

Digital Packaging

An Opportunity
for Growth

A Market Segment Series

Catalogues

Digital Packaging

Direct Mail

Marketing
Service Provider

Photo Publishing

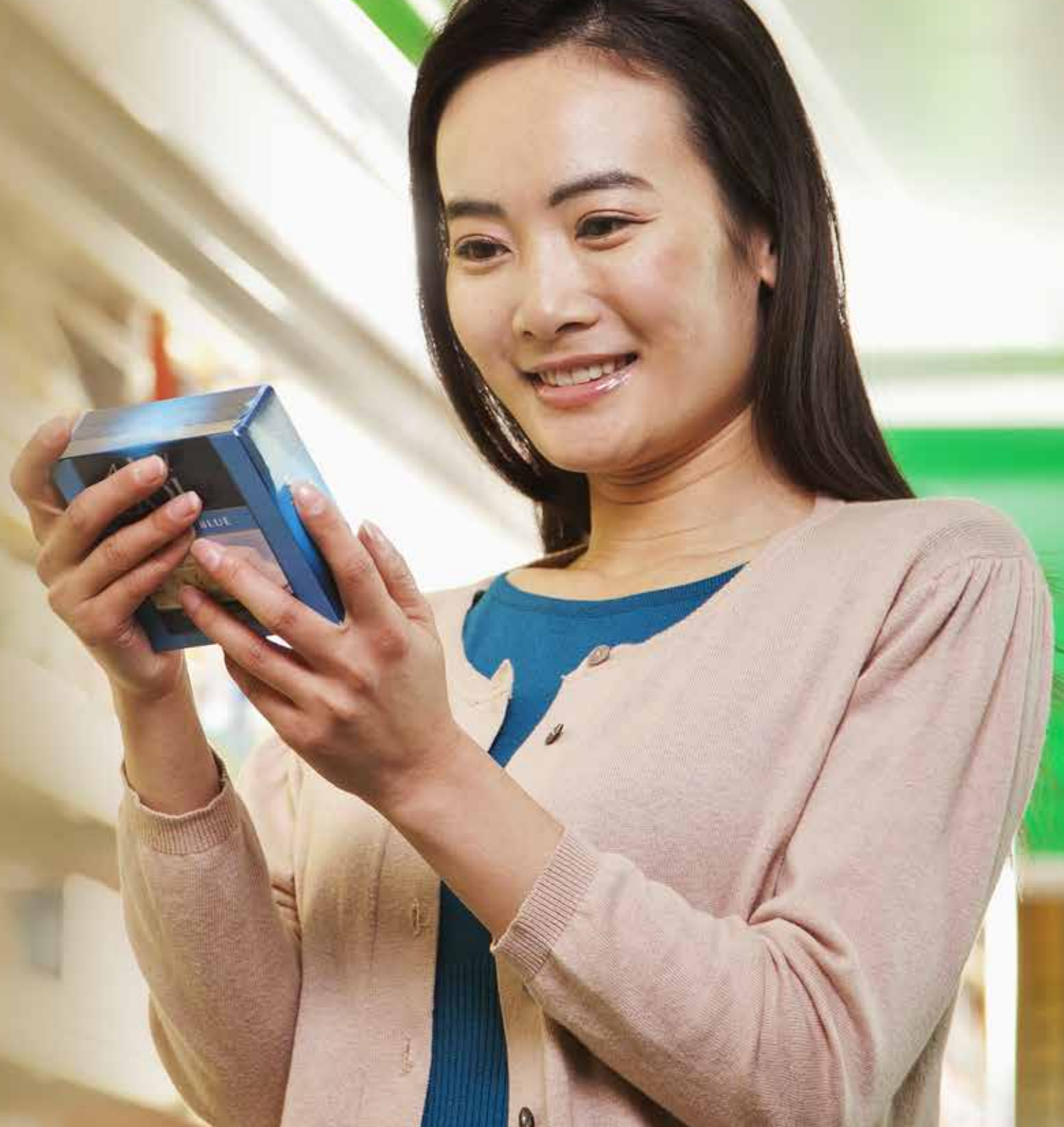
Publishing

Transactional
Marketing

xerox 

While the future is bright for many application segments in the digital print industry, for the packaging space, it's especially exciting.

This guide will provide new insights into the market landscape, as well as information you can use to enhance your strategic partnership with your clients.

