

# Trends to Watch in the Corrugate Market

Corrugated cardboard boxes are the backbone of the North American supply chain. In fact, more than 95 percent of all goods consumed in North America are packaged and transported in corrugated packaging, and close to 40 percent of all corrugated packaging produced annually is used to package food and beverages!

It's a huge industry that we are proud to serve, which is exactly why we pay close attention to shifting patterns and innovations in the market. How will the corrugate industry pivot to thrive in a post-pandemic world? We're betting these four trends will play a considerable role.

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## 4 Corrugate Trends to Watch

According to [The Future of Corrugated Packaging to 2023](#), the market is increasing, growing around 3.7% annually to reach \$300 billion in 2023. Over the past five years, e-commerce alone has fueled demand for billions of more square feet of cardboard. But there are more compelling reasons to choose corrugate. Here are the trends we're watching

**Fit-to-Product (FtP).** Global online sales are expected to be

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over \$5.5 trillion in 2023. This will have a profound impact on packaging demand, especially in the corrugated industry as it represents 80% of demand in e-commerce.

With the tremendous growth of e-commerce, where items ship individually, convertible packaging is a new area for innovation. Specifically, we're talking about **FtP** or box-on-demand systems, driven by the needs of dedicated e-commerce sellers such as Amazon and Staples. Everything from diapers to kitty litter can be packaged directly in corrugated boxes that are strong enough for shipping and can still attractively display the product on the store shelf, or be used as the serving container on the end customer's home shelf.

**Smart Packaging.** From [QR codes](#) and temperature sensors to image recognition and augmented reality, connected packaging will be at the forefront of packaging industry changes in 2020 and beyond. With over [81 percent](#) of Americans owning some type of smartphone, smart packaging provides an instant connection between users and products, all with a few taps of a finger. Many brands are using this new technology to easily send consumers to recipes and articles, related products, and other branded information on products.

*The U.S. corrugated packaging industry is a \$35.2 billion manufacturing sector with 1,183 box plants operating in nearly 1,000 cities coast to coast.*

**Sustainability & Recycling.** Corrugated board is getting increasingly popular as sustainability becomes a critical

issue to more consumers. In fact, once used, corrugated boxes are not just recyclable; they *are* recycled. In 2018, 96% of all corrugated packaging was recovered for recycling in the U.S. and, on average, corrugated boxes contained 50% recycled content. That track record puts the corrugated industry miles ahead of other packaging recovery and reuse rates. Boxes are made to be remade, using fibers again and again across the industry to make new boxes. These capabilities mean there has been a boost in the popularity of corrugated protective formats over polymer-based options, like the expanded polystyrene (EPS) foams.

Look no further than your nearest golden arches for proof. McDonald's plans to use renewable, recycled, or certified sources for all packaging by 2025. Likewise, Dunkin' (Donuts) started eliminating polystyrene foam cups from its global supply chain in the spring of 2018, with a 2020 target date of completion. They are being replaced with double-walled paper cups. And most recently, Taco Bell announced it would ensure all of its packaging is recyclable or compostable by 2025.

Considering these shifts, and presumably more to come, folding carton shipments to retail carry out will be the fastest-growing end-use segment over the horizon, with growth estimated at around 1.7% between 2019 and 2023.

**Food Packaging.** Speaking of food, the demand for convenience foods is on the rise thanks to an increasing population and need-it-now lifestyle habits. As corrugated board packaging keeps moisture away from products and can withstand long

shipping times, corrugated packaging is increasingly being adopted by companies to offer better outcomes to customers, especially as a means of secondary or tertiary packaging. Paper-coated meat trays may soon be appearing in butcher shops and supermarkets, helping to increase the amount of recyclable food packaging. A six-pack of beverage cans can be held together with paperboard and designed with pre-cut holes for consumers to grab and carry with ease.

Further, innovations in the domain are expanding the scope of applications for corrugated cardboard packaging. Companies such as THIMM Group developed [COOLandFREEZE](#), a box made up of corrugated cardboard for temperature-controlled shipping that enables the joint transport of frozen, chilled, and non-refrigerated products within one package! This innovative packaging ensures effective insulation and the constant refrigeration of fresh products over a period of at least 36 hours.

With brands and retailers looking to optimize product packaging for recycling, corrugate has become the obvious substrate of choice for innovative, sustainable, and practical solutions.

