

LUXURY MEMO SPECIAL REPORTS

## Luxury packaging – Luxury Memo special report

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*Tiffany's blue box is one of many iconic luxury packagings. Image credit: Tiffany & Co.*

By BRIELLE JAEKEL

As with everything a luxury brand does, its packaging is carefully created with a level of quality that reflects its image and product. But even boxing has been affected by digital and consumer behavior changes.

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Shifts in the way consumers shop and what they value has trickled down all the way into packaging for luxury goods. The growth of digital commerce has extensively grown the need for pleasing packaging and quality presentation, but has simultaneously boosted the need for sustainability and personalization.

"As luxury brands continue to prioritize their DTC sales, packaging can be way to differentiate the experience from other retailers and serve as another branding touchpoint," said Lauren Price, vice president, research and advisory of luxury at **Gartner L2**. "Gucci showcases images of their packaging on product detail pages, including special packaging for certain collections and collaborations, providing a reason to buy from Gucci instead of a department store.

"Providing beautiful, branded packaging is not only a natural extension of a luxury consumer experience, but also helps encourage shoppers to post images and unboxing videos on Instagram or YouTube," she said.

### Top 5 trends in luxury packaging

- Redesign

Brands are learning how to evolve their packaging along with their brands without alienating long-term customers.

- Sustainability

As consumers and brands alike have eco-friendly methods on their minds, packaging is one of the most important aspects of sustainability.

- Personalization

Technology has allowed for brands to focus on the individual, extending extreme personal customer service

to boxing.

- Unboxing

A trend on YouTube and other online outlets has created the need for an unparalleled unboxing experience from brands.

- Elevated ecommerce

With ecommerce and digital ordering becoming so prolific, luxury brands have stepped up their shipping efforts to keep up high standards.

### Packaging up a brand

Luxury brands have felt disruption in almost all aspects of their business, including packaging. Direct-to-consumer retail growth has upped the game in terms of presentation, and consumers are now paying less for quality products that are also packaged in an exceptionally pleasing manner.

However, lavish is not a word that would fittingly describe this new form of product presentation. Negative space and minimalism are becoming increasingly popular in packaging, while keeping a quality image.

Premium packaging can make a brand appear more upscale to an online shopper, and can help an ecommerce order make more of an impact on the recipient, according to a report from Dotcom Distribution.

Going above and beyond the brown box with branded or gift-like packaging is more expected from luxury brands, with 38 percent of consumers saying they believe it is important for high-end products. This attention to detail is noted by consumers, and can make them more likely to broadcast, share and recommend a brand's products to others ([see story](#)).

Many luxury brands have adopted this format in both ecommerce delivery packaging and product boxing.

Luxury retailers and brands have long been known for iconic packaging that represents the ethos of their brand, such as the well-known blue Tiffany box, the brown Bloomingdale's shopping bag, Cartier's little red box and the striped Henri Bendel shopping bag.

Department store chain Barneys New York even leveraged its own bags for a initiative that highlighted what its brand means to consumers in a simple campaign.

Using just its own well-known black shopping bag, Barneys shared an out-of-home campaign in New York and Paris. In addition to the images, Barneys spoke to a variety of individuals in the fashion world, having them explain what the iconic black bag means to them ([see story](#)).



*Barneys New York OOO campaign. Image credit: Barneys*

Similarly, Harrods, in celebration of shopping, also used its signature forest green shopping bag in a special initiative. The retailer blew up the bag to create a large-scale 3D installation.

The giant Harrods bag was displayed outside the store's Hans Crescent facade.

To pique anticipation, the department store invited passersby to snap photos of themselves with the 3D Harrods shopping tote. If shared on Instagram using the hashtags #MyGreenBag and #HarrodsSale, consumers ran the chance of having their image regrammed on Harrods' official account page ([see story](#)).

To change or not to change

While it is nearly impossible for any brand, even a luxury manufacturer, to survive without leaning into new consumer behavior, marketers have to carefully approach changes to their packaging.

Many brands are looking into rethinking their packaging, but changing too much too fast can alienate long-term, loyal customers, who can be left confused about the brand.