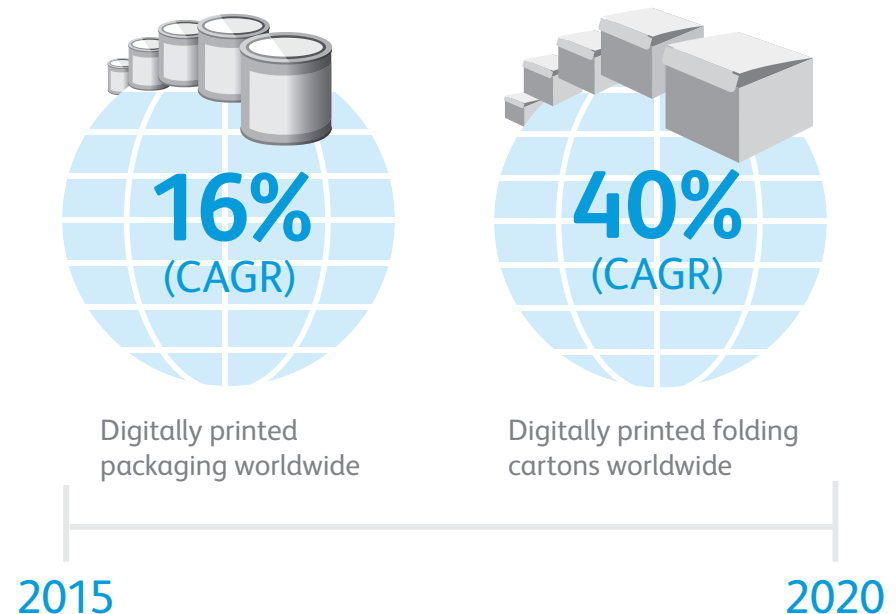


Unwrapping Opportunities in Packaging

Digital print technologies, once reserved in the packaging industry for prototyping and proofing, are now unlocking market potential by solving many core challenges. As a result, there is a fundamental rethinking for how packaging can be produced most efficiently and effectively.



Digitally printed packaging worldwide will grow at a compound annual growth rate (CAGR) of roughly **16%** between 2015 and 2020. Within that, digitally printed folding cartons will see a CAGR of **40%**.



Looking at the Numbers

Packaging represents one of the largest and most stable opportunities for print providers. Nearly all items sold have packaging, and it's an application that can't be displaced by digital media.

As brand owners strive to create countless variations of products and product sizes to appeal to an increasingly option-hungry consumer base, run lengths¹ for packaging jobs are beginning to trend smaller. In turn, brand owners are looking to packaging vendors for new application ideas that yield business results while more effectively managing the supply chain. This falls right into the strengths of digital print by reducing warehousing and obsolescence costs, adding value with variable data and infusing brand protection features.



¹ *The Future of Digital Packaging Workflows*, InfoTrends, 2015



6.6 months is the average time between product refreshes.

53% of converters say short runs are a key reason their customers buy digital printing.

26% of brand owners cite resistance from packaging providers as a barrier to digital transformation.

Playing to Win

Many brand owners may not be aware of the benefits of digitally printed packaging. Here are some conversation starters to convey the value you can bring to your clients' business.



Meeting Brand Owner Demands

Brand owners are under enormous pressure from their channels to reduce costs, increase speed to market and boost results. Digital packaging and labels offer them the flexibility to fine-tune their marketing by running smaller quantities for test, regional and seasonal marketing. Digital production eliminates expensive setup costs and long lead times.



Maximising Supply Chain Efficiency

Digital printing technology is transforming the packaging supply chain by delivering high reliability and premium quality while reducing costs. It's also helping brand owners comply with sustainability and food label regulations, and fulfil orders in flexible quantities.



Satisfying Demand for Personalisation, Versioning and Brand Protection

More and more customers are approaching converters and print providers with specialised jobs that can't be done on conventional printing presses, including consecutive numbering, barcoding, regionalisation, multiple languages and variable text. Many are seeking solutions to fight counterfeiting and secure products, such as serial numbering and security markings.



Managing Increasing Number of SKUs

An increase in the number of product SKUs (Stock Keeping Units) has been a major trend in recent years. Digital printing can help manufacturers deliver expanded product offerings to accommodate retail channel demands for specific product versions, and special or seasonal promotions on their packaging.