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## The Impact Of COVID-19 on Corrugate

As the coronavirus outbreak has spread and its humanitarian impact has grown, industries that help provide for [essential needs](#), such as getting food and required supplies safely to consumers and health professionals, are increasingly affected. This is a mixed bag for the corrugate industry. As demand for traditional retail, industrial, bulk, and transportation packaging plummeted, other segments—such as packaging for the food and pharmaceutical industries—continue to see robust demand. High growth in demand for corrugated packaging for e-commerce and grocery deliveries is also offsetting some demand lost elsewhere with industrial customers.

Realistically, all industries, including ours, are reeling from the initial shock and rapid spread of COVID-19. However, as we bring the pandemic under control, reduced household disposable income and weakened corporate balance sheets are expected to lower demand across most end-use segments for packaging, with the exception of healthcare and certain food categories.

According to [McKinsey & Company](#), “...We expect certain consumer behaviors, such as stockpiling, will slow while others, such as grocery purchases via e-commerce, will accelerate. Key implications for packaging include non-grocery retail likely coming to a near halt, demand for low-cost private-label goods likely increasing, and demand for high-end packaging likely declining. The fight to defeat COVID-19 could also start to [affect packaging choices](#), favoring packaging designs and substrates that demonstrably address hygiene and consumer-

safety concerns—for example, those that minimize the possibility of the virus’s survival on the packaging surface.” So what does that mean for corrugate in Q3, Q4, and even 2020? Companies should take steps to identify packaging categories that are likely to return to strong levels of demand and look for new pockets of growth potential with different packaging end uses and different substrates.

Pandemic aside, the opportunities for the corrugated industry to innovate and provide solutions to new packaging challenges are endless and will continue to drive the industry forward. As Dan Ahern, director of global innovation & design at Graphic Packaging International, says: “What can we do with paper-based packaging? Pretty much anything we want.”

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## **Surviving and Thriving During COVID-19**

It’s no secret that COVID-19 changed our lives. As a small business, we’ve had to pivot in extraordinary ways. And while we can’t ignore the impact isolation and swift, life-altering changes have on our psyche, we have also learned that our resiliency and ability to manage is more powerful than we thought. Here are just a few ways our [incredible team](#) has navigated the pandemic in fun and fulfilling fashion.

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## How has your day-to-day work life changed during COVID19?

**Cherie Edelstein, President:** Although I always thought about the health and safety of our organization, my concerns now include our employee's families and home environments so that we can ensure everyone is staying as healthy as possible at all times. We need to look at our own protocols but also what happens in the home since that now affects our colleagues.

**Michael Gauthier, Senior Strategic Buyer:** It has improved tremendously! Without the daily commute, my days are not as long, I'm more rested, less stressed and ultimately more productive

**Elisa Hernandez, Senior Customer Service Representative:** Wearing "work Pajamas" ...it's a thing!

**Deborah LeCouffe, Customer Service Manager:** Managing my team at a distance is a new concept, but we have found how to make it work well. I have to say, we are incredibly productive and efficient!

**James Begin, CTO:** Finding solutions to issues has become easier and faster because distractions are now less frequent.

**Ilana Perlman, Human Resources Manager:** I am still coming into the office daily, but I do miss seeing everyone's face!

***Sandra Agnessi, Accounts Payable Coordinator:*** Driving to work the streets are deserted. With most of the employees are working from home, the office is like a ghost town. It's like a *Twilight Zone* experience.

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**What's been the biggest challenge for you during this time?**

***Colby Fisher, Account Executive:*** The biggest challenge for me has been not being in the field to see customer applications. Plus, it's more difficult to really develop trustworthy relationships with existing customers and new prospects when working virtually.

***Michael Gauthier, Senior Strategic Buyer:*** Cabin fever! Unable to physically interact with colleagues, friends, and, of course, family.

***David Jugan, Outside Sales Associate:*** There's been a spiritual and physical health decline. We have lost a sense of worth and motivation due to both church and gym closures.

***Chantal Girard, Senior Customer Service Representative:*** Grocery shopping and shopping for essentials in general. Outdoor lineups and angry people have made those normal experiences much more challenging!

***Sylvie Scrivo, Senior Customer Service Rep:*** Making sure my home office was functional in every way so I can do my work as usual.

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**Rosemary Mercer, Customer Service:** Remembering to wear my mask in public; it does no good in my purse!!!