"With shifting consumer purchasing behaviors and more distribution channels than ever before, some brands are choosing to redesign their packaging," said Phil Bagdasarian, cofounder of [Packwire](#). "If a brand no longer reflects the needs of today's consumer, they will ultimately be left behind.

"To be successful, redesigned packages should retain key brand assets so that the customers still connect with the brand, while showcasing new features that are relevant to consumers now," he said.

"If the redesign is too radical, the brand runs the risk of losing the emotional connection with a long-term customer, who may no longer even recognize the product. Smaller changes, such as package optimization, are not as drastic a change and can enhance a brand's image, reinforcing the consumer's emotional connection with the brand."

France's Louis Vuitton updated its packaging, changing the color from its iconic brown to a shade of saffron with the past few years.

Louis Vuitton's color choice, a bright yellow-hued saffron, has been a part of the leather goods maker's brand heritage for more than 150 years. While consumers have come to recognize and were familiar with the brown packaging, the bright saffron design may be eye-catching enough to impact sales ([see story](#)).



*Louis Vuitton's Saffron Imperial packaging. Image credit: Louis Vuitton*

The house was able to keep its brand ethos clear with the modern revitalization by incorporating a historic part of its image within the new design.

Often, packaging revamps come as a label undergoes a broader rebranding, allowing boxes and bags to reflect the updated image.

Luxury brands do need to ease into major packaging changes such as this, but limited-edition packaging can be especially exciting for consumers.

Since the change is only temporary, it creates a sense of urgency, encouraging customers to buy now so they can be a part of the special moment.

"Limited edition packaging designs have reaped significant success in luxury goods from Rolls Royce's hand crafted, limited-edition cocktail hamper, built with the same attention to detail and craftsmanship as their cars, to Cartier's Pasha de Cartier dition Noire men's fragrance for this past Valentine's Day," said William Richmond-Watson, founder and CEO of [Watson & Co](#).

U.S. fashion label Marc Jacobs shared a new collection for its beauty division, appealing to leopard print lovers for a limited-edition.

Available on Marc Jacobs Beauty's Web site and Sephora, Marc Jacobs launched its line in time for the frenzy of post-holiday shoppers. The Marc Jacobs Leopard Frost Collection featured classic products in leopard print packaging ([see story](#)).



*Marc Jacobs' limited edition collection. Image credit: Marc Jacobs*

LVMH-owned Champagne house Dom Prignon deconstructed the letters D and P to demonstrate passage of time and the transformation of materials.

The creative approach for Dom Prignon's limited-edition labels and packaging came from a collaboration between the Champagne house and German artist Michael Riedel. The "optical metaphor" created by Mr. Riedel paid homage to "creations that transcend the original materials" by turning letters to abstract forms ([see story](#)).

Fellow LVMH-owned house Veuve Clicquot added a charitable element to its traveling mail-themed effort by asking consumers to design a branded mailbox.

Veuve Clicquot's "Re-creation Awards" welcomed the public to design a mailbox specifically for the Champagne brand's Clicquot Mail package. The special Clicquot Mail packaging, shaped like modern mailbox with a bottle housed inside, reflected the Champagne maker's founder's love for handwritten correspondence ([see story](#)).

#### Personalization in packaging

Another prime example of limited-edition packaging is French fashion house Chanel's collection of graphic cases for its iconic Chanel N°5 scent.

In an email blast sent to beauty and fragrance subscribers, Chanel promoted the fragrance with its current campaign's hashtag #TheOneThatIWant in GIF format that alternated between the scent bottle and other buzzwords and phrases. Offering a bespoke packaging option may interest fragrance bottle collectors and those looking for a unique gift ([see story](#)).



*Chanel GIF on the landing page*

Chanel's example exhibits another growing trend in luxury packaging: personalization.

Direct-to-consumer brands have been able to harness this as well, with many incorporating special touches in regards to the individual recipient in delivery packaging.

