

2022 Consumer Trends

A Look at the Year Ahead





Throughout the year Berlin Packaging tracks consumer insights, product trends, and packaging innovation to understand what is happening in the market so we can best help our customers succeed.

Where We Are in 2022

In 2021 we saw people prioritizing both physical and mental wellness, with athletes like Simone Biles and Naomi Osaka putting a spotlight on emotional health. Sustainability became even more important to consumers and terms like ESG, carbon footprint and circular economy became mainstream. And e-commerce continued to surge, changing the face of retail across categories.

As we begin 2022, Berlin Packaging is looking at the most recent trends that will influence consumer routines and behaviors in the year ahead. The impact of the pandemic will still be evident as people continue to spend more time at home, personal and public health and safety will remain a priority, and the way we treat people and the planet will stay at the forefront of consumers' minds.

This report features our top 6 consumer trends for 2022.

Top 6 Consumer Trends of 2022



1. Well & Good

Health and safety remain a key priority for consumers.



2. Home Sweet Home

Home has become a place for work and play.



3. Taking Care

Self-care as a means to support emotional and mental wellbeing.



4. Adding Excitement

New and exciting experiences help consumers escape boredom.



5. Surging Sustainability

Today's consumers demand eco-friendly products and packaging.



6. On a Budget

Post-pandemic economic uncertainty influences purchase behavior.

1

Well and Good

Health and safety remain a key priority for consumers.



Well and Good

Health-consciousness has been on the rise for years, even before the pandemic. We've seen new diets gain in popularity – like Keto, Mediterranean, and Vegan – and a rise in plant-based products. Consumer demand has been growing for foods and beverages with added functional benefits and products with reduced sugar, carbs and fat. Better-for-you products that use natural ingredients have grown in demand as consumers are more careful about what they're putting in their bodies.

Moving into 2022, health and wellness will continue to be of great importance to consumers. People will focus more on mental and emotional wellness in the year to come, purchasing personalized and targeted products and solutions tailored to their specific needs. Consumers will be more preventative, proactive and positive when it comes to taking care of themselves, using products that promote gut and immune health, aid with relaxation, and focus on positive benefits versus “free from” and negative claims.

Beyond personal wellness, the pandemic has expanded the focus of health to include public health and safety. Some of the new hygiene behaviors that became commonplace at the height of COVID-19 – like frequent hand washing and disinfecting surfaces – are expected to last beyond the pandemic. The same goes for safer socializing. Concern over the safety of products and services will also influence consumer behaviors in 2022.

Consumers want reassurance that the products they're using are healthy and safe. This includes brand familiarity, knowing about ingredient sourcing, understanding a product's health benefits, encouraging safe and hygienic user experiences, and having confidence in a product's integrity. Educating and ensuring consumers about a product's health benefits and safety attributes will promote customer trust and drive brand loyalty.



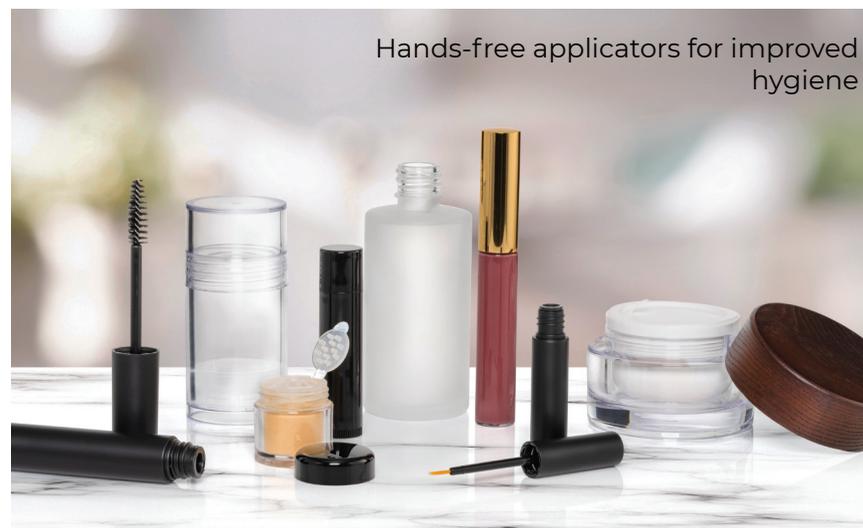
Top 3 factors global consumers found essential / key purchase driver | Source: 2021 GlobalData study



Custom-design prevents leaking and maintains product integrity



Transparent bottle allows consumers to see the product



Hands-free applicators for improved hygiene



Custom ROPP tamper-evident closure

Well and Good | Packaging Opportunities

- Clean label design
- On-pack health benefit messaging
- Transparent materials
- Tamper-evident packaging
- Traceability
- Temperature-control
- Hands-free applicators
- Supply chain transparency



2

Taking Care

Self-care as a means to support emotional and mental wellbeing.