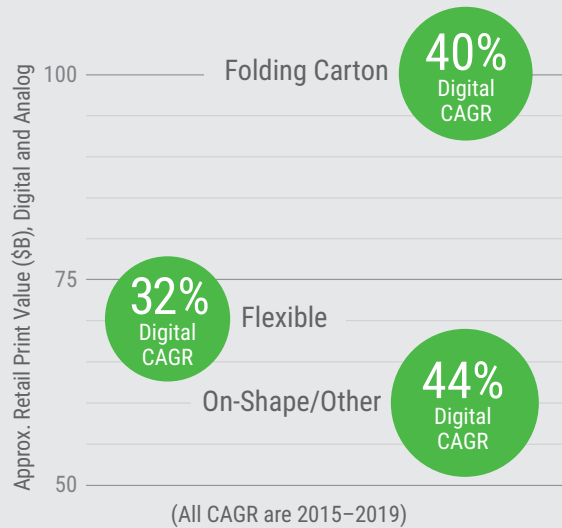
Critical Insights You Need to Know

STATE OF THE INDUSTRY

Opportunities in digital packaging – present and future¹

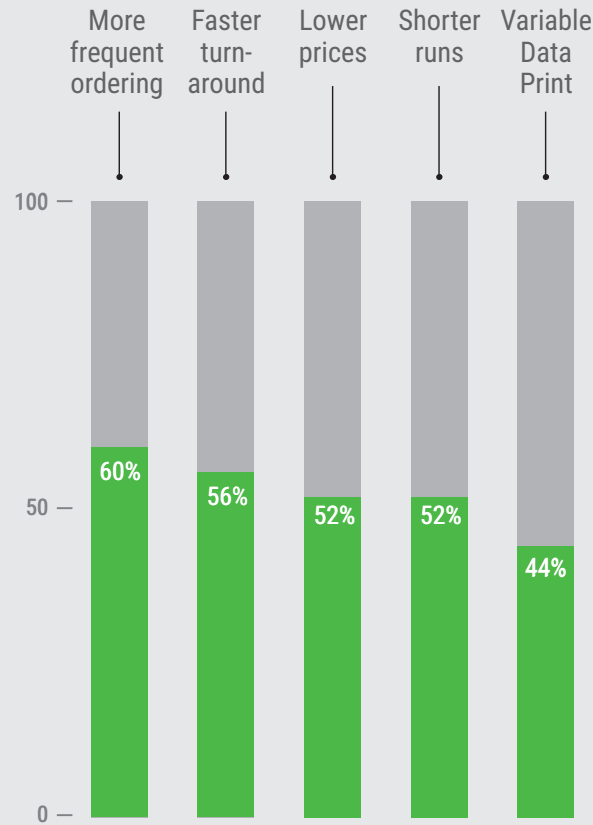
\$400B+

Retail value of printed packaging, globally – less than 3% of which is derived from digital packaging today.

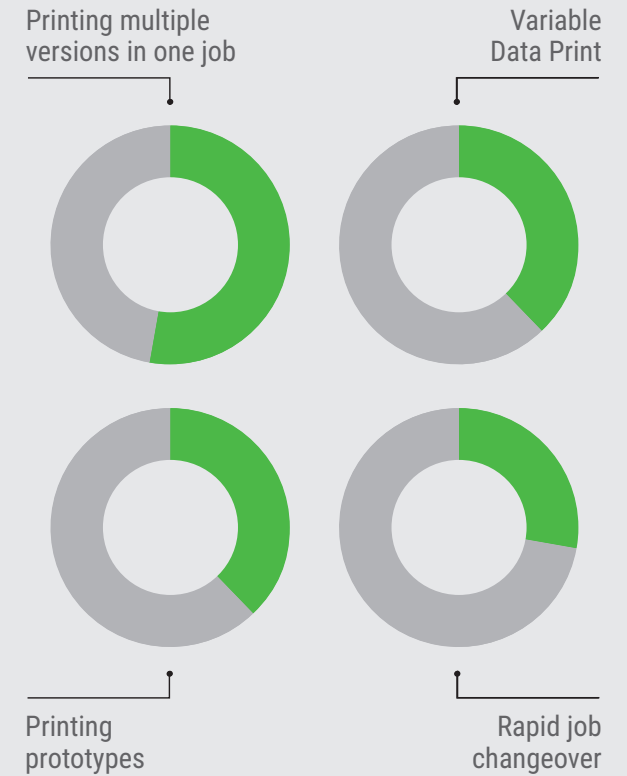


SURVEY OF CONVERTERS

Why our customers buy digitally produced packaging



Most valued features of colour digital printing



SURVEY OF BRAND OWNERS

Gauging the agreement of brand owners

Scale 1-10
(1=not agree, 10=fully agree)

7 Personalised package has positive effect on sales today



6.8 Expect to develop more interactive packaging (QR codes, NFC tags, etc.)



6.2 Feel pressure from retailers to produce more versioned packaging



Why is lead time reduction important?



