye
  - Packaging has the most impact for the refrigerated and frozen foods, medicine and baby care categories
- Consumer satisfaction with product packaging remains consistent with last year
  - Few consumers are completely satisfied with product packaging, but they are optimistic about brands being headed in the right direction when it comes to developing packaging to better meet their needs
- The importance of packaging features to consumers remained consistent with last year
- The most important features for consumer satisfaction are around safety and product functionality:
  - Prevents spilling, leaking or breaking
  - Keeps the product safe
  - Keeps the product fresh/effective
  - Easy to get all the product out
  - Easy to reclose or reseal

Consumers vs. packaging professionals

WestRock

While 66% of packaging professionals say their brand is making a strong effort to improve packaging, only 14% of consumers agree

	Strongly agree	Strongly making an effort
Safety of the product	23%	66%
Quality of the product	20%	67%
Convenience of using/consuming the product	18%	52%
Packaging of the product	14%	66%
Price of the product	11%	58%
Amount of the product contained	9%	54%

Survey questions: "To what extent do you agree brands are making an effort to improve each of the following product elements in order to better meet your needs? " And "To what extent do you think your brand is making an effort to improve each of the following product elements in order to better meet consumer needs? "

Packaging professionals most strongly believe consumers would purchase a product because of appealing packaging, but only half of consumers say they've done this

	"Yes, I have done this"	Strongly + somewhat agree
Used the packaging to learn more information about the brand	70%	79%
Tried something new because the package caught your eye	66%	84%
Purchased a product again because of the packaging's functionality	60%	83%
Compared packaging between products to make a purchase decision	59%	84%
Purchased a product because the packaging made it safer	52%	79%
Purchased a product because the packaging was appealing	51%	86%
Purchased a product because the packaging was environmentally friendly	45%	81%
Used a product more frequently because of the packaging	42%	79%
Purchased a product again because of the packaging's appearance or aesthetics	38%	81%
Purchased a product because of the innovative nature of the packaging	36%	82%
Changed brands because of new packaging	35%	75%
Recommended a product because of the packaging	24%	75%
Purchased a product because of an online review that mentions the package	22%	77%
Written a positive online review that mentions the packaging	17%	72%
Written a negative online review that mentions the packaging	15%	64%
Posted something on social media because of the packaging	13%	74%

Survey questions: "Now, let's think about shopping for different products, and the impact of packaging. Please select if you have done the following for products you have purchased. " And "Now, we would like you to think about the impact packaging has on consumers' shopping and purchase decisions. Looking at the list below, to what extent do you agree that consumers would do the following for products they have purchased?"

Key findings we learned from packaging professionals

- Packaging professionals place very high importance on packaging when it comes to satisfaction with products – they say it is just as important as other key product elements such as safety, price and functionality
- Packaging professionals place more importance on packaging appearance and aesthetics than consumers
  - They recognize the importance of packaging's role as the first impression consumers receive of a brand and in demonstrating a high quality product
  - The packaging feature they consider most important for driving business outcomes is providing useful information about the product
- There is some disconnect between packaging professionals and consumers when it comes to meeting consumer needs through packaging
  - Although nearly all packaging professionals agree their brand is making an effort to meet consumer needs, only about half of consumers also agree they are making an effort

Packaging’s role in trust and product safety

WestRock

Most consumers believe packaging's role in product safety is headed in the right direction

Survey question: "When thinking about product safety, do you think packaging's role in product safety is headed in the right direction or off on the wrong track?"

Consumers recognize that brands are making packaging safer through features that keep product contained and more tamper-proof

*"Making it **hard for young children to open** products that can be fatal if used properly."*

*"**Products** such as household cleaners seem to come in better, leak-proof containers with **more innovative** pumps/sprayers. Some moisturizers don't even make it possible for you to open the bottle without really trying."*

*"Packaging seems to be becoming **more durable and effective**."*

*"I think companies are more cognizant of products being harmful and the **danger they pose to the children.**"*