Taking Care

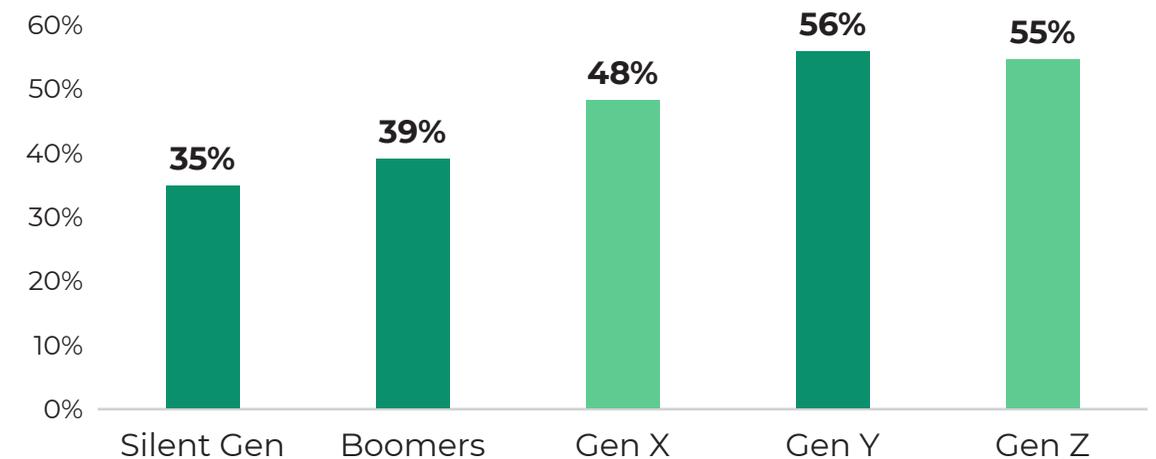
As previously mentioned, there has been a shift toward a more holistic view of health that has elevated the importance of emotional and mental wellbeing to equal that of physical health. According to a 2021 GlobalData survey, 40% of North Americans say that mental wellbeing is extremely important to them and 39% said the same of physical wellbeing.

The pandemic, and its lasting influences (like economic uncertainty and public safety concerns), have added new stressors to everyday life. GlobalData found that 61% of millennials are quite or extremely concerned about their mental wellbeing. And Gallup reported that emotional wellbeing sunk to an all-time low in 2020.

A greater awareness and acceptance of emotional and mental health challenges will continue to drive consumer behaviors in 2022. People are purchasing new products and adopting new routines to help enhance mind and mood, including engaging in personal care rituals, enjoying indulgent or comforting foods, and buying products with ingredients that aid sleep, relieve stress, and enhance brain function. This is demonstrated by product innovation – like the rise in the use of CBD and nootropics – as well as brand messaging.

In late 2021 Kraft launched a campaign that positions the brand's mac 'n cheese as a comforting meal option for self-care, showcasing that the trend extends beyond the more expected personal care categories to include food, beverage, home care, and more.

Consumers Who Would Like Tips on Health and Wellbeing from Brands After the Pandemic Period | Source: GlobalData 2021



“Contains ingredients that aid relaxation or improve mood” is a key purchase driver for 25% of North Americans.



Uplifting graphics



Products for brain health



Spa-like aesthetics



Personal care rituals as self-care



Unboxing experiences add joy

Taking Care | Packaging Opportunities

- Convenience features
- Spa-like aesthetics
- Ergonomic & comfortable design
- Unboxing experiences
- Highlight mental & emotional health benefits
- On-pack tips on personal health and wellbeing

3

Home Sweet Home

Home has become a place for work and play.



