



MARKETINSIGHTS | JULY 2014



HAVI Global Solutions

BETTER-FOR-YOU Snacking

According to **Packaged Facts**, in the last decade the number of ‘healthy snackers’ has grown from 29 to 41 million in the United States.¹ Driven by health and wellness concerns, these consumers are drawn to snacks derived from healthier ingredients such as vegetables, legumes, high-protein foods, and ancient grains. Food manufacturers are responding to this rising demand with new offerings that often come in new packaging solutions.

TAKE ALONG VEGGIES

Pure Flavor has expanded its *The Snacking Series* line with the addition of three different flavors of grape tomatoes in a custom designed compartmented clamshell.² Available in 9-oz. and 1lb. packages, the tomatoes are a great option for on-the-go snacking, as a side-dish, and more. In developing the offering Pure Flavor wanted to reach a new target of healthy on-the-go eaters, and found that consumers were more willing to eat the entire pack if it contained a variety of items.

TO-GO PROTEIN

The protein-snacking category is worth \$19B and growing seven percent per year.³ **Kraft**, the largest manufacturer of pre-packaged meats, is well positioned to bring on-the-go consumers a wholesome protein snack called *P3 Portable Protein* made up of Oscar Mayer Selects Meats, Kraft Natural Cheeses, and Planters Nuts. The packaging is a three-cavity thermoformed clear PET tray with a heat-sealed flexible film lid.



Americans’ love affair with Greek yogurt continues. A new protein-packed on-the-go breakfast is the outcome of a collaboration between **YoCrunch** and



Kellogg’s.⁴ Based on research showing that 2/3rd of Americans already mix a topping or other ingredients into their yogurt, the companies have come up with innovative packaging that makes it possible to shake together equal parts cereal and yogurt for easy consumption on-the-go.

NOODLES GO ON THE ROAD

South Koreans are leading increasingly busy lifestyles due to long working hours and commute times.⁵ Similar to their Western counterparts, they are also eating more on-the-go, stimulating packaging companies to invent new solutions for eating while commuting or at desks. **Gooksoo**, a dry noodle brand, has introduced a folding box that is convenient to store and transport, can be quickly and easily assembled, and ready for consumption; a perfect fit for South Koreans’ hectic lives.



CLOSING the Deal

Today's health-conscious and busy consumers have higher demands from product packaging. Among those is easy and secure re-closeability which allows portion-control and freshness, and minimizes food waste.

LOCKING THE MARKET

Easy-Lock by **Aplix** closure system is everywhere these days, taking both Europe and the United States by the storm. The innovative hook-to-hook technology that enables consumers to easily seal packages without the need for perfect alignment is fast becoming the choice for re-closeable food packs. Recently **M&M's**⁶ has introduced the closure system on its personalized **MY M&Ms** bulk packaging, **Kellogg's** has incorporated it into its European cereals **Special K Muesli** and **Crunchy Nut**⁷, and the world's largest dairy cooperative **Friesland Campina** has launched it under the **Frico** brand of sliced cheese.⁸

LASERED SHUT

The new **PrimePeel** packaging application uses laser scoring technology to allow consumers to easily open and reseal packages repeatedly throughout the life of the product.⁹ Supplied by **LaserSharp FlexPak Services**, the patent-pending technology features a pull-tab that can be used on a range of package formats.



SUMMER PROMOTIONS in High Gear

From advocacy, to sweepstakes to promotional items, brands kicked off the summer with a wide range of promotions.



GLOBAL PERSPECTIVE

TCBY has greeted the summer season with the *World of Fro-Yo* menu featuring new flavors inspired by cuisines spanning the globe from Indonesia to Germany.¹⁰ To promote the new line-up the chain is also featuring a social media sweepstakes where the grand prize winner will receive a trip for two to one of the four featured countries.

CELEBRATING DADS

According to the **National Retail Federation**, in terms of dollars spent, Father's Day is the smallest of the American gift-giving holidays.¹¹ Nevertheless a number of brands cleverly leveraged the holiday this year with memorable, brand-building promotions. **Wendy's** marked the day by bringing back its annual *Father's Day Frosty Weekend*.¹² As part of the promotion, 50 cents from the sale of every Frosty product went to the **Dave Thomas Foundation for Adoption** to help find permanent homes (and moms and dads) for more than 134,000 children in foster care in the U.S.