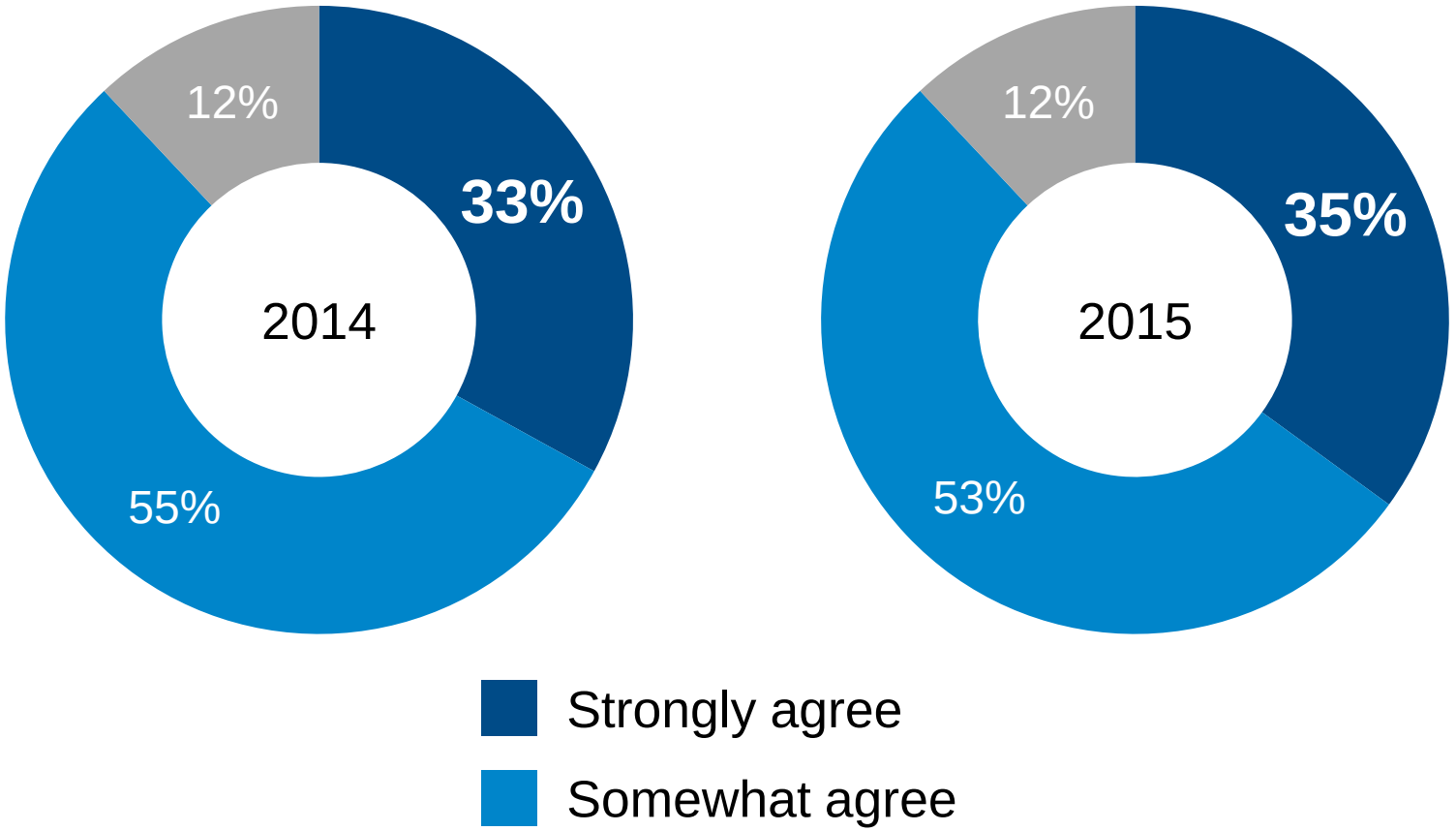
Survey question: "When thinking about product safety, why do you believe that packaging's role in product safety is headed in the right direction? Please be as detailed and specific as possible. "

When it comes to building trust in products, packaging safety plays a key role for consumers

	Extremely/ very impactful
Packages products in ways that protect them from tampering and contamination	77%
Uses high quality materials and ingredients in products	74%
Packages products using materials that keep me and my family safe	71%
Communicates honestly about products' ingredients and dangers on labels	71%
Designs products with my safety in mind	70%
Manufactures products in an ethical and responsible way	63%
Designs products with my needs in mind	56%
Designs packaging to be recyclable, reusable or biodegradable	53%
Develops products that have the power to impact and improve society	48%
Packages in transparent materials that lets me see the product before purchase	48%
Innovates to improve my experience with products	46%
Communicates brand values on product packaging	31%

Survey question: "Below is a list of actions a brand could take in order to build trust in its products. How impactful would it be on building your trust in the brand's products if they were to take the following actions?"

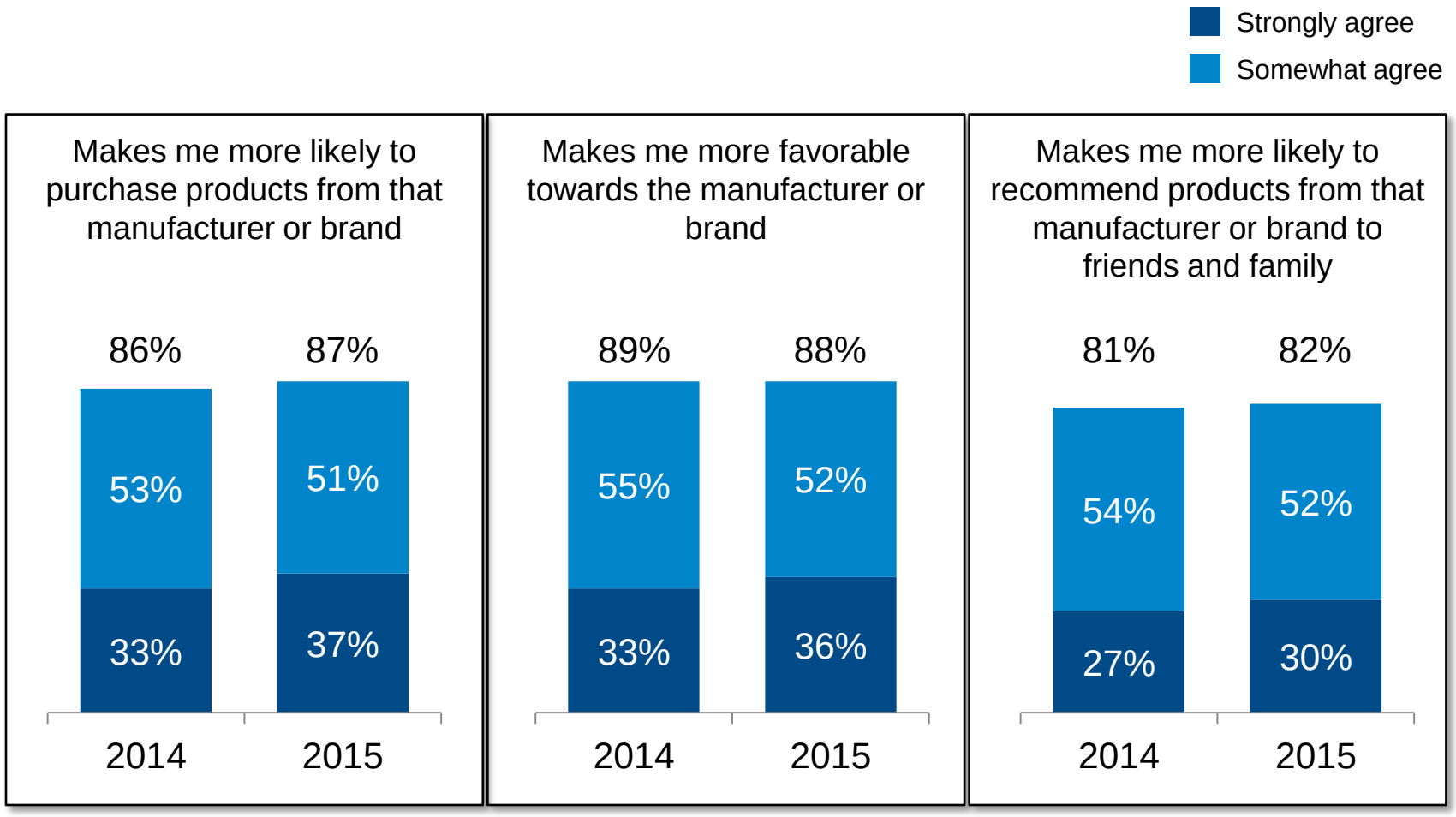
Nearly all respondents say safe packaging makes them trust the brand more