**Deborah LeCouffe, Customer Service Manager:** Knowing which day of the week it is! Not quite sure why, but the days and weeks just disappear on me.

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## Has there been any silver lining for you and your family?

**Cherie Edelstein, President:** Working from home has allowed me the time to think more clearly and connect with others in a very positive and supportive way.

**Mei-Lee Wang Langi, Account Executive:** My boys were sent home from college, so I get a lot more family time. We have been playing board games and having family dinners again. The boys are looking up new recipes and taking part in cooking for us.

**David Jugan, Account Executive:** We have invested in a home gym so that our entire family of 5 can get and stay fit.

**Colby Fisher, Account Executive:** My engagement!

**Kevin Quesnel, MIS Specialist:** Having the kids stay home has increased our time with them. It has made a big, positive impact and a bigger appreciation felt by all.

**Ashley Caward, Order Management Specialist:** I think we are all

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stronger than we think. If we can handle this, we can handle anything

**James Begin, CTO:** Not spending 2-3 hours driving each day. Not having to get up at 5:30 am and fighting traffic! Also, not going out for meals has put us back in the kitchen thus improving our cooking skills.

**Rosemary Mercer, Customer Service:** Our grandson, Edouard, was born on May 8<sup>th</sup>!

**Sandy Lee, Business Operations Analyst:** Absolutely! I love having three meals together with my family every day and enjoying the extra time we get from not having to travel to and from work. On nice days, we get to enjoy the outdoors during lunch and breathe in the fresh air, which I rarely did at the office.

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**Have you tackled anything new and exciting? Did you finally make sourdough bread? Start training for an Ironman? Finished that craft room?**

**Colby Fisher, Account Executive:** I've been able to get my yard and landscaping in tip-top shape, and torn down my

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washing machine to completely rebuild it with new parts.

***Elisa Hernandez, Senior Customer Service Representative:*** We made the beignet Micky Mouse donuts from Disneyland. Delicious and fun!

***Michael Gauthier, Senior Strategic Buyer:*** I finally taught my daughter to ride a bike. She was always too nervous. I'm now able to work out every day, without sacrificing sleep, lost 9-11lbs so far. On the downside, I help out a lot more around the house now.

***Kayla Greenberg, Senior Collection Specialist:*** I have tried every new recipe I could get my hands on and started a walking routine each evening.

***Deborah LeCouffe, Customer Service Manager:*** I confess, yes I made homemade bread a few times. Although, I probably should have been training for an Ironman.

***Nathalie Abdelhadi, Strategic Sales Support Coordinator:*** Trying my hand at gardening with herbs and vegetables. So far, so good!!

***James Begin, CTO:*** Due to cooking meals that would normally have 6 portions and not wanting to eat leftovers the next day, we have mastered the art of freezing meals. We have learned how to thaw and heat again so they are just as tasty as the day they were cooked!

***Steve Underhill, Senior Marketing Coordinator:*** I have been able to complete several home projects, like painting, setting



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up our Pergola, and a new BBQ. We are slowly transforming our back yard into our vacationing spot for the summer.

***Sandy Lee, Business Operations Analyst:*** I've tried new recipes, started baking a little, and incorporated 10-minute yoga stretches into my day... what a difference this makes!

***Sandra Agnessi, Accounts Payable Coordinator:*** I purchased and started to read a new book series, *The Neapolitan Novels*. It's my escape, it brings me to another world and takes my mind off the things.

***Sylvie Scrivo, Senior Customer Service Rep*** I finally learned to make my own pizza dough from scratch, and it's very delicious!

***Eva Varelas, Customer Service Supervisor:*** I've started a garden for the first time.

***David Jugan, Outside Sales Associate:*** We planted our first raised bed garden this spring and are hopeful that our \$1,000 veggies will taste amazing!

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**Any funny anecdotes? For example, did your kids crash your ZOOM calls or did you start making TikTok videos??**

***Elisa Hernandez, Senior Customer Service Representative:*** The office came to my house for a socially-distant birthday and I had my “work” pajamas on!!

***Mei-Lee Wang Langi, Account Executive:*** I have walked into a few Zoom classes because my sons point their cameras toward their doors. I drop to the floor and crawl out of view when that happens!