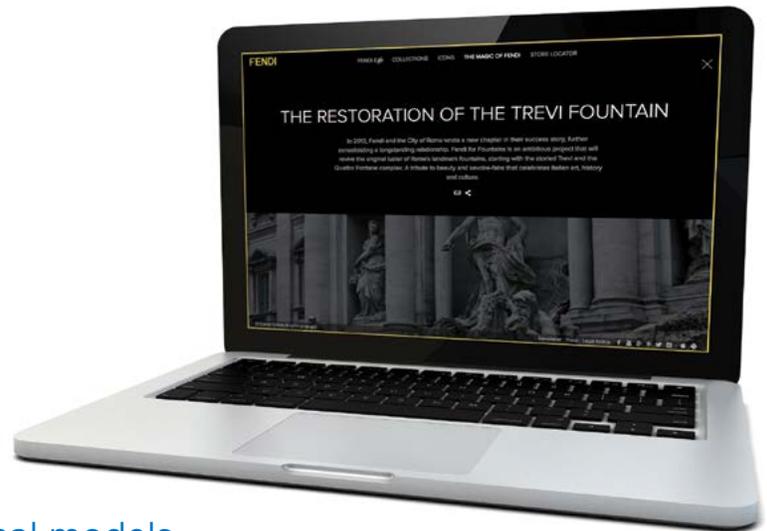
For Pernod Ricard, Father's Day is second only to Christmas in terms of sales, and has grown 6.5% in volume since the previous year.¹³ To celebrate the occasion this year, Chivas Regal 12-year-old, The Glenlivet 12-year-old, and Aberlour 10-year-old participated in an on-pack promotion called *Here's to Fathers*.

The campaign invited users to create personalized bottle labels for the fathers in their lives, which were then mailed to them for free to attach to their bottles.



It's All About CONTENT

It appears an increasing number of brands are choosing to spend their advertising budgets outside of traditional models, such as television or print.¹⁴ In years past it may have seemed odd that a high fashion brand like **Fendi** would be involved in restoring the Trevi Fountain in Rome. Today it is seen as a brilliant way for a brand that is about the art of clothing to create long-term customer engagement.



MOVIES STAR BRANDS

Wendy's has taken a unique approach to introduce its new *Tuscan Chicken on Ciabatta* sandwich by creating a humorous three-part video series that pays homage to the 1960s Italian cinema.¹⁵ The brand solicited sub-titles from fans and received 34,000 submissions. The series was distributed via Facebook and YouTube.

Unilever's **Dove Men+Care** brand recognized Father's Day with a touching video ad enumerating the many ways kids call on their dads to meet their needs every day throughout their lives.¹⁶ Named *Calls For Dad*, the one minute film was prompted by a Dove study that showed that most dads don't feel that their contributions to the emotional well-being of their children is reflected accurately in the media.

From Complexity to Visibility

The importance of supply chain visibility is something that most reasonable business people can easily agree on; it's the definition of visibility within a particular business context that is perhaps more challenging.

