

## 4 golden packaging rules for digital nomads

If your business model is still trying to catch up with what millennials want in packaging, you are going to get left behind by a new generation of digital nomads. And it has less to do with age and more to do with their increased buying power, tech saviness, global connectedness, environmental concern and an insatiable craving for instant gratification and the experiential.



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The drive towards smart and connected packaging has been driven to some extent by the need to 'talk' to this consumer, but with millions of brands vying for their attention, there is so much more to doing it right than just scanning QR codes that lead you to a company website. Packaging needs to tussle with the transformation posed by digital nomads, not only because of their buying power but because of their experience of the internet, digital marketing, digital communication and soon the Internet of Things (IoT), as the norm.

"In the past, the retailer had more power, but the balance of power has shifted to these informed consumers. The fact that they are so well-connected means that a digital nomad knows that if a product is inferior, the service bad or if the brand does not live up to expectations, and if they are not satisfied, will be able to find an instant alternative, using social media to publicly criticise a brand just as quickly," says Gail Macleod, CEO of Stratcom Branding, a packaging design company in South Africa and a member of the Global Local Branding Alliance (glba).

"Digital nomads are estimated to be as much as 70 to 80% less loyal to brands than previous generations, which makes targeting them less about on-shelf presence and more about regional, digital, and social presence. This essentially means that a product needs to be 'on trend' as digital nomads are well-informed 'woke' citizens and globally connected," Macleod adds.

Needless to say, then, that they respond to digitally astute and responsive packaging, which needs to be unique compared to other products (particularly in China) as well as socially attractive.

Whilst price counts, the real differentiator in a world where many retailers are offering similar products at similar prices, is creating a unique brand experience that targets the insights, core beliefs and behaviours of digital nomads. The 'whole package' must drive the decision – from the messaging, innovation, product, packaging, naming and claiming, to the user interface of structural design. And it needs to be Instagrammable, of course.

According to Macleod, these are the golden rules to consider when designing packaging for digital nomads:

## **1. Everything is an experience**

Retail outlets need to become 'click and collect' friendly to adapt to the changing desires of consumers. Shopping is as much about entertainment and having a unique and exciting experience, as it is about the product.

Designing packaging for the new generation means you are designing an experience and digital nomads are particularly excited about new packaging concepts. They, in turn, will put their energy into trying to find packaging that provides an experience and calls out to them on an emotional level. They want something to share and talk about on social media.

They will engage with packaging that is smart, has augmented reality (AR) ability and with a unique 'give back' proposition and awareness of niche need states. They want more value for their money.

These nomads strive for fun graphics, bright colours, and typography that reminisces of relevant regional nostalgia. As they actively seek out immersive experiences, they react to limited edition packaging and personalised branding.

## **2. Personalise it**

In a world of subscription boxes and 'dark kitchens', the days of monopolistic companies with mega brands and 'one-size-fits-all' strategies, are numbered. The consumer is seeking something that is bespoke to them and emotional drivers include their need to be heard for who they are, not what a homogeneous group thinks they want.

The challenge is of course volume vs. value for the bigger brands, as they are changing their approach continuously, while still trying to hold on to their profits.

The world of limited editions is going to drastically change the landscape of packaging. From the ideation, concept and creation stage, through to moving from traditional print processes to digital print in the drive to be more responsive in record time, more relevant to smaller groups of purchasers, and able to engage through AR to each user – brands will have to cater to the ever-changing needs of these nomads.

## **3. Let them play**

Participating in the creation of a product that's just for them is a digital nomad's 'On-button'. They enjoy participation and being able to take an active role in designing the products they choose to consume. Innovative brands are empowering these buyers with the tools to add custom messages, their own image, or other creative elements to enhance the products they purchase.

Additionally, these personalised products are typically created through an e-commerce platform, crafting packaging that meets digital nomads where they shop – online.

As a society, they are reminded daily of the dangers and turmoil around them, but this should not become a persuasive attitude to the way we approach marketing and packaging. They are looking for a happy, engaging and disruptive experience.

## 4. They buy with a purpose

Digital nomads support brands that support local communities, and they attach themselves to brands that take the time to have a deep understanding of them as the next strategic value consumer and heavy purchaser of the future.

They might not want to use the same products their grandparents or parents do, but prefer to make a statement of their own, and sway to brands that are steeped in heritage but do not look dated and old. They will buy brands that evolve and are not afraid of understanding this changing dramatic and culturally rich society we live in.

Digital nomads care about the environment and are extraordinarily aware of the impact that their consumer behaviours have on the environment and therefore, shop very consciously.

Sustainable packaging materials are front-of-mind for these conscious consumers and they purposefully minimise the amount of waste they create. Going for green packaging concepts at every possible angle is a win-win and it gives an opportunity to show that your company strives for the social impact of a positive social economic future. This means you will need compostable packaging sooner than you expect.



### Harnessing the evolutionary power of smart packaging in Africa

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## What about Africa?

The omni-channel retail model in South Africa and other parts of Africa is maturing, but there is still a trend towards 'bricks-and-mortar' element to shopping decision-making which entails going into the store to look at an item and then ordering it online anyway. The key then is for brands to give these consumers a digital experience even when they are on the shop-floor. From smart packaging that aids decision-making process to personalisation options to ease of delivery and product demonstrations, the retailers and brands that do it right, will gain the greatest following.

Africa is well-connected in e-commerce, and with the ageing traditional consumer, packaging strategies will focus on rollout segmentation that includes the recruitment strategy for new loyal users with a drastically different set of drivers.

In a continent where insufficient waste management plans could have devastating consequences, Africa is ready to be aware and make active choices to influence the impact of science and technology on society. This is key in speaking to our environmentally conscious consumer, but also to take responsibility in the war against waste.

In terms of e-commerce, South Africa tracks the American model more closely (although we are a good few years behind), but brands would do well to look at what is happening in China where consumers are changing fast and product packaging has to be constantly changing to keep up with trends and demands.