Survey question: "How much do you agree with the following statement? Packaging that is designed to keep the product safe and/or protect me and my family … makes me trust the manufacturer or brand more"

WestRock

Packaging designed for safety also drives brand purchase and favorability



Survey question: "How much do you agree with the following statement? Packaging that is designed to keep the product safe and/or protect me and my family …"

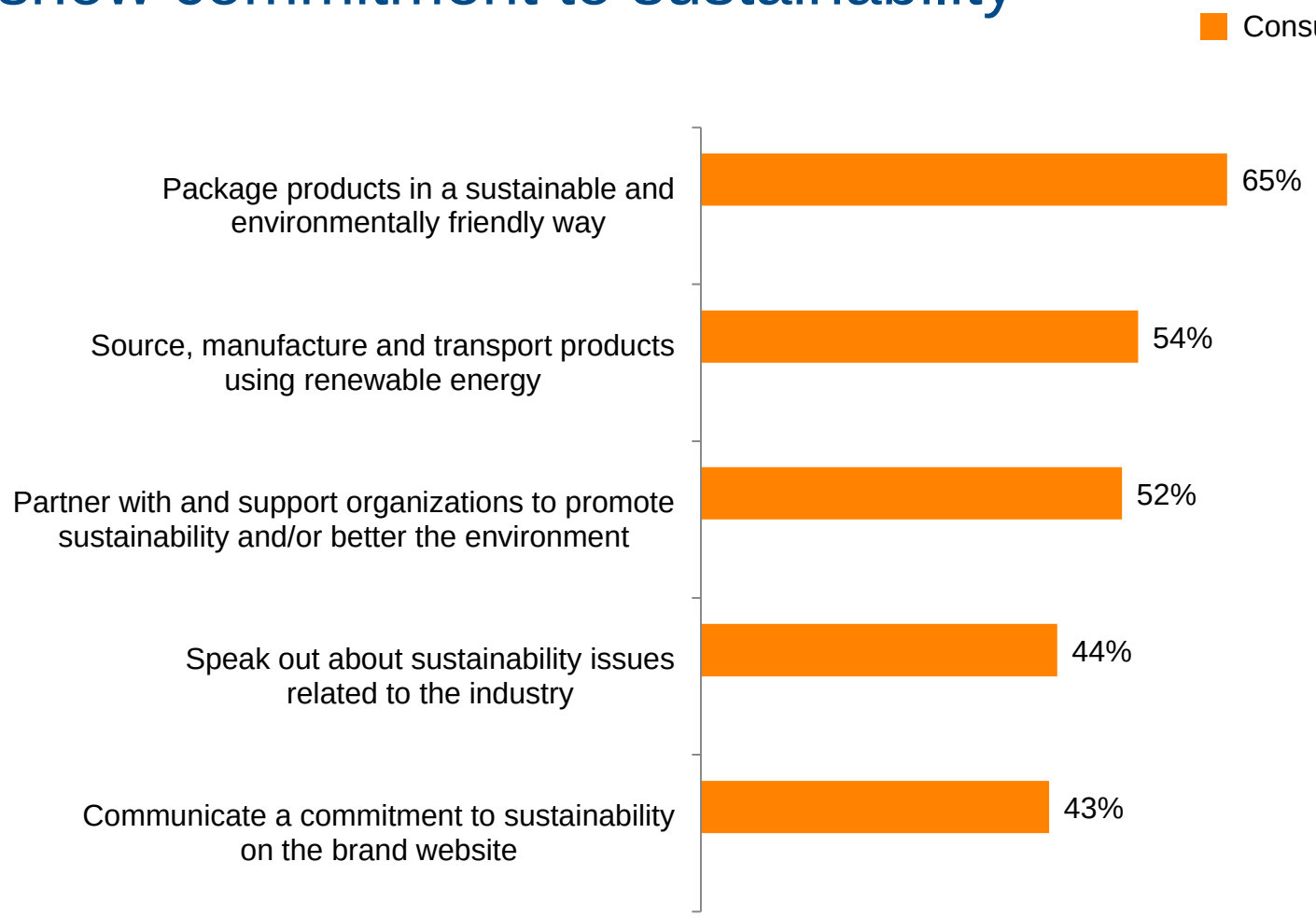
Key findings about product and packaging safety

