



—PACKAGING—
**MARKET
MOVEMENT**
2020

Trends Shaping the Indian
Packaging Industry



USD
72.6 BILLION

EXPECTED SIZE OF THE INDIAN PACKAGING INDUSTRY BY 2020

Industry Insights

The global packaging industry is expected to reach a market size of USD 1 trillion by 2021^[1]. In comparison, the Indian packaging industry which was valued at \$32 billion in 2015 is expected to reach a market size of approximately USD 72.6 billion^[2].

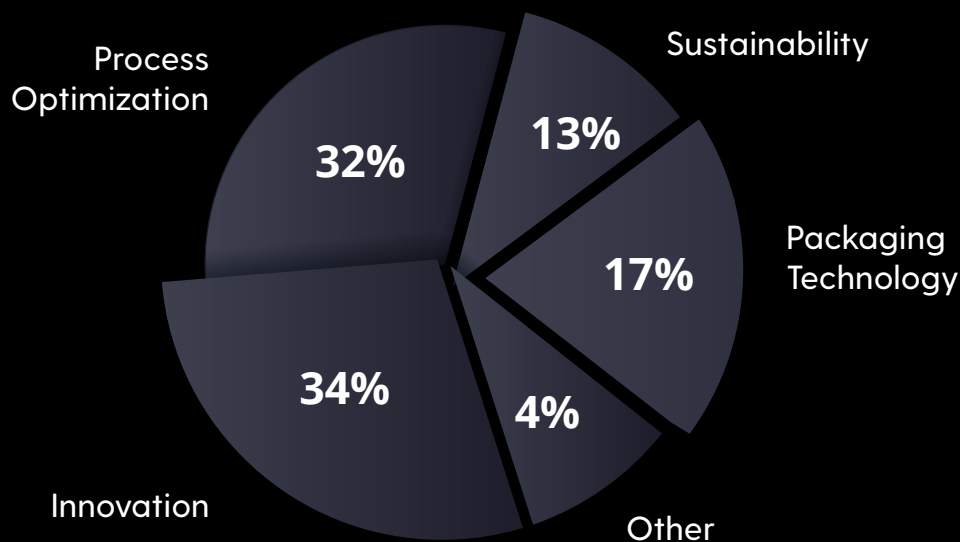
How can the packaging industry in India utilize this immense growth potential and maximize business outcome strategically?

For a developing economy like India, the per capita consumption is quite low at 8.7 kg in comparison to other developed economies like Germany and Taiwan where it is 42 kg and 19 kg, respectively^[3].

We recently conducted a survey with 250 decision makers and influencers from the packaging industry. We also conducted polls across social channels to get a consumer perspective on the packaging and received 10000+ responses. The surveys and polls led us to some interesting insights in terms of future growth potential in the packaging industry.

India's market size and per capita consumption both point towards one common denominator - the headroom for growth in the packaging industry is tremendous.

BIRD'S EYE VIEW



Distribution of packaging investments by Indian organizations in 2020

[1] - Smithers Pira, (2015). Market Value Estimations for Packaging in 2018 and Beyond. Retrieved from <https://www.smitherspiracom/resources/2018/january/value-estimations-for-packaging-in-2018-and-beyond>

[2] - Maier-Vidorno, (2017). India's Packaging Industry grows wings thanks to E-Commerce. Retrieved from <https://www.maiervidorno.com/e-commerce-brings-indias-packaging-industry-fresh-breeze/>

[3] - Maier-Vidorno, (2018, 01 December). This industry is packaging a lot of prospects, worth a good look. Retrieved from <https://economictimes.indiatimes.com/markets/stocks/news/this-industry-is-packaging-a-lot-of-prospects-worth-a-good-look/articleshow/66892561.cms>

PACKAGING DESIGN & DEVELOPMENT

CONSUMER VIEW



57%

of consumers are prioritizing packaging aesthetics, branding, & experience over safety. This clearly indicates that consumers now view safety as a threshold attribute.



36%

of consumers view Design as the most important element of packaging while making a purchase decision. The material comes secondary at 30%.