Home Sweet Home

One thing that can't be disputed is that Americans spent more time at home as a result of the pandemic. With offices, restaurants, and other establishments closing, home became not only a workplace for many, but a place for eating, drinking, and entertaining as well. Meals are being redefined as consumers head to their own kitchens throughout the day for breakfast, lunch, and snacks and prepare more dinners at home.

“Hometainment” has become popular as people are finding new ways to socialize away from bars and restaurants. Home has also become a sanctuary, and people want to create a safe, comfortable, and relaxing place.

This increase in time at home will continue in 2022, and behaviors that have been in place for the past two years won't be discarded overnight. Even though people are beginning to return to traditional offices and work environments, work-from-home and hybrid models will remain popular.

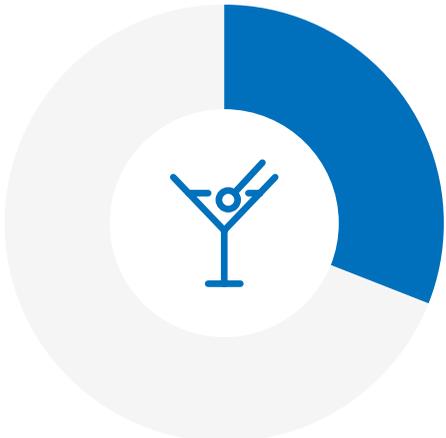
In addition, the trend toward home entertainment is expected to continue as some people have lingering safety concerns about venturing back to restaurants, others appreciate the cost savings of eating and drinking at home, and many have simply become more accustomed to socializing at home. Products and packaging that enhance at-home experiences will become more important.



53% of global consumers work from home at least weekly



48% of global consumers study at home at least weekly



31% of global consumers entertain family and friends at home at least weekly



Home Sweet Home | Packaging Opportunities

- Premium décor design
- Bar-like spirits packaging
- Bulk sizes
- “Countertop” design
- Meal kits
- E-commerce compliant



4+

Adding Excitement

New and exciting experiences help consumers escape boredom.

Adding Excitement

Today's consumers are increasingly looking for unique experiences that add excitement and allow for experimentation, especially among younger generations.

According to GlobalData, "indulgence-led attributes, such as product uniqueness and enjoyability, are among the most influential factors on consumers' purchase decisions. The pandemic is one of the key reasons. The lockdowns and social distancing measures put in place resulted in consumers looking for new ways to bring excitement into their lives." These novel experiences can help relieve stress and reduce boredom.

This trend will be especially prominent in the food and beverage categories. With more cooking at home, consumers are increasingly interested in experimenting with global ingredients and unique flavor combinations.

As the craft spirits category has expanded, a new "extreme craft" movement is taking hold, with brands creating even more unique and intense beverage options and experiences. Customized and personalized products that help consumers express themselves and their specific moods and mental state are also taking off across categories. Creating special and unique products and user experiences will be essential to help drive trial and differentiate from the competition.



57% of North Americans
are always or often
influenced by how unique
and enjoyable a product is
– 2021 GlobalData survey



Ultra-premium products and design



Custom structural design



Unique silhouettes



Unexpected design

Adding Excitement | Packaging Opportunities

- Unique shapes and silhouettes
- Unexpected brand design
- Augmented or virtual reality labels
- Custom structural design
- Authentic design that reflects product origins
- Personalized packaging

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Surging Sustainability

Today's consumers demand eco-friendly products and packaging.





A June 2021 PricewaterhouseCoopers survey found that half of global consumers say they've become even more eco-friendly since the pandemic – and that extends directly to packaging.

Surging Sustainability

Sustainability has become increasingly important to consumers over the past several years and the pandemic made it even more so.

A recent McKinsey study asked U.S. consumers about their perceptions of packaging sustainability compared with pre-COVID times, and 48% said they are more concerned now. Consumers want to support brands that align with their values, and they are demanding sustainability as a brand attribute. With regard to packaging, other entities are driving change in addition to consumers. The government is beginning to enforce regulations around single-use plastic and retailers are setting sustainability goals and packaging requirements.

We know that consumers are willing to make trade-offs to be more sustainable. This includes changing their behaviors, foregoing name brands to support brands committed to the environment, and paying more for sustainability.

In 2022 we expect to see a continued increase in sustainable packaging solutions, including refill-and-reuse models, the use of recycled and recyclable materials, the elimination of unneeded packaging components, light-weighting, and more. Beyond packaging, consumers want to understand if ingredients are responsibly sourced, what social initiatives a brand supports, and more. Demonstrating a commitment to people and the planet is key to connecting with today's consumers.