- Consumers recognize that packaging plays an extremely important role in product safety
  - Packaging designed with safety in mind drives brand purchase and favorability
  - Designing packaging to be safe emerges as a key way for brands to build trust in their products
- There is still improvement to be made when it comes to packaging safety
  - The percentage of consumers who say that brands are making a sufficient effort to improve packaging has seen a directional decrease since last year
  - Transparency in product labeling emerges as a key opportunity area for brands to have their products be considered safe and trustworthy

Packaging's role in sustainability

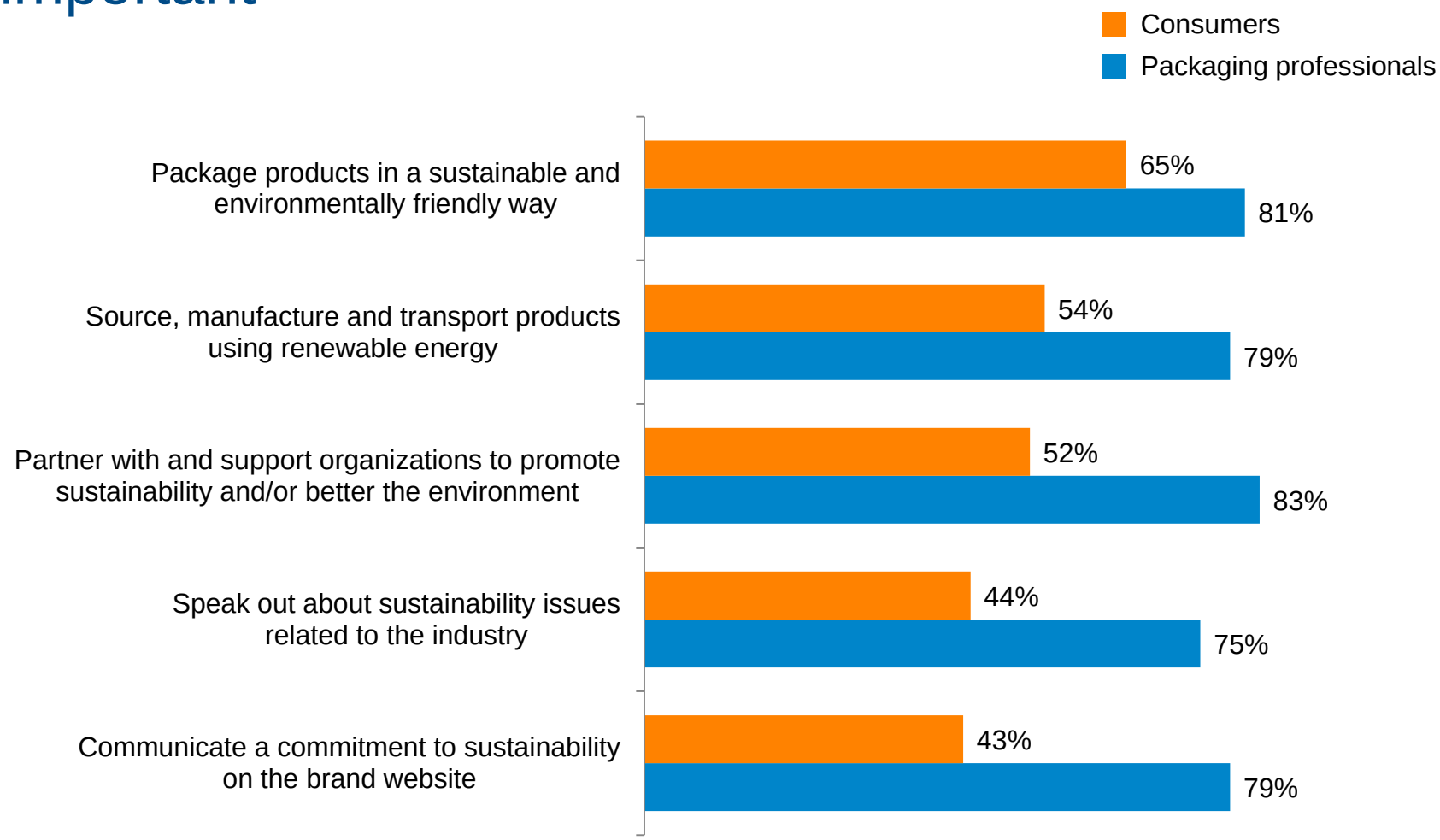
WestRock

Packaging products in an environmentally friendly way is the most important thing a brand can do to show commitment to sustainability



