



Working together toward greater efficiency

Trends in the Label Market: Stick to the Future

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VIGC - 16/10/2009

Introduction

- **Flemish Innovationcenter for Graphic Communication**

- **Not for profit organisation, based in Turnhout (Belgium)**
- **Services:**
 - Education
 - Trendwatching
 - Consulting
 - Networking

Contents

- **Introduction**
- Label Market Is Unique
- The Future?
- Conclusions

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Label Market Is Unique

- **Economics**
 - Three decades of growth larger than GDP (growth commercial printing lower than GDP)
 - High profit margins, although declining
 - Interesting niche within tormented printing industry

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Label Market Is Unique

• Innovation!

- **Lots of substrates, lots of new possibilities**
 - Reynders is nice example of creativity, innovation
- **More than just a label**
 - Also more and more communication
 - Brand quality rules!
 - Legal requirements (content of food, hazards)
 - Last point to convince customer to buy
 - Functional information
 - Links to extensive information: QR-codes

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Label Market Is Unique

• Innovation!

- **More than just a label**
 - Functional information: recipe



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Label Market Is Unique

• Innovation!

• More than just a label

- Functional information: is my drink cold enough?



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Label Market Is Unique

• Innovation!

• More than just a label

- Functional information: is my fruit ripe?



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Label Market Is Unique

• Innovation!

• More than just a label

- Also more and more communication
 - Links to extensive, external information
 - E.g. QR-code, Shotcode, ...



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Label Market Is Unique

• Innovation!

• More than just a label

- Functional use



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Label Market Is Unique



- **Innovation!**
 - **More than just a label**
 - Security (anti-counterfeiting)
 - Lots of possibilities
 - E.g. all kinds of inks, varnishes, ...
 - Smart labels, tags, ...
 - Artefacts in screening

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Label Market Is Unique



- **Innovation!**
 - **More than just a label**
 - Legislation as an ally

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Label Market Is Unique

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- **Not ordinary print**
 - **Not CMYK**
 - Spot colors are dominant, up to 19 color presses...
 - Brand colors, brand quality is critical!
 - **Not paper**
 - All kinds of substrates
 - **Not offset**
 - Usually flexo
 - Or combination of all kinds of technologies
 - Best of all worlds!
- **Including converting**
- **In many cases global customers**

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- **Not ordinary print**
 - **Not CMYK**
 - Brand colors, brand quality is critical!



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Label Market Is Unique



- **Not ordinary print**
 - **Special requirements**
 - FDA-approval
 - Food & Drug Administration
 - Security
 - Special finishing
 - E.g. in mould labelling
 - Special preparation: shrink sleeves
 - Logo's need to ok after shrinking...


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Label Market Is Unique



- **Not ordinary print**
 - **Customers look at bigger picture**
 - Label is part of something bigger, cost of complete entity is more important than cost of label as such

