Insights

How COVID-19 Changed Packaging Forever

Introduction: An altered landscape

Unidentified by science before January 2020, the SARS-CoV-2 virus has since transformed nearly every aspect of life: the ways we interact, work, travel, communicate, and, above all, consume. The implications of the latter for producers of consumer packaged goods are only now becoming fully clear.

Like every other sector of the U.S. economy, the packaging industry suffered its share of setbacks during the COVID-19 pandemic. On the whole, however, packaging benefited strongly from changing patterns of consumption that emerged as the nation learned to cope with lockdowns and other restrictions that came with fighting the spread of the disease.1

Rising demand for products in many categories drove innovations that increased variety, ease of use, and safety for consumers. Think, for example, of single-use packages in smaller sizes protected by seals and labels that assure product safety. Although it was somewhat overshadowed by other priorities, sustainability influenced the design and manufacture of packaging in important new ways. Throughout the pandemic, the explosion of ordering via e-commerce amplified the market for packaging of almost every type.

Chart 1 indicates that these trends have been transformative across the board, and are expected to remain so even as the pandemic recedes. But, growth in some areas happened while other segments stagnated or declined. This points to the fact that in a post-COVID-19 landscape, consumers' expectations and buying habits will be different from what they were before the pandemic upended their lives.

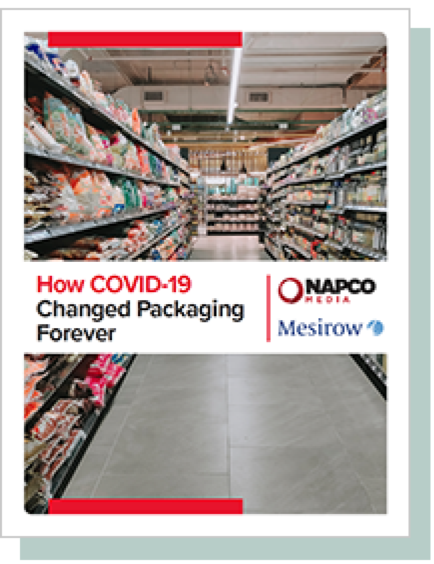
Consumers will, for example, insist even more strongly on value, safety, and hygiene in the products they buy, just as they did during the height of the outbreak. Their use of e-commerce, initially a matter of necessity, will become an everyday method of sourcing goods and services.

This white paper aims to identify the COVID-driven market shifts that have had the most direct effects on demand within the principal categories of consumer packaging. It also discusses the meaning of these changes for each category, emphasizing what producers of packaging need to know to stay ahead of the trends.

CHART 1: COVID-19 LONGER-TERM DEMAND IMPACT BY END MARKET

Longer-term trends		Key beneficiary packaging substrates
Increased use of e-commerce	>	Flexible mailers; thermoformed containers
Increased emphasis on hygiene	>	Nonwovens; flexible; rigid
Increased use of delivery services (groceries, pharmacies, restaurants…)	>	Flexible
Increased focus on health and wellness (including medical and healthcare)	>	Rigid; flexible; labels
Increased focus on sustainability (shift from plastic to paper)	>	Kraft paper for packaging; foodservice; grocery bags
Increased focus on domestic supply chain and sourcing of various products considered critical or of national security (for example, pharmaceuticals)	>	All packaging

Source: Mesirow.



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1 “How the packaging industry can navigate the coronavirus pandemic,” McKinsey & Company (April 2020)