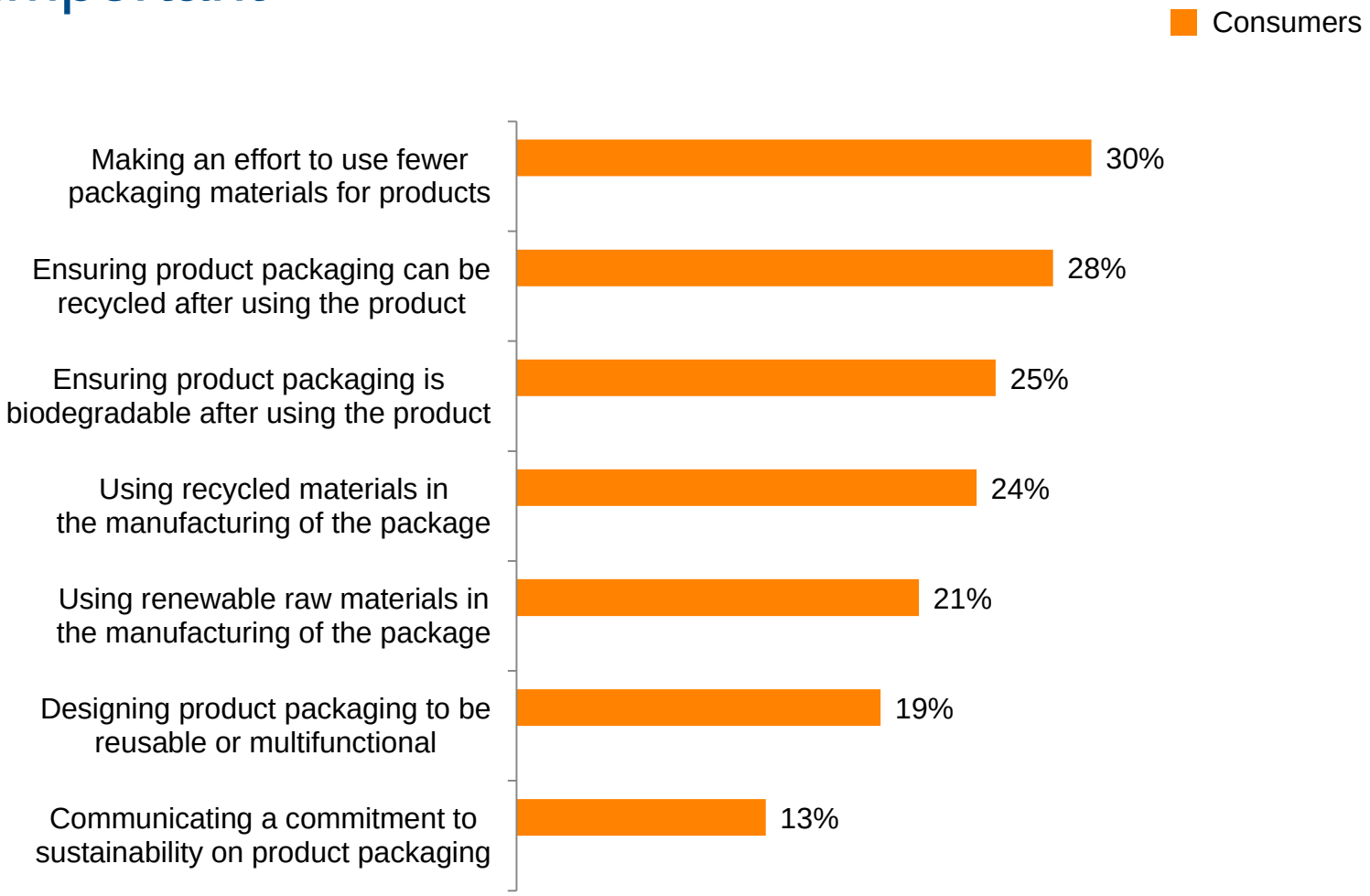
Survey question: "There are many actions a brand could take to demonstrate that it is committed to sustainability. How important do you think it is for a brand to take the following actions to demonstrate that it is committed to sustainability?"

In addition to packaging, packaging professionals consider partnership with other organizations to be important