Reduce inventory costs

79%



Reduce waste and obsolescence

64%



Enable more customised packaging

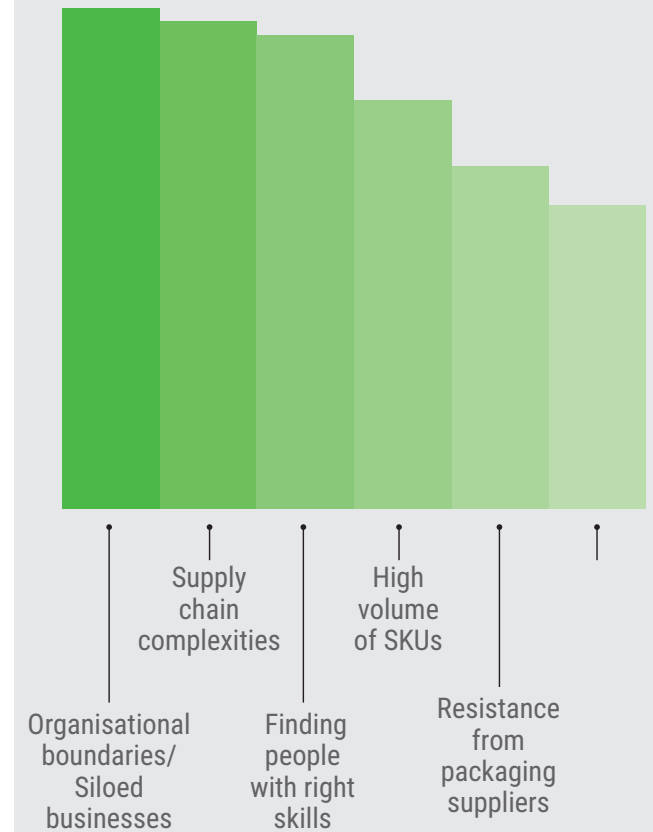
62%



Lead time reduction is not important

6%

Top challenges in the digital transformation of packaging





How can you capture a share of the booming digital packaging business? Here are four critical must-haves.

Getting in the Game

1

Streamline Your Workflow

➤ **Invest** in software, and learn how you can integrate with customer workflows to build more efficient and agile supply chains. With a greater number of small jobs coming in, manual labour can really slow down production processes. Businesses that invest in software, such as Web-to-print, tend to outperform the competition.

2

Manage Colour

➤ **Work** with a colour management professional to obtain colour quality certifications or other services to improve your processes. Brand owners maintain critical requirements for the colours represented on their packaging, so having strong colour management skills are table stakes to serve this market.

3

Understand Substrates

➤ **Investigate** and test a range of different substrates that may appeal to your client base. Some substrates, like pre-converted and dimensional materials, can cut steps (gluing, perforating, scoring) from your workflow.

4

Engage and Win Over the Right People

➤ **Expand** your reach by hosting educational events or attending conferences. Your goal is to help brand owners understand the value of digitally printed packaging. Invite multiple members of the supply chain, including print buyers, marketing and finance. The best contacts have a total view of their organisation and are positioned to advocate for change.

Transformation In Action

Offering Innovative Packaging Designs Via Digital Technology

United Kingdom
Alexir Partnership

www.packagingnews.co.uk

Opportunity

With customers asking for new ways to produce their products, the Alexir Partnership saw digital packaging as a way to accommodate their customers' requirements.

Transformation

Alexir operates two production facilities and serves the food industry as well as other industry sectors. They were the first major carton packaging manufacturer in the UK to install an inline digital solution for folding cartons.

To address shorter run demands and bring innovative solutions to their customers, Alexir invested in a Xerox® iGen4® Digital Press with Thick Stock Capability (enabling printing on carton board up to 610 microns). The press runs in

line with a coater applying either UV or aqueous coating and a die-cutter doing cutting and creasing.

Alexir also turned to Xerox to educate customers on their digital packaging capabilities.

“Xerox is an excellent partner in helping bring digital printing to our customers. They understand the digital printing market and we understand cartons. Together we are taking this journey to develop the market.”

– Claire Summersby
Marketing Manager, Alexir Partnership

Early Packaging Pioneer Extends Breadth with Digital Packaging

United Kingdom
Esmark Finch Limited

<http://esmarkfinch.ie>

Opportunity

Understanding that customers are continually looking to refresh the look and feel of their packaging, Esmark Finch became an early pioneer in the digital packaging space.