Surging Sustainability | Packaging Opportunities

- Refill and reuse
- Recyclable materials (mono-materials, glass, aluminum)
- Recycled materials (PCR, ocean-bound plastic)
- Elimination of components
- Lightweighting
- Communicate sustainability initiatives on-pack
- Recycling instructions on-pack
- Bio-resins



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On a Budget

Post-pandemic economic uncertainty influences purchase behavior.

On a Budget

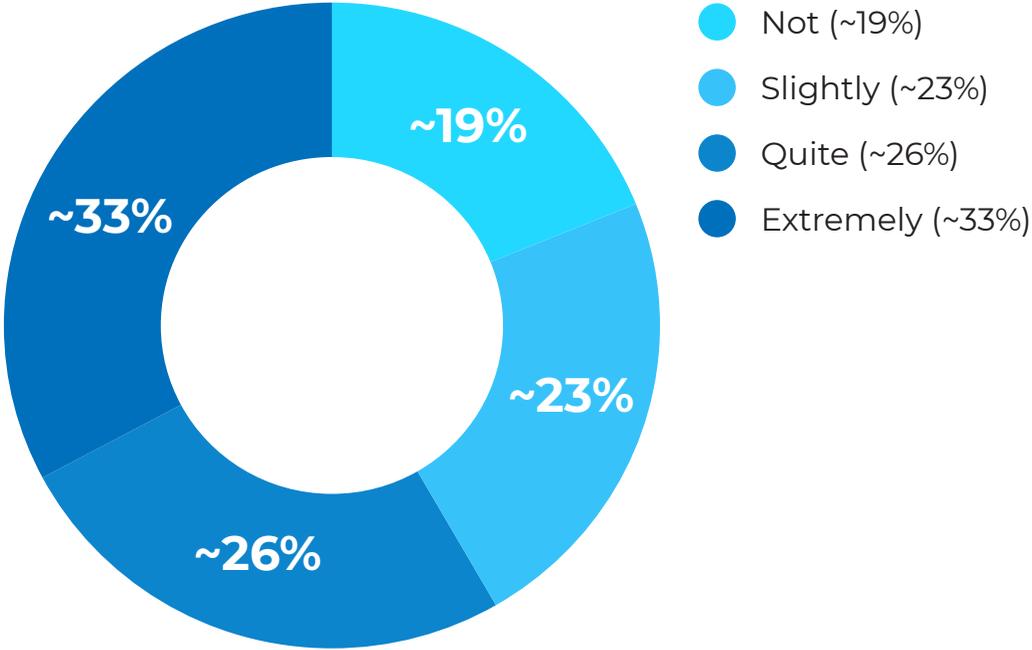
The long-term effects of the pandemic remain unclear, and the resulting economic uncertainty will influence consumers' purchase decisions in the coming year. Many consumers will be cautious, adjusting their finances and altering their shopping budgets.

People will decide where to trade up and when to trade down, and there will be fewer impulse purchases. Private label brands will become more appealing as consumers recognize they offer high-quality products at a reasonable price, often with premium and expansive portfolios. Brands will need to consider how to justify product value and price points to remain compelling and competitive.

There will also be a redefining and repositioning of indulgences. Consumers who have spent the past two years eating and drinking at home instead of in bars and restaurants have a new perception of these experiences and their value. Similarly, people who have been doing spa treatments like manicures, facials and teeth whitening at home, have re-evaluated the need and value of these salon services. There will therefore be a continued opportunity to support consumers in being able to create their own "insperiences."



How Concerned Are You about Your Personal Financial Situation | GlobalData U.S. Consumer Survey Q4 2021





Custom design for value brands



Premium private label design



Elevating a commodity through design

On a Budget | Packaging Opportunities

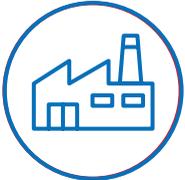
- Smaller pack sizes (for most cost-effective product trial)
- Added functional and/or convenience benefits
- Multi-functionality
- Premium brand design
- Cost-saving supply chain management
- Communicate value messaging on-pack

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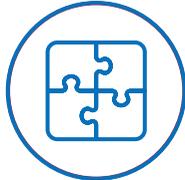
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