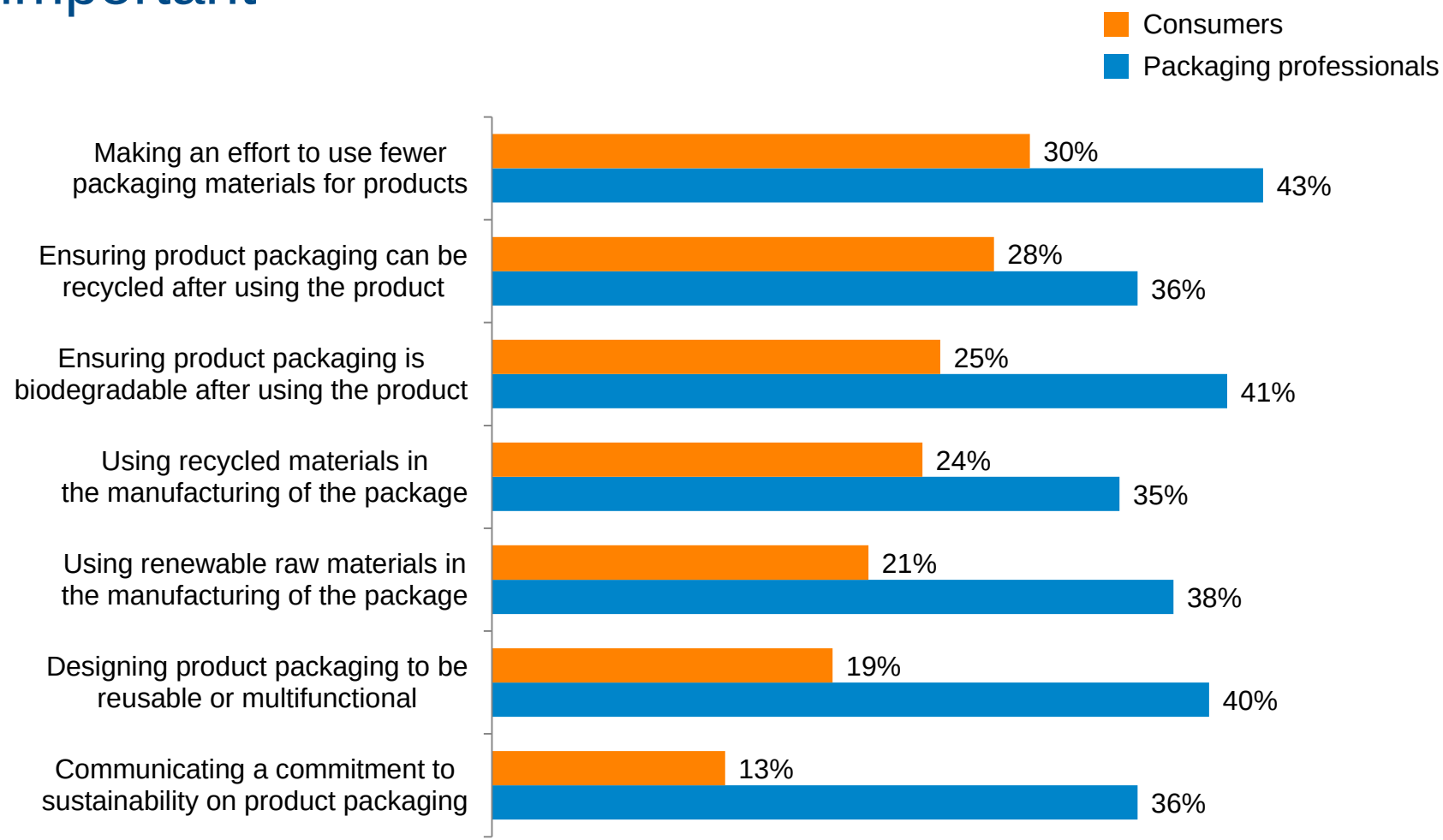
Survey question: "There are many actions a brand could take to demonstrate that it is committed to sustainability. How important do you think it is for a brand to take the following actions to demonstrate that it is committed to sustainability?"

When it comes to sustainable packaging, consumers say using fewer materials is extremely important



Survey question: "How important do you think it is for a / your brand to take the following actions to be more sustainable?"

For packaging professionals, designing product packaging to be reusable also emerges as important



Survey question: "How important do you think it is for a / your brand to take the following actions to be more sustainable?"

Packaging professionals say designing sustainable and environmentally friendly packaging is key way their brand packaging will evolve to drive better business outcomes

*"By only using materials to make packaging that are **recyclable, thus producing less waste** and cheaper production costs."*

*"Focus more on **reusable and sustainable developments**, Become more environmentally friendly."*

"Make an effort to tell consumers about our packaging and how it is **environmentally friendly**."

*"**Using green material** so we can do a lower recycle cost."*

*"More packaging from **sustainable and recycled material**."*

Survey question: "How do you see your brand evolving its packaging in the future to drive better business outcomes?"

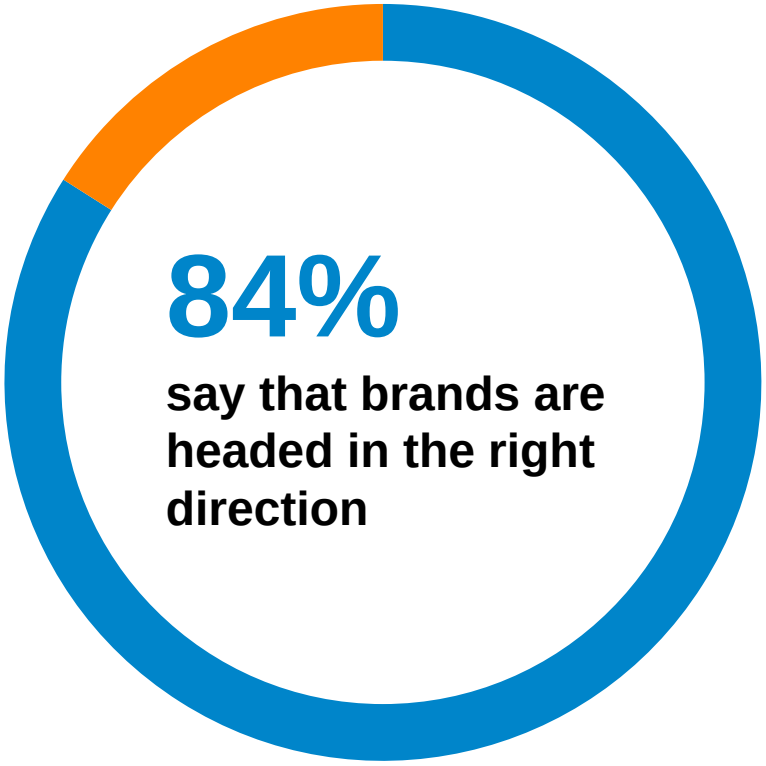
Key findings about packaging's role in sustainability

- Most consumers and packaging professionals believe implementing sustainable business practices is extremely important for brands to do
- Among consumers, packaging products in an environmentally friendly way is the most important action a brand can take to demonstrate its commitment to sustainability
- Using fewer packaging materials and ensuring product packaging is recyclable / biodegradable emerge as key ways for brands to demonstrate sustainability
- When asked about how their brand will evolve its packaging to drive business decisions, packaging professionals say packaging products in ways that are environmentally friendly and sustainable

The future of packaging

WestRock

Consumers believe with new trends and innovations, brands are on track when it comes to packaging that meets their needs



Survey question: "Thinking about new trends in packaging, do you think brands are headed in the right direction, or off on the wrong track, when it comes to developing packaging to better meet your needs?"

