5 KEY LABEL TRENDS FOR 2021 **AND THEIR MARKET APPLICATIONS**

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Brands faced extraordinary packaging challenges in 2020:

- Brand managers rethinking how to engage with home-bound shoppers.

- Procurement teams vetting material suppliers that remain agile in spite of lockdowns.

- Consumers seeking products that share their commitment to safety as well as sustainability.

These challenges, however, also led to previously unimagined labeling opportunities — such as essential support during chaotic times and innovative ideas to match the new consumer landscape. And as brands prepare for next year, we're anticipating a continuation and evolution of the changes we saw this year.

Looking ahead to 2021, we'll share **five key labeling trends** we're seeing in the marketplace. We'll also provide examples of real-life applications for these trends, ranging from food and pharmaceuticals to beverage and household cleaners.

These insights and examples will help you anticipate new evolutions coming down the pipeline and prepare for trends that are here to stay — setting up your brand for a profitable and forward-thinking 2021.

Trend #1: As e-commerce grows, so does the importance of trust-building packaging

Groceries, pharmaceuticals, clothes, spirits — consumers are ordering online more frequently, in larger amounts and as a more central means of shopping across market sectors. E-commerce has been a part of the buying landscape for many years now, but the pandemic accelerated its growth forward 4 to 6 years.

Winning at the shelf isn't enough anymore. Brands must win in the online shopping cart, too.

Thoughtfully packaged products have the power to make consumers assign even more value to their purchase. Unfortunately, **the online evaluation of the look, feel and value of a product (and its packaging) just isn't the same** as in-person, brick-and-mortar shopping experiences.

This reality, combined with **the likelihood for consumers to be less trusting** in a post-COVID world, poses a challenge for brand owners.

What can you do to empathize and engage with the customer? How can you meet their desire to buy for authenticity and confidence? How are you going to put your brand story in front of them and build trust online?

You can address these online shopping challenges by:

- **Designing packaging to carry greater storytelling and branding weight.** Consumers will not frequent brick-and-mortars as often — this means they won't be coming into contact with your in-store displays or interacting with your sales representatives. Your only chance to communicate with 100% of your customers is through your packaging.

- **Bolstering your online assets to educate your buyers.** Provide easy-to-read images of your labels, thorough product descriptions and customer reviews to make it easier for buyers (especially new ones) to make purchase decisions.

- **Ensuring online depictions match what consumers get.** When the packaging matches what the consumer expected, trust is built and shoppers feel confident in the product's quality and the credibility of your company.