SUPPLY SIDE VIEW

- ◆ Currently, organizations spend **50.6%** of the allocated packaging budget on new product development.
- ◆ Top 3 areas in which packaging spends will be increased in 2019-20



31%
Development



21%
Market Research



30%
Design

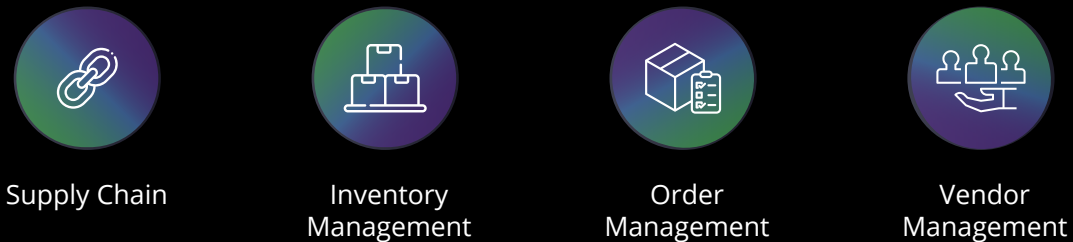
- ◆ **59%** of professionals we surveyed resounded a view that cost is an important factor for organizations while choosing a packaging design & development agency

All the 3 insights point in one direction - there is a need to streamline design & development processes in order to achieve cost efficiencies. The best means of accomplishing this result is through the use of technology and digital automation across the design & development value chain.

PROCUREMENT DIGITIZATION



As per packaging industry professionals surveyed, 4 processes that can benefit from digital automation are



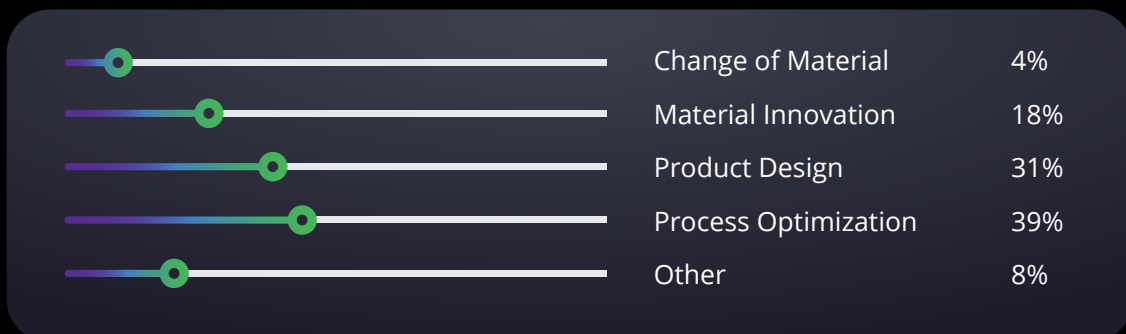
SUSTAINABILITY

CONSUMER VIEW

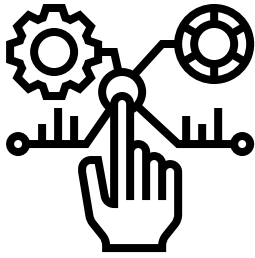


SUPPLY SIDE VIEW

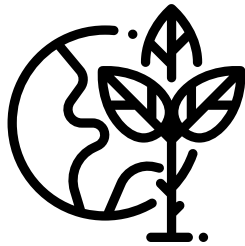
Decision makers at organizations will be focusing on the following areas of sustainability in the coming year



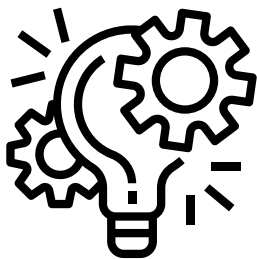
At a comprehensive level, the packaging industry is witnessing perceptible changes in three domains



DIGITIZATION



SUSTAINABILITY



TECHNOLOGY

Industry examples discussed in the forthcoming sections is evidence of this shift.

Brands Leading Change

CONNECTED WITH TECHNOLOGY

Technology has the ability to connect us and amplify our power. Leading brands are using technology in packaging to realize this power.



Schreiner MediPharm has incorporated BitSecure technology in their packaging allowing consumers to authenticate products with ease. The box is also integrated with an NFC chip as a tamper evidence mechanism.

Smart packaging is not restricted to addressing counterfeiting. NFC chips find applications in communication with consumers as well. Danone along with Water.IO has developed a smart cap for water bottles, which allows consumers to monitor their hydration levels.



MANUAL REPORTS ARE YESTERDAY. DIGITAL IS NOW



The opportunity in digitizing internal processes is immense. It starts creating a huge data mine from which insights can be drawn. It also enables transparency & efficiency in the system. Organizations with offline packaging procurement processes are soon realizing the merits of digitization and are taking the necessary steps to adopt the change.