Consumers say most impactful packaging trends are new functionalities and the ability to be repurposed

	Extremely/ very impactful
Has new and improved functionalities that make it easier for me to transport and use the product	41%
Can be repurposed and used indefinitely after I am finished with the product	40%
Includes functions that allow me to easily use or consume the product while on-the-go	35%
Communicates details about the brand and the brand's values directly on the package	27%
Has bold or creative designs that catch my eye	20%
Is personalized for me/my demographic (e.g., my name, region, gender, etc.)	19%
Connects to a phone application that alerts me when the amount of product contained is running low	16%
Features imagery or designs that connect the product to popular culture	15%

Survey question: "Below, you will see a list of recent and upcoming packaging trends. If a product's packaging were to include the following features, how impactful would it be on your decision to purchase the product?"

Consumers say it is more important for brands to focus on innovative features that make using the product easier

	Innovative design and appearance	Innovative features that make using products easier
Fragrance	39%	61%
Alcoholic beverages	33%	67%
Beauty products	28%	72%
Nonalcoholic beverages	23%	77%
Dry foods	20%	80%
Personal care	19%	81%
Frozen foods	19%	81%
Refrigerated foods	18%	82%
To-go, carry-out meals or beverages	18%	82%
Baby care	16%	84%
Medicine	14%	86%
Household cleaners	13%	87%
Average	**22%**	**78%**

Survey question: "For each of the following categories, do you believe it is more important for brands to focus on: developing packaging that has innovative design and appearance, or that make using the product easier?"

Packaging professionals believe bold/creative designs are most impactful

	Extremely/ very impactful
Has bold or creative designs that catch consumers' attention	82%
Has new and improved functionalities that make it easier for consumers to transport and use the product	81%
Includes functions that allow consumers to easily use or consume the product while on-the-go	81%
Features imagery or designs that connect the product to popular culture	80%
Communicates details about the brand and the brand's values directly on the package	79%
Can be repurposed and used indefinitely after consumers are finished with the product	74%
Is personalized for consumers' demographic (e.g., name, region, gender, etc.)	70%
Connects to a phone applications that alerts consumers when the amount of product contained is running low	66%

Survey question: "Below, you will see a list of recent and upcoming packaging trends. If your brand were to implement these trends into its product packaging, how impactful would it be on your decision to purchase the product?"

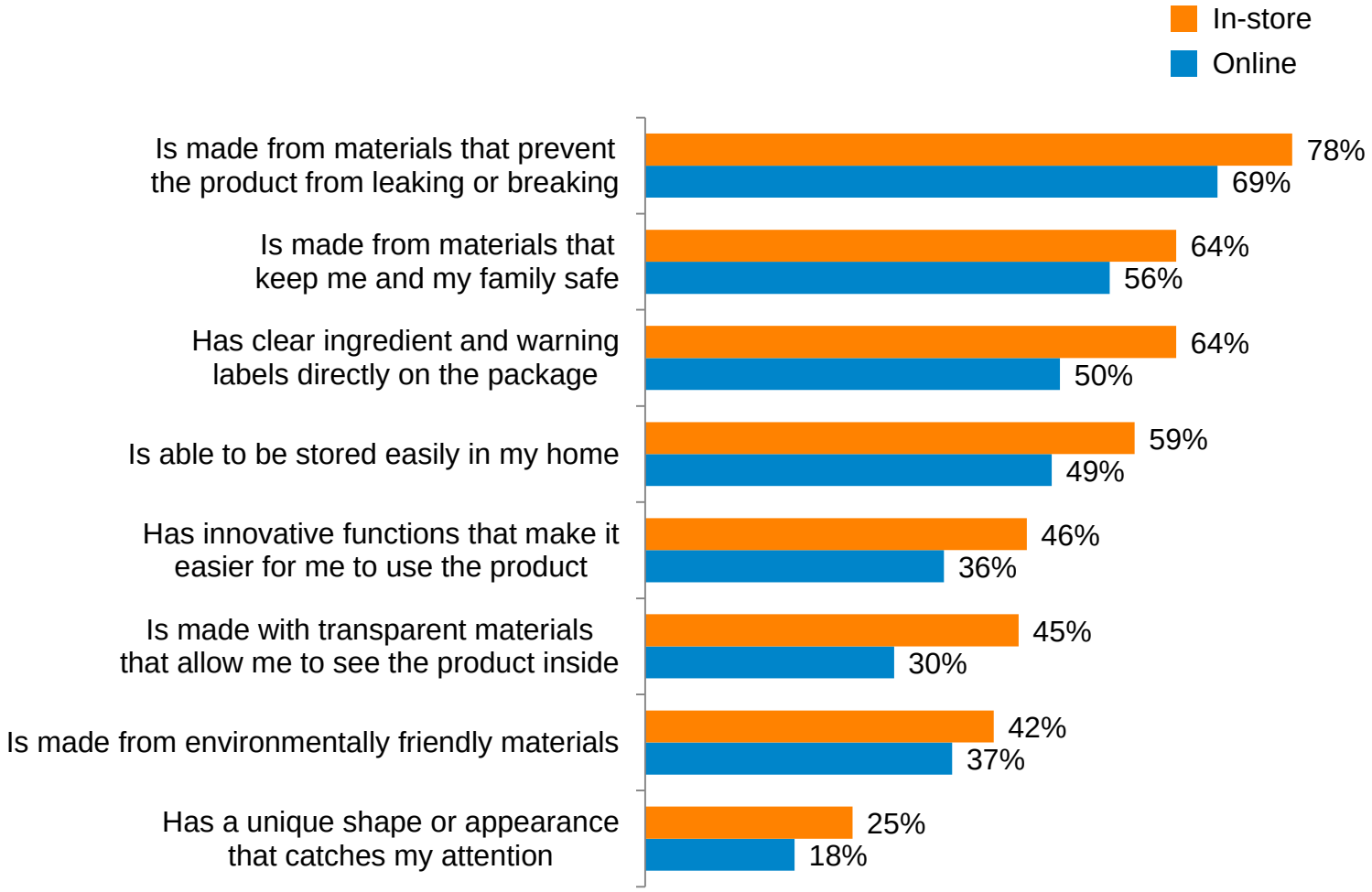
Key findings about the future of packaging