- **Considering NFC tags for product authentication.** For example, counterfeit wine is a pervasive problem affecting luxury brands, and each fraudulent bottle sold is a huge safety and image risk for the brand. NFC allows your customer to authenticate the wine, down to the unique identification code for that particular bottle.
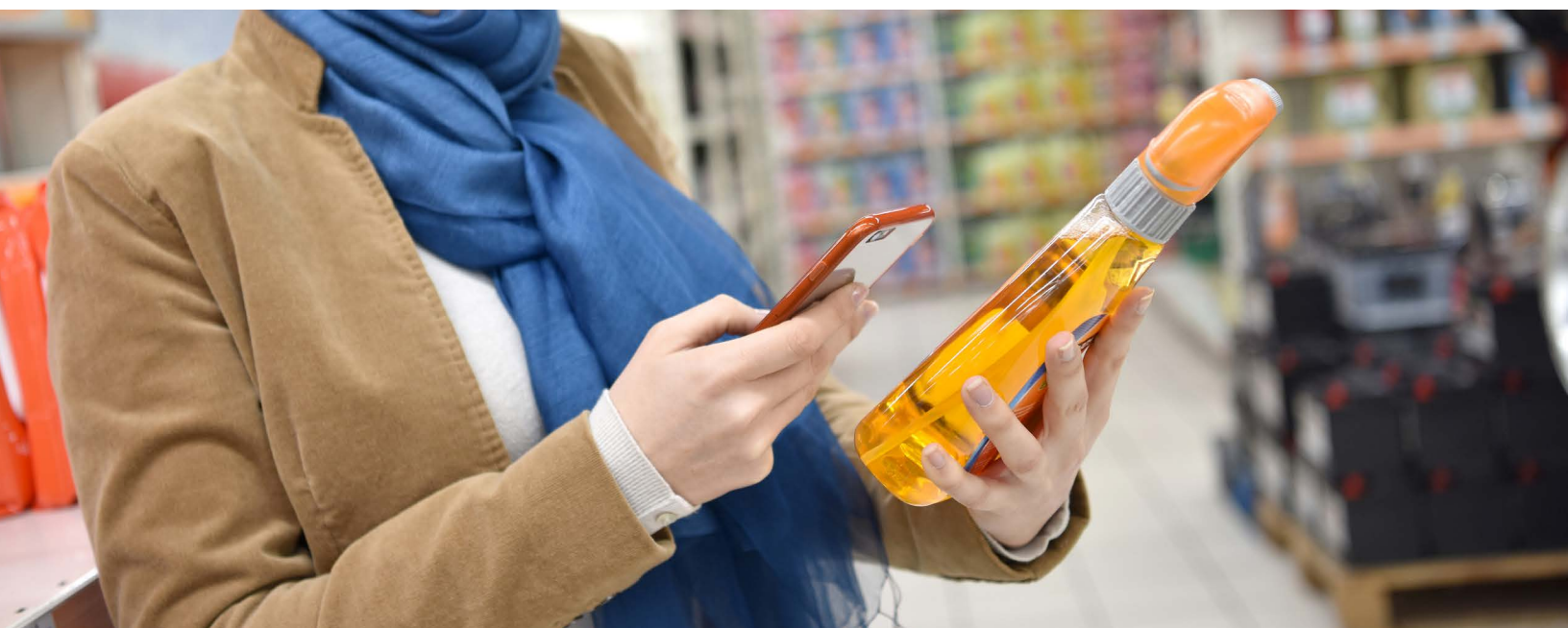
Market application: Demonstrating sustainable fishing practices

A [major producer of canned seafood](#) sought a way to educate customers on their sourcing and build trust in their brand. To accomplish this, Bumble Bee Foods collaborated with a software company to create a QR code that traces yellowfin tuna from the Indonesian ocean to the can. With a quick scan of a QR code, customers can discover where the fish was caught, the weight of the catch and whether it has been certified as sustainable.

This labeling solution allows the product packaging to carry greater branding weight (solidifying their status as a sustainability-focused seafood provider) and provides education to buyers. All in all, this engaging packaging component successfully builds trust between the brand and the consumer — even in an online shopping-centric landscape.

Trend #2: NFC and RFID fill the gap in consumer engagement in a socially distant world

Smart labeling technologies already create remarkable efficiencies and opportunities for brands: RFID tags that can be read at 700 products per second for improved supply chain visibility, or secure, one-to-one NFC tags for promotional labels and posters.

But on the whole, RFID, NFC and other intelligent labeling solutions likely exist on the perimeter of your labeling discussion — the technologies are available, they sound exciting, but are they a right fit, or even necessary?

For starters, **smart labeling technology is more affordable and accessible than ever**. Whereas price used to be a deterrent, it's no longer a significant barrier and more companies are adapting the technology to meet the demands of an evolving, touchless world. Augmented reality (AR), for example, has emerged as an affordable and adaptable technology that can improve customer interaction.

Which leads to the second important takeaway: **NFC and RFID labels can provide consumer engagement that brands have been essentially cut off from**. In-person experiences drive crucial brand loyalty, added purchases and re-ordering: Sampling seasonal flavors at the grocery store, soliciting beautician recommendations at the department store makeup counter, hearing wine pairings from the vineyard sommelier.

