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HAVI Global Solutions | Grow Smarter

TOASTING Technology

The latest trend in beverage packaging could take consumer connections to a new level. Leveraging smart label technologies to reflect their positioning, these beverage brands are finding new ways to emotionally connect with consumers.



MESSAGE ON A BOTTLE

Global wine brand **Tussock Jumper** recently piloted a QR code-based messaging program in New York City.¹ The QR code, printed on a specially marked neck tag, paired with Tussock Jumper's mobile app, enable gift-giving consumers to add personal, digital messages for their recipients.

BRANDED BONUS

Diageo is leveraging near field communication (NFC) technology to drive consumer interaction with its top-shelf **Johnnie Walker Blue Label** whiskey brand. The prototype "smart bottle" leverages electronic labels, developed in partnership with **Thinfilm**, to link with consumers' smartphones and deliver added value benefits such as cocktail recipes, promotional



offers and exclusive branded content.² **Thinfilm's OpenSense** technology can also detect whether the bottle seal has been broken, creating additional opportunities to engage consumers with personalized digital content while the beverage is being consumed.

BOTTLING THE BEAT

Skyy Vodka partnered with **Mode Design Group** to develop a limited-edition, bottle service package that brings its "West of Unexpected" campaign to life. The nightlife-only package, **Skyy Electrifyy**, features a graphic LED label that responds to ambient music. When turned on, the LEDs (arranged in the shape of a music equalizer display) illuminate the Skyy brand logo and literally "move to the beat."³



POWER Packs

Can package design alone change the trajectory of a brand? Perhaps. However, when bundled with a compelling consumer insight, packaging has the potential to be a game-changer. From adding functionality to changing brand perceptions, the following companies are betting big on the power of packaging.



MAYO'D TO ORDER

The popularity of squeeze bottles in the Food category speaks volumes about how important convenience is to consumers, but current packages leave a lot to be desired. **Best Foods/Unilever** has launched a new custom-molded PET squeeze bottle across the entire **Hellman's** mayonnaise brand to deliver a better consumer experience: less mess, less waste and more control. Unilever credits **Apla** and **AptarGroup** for the design of the PET squeeze bottle and dispensing closure, respectively. The bi-injection-molded screw-on closure has a wide oval

lid that adds precision control, prevents messes when opening and closing the bottle, and provides inverted bottle stability.⁴

BRAND FAMILY

Coca-Cola is rolling out a new “One Brand” marketing strategy in European markets to unite four separate brands—**Coca-Cola**, **Diet Coke**, **Coca-Cola Zero** and **Coca-Cola Life**—under its flagship **Coca-Cola** brand.⁵ Execution of the new strategy relies heavily on packaging. On-pack graphics will present a unified **Coca-Cola** brand while emphasizing the different taste attributes and sugar content of each variant. The new graphics will also incorporate the U.K.’s new front-of-pack labeling requirements. The company hopes the “One Brand” strategy will help increase consumer understanding of the variety of choice available within the **Coca-Cola** brand.



HEAT WAVE: Sriracha's Spicy Success

The temperature is rising as hot sauce continues its spicy takeover in both restaurants and kitchens. **Technomic's** latest Flavor Consumer Trend Report found that 68 percent of millennials age 25-34 preferred hot or spicy condiments, while **NPD Group** research showed 56 percent of U.S. households have hot sauce stocked in their kitchens.⁶



Maddio's Pizza Joint is introducing two limited time offer (LTO) menu items, the **ThaiTastic Salad** and **Sriracha Chicken Pizza**.⁷ Both items incorporate ingredients found in Southeastern Asian cuisine: red onions, purple cabbage, peanuts and, of course, sriracha.

Build-your-own pizza shop **PizzaRev** is also introducing a seasonal **Sriracha Sausage Pizza** this spring. The company cites the popularity of sriracha at its condiment station as the inspiration for the sriracha-inspired menu item.

RESTAURANT INFLUENCE

Although Louisiana style hot sauce remains the segment leader, case volumes for foodservice orders of sriracha (an Asian hot sauce) have doubled in the past year. NPD credits the growing hot sauce trend with consumer exposure during away-from-home dining experiences, a phenomenon that will likely continue based on sriracha's increasing appearances on restaurant menus and condiment stations.

PIZZAS WITH PIZZAZZ

The influence of Southeastern Asian cuisine has reached pizza menus. Fast-casual pizza pioneer **Uncle**



SRIRACHA SIDEKICKS

Although the marketplace has been flooded with sriracha-flavored products in the past year, no food brand has launched a product that incorporates the original product that sparked the hot sauce craze, **Huy Fong Foods** sriracha sauce. Seattle-based **Pop! Gourmet Foods**, in partnership

with Huy Fong Foods, will change that this year with the launch of three new products: **Huy Fong Sriracha Popcorn**, **Huy Fong Sriracha Chips**, and a dehydrated **Huy Fong Sriracha Spice Blend**.⁹

Rogue Ales is an American company known for its innovative, experimental beer projects. Its latest venture, **Sriracha Hot Stout**, is a blend of hot sauce and dark beer. The chili style beer pays homage to its featured ingredient, Huy Fong's sauce, through its iconic packaging.