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Label Market Is Unique

• LabelExpo: showcase new technology

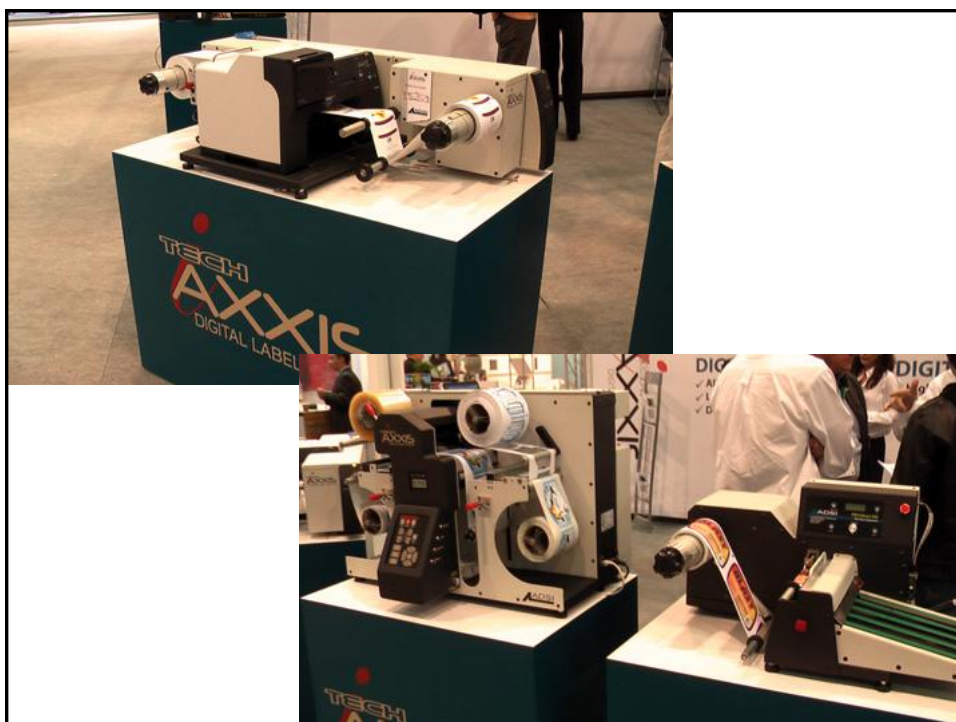
- **Digital printing**
 - Not just CMYK, but also 5, 6, 7-color systems
- **Digital converting**
 - Lasercutting
- **Desktop printers...**
 - Including desktop converting...
 - Beware of these 'low end' offerings!
- **More efficiency...**
 - Shorter setup times, less setup waste
 - MIS-systems (management information systems)
 - JDF-integration (job definition format)

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Label Market Is Unique



- **But label market is not that different...**
 - **Need for efficiency gains!**
 - Faster setup, easier conversion of presses
 - **JDF... (job definition format)**
 - Job descriptions
 - Facilitator of automation
 - **Digital printing**
 - Beware of hypes... you have to have jobs for it!
 - **Web-to-Print**
 - Customers do part of the job upfront, pay upfront
 - More efficiency in administration
 - **Identical to commercial printing**
 - Learn from the other side of our industry!

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The Future?

The Future?



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- **Digital is here to stay...**
 - **It's more mature**
 - Both technology and applications in the market
 - **It has interesting advantages**
 - Personalisation
 - Shorter runs
 - Faster reaction to promotions possible
 - **Conclusion discussion forum LabelExpo 2009: "During the next 5 years, inkjet printing technology will have a 10x larger installed base..."**
 - But don't forget toner (dry or liquid)...
 - And: inkjet at this moment has a rather small installed based

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The Future?



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- **Digital is here to stay...**
 - **Brand owners extend shelf live of packages, thanks to digital print**
 - Promotional offerings, glued on top of package
 - Less redesign costs...
 - But regular promotions



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The Future?




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- **Flexo is here to stay...**
 - **At least for the next 5 - 10 years**
 - **Digital will not completely erase flexo, certainly not in short term**
 - Digital printing also didn't erase offset...
 - **But: flexo needs to become more efficient**
 - E.g. setup times
 - Just like offset has evolved the last decade
 - E.g. standardisation of colors used
 - Just like the 5, 6, 7-color systems used in digital

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The Future?