"Thanks to digital printing, businesses can incorporate brand designs and messages that are targeted to specific audiences," Packwire's Mr. Bagdasarian said. "Advances in digital print technology have become incredibly sophisticated, allowing personalization strategies to move beyond the traditional box label.

"As a result, brand messaging can be catered to establish a deeper, emotional connection with its target consumers," he said.

Affluent consumers are proving to have a growing interest in personalization in all aspects of retail.

As luxury proliferates, consumer attitudes toward the business are moving away from a product-focused view to using luxury as a means of expressing an identity.

According to a report from Sabre Hospitality Solutions, consumers of luxury are more likely to focus on luxury goods that are low-key and not as showy as opposed to logo-centric status symbols. This presents an opportunity for luxury brands to market to consumers as individuals with values and not just fans of the brand itself ([see story](#)).



*Global wellness tourism revenues grew 14% between 2013 and 2015, twice as fast as overall tourism. It's predicted that the category will grow another 37.5%, to USD 808 billion, by 2020.*

GLOBAL WELLNESS INSTITUTE, NOVEMBER 2016

*Global wellness tourism. Image credit: Sabre*

Luxury group LVMH's spirits division brought this level of customization to Grand Central Terminal for the gifting season.

Mot Hennessy launched its Holiday Personalization Studio by its online spirits destination Clos19. The shop was located in Grand Central Terminal in New York and featured a variety of customized products from Mot Hennessy brands ([see story](#)).

Beyond personalizing for the individual, luxury marketers are also making more intimate relationships with customers through customization on packaging.

For instance, French Champagne house Krug tells the story of individual bottles through a mobile application that scans a bottle's identification code found on its label.

A Krug ID is found above the barcode on the back label of each bottle of Krug's Champagne and can be typed into a Web site portal to learn more. With the app, Krug IDs can be scanned at a moment's notice and will be better suited for the mobility of today's affluent consumer ([see story](#)).

#### Sustainable shipping

These consumer behavior changes are fundamentally shifting how brands need to operate their businesses, but one of the most important movements is centered on sustainability.

More than just a fad, consumers are realizing more and more that their actions greatly affect the earth, with retail packaging being one of the biggest offenses.

Consumers as a whole are moving away from plastics and focusing on more biodegradable items. While luxury brands strive for excellence in packaging, some quality materials can be damaging to the planet, making it important for high-end manufacturers and retailers to find a happy medium between sustainability and beautiful presentation.

"Luxury brands are designing to suit their consumer's needs: recyclable packing, lighter weight for shipping and less packaging waste," said Katie Stalker, digital content manager at [Positive Luxury](#). "Packaging is also seen as a gift itself for example the perfumer Miller Harris wrapped their Christmas gifts in silk scarves this year.

"Selfridges are CupCycling, whereby cups from their food halls will be re-purposed to make their iconic yellow shopping bags," she said. "Other trends see luxury packaging made interactive, such as Krug's unique ID codes on each bottle where the consumer can learn more about their Champagne-making process.



"Some of the brands like Lancme and Louis Vuitton do refillable for beauty and then is consumer compostable. Definitely the trends are moving away from plastic. Granted this is a change at times as the innovation is not quite there, however, sustainability doesn't take away from luxury it adds to it.

"People want less packaging, and luxury needs to understand that less is more. Luxury products that are packaged thoughtfully are much more sought-after by today's consumer."

A number of luxury brands are working to reduce or eliminate their use of plastic by the year 2025, according to a report from the Ellen MacArthur Foundation.

The foundation leads the New Plastics Economy Global Commitment in partnership with UN Environment, aiming to target plastic waste and pollution by working towards a more circular lifecycle for the material. To-date about 150 companies have signed the pledge, including Pernod Ricard, Selfridges and Burberry ([see story](#)).



*Selfridges is no longer selling plastic soda bottles. Image credit: Selfridges*

LVMH-owned Champagne house Veuve Clicquot's eco-friendly mission has also evolved to include packaging that repurposes leftover grape skins.