- New functionalities that make the product easier to use and able to be repurposed are the most impactful packaging trends for consumers
  - Most consumers say it is more important for brands to focus on developing packaging that has innovative features that make using the product easier over innovative appearances
- Packaging professionals believe bold and creative designs in packaging would be most impactful for driving better business outcomes — and over half say their brand should focus on innovative designs / appearances over functionality
- Innovation is a key consideration for packaging professionals when choosing a packaging supplier to work with — nearly all say designing packaging with innovative features and a unique appearance are “very” or “extremely” important for business outcomes

Packaging’s role in online purchases

WestRock

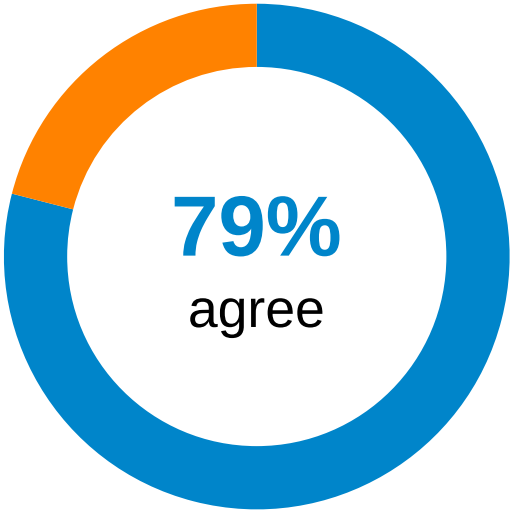
Overall, packaging is more impactful for in-store purchases



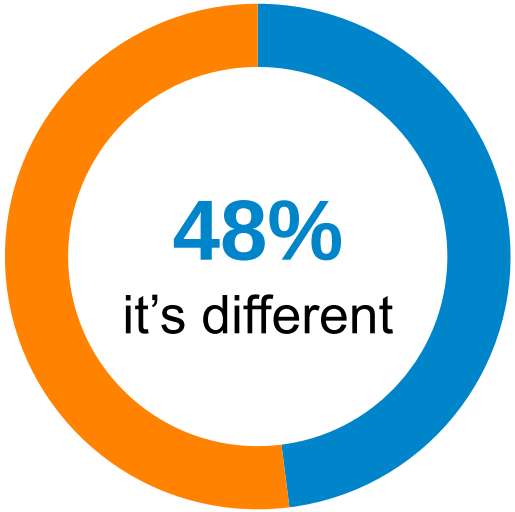
Survey question: "Thinking about times you have purchased products in a store/ online, how impactful are each of the following packaging features on your decision to purchase a product in-store/online?"

For packaging professionals, there is a contrast between views on online packaging strategy and implementation

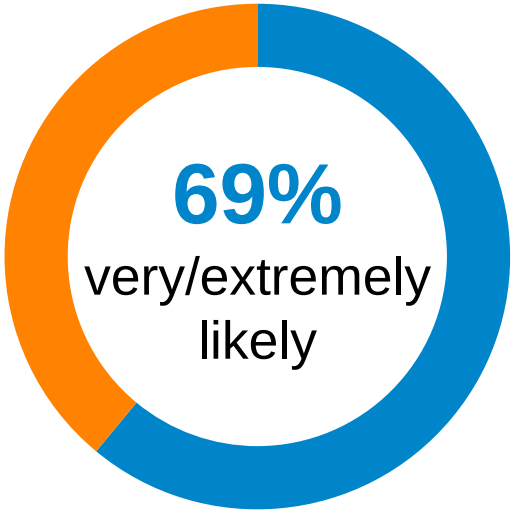
Online and in-store packaging strategies to drive business outcomes should be different



But only half say their brand currently has a different approach for online channels



In the future, over half say their brand will design packaging to drive online business



WestRock

Key findings about packaging's role in online purchases

- Today, consumers say packaging is more impactful on their decisions to purchase products in-store vs. online
  - However, they still recognize the durability of packaging and the packaging's ability to keep them safe as important for products they purchase online
- Most packaging professionals agree that the packaging strategy needed to drive business outcomes online differs from that in-store — not only does the packaging need to be more durable, but imagery needs to be vivid for consumers considering photos of the product online
  - Over half believe their brand is likely to design their packaging so that it is optimized to drive online business in the future

WestRock