With these off the table, smart labeling can fill the gap. These solutions are touch-free (important in a world of social distancing), convenient (available on a smartphone, which makes up roughly 93% of all cell phone users) and rife with opportunities.

Here's how you can incorporate intelligent labeling technology to benefit your consumers and your brand:

- **Enable safe, touchless interactions with your labels**. This can look like a cashier-less checkout for shoppers (such as with contactless payment applications like ApplePay™) or tapping the label on an empty hand sanitizer dispenser to notify staff that it needs to be replaced.

- **Facilitate simple reordering to generate repeat customers**. When your customer taps the label on a consumable product, they can easily reorder via e-commerce channels — driving remote product sales while consumers stay safe at home.

- **Connect users to virtual brand experiences**. A quick scan of a label on the high-end eyeshadow palette can take the customer to videos of beauty experts demonstrating different looks, recommendations for product pairings and other valuable tips. These virtual experiences could be the key to driving engagement and building loyalty during this time.

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Market application: An immersive wine education experience from anywhere

One European winery prides itself on educating consumers on how they make their wines. So when customers can't physically be on site, an NFC-enabled label facilitates an ongoing dialogue among their wine-loving customers.

The smart label is hidden unobtrusively beneath the facestock and embedded with content readable by nearly every modern smartphone. By scanning the tag, customers can learn about how their grapes are harvested and what the fermentation process looks like. Leveraging this technology, the winery can still continue the conversation beyond the wine cellar and tasting rooms.

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Trend #3: Security and tamper-evident labels are now industry staples

As touched on in the previous two trends, consumers need increased transparency and security in the products they're buying.

One way to achieve this enhanced safety for your customers? Security and tamper-evident labels.

This market is expected to nearly double through 2030, and **COVID-19 has only strengthened the focus on the security of products**. With these labeling solutions, you can communicate to customers that products are safe, sealed and nothing has been tampered with.

For pharmaceuticals, consumer electronics and medical devices, security labels and measures have long been a part of product packaging; the pandemic has amplified the scrutiny on these products and thus the need for reliable tamper-evident solutions.
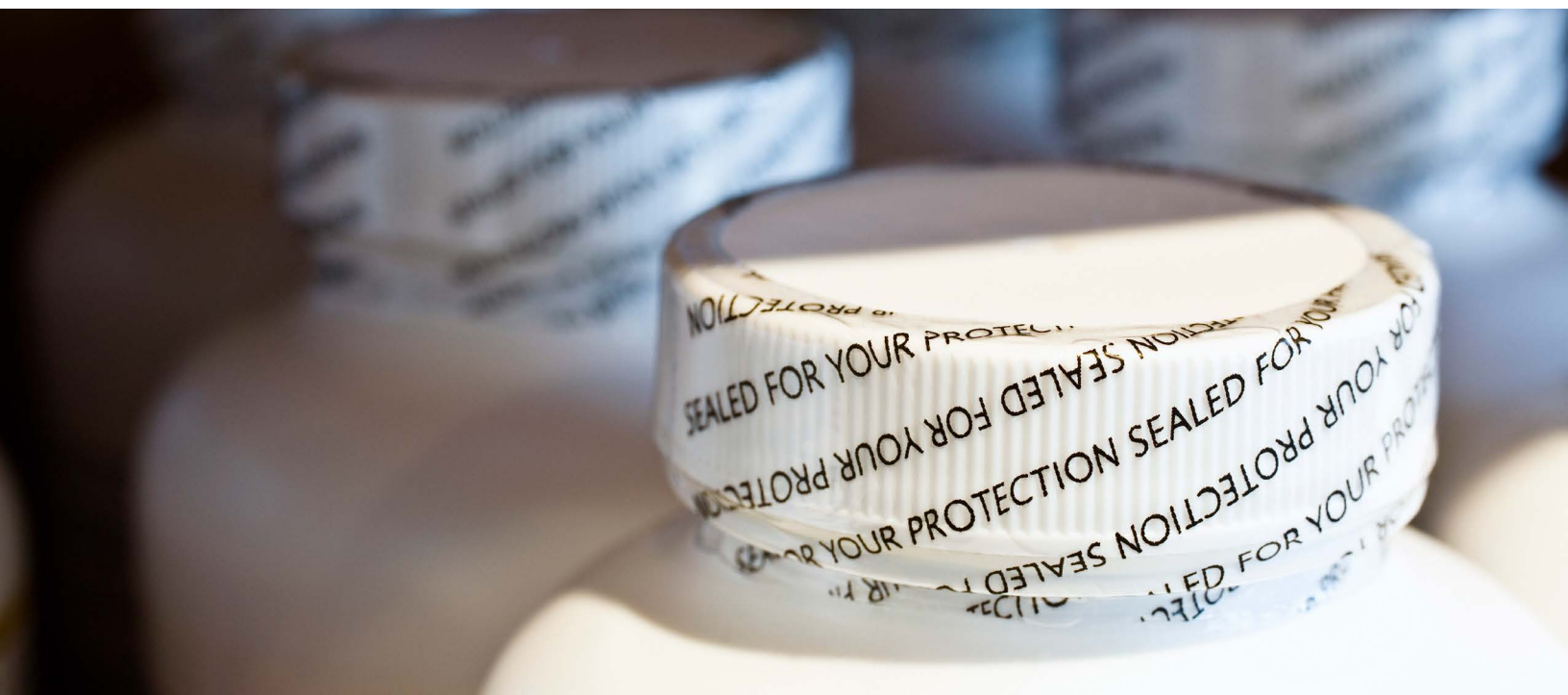
New applications have popped up as well: The **food and beverage industries are estimated to account for more than 40 percent of security label demand in the next decade**. From pizza boxes to pre-packaged grocery store sides to takeout coffees, customers now demand safety assurance. Additionally, the FDA is partnering with the USDA, CDC and industry and consumer stakeholders to develop educational materials for consumers on the handling of food delivered to their home — including looking for tamper-resistant packaging.