Veuve Clicquot unveiled its new Naturally Clicquot packaging on social media, explaining to followers that it is the first of its kind and is produced from the skin of grapes used to make its Champagne. Increasingly, brands are finding ways to do business in a more sustainable way and have been open and transparent about these changes to leverage consumer interest in environmentally sound products ([see story](#)).

"On a mass scale, we are seeing many brands undertake bold sustainability initiatives in 2019, and this will easily be the biggest story of the inevitable future," said Michael Sharp, founder and CEO of [Standard Black](#), a design-driven agency. "Getting rid of single use plastic waste is the way of the future for any brand."

"In the luxury space we have seen Dior remove cellophane and the brochure that came with its skincare products," he said. "Tata Harper's products are made in recycled glass and printed with soy-ink material that can be recycled over and over again."

"And we have Stella McCartney, who is one of the only luxury brands with a sustainability mission statement and measures the brand's impact on the environment. We are going to need science, innovation and design to come together to rid ourselves of single use plastics you don't need a shampoo bottle, you need a shampoo bar."

## Unboxing YouTube

With the growth of digital video has risen a unique trend, where influencers are showcasing unparalleled unboxing experiences by opening up packages on camera.

This type of YouTube genre spans any sector including toys, beauty, fashion and subscription boxes.

French fashion label Jean Paul Gaultier tapped into this and vlogger culture with a dash of its typical sense of humor.

A promotion for its fragrances found friends of the brand engaged in #Funboxing, putting their own spin on the unboxing videos popular among the YouTube community. Through these films, Jean Paul Gaultier took an intimate look at some of its frequent faces, capturing them speaking off-the-cuff on camera ([see story](#)).

"Create a memorable unboxing experience," Packwire's Mr. Bagdasarian said. "A product's packaging is a wonderful opportunity to connect directly with the customer."

"A memorable unboxing experience will set a brand apart from competitors and promote consumer loyalty," he said. "Using a layered unveiling strategy, for example, may lead to an unforgettable feeling of excitement and suspense as the customer opens the package."

"Using a variety of tissues and layered fabrics communicates luxury and extravagance. Personalized notes, custom inserts and samples are some additional ways to make customers feel valued."

#### Best practice tips for luxury packaging

- Phil Bagdasarian, Packwire:
  - "Simplicity: Minimalist design is the current trend, so it's important to focus on quality versus excess. By focusing on projecting a feeling and look that ties into the company's image and culture, a brand's authentic story can be clearly communicated in an engaging manner. Simplicity is key for luxury brands because of its ability to express sophistication and elegance."
  - "Quality control: No matter how luxurious the brand's packaging, the product must be protected and delivered safely. Quality control is therefore of paramount importance. Climate is often overlooked in this regard and when transporting luxury goods across different climates, humidity can wreak havoc on a product. It's important to ensure that all elements of packaging will protect the product from humidity and other climate-related factors."
- Katie Stalker, Positive Luxury:
  - "Packaging should be recyclable, minimized and thoughtfully designed. It must convey to the consumer that what it is inside is equally thought-out and sustainable. If using cardboard or paper and FSC certified and definitely plastic is not luxury."
- Michael Sharp, Standard Black:
  - "We need to move towards plastic-free packaging in the luxury market. This market is falling behind and if it doesn't catch up, consumers will start to call out luxury brands en masse for not taking action. This means cutting back to the core essence of a product, and finding sustainable solutions to make the packaging covetable on the shelf."
- William Richmond-Watson, Watson & Co.:
  - "Less is more. Be more efficient with packaging, including bottle designs, that not only contribute to a brand's sustainability, but also align with the minimalistic designs that consumers are looking for and can define a brand as obtainable, approachable, aspirational and less intimidating."
  - "Add brand content and storytelling to the packaging. Luxury brands are doing everything they can to keep their consumers engaged from the first point of contact with a product, to their initial purchase and receipt of the product until the cycle repeats and consumers continue to buy that brand's products. When La Mer launched their Hydrating Serum, the packaging was designed as a children's pop-up box that contained water-color illustrated pages. It explained the construction of the product itself and created a sensory experience that helped consumers better understand how the product was and what the brand is."