***Kevin Quesnel, MIS Specialist:*** The kids have come up with interesting games and crafts each day. Always something fun, like the other day they set up a full live-action show in the

living room. It was complete with a table of snacks, built-in audience (lots of animals), and a magic act.

***Chantal Girard, Senior Customer Service Representative:*** My son tripped on the steps outside and broke my Mother's Day present: A bottle of Champagne that he was leaving at the door for me.

***Michael Gauthier, Senior Strategic Buyer:*** During a department video chat, my clothesline was in the background. Suffice to say, the meeting was "BRIEF"!

***Mauricio Acuña, Strategic Buyer:*** In the beginning, I had to hide from my 2-year-old son; he would assume that daddy being home meant playtime! Three months later, not so much.

***Nathalie Abdelhadi, Strategic Sales Support Coordinator:*** My dogs crash every Zoom meeting I have with my volunteer group. Thankfully my work video chats are at the office!

***Steve Underhill, Senior Marketing Coordinator:*** My daughter, Taylor, moved out at the onset of the pandemic and since then I have become her contractor and advisor of choice when it comes to just about anything except for fashion or décor. I know I am in for something new when she calls and it starts with, "Hi Daddyyyy..."

***Sylvie Scrivo, Senior Customer Service Rep:*** In one of our Friday video conference meetings, I came in costume, wearing everything I love about my favorite Caribbean island: Jamaica! The girls found it really funny.

**Rosemary Mercer, Customer Service:** We installed and filled a kiddie's swimming pool in our garage, complete with 8 octopus spraying tentacles so our 4-year-old granddaughter could go swimming as her regular swimming classes were canceled due to COVID-19. It took three hours to install including laying cushioning on the garage floor, blowing up the pool, filling it with water, connecting the spraying tentacles, etc. She played in it for exactly 11 minutes!!! Eleven minutes of pure fun. Then we had to empty it. Not so fun.

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## **As we start to resume “normal” life, what are you most looking forward to?**

**Mei-Lee Wang Langi:** Being able to hug my parents again.

**Colby Fisher:** I'm looking forward to human interaction. I'm looking forward to not taking other people for granted because they've always been there. Time away from people and made me realize how necessary it for us to interact on a personal level with each other.

**Michael Gauthier:** Interacting with people, visiting family, and yes, taking a Caribbean Cruise!

**Chantal Girard:** Flying to the Caribbean!

**Elisa Hernandez:** Sushi and spending time with my daughter

**Ashley Caward:** Looking forward to starting Roller Derby again.

**Ilana Perlman:** Going to the hairdresser!

**Eva Varelas:** Going out to dinner with friends and seeing my colleagues again.

**Mauricio Acuña:** Eating a good spicy pita Falafel, and babka bread!

**Cherie Edelstein:** Connecting with friends and food in a restaurant of some sort. Just chilling and hanging out without all the stresses of a virus.

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## Paper & Tape in the Age of COVID-19

“Paper and packaging... how life unfolds.”

The clever slogan from the Paper And Packaging Board certainly has new meaning in the wake of COVID-19. Here’s how a predominantly North American industry is pivoting to meet demand.

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## Paper, Corrugate & Cardboard Rise to the Occasion

“Most people don’t think about the important role that packaging plays except during a crisis like this. Aside from protecting crucial healthcare supplies and facilitating shipment, the eCommerce we are all totally dependent on now wouldn’t be possible without sturdy, reliable packaging.” That’s according to Bill Drake, a well-respected industry analyst and President of B2B Industry Packaging.

For our company, packaging, and more specifically corrugate cardboard, is one of the main industries we serve. Indeed, the world’s leading corrugators and paper mills trust us with their adhesive application needs. [Double-sided splicing tapes](#), flat-back tabbing tapes and polypropylene tear tapes are all used in the paper manufacturing process to make everything from shipping boxes to food containers to tissues.

“Corrugated cardboard packaging is the backbone of the American supply chain,” says Fibre Box Association President and CEO Dennis Colley. “As COVID-19 changes our daily lives, we want to assure consumers that the box industry is continuing to operate and to deliver needed packaging to our customers who supply grocery stores, pharmacies, doctor’s offices and hospitals with food and medical supplies to keep us all healthy and safe.”