Brand owners across industries can communicate product safety by incorporating security and tamper-evident labeling options such as:

• **Tamper-evident shrink sleeve**. Full-body shrink sleeves extend over the top of the cap, forcing consumers to tear the top section of the sleeve off to open the container. For products that aren't in sleeves, full-graphic shrink bands with a vertical perforation for "zipper" removal can easily add a tamper evident feature, especially for bottles with longer necks.

• **Tab labels**. For this solution, a slim tab label extends from the container up over the cap. These are common tamper-evident solutions in the food, wine and spirits markets.

• **Smart label strips with embedded RFID chips**. These labels send a signal when the seal is broken for added protection, preventing compromised inventory from reaching the consumer in the first place.
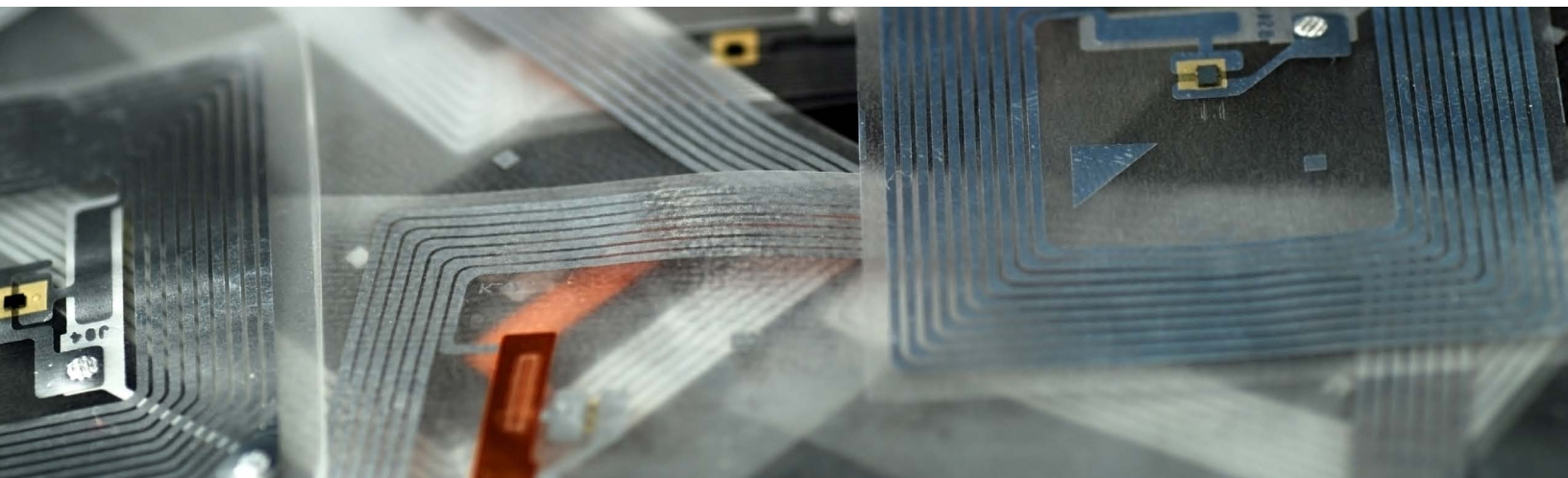
- **Simple seal labels**. For pre-packaged, grab-and-go or delivered foods, this is a straightforward solution for communicating that the product is sealed and is safe.

- **Void labels**. If the label is removed, the adhesive will leave the word "VOID" on both the product substrate and the back of the label to tell a customer that the product has been tampered with.

- **Frangible film labels**. These consist of an engineered film and a specially designed adhesive. If removal of the film is attempted, it fragments into tiny pieces that remain adhered to the substrate — making it extremely difficult to remove and leaving visual evidence of tampering.

- **Anti-counterfeiting film labels**. These labels tear cleanly and easily in one direction and also drastically reduces the risk of accidental breaks during transportation and handling — a common problem when using perforated seals.

- **Label solutions combined with non-label features**. Build multiple layers of protection for your product with foil lidding or drop-band closures in addition to tamper-evident packaging.

Trend #4: Raising the bar on sustainability commitments

Year after year (and really, decade after decade) sustainable packaging is included on trend lists and end-of-year commitments for next year's products.

Yes, sustainability is once again on our radar. But this time around, we're seeing more specific, aggressive and actionable commitments from brands. And further, sustainability-minded consumers are calling for transparency and follow-through on those commitments — a significant 87% of consumers prefer an eco-friendly packaging option when purchasing products.

First, **sustainable materials have demonstrated impressive innovation**: Materials made from cotton, grapes, barley or citrus. Compostable label materials designed to breakdown in an industrial composting facility. Responsibly sourced materials made from Forest Stewardship Council-certified wood.

But, notably, the commitment doesn't stop there anymore. **Brands are recognizing the need for holistic sustainability strategies**; not just a compostable label, but a compostable bio-adhesive, too, to ensure the composting process can actually happen.

Recyclability is getting a reinvigorated focus, and for good reason. As Paul Jackson, director of the National Resource Consortium, said in Recycling & Waste World: "Biodegradable plastics are placating customers with a guilt-free quick fix while increasing general waste volumes and costs. It's sidestepping the urgent issue: 9 billion tons of plastic already in existence."

Faced with the recycling challenge, brands are called to educate their customers on how to properly dispose of plastic and facilitate much-needed recycling processes.

Your brand can re-commit to sustainable packaging by:

- **First, defining your sustainability goals.** Consider which initiatives and areas of focus make sense for your product and brand identity. If you're not sure where to begin, start with this article.

- **Maintaining an ongoing dialogue with your label converter.** They'll recommend the best recycling-compatible label materials for your product container.