DEFINING VISIBILITY

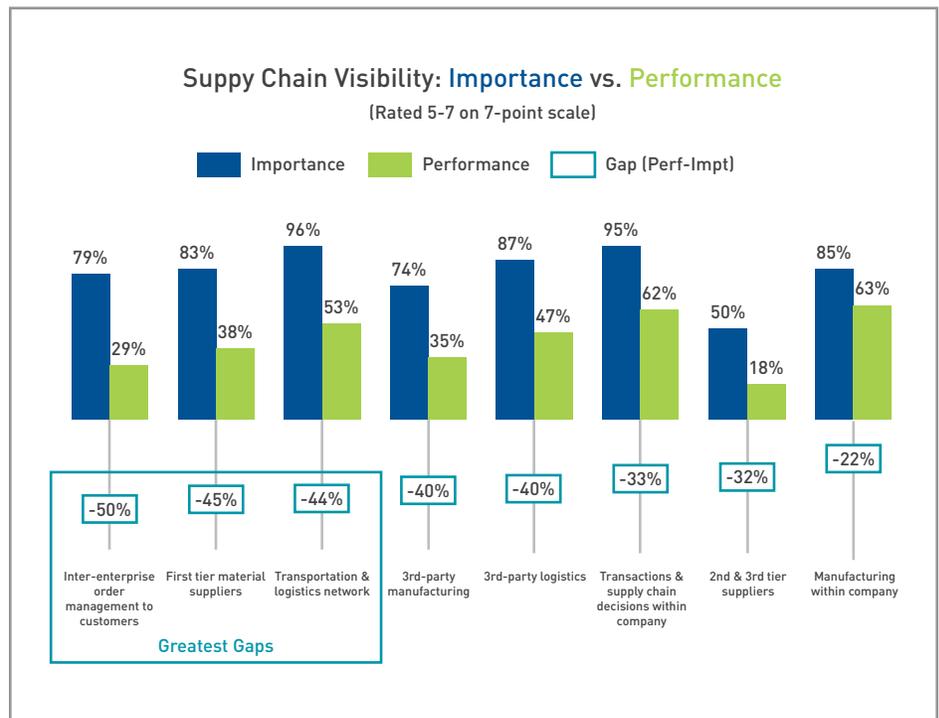
According to a survey conducted by **Supply Chain Insights, LLC** companies tend to have a greater gap in visibility outside their own enterprises.¹⁷ Seventy-nine percent of companies indicate that visibility of 'inter-enterprise order management to customers' is of utmost importance, but only 29% are satisfied with their company's performance in that aspect. Visibility of first tier material suppliers, and transportation and logistics networks are also among the top areas where companies encounter gaps between perceived importance and performance.

CLEARING THE FOG

KPMG's *2014 Global Manufacturing Outlook Report* found that supply chain visibility is indeed a growing focus among manufacturers, with twice as many reporting concerns about it over the last year.¹⁸ The top three obstacles to achieving visibility reported by respondents are a lack of mature technology (as reported by half), lack of governance (19%), and a lack of strategy (14%). Despite the challenges, however, there are also signs of progress. Compared to just nine percent last year, today 22% of respondents report complete visibility. More than three-quarters of those reported that they are now able to share real-time capacity and demand data with their top tier suppliers.

CLEANING UP THE DATA

It is no secret that the supply chain relies heavily on data, and that data, when extrapolated, can either provide great visibility and risk management, or amplify problems downstream.¹⁹ Manual data handling methods are most prone to quality lapses due to information being re-entered into disparate systems multiple times. Even the best applications are only as good as the way that they are implemented and used. A keen understanding of business parameters and procedures is necessary to ensure the information is mapped correctly, and involving the supply chain team is critical for ensuring that the systems are used properly.



THE BUSINESS OF Sustainability

Corporate sustainability is no longer a nice-to-have for companies, especially those that are bigger and more visible. The **Ceres Roadmap** is a 'leadership framework grounded in practical examples of where and how companies are meeting the expectations of a 21st century sustainable corporation.'²⁰

Together, **Ceres** and **Sustainalytics** have analyzed 600 companies listed on indices such as the S&P 500, the Russell 1000, and the MSCI Developed Markets. They found that more than half of these companies are just starting out on their governance strategies on sustainability, and a mere quarter are considered to be 'setting the pace' (top marks) and 'making progress.' While nearly half (47%) are making some progress in reducing greenhouse gas emissions, only a third have put in place time-bound emissions targets they're working towards.

CARBON AMBITION

Computer maker **Dell** has a bold ambition; it doesn't just want to reduce its own incremental carbon emissions in the atmosphere, it actually wants to capture existing carbon in its packaging.²¹ **Newlight Technologies** has an innovative process by which plastic can be made from air and greenhouse gases that would otherwise become part of the air. The new material **AirCarbon** is considered carbon-negative as the process of manufacturing it sequesters more carbon than it produces. Dell is piloting the new packaging in the US, and has plans to extend it globally in its packaging and products.



IT'S THE PEOPLE

McDonald's has recently released the company's first corporate social responsibility and sustainability framework, called *Our Journey Together. For Good.*²² The company has announced a number of admirable goals such as targeting 100% fiber-based packaging from certified or recycled sources by 2020, from 14% presently. The most significant development, however, comes in the company's prioritization of orienting the entire company culture towards these goals.

Credits

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