As manufacturers of corrugated cardboard boxes work to keep transport packaging, so are we. Risa Edelstein, VP Marketing, says, “We’re receiving a deluge of communication from our suppliers making sure that we know we are part of essential services, and we are rapidly pivoting to meet those needs. That includes implementing new protocols for our distribution center and warehouse as well as managing an increase in production and delivery. Our reps always said that tape is not important until you do not have it because it could shut an entire mill down!”

However, like other small businesses, ECHOtape has transitioned many of its non-warehouse teams to work from home. “We have a responsibility to meet our customers’ needs, but our first priority was to ensure the safety and health of our employees. That said, we are dedicated to continuing to operate under the guidelines of the U.S. Center for Disease Control and Prevention (CDC), Public Health Agency of *Canada*, and the Occupational Safety and Health Administration (OSHA) to ensure products continue to flow to market.”

That’s not been an easy task considering ECHOtape’s [uniquely Canadian and U.S. business model](#). “It’s a challenge for most businesses to keeping track of the daily changes affecting business continuity, let alone 50 states and 10 Canadian Provinces, each with different regulations. And yet our team has been able to pivot and redirect itself, not missing a beat. What a testament to ECHOtape’s incredible employees!” says Edelstein.

## To Disinfect or Not? Handling Packaging During COVID-19

Obviously, the packages you order on the Internet or local delivery services aren't exactly sterile. They've each likely been touched by multiple people—the person who put your food or item in the package, the person who loaded it onto a truck, the person who hands you your bag or box, and so on. How careful should you be?

Although The [CDC's](#) advice on protecting yourself during COVID-19 does not include disinfecting packages, its general advice stands: Wash your hands frequently and avoid close contact with people. However, erring on the side of caution isn't wrong. Consider disposing outer packaging outside of your home and wash your hands immediately after handling.

When it comes to food, the same advice stands. Donald W Schaffner is a food microbiologist and professor at Rutgers University. He told CNN: "Right now there's no evidence that [the virus is] spread through food. There's no evidence that it's spread through food packaging. That doesn't mean that we might not learn new evidence tomorrow that would change our thoughts on that, but right now that's what we believe," Schaffner said.

That said, there's no harm in throwing away nonessential outer

packaging (cereal boxes, meat trays) or in wiping down cans and jars with an [approved disinfectant](#) if it puts your mind at ease. Alternatively, you could set aside non-perishable groceries for a few days before using them, since the information available now suggests that the virus can't be detected on plastic or stainless steel surfaces for more than three days.

Aside from washing your hands with soap and water, before beginning any food preparation you should sanitize sinks and counters using one of the approved disinfectants.

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## What's Next? Toilet Paper & Demand Shock

Toilet paper has become the poster child of pandemic, and no one is more surprised than the tissue paper industry itself.

Companies that help supply these everyday paper products are rapidly pivoting to meet consumer demand. But when will shelves be restocked? No one seems to know – not the stores, not the suppliers, and certainly consumers.

Here's why: Most paper mills already operate manufacturing facilities 24 hours, 7 days a week. It's not like there's an idle machine that can be cranked up to increase production,

let alone while adhering to stricter CDC and Canadian Health guidelines.

The American Forest & Paper Association, an industry group representing paper product makers, noted the industry is working hard to respond to the sudden spike in demand.

“Rest assured, tissue products continue to be produced and shipped – just as they are 52 weeks each year as part of a global market,” AF&PA’s CEO Heidi Brock [said in a statement](#).

Georgia Pacific, the maker of Angel Soft and Quilted Northern, told CNN that toilet paper orders from retailers nearly doubled. The company managed to ship out 20% more than its normal capacity. Meanwhile, Procter & Gamble transitioned production to prioritize their bestselling sizes to maximize the amount of product shipped to retailers. Other suppliers are shifting manufacturing away from similar non-essential products (napkins, for example) to make more room for toilet paper production.

However, there’s another big concern looming: demand shock. Consumers who stockpile toilet paper now could eventually hurt manufacturers’ sales down the road, leaving a surplus of product to strain the system yet again.

It’s a concern we share at [ECHOtape](#). Edelstein says, “Sales for adhesive products in a variety of industries, not just corrugate or paper mills, have increased. An uptick we are grateful for in an economy where small business are quickly shuttering. However, as we pass through the peak of pandemic,

and life eventually returns to normal, will orders dry up?

We're creating a contingency plan, but like the rest of the U.S. and Canada, only time will tell. We're all in this together."

*Read more about ECHOtape's response to [COVID-19 here](#).*