Transformation

Digital packaging has become a stellar growth market for Esmark Finch, representing 60% of its annual turnover. The company produces packaging for the food, pharmaceutical, technology and media industries.

Esmark Finch has embraced the Xerox® Automated Packaging Solution – with a Xerox® iGen4® Press running in line with an Epic Coater, applying either UV or aqueous coating. Today, the company leverages its digital infrastructure to produce

on-demand jobs on coated and uncoated high-calliper stocks.

One key benefit of digital packaging is the ability to personalise – particularly for Esmark Finch's food customers who export products to various countries – as one product might need to be packaged in 26 different languages.

“With the support of Xerox, we proved the capability of digital packaging technology in a live working environment and have expanded that business. They have been an excellent partner.”

– John Mullane
CEO, Esmark Finch Limited

Empowering Transformation

With a robust portfolio of digital technology, automation offerings and business development support, Xerox is driving transformation in the digital packaging market.

Market-Leading Technology

- **Xerox® iGen® Family of Presses** features world-class automation and benchmark colour quality. For environments where the production of packaging applications on high-calliper media is required, an optional Thick Stock Capability extends media range to 24 pt (530 gsm, 610 microns).
- **Xerox® Automated Packaging Solution** is ideal for those seeking a fully integrated, inline digital solution to make short-run packaging effective and affordable. Available for the Xerox® iGen® Press product family (iGen4®, iGen 150 and iGen 5), this solution features a versatile coating unit, innovative buffering stacker and custom die cutter. When used with the Xerox® iGen 5 Press, matching brand-critical colours is made easier by an optional fifth station that extends the colour gamut by adding orange, green or blue to the standard CMYK.

 Visit www.xerox.co.uk/packaging.



Xerox® Automated Packaging Solution



Xerox® iGen® Family of Presses

Workflow Automation and 1:1/Cross-Media Solutions

- **Xerox® FreeFlow® Core** automates and integrates the processing of print jobs, from file preparation to final production, for a touchless workflow that reduces time and costs.
- **Xerox® FreeFlow® Variable Information (VI) Suite** of variable data tools allows you to personalise your communications quickly, cost effectively and automatically – all while driving your print engines at rated speeds. Specialty Imaging (SI) effects, enabled by the VI Suite, provide a cost-effective means of enhancing print jobs by adding visual impact and/or a basic layer of fraud deterrence.
- **Xerox® IntegratedPLUS Colour Management** is ideal for those who need a cloud-based solution to manage colour across multiple presses, at one or multiple locations.
- **Xerox® MatchAssure Solution** delivers simple, fast, consistent colour to meet the most demanding standards on a single printer or over a fleet of printers.
- **XMPie® Circle** is a cloud-based solution for planning, managing and automating your multichannel marketing campaigns.
- **XMPie® PersonalEffect®** turnkey systems provide powerful, out-of-the-box solutions for professional-grade graphic art variable data print applications, best-in-class Web-to-print storefronts and multichannel communications that bridge print with digital media. PersonalEffect Enterprise Platforms provide bespoke solutions for high-end, demanding requirements.
- For colour management and brand protection, you'll also find solutions from CMI, CGS-Oris and eTRACS to fit your specific needs and unique business environment.



Visit www.xerox.co.uk/workflow.

Xerox® Packaging Solutions

- **Xerox® Engineering Services** deliver customised printing solutions for targeted applications beyond folding cartons.
- **Xerox® Printed Memory for Brand Protection** and **Xerox® Printed Memory with Cryptographic Security** provide smart packaging.
- **Xerox® BrandSecure Packaging Solution** enables serialisation and anti-counterfeiting measures for security, regulatory compliance and tracking.

Business Development and Professional Services

The Xerox® ProfitAccelerator® programme, with a portfolio of 100+ tools, kits, and training services, is designed to support your digital packaging efforts from sales and marketing, business planning, operations and new application development.



Visit www.XeroxDigitalHotSpot.com.

Discover more opportunities in this Market Segment Series.



Catalogues



Digital Packaging



Direct Mail



Marketing Service Provider



Photo Publishing



Publishing



Transactional Marketing

This series provides insights and practical advice on how to thrive in seven business-boosting markets for print providers. See more at www.xerox.co.uk/applicationseries.

We're Xerox.

Xerox helps print providers work better by combining people, processes and technology in more efficient and cost-effective ways.

To find out more, visit www.xerox.co.uk/production.