

# Why smart packaging can be a valuable brand differentiator

By [Robert Lockyer](#)

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The new era of smart packaging, and consequently products, will connect, improve and transform industries and shape new consumer expectations.



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Smart packaging refers to a container or outer shell of a product that has extended functions. Now, the concept is nothing new as these functions are often the reason specific materials are chosen for use in the packaging of certain products.

For instance, in the food market, it's common to find fresh produce wrapped in film with ethylene absorbers in order to lengthen shelf life. Or, for bottles to be fitted with oxygen-absorbing caps to keep drinks fresher for longer.

But typically, in other FMCG markets, packaging has largely remained disconnected from the product it is containing. Packaging is merely seen as a means for transportation or a protective outer layer.

However, we are seeing a shift in perception. Increasingly, brands are investing in the smart functions of their packaging in order to add value to their products. And consumers are beginning to expect such things from brands as a result.



## Consumer benefits of smart packaging

As the trend prevails, there are a number of reasons why brands should consider introducing smart packaging to their product offering. The most significant of these being the ability to improve the overall customer experience of shopping from your brand and encouraging greater customer engagement.

Although in traditional retail customers are presented with various physical touchpoints before making a purchasing decision, e-commerce is different. Unless a customer has visited a store first, which is unlikely at present due to Covid-19 restrictions, the package is often the first physical point of contact a customer has with a brand.

Therefore, from the moment the package is delivered, before it is even opened, it needs to make an impression on your customer. An impression that reflects your brand and the intended customer experience. This way, consumers will already have positive perceptions of your business, encouraging a better reception of your products, greater overall engagement and a higher likelihood of a repeat purchase in order to go through the whole experience again.

And smart packaging is a way for brands to do exactly that. Packages can offer customers additional benefits and an improved customer experience by integrating within them various technologies and features. Face value features may include illuminations, sounds and aromas, enticing customers by appealing to their sensory needs.



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But other smart technology integration can be much less obvious, yet equally as advantageous. For instance, through use of connectivity and augmentation features, whether that be scannable QR codes, sensors or microchips, this can be used to improve communication with customers and the functionality and use of the product.

By scanning a QR placed on the outside of a box or bag with a smartphone for example, customers can be provided with more information on the product inside, including details of ingredients, origins and production. QR's can also provide other marketing content such as competitions, product recommendations through digital discovery channels and the offering of virtual brand experiences.

Or, if the package itself is not "smart" in function, perhaps brands can look at using customer data and insights to inform designs and even tailor the outer materials to the needs of individual customers or groups, making them smart in design instead.

Either way, smart packaging is becoming a way for brands to differentiate themselves from competitors by improving customer interactions and supplementing their product offering with additional features and benefits and overall, creating a more favourable customer experience.

## Commercial value of smart packaging

However, smart packaging isn't just about giving your customers more. Rather, there are many benefits for the business, too.

Ultimately, there are advantages for connectivity and transparency in the supply chain as well as on the customer-facing front. And of course, this is exactly what is offered with smart packaging.

Through the inclusion of chips and systems, such as radio frequency identification (RFID) which identify packages wirelessly, tedious processes involved with scanning at various logistic points can be removed, making the entire process from order to delivery much more efficient.

Naturally, this would reduce administrative tasks as well as costs for the business due to a much more streamlined chain.



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For more sensitive items, particularly in food or even in the health and beauty industry, temperature can also be both managed and monitored through smart packaging. Readings can then easily be displayed on packages, giving both the brand and customer assurance that the items inside have not been breached and remain compliant and safe to use.

Consequently, smart packaging is on track to transform industries by offering both brands and consumers new ways to deliver and use products. Although barriers do exist at present, namely the costs related to manufacturing, it will be interesting to see how more and more brands begin to innovate and integrate smart technologies to more than just their products.

## ABOUT THE AUTHOR

Robert Lockyer is the CEO and founder of Delta Global, a packaging solutions provider for luxury retailers such as Coach and TomFord.

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