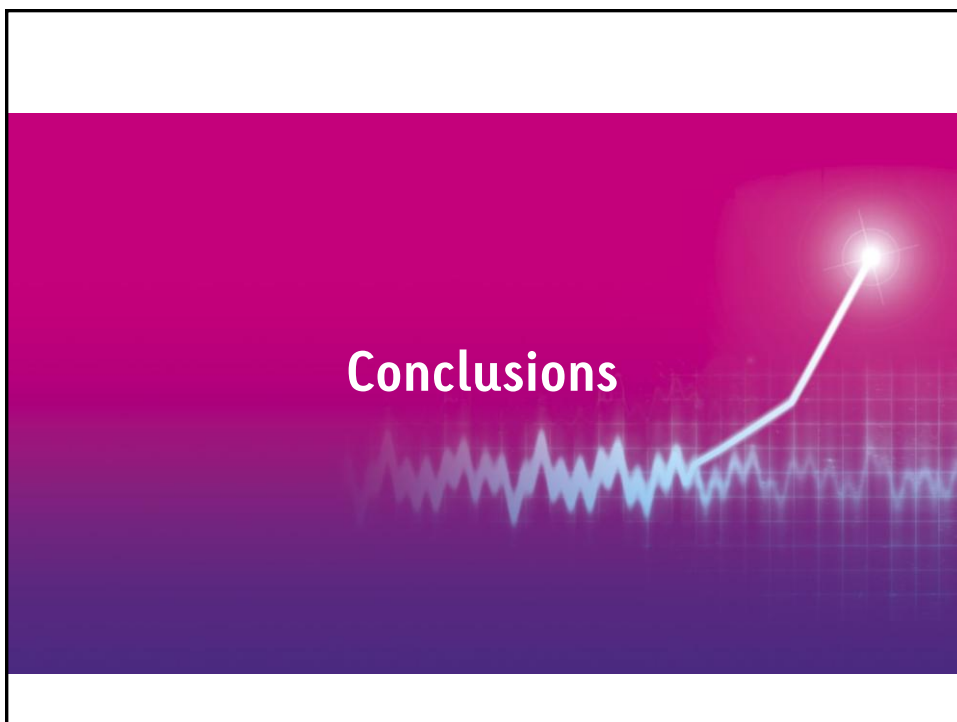


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- **And customers demands...**
 - **Solutions, services, ...**
 - All those buzz words, you know
 - **Lean manufacturing**
 - In plain English: more efficiency, less waste
 - **Just-in-time delivery**
 - So maybe even 'on location printing services'...
 - Creation of 'strategic digital print partnerships' between printers/converters and brand owners

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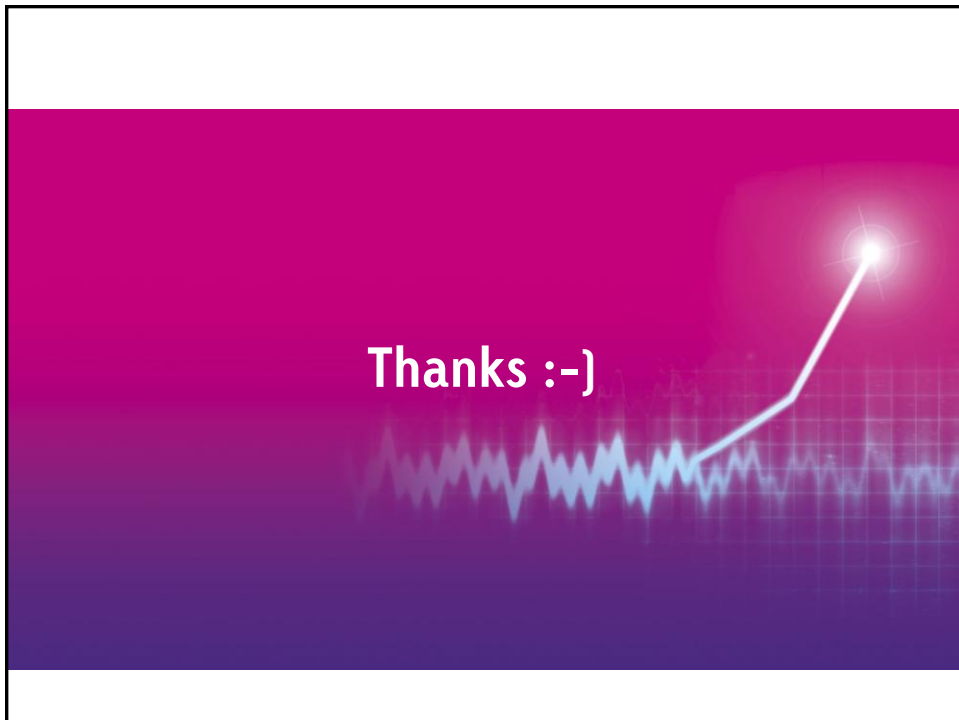
Conclusions

- **Label market is unique**
- **But lots of similarities to commercial printing, the rest of the industry**
 - **Efficiency!**
 - **Digital!**
 - **Demanding customers...**
- **Learn from the others**
- **Digital, flexo, ... will co-exist, probably at least for the next decade or so**

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