Tata CLiQ - an online market place for consumer products has streamlined their



packaging requirements for 1700+ locations across India

through the use of Procure Live - a digital platform for packaging procurement.

USE LESS, CHOOSE WELL



Consumers and manufacturers are becoming increasingly cognizant towards the hazards of plastic packaging on the environment. Leading brands are slowly moving towards being part of the solution to this problem.

Mexican brand Corona has become the first beer brand to develop bio-based aggregation rings for their six-pack beer cans. Another example of a brand adopting eco-friendly packaging is Seed Phytonutrients, funded by L'Oréal through. The brand is using paper bottles for its line of liquid products. More recently, a skincare brand Natural Vegan also ran their own Kickstarter campaign to fund development of an eco-bottle. The campaign reached its target within 2 days of launch reflecting a shift in the consumers' mindset as well.



EXPERIENCE TRUMPS. ALWAYS.

Customer experience is the latest battle brands are combating with. The outcome of this will be a deciding factor for their future in the industry. Brands are doing everything towards creating a lasting impression in the last mile through packaging.



Procter & Gamble has designed a unique bag in box packaging to ship their liquid laundry detergent brand Tide. With the reduced need for additional packagings like void fills and impressive utility inside consumers' homes the design supports a lighter ecological footprint as well.

PepsiCo on the other hand recently tackled consumer experience through a bold move. For their brand Mountain Dew, they released a limited edition can which is completely white when warm. The Game of Thrones inspired design comes to life once the can is chilled.



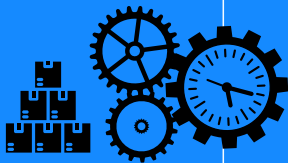
Inside View of Market

An outcome of closely working with 350+ brands across 10+ industries is a view of insightful data and industry trends. In the last three years, Bizongo has seen a gradual shift in the market towards packaging driven by technology, innovation, and automation platforms. These changes have emerged in a more pronounced manner in the last one year. The industry survey and market research we conducted recently has confirmed this hypothesis.

Since April 2018, the adoption of our procurement platform, Procure Live by customers increased by 9X and the adoption of our partner platform, Partner Hub increased by 14X. This led to

49%

of orders being delivered before time



52%

of quotes were less than or equal to the client's target price



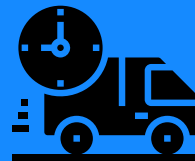
23%

of quotes were less than the client's target price



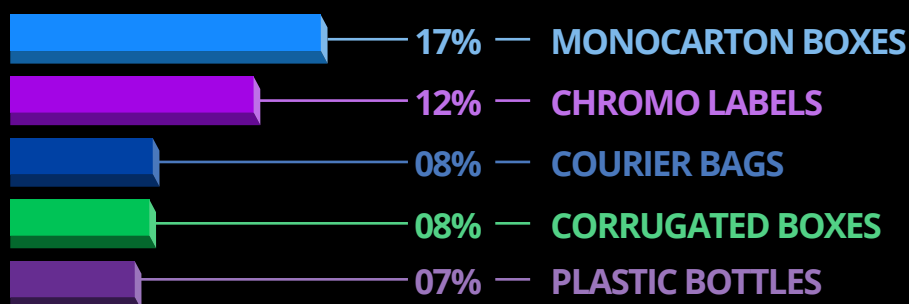
80%

of partner payments were completed before the due date



End-to-end order tracking by clients was possible, **enabling transparency**

Top 52% requirements for packaging came from 5 product categories



DEMAND FOR 4 TYPES OF PRODUCTS INCREASED SIGNIFICANTLY IN THE LAST YEAR

- ◆ Tamper-proof & tamper-evident packaging
- ◆ Smart packaging such as Food freshness indicating labels and NFC technology.
- ◆ eCommerce ready packaging
- ◆ Sustainable packaging

What if...

Vendor management
can be hassle-free?

can be hassle-free?

You could
Restock Inventory
before it
ran out?

before it
ran out?

Your packaging
can be
Smarter?

You never
have to worry
about **OTIF**
again?

Your
packaging design process
was structured?

was structured?



PLATFORM FOR
everything
packaging

**BIZ
ON
GO**

**DESIGN
SQUARE**

**BIZ
ON
GO**

**ARTWORK
FLOW**

**BIZ
ON
GO**

**PROCURE
LIVE**

Want to know more? Take a look at our customer success stories which include Mondelez, Tata Cliq, Amazon and many more.

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