**Is Packaging A Good Investment Option For Print Companies In 2021?**

It is an undeniable fact that Print SMEs are perplexed and challenged by the COVID-19. The criticality of operating during lockdown orders is severe with social distancing and work-from-home having a deep impact on print purchases.

Quocirca’s survey indicates that even during the grim situation 79% of respondents believe COVID-19 presents an opportunity to drive new product and service innovation. Commercial printing suffered severely in Q2-Q3 2020 (Smithers); printers are on the lookout for new segments which can help them generate more print sales.

The report further suggests that packaging and labels have been affected the least by the COVID-19; the positive optimism presents a host of opportunities for print companies.

***So, is packaging a good investment option for print companies in 2021?***

**Firstly**,

The **business strategies** adopted by SMEs will have to change as they would have to find ways to replace the order volume lost due to the pandemic. From expanding their product offerings to collaborating with their competitors; handling activities previously unthought of by the print providers.

**Secondly**,

Compared to any other communications medium packaging represents more consumer daily impressions. The shift in consumer behaviour to get online to place print orders via various channels has led to a strong acceleration of e-Commerce shipments and other delivery services. This trend in **Consumer Packaging** is likely to increase demand for specific types of packaging and packaging products.

**Thirdly**,

A resourceful print packaging company can help their customers; if they can **find a substrate** that has the least viability to contain the coronavirus. For instance, packaging providers can consider using more sustainable packaging materials (apart from plastic and steel) which are in high demand and lower chances of containing the virus.

**Fourth,**

Digital printing is highly preferred for packaging printing in cosmetics and personal care products owing to their aesthetic appeal to attract consumer attention at point-of-sale (POS). **Digital printing** of the printing technology segment is expected to grow at the highest CAGR during the forecast period between 2020 and 2025. The excellent print-ability and aesthetic appeal are the drivers of this market.

**Fifth,**

Industrial is an interesting segment of packaging. Though, this segment is hard to tap into as being widely in operation; industries set up in-house printers to suffice demand.

Research suggests that the global **industrial packaging** market size is projected to grow from USD 58.8 billion in 2020 to USD 72.6 billion by 2025, at a CAGR of 4.3% from 2020 to 2025. This market will witness significant growth in the future due to - increased demand in end-use industries, such as food and beverage and pharmaceutical. Retail growth, increasing consumer income, and speeding up industrial activities, especially in the emerging economies, are likely to fuel the growth of this market during the forecast period (marketsandmarkets.com).

**What should the print packaging providers do?**

**#1 Review their packaging efforts**

SMEs must review their production footprint to ensure they cater to the diverse packaging needs of their region, state and country. Screen their supply chain to understand the risks, vendors (raw materials provider) to take actions to address bottlenecks.

 **#2 Build a customer-centric plan**

Print teams in packaging must build a recovery strategy to include financial resilience, operations (how to resume packaging operations?), assessing future market demands to create strategic customer-focused moves (likeunderstanding the impact of the virus on customer’s packaging-substrate choices). Most importantly, print companies must review the packaging product designs to inculcate new trends in health, safety and e-Commerce.

**#3 Evaluate Packaging Opportunities**

Print packaging companies can narrow the range of substrates they use. They must explore packaging markets that can strengthen their business. Regularly practice vigilance on - potential risks, supply chains and packaging components.

**The Bottomline**

To answer the question - *Is Packaging A Good Investment Option For Print Companies In 2021?*

The answer is Yes.

A report by marketandmarket.com indicates that the global packaging printing market size is projected to grow from $352.1 billion in 2020 to $433.4 billion by 2025, at a CAGR of 4.2% from 2020 to 2025.

The packaging printing market is poised to witness significant growth due to the increased demand for aesthetic printing solutions in end-use industries, such as food and beverage and pharmaceutical.

Rapid industrialization and growing manufacturing industries along with increasing consumer income will support the growth of the packaging printing market during the forecast period.

Moreover, one of the rising trends this year in packaging is the desire of brands to incorporate “brand storytelling” in their packaging. By incorporating key information about the firm on the packaging, marketers can cultivate a stronger relationship with their customers. For some brands, it can be as simple as adding their social media information on their merchandise while for others it may mean sharing detailed information about their company’s missions and vision.