



Last year's Clear Choice Award winners.



## North American year in review

The glass container industry's key indicators in North America have generally remained stable between 2016 and 2017, with opportunities for growth in 2018 in the premium and craft spirits and wine segments, natural, non-alcoholic beverages, as well as food. Lynn Bragg reviews market trends and developments.

Changing consumer habits and market trends have left the beer market relatively flat and competitive packaging remains a challenge given an increasingly on-the-go culture. But consumers continue to see glass as an eco-friendly package, best for taste and superior for creating the kinds of premium and specialty experiences that are more and more desirable.

### The numbers

Shipment and production data collected and aggregated by Precision Consulting show the US glass container industry shipped around 2.8 billion containers to customers in 2017, a slight decrease from 2016 figures. This reflects small reductions in consumer spending in the beer and food categories.

While shipments of beer bottles to customers are down slightly,

shipments increased for wine, liquor and non-alcoholic beverage containers across the past five quarters. Data for the first three quarters of 2017 show that beer continues to be the largest market segment, representing 56% of the glass container industry's sales volume (a drop of 1% in share from 2016). Food products accounted for 18% of the industry's volume, followed by non-alcoholic beverages (10%), growing 1% of share from 2016, liquor and ready-to-drink liquor (8%) and wine at 8%, up 1% share since 2016.

Imports and exports of glass containers increased by double digits in 2017. Imports of empty wine bottles met the expanding demand from the West Coast and wineries around the USA, while exports of beer and other non-alcoholic beverage containers reflect the high demand for glass

packaging outside the country.

New North American glass manufacturing facilities are also planned over the next few years. Saverglass expects to open a facility and decoration workshop in Mexico in 2018 to service the tequila, wine and rum markets. O-I will add a fifth furnace to its facility in Nava, Mexico. And Arglass, a new entrant to the glass manufacturing market, intends to open its first plant in Valdosta, Georgia, in 2019.

### Glass packaging and market trends

Many of today's market trends influencing food and beverage packaging present strong opportunities for glass containers. Consumers continue their desire for healthy, sustainable, premium products and glass packaging delivers.

Consumers still rank glass packaging number one for taste. A 2017 EcoFocus Worldwide survey of US consumers found, again, that 90% favour glass to preserve and protect the flavour or taste of food and beverages. When consumers were asked to rank the positive health impact of packaging for foods, 55% have a clear preference for glass over all other packaging types, with cans at 30% and plastic bottles at 18%.

Glass is also an ideal package for healthy beverages, a ▶



growing market category. The EcoFocus survey found that two in three (66%) of consumers said glass has a strong fit with healthy beverages. This also reflects a shift in the non-alcohol beverage market towards natural and organic products, which saw total US retail sales up 11% in 2016 over 2015.

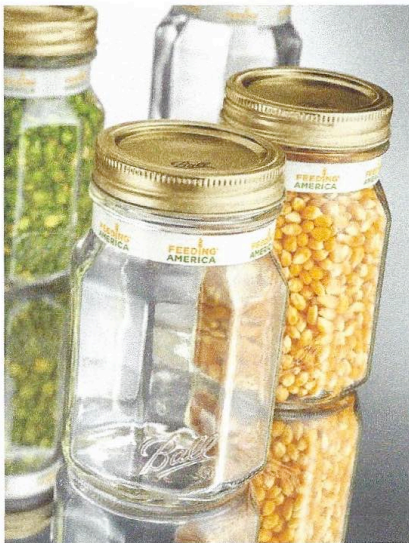
Glass is a natural choice for the health-conscious consumer who values high quality ingredients and freshness. Made from three simple, natural abundant raw materials and recycled glass, glass packaging is virtually inert, keeping the products inside free from harmful chemicals, so food and beverages retain their freshness and taste just as intended.

For example, Oui by Yoplait, introduced in 2017 and one of General Mills' most successful US product launches, consists of simple ingredients poured and cultured in glass pots. Glass is the only package type that protects the delicate product texture necessary for this style of yoghurt. It also allows consumers to see the colour and layers of the product inside, setting it apart from traditional yoghurt containers and creating a distinctive consumer experience.