HEATED MASH-UPS

Some companies tapping into the trend are choosing to modify the popular hot sauce profile to better suit their products. **Taco Bell's** latest LTO item, the **Sriracha Quesarito**, features its own specialty sriracha sauce. Developed by a Taco Bell supplier, the quesarito's sauce marries familiar sriracha flavors with a

butter-milk base to deliver a creamier textured taste experience.¹⁰

Heinz Foodservice recently introduced **Sriracha** and **Jalapeño Ketchup** flavors. The Sriracha flavor infuses Heinz Tomato Ketchup with spicy chili peppers and a hint of garlic, while the Jalapeño flavor adds real jalapeños to the classic ketchup recipe.¹¹ Both flavors bring a modern twist to a classic, maintaining the recognizable taste and consistency of Heinz Ketchup while adding a contemporary flavor kick.

CHEF-TASTIC CREATIONS

Like many trends, a continuous evolution of the original concept is what keeps things fresh, exciting and relevant. It comes as no surprise that sriracha's invasion of restaurant kitchens has also inspired a new wave of products, created by chefs, in pursuit of developing "a better sriracha." Momofuku chef David Wang developed **Ssäm Sauce**, a spicy, tangy Korean equivalent that may soon move from

his restaurants to the retail market. Doug Alexander's **Angry Chef Sauce** is a small-batch, fermented chili hot sauce with elevated spice levels due to its assortment of Thai, habanero and ghost peppers. Chef Erik Bruner-Yang plans to mirror Huy Fong's single-batch process to mass-produce his **Endorphin** hot sauce, ensuring consistent, optimal flavors by using seasonal ingredients picked at their peak freshness.¹²





DELIVERY at the Speed of NOW

In today's digital age, customers are growing accustomed to getting what they want, when they want it. Brick and mortar retailers have adapted to this trend by implementing omnichannel inventory management systems, but the launch of **Amazon.com's Prime Now** has accelerated the pressure to make fast, same-day order fulfillment a seamless reality.



SPECIAL DELIV-ERY

Deliv, the company that fulfills Macy's same-day service, wants to "democratize the price of same-day, showing it can be the same or less than standard ground shipping." The company utilizes a crowdsourced network of on-demand drivers to eliminate typical operational expenses. With no inventory, no fleet of vehicles, no fuel costs and a small permanent workforce, there is minimal overhead to pass on to customers, allowing Deliv to keep customer costs low.¹⁵

MACY'S MOVES FORWARD

On the heels of a successful eight-market test, **Macy's** announced an expansion of its same-day delivery pilot, though it has not yet released details of the next stage. The company believes its broad store footprint and technology infrastructure give Macy's a competitive advantage because both stores and warehouses can be utilized to fulfill internet orders. **Deliv**, a same-day delivery provider backed by the four major mall ownership groups (General Growth Properties, Macerich, Simon Property Group and Westfield Corporation), provided the same-day service for Macy's during the test market.

Deliv credits a portion of its success to their partnerships with the four mall ownership groups and direct-to-retailer sales model. By working directly with retailers and mall operators, Deliv leverages its relationships with more than 250 retail customers (including Crate & Barrel, Banana Republic, Macy's, Brooks Brothers, Foot Locker and Neiman Marcus) to connect to the shoppers who pay for the service. At participating partner malls, customers can place orders in store and collect all of their purchases at the end of the day from Deliv's central pick-up location for free, or have purchases delivered to their homes for \$5. Since multiple items are collected at a central location and then given to drivers en masse, Deliv gains economies of scale that allow retailers to charge customers only \$5 for the same-day delivery service.¹⁶

INFLEXIBLE: Flexible Packaging's Dilemma

The flexible packaging segment is estimated to be worth \$351 billion by 2018,¹⁷ propelled by the momentum of its advantages over more traditional rigid packaging solutions. From light weighting to ease of decoration, greater variation and sizing to custom barrier properties, flexible packaging is often touted for its manufacturing and sustainability benefits. However, most used flexible packages end up in landfills, a troubling issue that will grow just as rapidly as the segment itself.



NO CLOSED LOOP

From a manufacturer's perspective, the environmental benefits of flexible packaging are tangible. Lighter weight flexible packaging uses less material during production, allows for more product to be shipped with less packaging (generating less carbon dioxide and lower transportation costs) and takes up less space in landfills. Unfortunately, the complex construction of flexible packaging—multi-layered films are required to deliver the barrier protection, tear strength, puncture resistance and minimal cost benefits¹⁸—present a significant challenge to current recycling methods. The recycling regimen for multi-layered flexible packaging requires the separation, analysis, identification and individual processing of each layer to produce recyclate resin. In some instances, the mix of polymers and inks make it difficult, perhaps impossible, to separate and process individual layers. In others, there is an added hurdle of food contamination. For those reasons, there are no closed loop systems currently in place that can handle the recycling requirements for flexible packaging.¹⁹

HOLISTIC EXPLORATORY

The U.K.-based **REFLEX Project**, a two-year initiative funded by **Innovate UK** and led by **Axion Consulting**, aims to “create a circular economy for flexible packaging” by examining the full breadth of the supply chain. Flexible packaging accounts for 32% of consumer plastic packaging in the U.K., yet almost all 556,000 tons produced annually ends up in landfills.²⁰ REFLEX will take a holistic view of the flexible packaging supply chain, from polymer production and packaging manufacturing to waste management and recycling, with an end objective to remove the commercial challenges that prevent flexible packaging from being recycled and reduce what is sent to landfills. **Nestlé UK Ltd**, **Unilever Central Resources Limited**, **Dow Chemical Company Limited**, **Amcort Packaging UK Limited**, **Tomra Sorting Limited**, **The Interflex Group Europe Limited** and **SITA Holdings UK Limited** have joined the project.²¹

Credits

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