

THE POWER OF PRINT

# Packaging and Labels in 2025 and Beyond: Relevance in Motion

Consistent demand for sustainable products, long-term growth of ecommerce, rising cost of raw materials, the advance of interactive and digital technologies, the role of social media—the world is in a state of rapid change, and packaging is staying relevant by changing with it.

13%

Global label and packaging projected compound annual growth rate, 2024–2029<sup>1</sup>

In today's highly dynamic marketplace, the power of packaging and labels to influence purchase decisions and build brands has never been greater.

89%

of respondents planning changes in packaging designs to adapt to market changes<sup>2</sup>

The world is awash in plastic waste and people are concerned, driving consumer (and regulatory) demand for more sustainable packaging materials and methods.<sup>3</sup> Consumer preference for shopping and buying online is at an all-time high, with ecommerce volume expected to continue grow over the long term.<sup>4</sup> And while the rate of inflation has cooled, the cost of packaging raw materials is higher than ever.<sup>5</sup>

Through aesthetics and messaging, packaging design has always had a big influence on consumer purchasing decisions and brand perception—the popularity and pervasiveness of social media have only increased that influence and expanded its reach.<sup>6</sup>

These are among the many forces that collectively are driving change for designers and producers of packaging, change that represents a major opportunity for industry innovators.

## BRANDS CARE ABOUT SUSTAINABILITY BECAUSE SHOPPERS CARE

A recent study found that a full 90% of consumers are more likely to buy from brands with sustainable packaging, 43% of whom saying they are willing to pay more.<sup>7</sup> And 68% are actively stepping up their efforts to reduce environmental impact through their purchase decisions.<sup>8</sup>

Brands have taken notice. Some 74% of brand owners have said that packaging converters' ability to provide documented sustainability information is very important, with 57% characterizing meeting sustainability goals as a top-five packaging challenge.<sup>9</sup>

## MORE LAWS ARE HOLDING PACKAGING PRODUCERS RESPONSIBLE

At the state level, legislatures are putting increasing pressure on packagers to reduce their climate impact through Extended Producer Responsibility (EPR) regulations. Of the more than 120 recycling-related state bills tracked in 2024, the majority were related to EPR, such as California's SB 54, which requires packaging producers to reduce single-use packaging and design to increase recycling rates.<sup>10</sup> Regardless of national politics, state-level actions affect brands nationwide.

## EXPLODING ECOMMERCE GROWTH IS DRIVING CHANGE IN PACKAGING DESIGN

Accelerated by the pandemic, online shopping and purchasing growth are here to stay. In 2023, global ecommerce sales reached \$5.8 trillion and are projected to increase by 39% to more than \$8 trillion by 2027.<sup>11</sup>

With 78% of packaging and 79% of label producers seeing a rise in their online business in 2024, more than half are now designing their packaging specifically for ecommerce.<sup>12</sup> Over the next two years, 89% of packagers expect to make design

changes to enhance functionality, 36% of whom expect to make major changes, including increased strength for product protection, reduced weight to minimize shipping costs, and other refinements to optimize storage and distribution efficiency.<sup>13</sup>

Ecommerce growth is spurring the development of new paper-based packaging materials that are both lighter and stronger, increased automation to speed package processing and enhance tracking, and “smart packaging” with scannable graphics that add a virtual element to enrich the user experience.<sup>14</sup>

#### PACKAGE DESIGN AESTHETICS MATTER MORE THAN EVER

Visual appeal remains a key consideration in packaging and labels. 48% of ecommerce packaging producers rated it as a top driver of design changes<sup>15</sup>—after all, visual impact on the doorstep and when it's opened in the home are important aspects of the buyer experience.

Whether the shelf is in a warehouse or a store, strategies to improve packaging look and feel are on the increase. Current trends include increasing visual and tactile appeal through foil, embossing and special coatings—and digital print technologies, which are making these improvements more affordable and widely accessible.<sup>16</sup> Also on the rise: eco-friendly techniques such as compostable coatings and bio-based/recyclable foils.<sup>17</sup>

The benefit of all this seems pretty clear. Studies have shown that consumers are willing to pay up to 25% more for products with a premium packaging look and feel.<sup>18</sup>

---

Broad changes in the marketplace are only making packaging and labels more relevant, especially paper-based packaging and labels.

---



Social media has become an increasingly significant factor in packaging aesthetics and market success. The emergence of the term “Instagrammable” is evidence of strategies to make a product and its packaging so visually attractive that consumers photograph and share them on social apps like TikTok, Pinterest and Instagram. With the high level of trust consumers place on peer-to-peer endorsement and other user-generated content, social media has real brand-building power.<sup>19</sup>

#### PAPER-BASED PACKAGING DELIVERS IT ALL

In a marketplace that demands lower environmental impact, that increasingly prefers to do business online, that faces cost and inflationary pressures, paper-based packaging delivers it all.

Paper is more sustainable than plastic—renewable raw materials,<sup>20</sup> biodegradable, with higher recycling rates<sup>21</sup>—with equal if not greater visual and tactile appeal and impression of quality. Paper has incredible versatility and breadth of application, offering increasingly significant single-use plastic reduction and lightweighting opportunities to save costs without compromising packaging performance.<sup>22</sup>

To many, it's as clear as a bright-blue sky: The future belongs to paper-based packaging and labels.

— Source 1, 2, 4, 5, 8, 9, 11, 13, 15: “Trends in Labels and Packaging: A New Year is Coming”, WhatTheyThink, December 2024

— Source 3, 7: “The 2025 Sustainable Packaging Report,” Shorr, January 30, 2025

— Source 6, 19: “The ‘Instagrammable’ Effect: How Social Media is Redefining Product Design in eCommerce,” Logiccommerce, April 10, 2024

— Source 10: “A 2025 Sustainability Outlook for Textiles and Packaging,” WhatTheyThink, January 27, 2025

— Source 12: “Out of the Box: Packaging and Label Priorities Evolve as Market pressures Increase,” The Packaging & Labels Insight Report, Q4 2024

— Source 14, 16, 17, 18: “The Label and Packaging Industry in 2024: Trends Shaping the Future,” WhatTheyThink, November 2024

— Source 20: “How the Paper Industry Champions Sustainable Forestry,” American Forest & Paper Association, August 3, 2023

— Source 21: “U.S. Paper Industry Tallies High Recycling Rate in 2022,” AF&PA, August 2023

— Source 22: “Reduced Plastic, Reduced Costs: A Win-Win for Food Packaging,” Billerud Case Study, 2024



billerud.com