Specialty foods are also up, with the Specialty Food Association reporting total sales up 15% in 2016 from 2014. In the specialty sodas category, for example, Coke saw 8% growth in 2016 and issued two new 12oz glass bottled specialty sodas, Georgia Peach and California Raspberry, for its 2018 line up.

No other packaging material matches glass for establishing a premium consumer experience. As premiumisation grows in all categories and especially wine and spirits, this presents a growing opportunity for glass containers. In fact, the vast majority of new products launched in beer, wine and spirits each year are in glass.

Across the USA, beer is losing market share as Millennials move to cannabis, wine and spirits. Millennials are focused on new tastes and experiences through a bubbling cocktail scene. California wine shipments were up 2% in 2016 according the Wine Institute and the Distilled Spirits Council also saw volume up 2.4% in 2016, with craft distilling volume up 18.5%.



Consumers are turning towards glass storage and serving containers.

Glass packaging supports wine and spirits brands to create innovative designs that differentiate their product. Design attributes only possible with glass offer an exceptional package. Glass bottles with thick bases, embossing and decoration work together with label designs to present a harmonised, high quality image that offer shelf presence and can best convey the story of the brand.

To recognise top new products packaged in glass and introduced in the North American marketplace, the Glass Packaging Institute annually holds its Clear Choice Awards. Entrants are judged by a distinguished panel of designers, brand marketers and packaging specialists for their achievements in building a distinctive glass packaging design with strong shelf impact. Winners in eight categories were recognised in October 2017 during a ceremony at the national Packaging That Sells Conference in Chicago.

#### Health and sustainability

The desire for sustainable packaging is a value that continues to be at the top of the list for consumers. And a growing number of consumers say glass is most eco-friendly. The 2017 EcoFocus survey found that when consumers were asked to rate beverage containers on their 'green or eco-friendly' credentials, glass came out on top with one in two (51%) of consumers rating glass extremely or very eco-friendly, compared to 33% for cans and 25% for plastic.

Consumers are also turning away from food storage options that may have negative health impacts in favour of glass storage and serving containers. There is no plastic or chemical liner in glass bottles to migrate into food and beverages, making glass a healthy packaging, home storage and on-the-go serving choice. For example, The Ball Sharing Jar offers a modern design that is perfect for gifting and storing.

Glass is also ocean-friendly. Because glass bottle and jars are primarily made from sand and other natural ingredients, they do not harm oceans or marine life. Glass bottles are 100% recyclable, safe and non-toxic. Plus, recycling programmes for glass bottles and jars are available to 81% of the US population. This is a significant value for glass, given that only 9% of plastic bottles are recycled and about eight million tonnes of plastic enter our oceans and waterways each year.



Oui by Yoplait, one of General Mills' most successful US product launches, consists of simple ingredients poured and cultured in glass pots.

The Glass Recycling Coalition, under the leadership of the Glass Packaging Institute and customer brands, has made significant strides during 2017 to improve both the quality and amount of glass that is recycled each year. The GRC has created a host of resources – decision making tools for communities, best practices for materials recycling facilities, case studies and webinars and a speaker's bureau for presentations. A group of experts is also advising local officials and processors to support successful recycling of glass containers.

#### What's ahead?

The industry's economic indicators are steady. Research on consumer sentiment indicates that glass is well-positioned as the packaging of choice – for taste, health and sustainability. Glass manufacturers are also poised to offer more operational flexibility, including smaller batches and rapid response, as well as continued lightweighting. Most importantly, glass packaging is in a special position to capitalise on the premium experience, which right now is a strong consumer demand in nearly every product category. ●

**About the author:**  
Lynn Bragg is President at the Glass Packaging Institute

**Further information:**  
Glass Packaging Institute,  
Arlington, VA, USA  
tel: +1 703 684 6359  
email: info@gpi.org  
web: www.gpi.org