- **Considering your packaging design holistically.** If the rest of your package isn't recyclable, choosing a recycle-friendly label material might not be the best choice. But a lightweight label material might be the perfect drop-in solution.

- **Looping in all packaging suppliers.** To ensure your entire package is recyclable, make sure you are upfront and clear with all packaging suppliers (labels, containers, caps, lids, etc.) about your goals.

- **Talking to How2Recycle about joining**. If you're serious about making your package recyclable, why not pay the nominal joining fee, go through their recyclability assessment and become a member? Then you can prominently feature their recycling instructions on your label, gain more trust from consumers and ensure your packages actually get recycled.

Market application: Pushing the envelope in sustainable beverage packaging

A paper bottle that could actually contain beer sounds like a flight of sustainability fancy — but one R&D team is working to make it happen.

In the most recent unveiling of prototypes, the bottles have either a thin rPET film barrier or a thin PEF bio-based film barrier, enabling the bottle to meet the high standards required to contain beer.

The bio-based materials will provide a lower carbon impact than typical materials utilized for carbonated beverages, and they eventually aim to achieve a bottle that doesn't use a polymer at all. This use of advanced sustainable materials will help the brand achieve their long-term sustainability goals.

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Trend #5: Converters prove crucial to an informed, agile packaging strategy

It has never been more important for brands to understand how consumers will retrench and reset — laying the groundwork for how they relate to brands for years to come.

Both in the immediate and long term, **a labeling partner is essential for continuing to navigate the new landscape** as businesses get their feet under them. Essentially, brands need to be more flexible than ever — and an informed, agile label manufacturer is part of that.

We saw this in the short term during the early stages of the pandemic where **label converters mobilized to deliver high demands of printed products**. Across markets, label converters played a vital role in keeping product manufacturing and delivery up and running — after all, unlabeled products can't be distributed. And due to increased demand of food and personal care products, label converters had to work around the clock as essential businesses to meet consumer needs.

While the high-intensity production seen in early 2020 won't likely be repeated, we will likely continue to see fluid environmental conditions and ongoing variance in the consumer landscape.

You can best prepare your brand for these ongoing market changes by **working with a consultative label converter**. Today more than ever, print and packaging providers have the opportunity to work with their clients in a consultative approach, showing the power of packaging and making sure clients understand what it can do when it comes to consumer engagement.

Market application: Meeting hand sanitizer production demands

Demand for hand sanitizer outpaced supply at the beginning of the COVID-19 pandemic. Distilleries stepped up to combat this problem and fight the spread — and needed an agile labeling partner to keep up with that demand.

Right away, the Resource Label Group team committed to providing seamless, on-demand label printing to distillers launching hand sanitizer production. We summarized the label requirements that the FDA and Alcohol and Tobacco Tax and Trade Bureau (TTB) issued to meet COVID-related demand, providing crucial guidance and clarity during an intense production period. This active partnership allowed distilleries to focus on production and get products out the door to where they were needed most.

What does your 2021 look like?

And, more importantly, how do you plan to make it happen?

At Resource Label Group, we partner with brands to bring their labeling visions to life, from engagement-driving smart labels to tamper-evident solutions that promote consumer confidence in your product. We're one of the largest label converters in North America and print millions of labels across markets, constantly finding innovative solutions for brands just like yours.

Let's talk about your vision for next year and how we can make it a reality.

MORE ABOUT RESOURCE LABEL GROUP

At Resource Label Group, we continually invest in the most innovative people, technology and processes to deliver the highest quality labels. Running state-of-the-art operations throughout North America, we combine full-scale label printing and design capabilities with hands-on, consultative service. Our goal? To provide you the solutions you need to achieve a perfect label for your brand, budget and product. It's our mission to deliver a tangible return on your packaging investment and ensure a smooth, positive experience.

If you have any questions about labels, give us a call at 1-888-526-8177 or visit us at resourcelabel.com. We'll point you in the right direction and find solutions for your label needs.

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