Print It Yourself: Manufacturers Expand From Printing Labels To Corrugated Packaging
OVERVIEW

When it comes to selling products, small manufacturers today have an abundance of opportunities.

To start, there is the e-commerce marketplace. With a website and an effective distribution system, a manufacturer can sell products to customers around the corner or across the globe. As a result, online sales account for an ever-increasing share of retail sales, growing at over 16 percent annually each year for the past five years.

But it’s not just online sales that spell opportunity for small manufacturers. American Express reports that nearly three-quarters – 73 percent – of consumers now prefer to shop in their local communities. As more and more consumers demand products that are produced closer to home, both large and small manufacturers are finding new prospects by producing private label products tailored to meet the needs of these regional consumers.

With that said, big opportunities are accompanied by big challenges. To succeed, small manufacturers must carefully balance the abundance of opportunities with the realistic capacity of their businesses. They must be nimble and creative enough to capture new business while working within the boundaries of regulatory and financial controls.

This balance is not always easy to maintain. The manufacturer must commit to producing and marketing products that enhance the company’s brand and drive future demand by engaging and delighting current customers. Moreover, production of these products must also be extremely efficient, using manufacturing components that meet the specific timing, cost, and quantity that fit the demands of the business.

To more effectively balance both of these demands, manufacturers are increasingly using on-demand inkjet-powered solutions to integrate label and packaging production into their operations. They do this for good reason. Producing their own labels gives modern manufacturers greater flexibility and helps control storage and scrap costs while speeding up production. Moreover, producing their own labels allows manufacturers to customize the look and message they send to customers.

The rate of success manufacturers have achieved with in-house label production has opened up a new opportunity; many manufacturers are now also adapting
affordable inkjet technology to add package production to their operations. By supplementing label production with in-house package production, small manufacturers can achieve even greater cost savings, flexibility, and brand control.

In this white paper, we explore the range of possibilities that can be realized when manufacturers make inkjet-powered label and package printing part of their production processes.

Whether you are a veteran at printing colorful product labels in-house and are now searching for new opportunities, or you are a manufacturer looking to be inspired with new ideas for your business, you are bound to come away with new ways of thinking about the role on-demand printed labels and packaging can play in successful marketing and manufacturing operations.

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PART 1: LABELS AT THE FOREFRONT OF THE CUSTOMER CONNECTION

Regardless of whether products are sold online or in person, the relationship between consumers and the products they purchase has never been closer. More than ever, consumers want a product experience that targets their interests and creates a connection with the brands they buy.

Research done by Responsys states that sixty-one percent of U.S. consumers feel more positive about a brand when the marketing messages are personalized. More than half - 53 percent - are more likely to purchase a product when a brand personalizes communications.

As a result, demand for personalized printing products in the U.S. has grown rapidly. A study from InfoTrends shows that in 2012, personalized print products accounted for 113 million units. In 2017, personalized print will account for a projected 158 million units.

The importance of this connection is especially clear when it comes to labels and packaging. The label and package are the metaphorical face of the product, whether it is used on the product or on the shipping package.

To ensure their labels can create this level of connection, many manufacturers now produce their own labels. Making label production part of their operation not only gives these manufacturers control of the message and product information included on the label, it does so at an affordable cost.

For example, food manufacturers can use the label to provide details on product ingredients while also including images, colors, and messages that promote the brand and connect with the customer.

One such food manufacturer is specialty food company Glenoaks. The California-based company produces a variety of beef jerky products that are marketed under different brand names. They need labels for over 900 SKUs.

RESPONSYS RESEARCH ON PERSONALIZATION

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>61%</td>
<td>Percentage of U.S. consumers that feel more positive about a brand when marketing messages are personalized.</td>
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<tr>
<td>44%</td>
<td>Percentage of consumers that are less responsive to non-personalized or “mass-marketing” messages.</td>
</tr>
<tr>
<td>53%</td>
<td>Percentage of consumers more likely to purchase when a brand personalizes communications.</td>
</tr>
<tr>
<td>52%</td>
<td>Percentage of consumers who trust brands that enable consumers to share their marketing preferences over brands that do not.</td>
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Source: Responsys study
To produce this wide range of labels on demand, the company purchased the Memjet-powered Colordyne 1600-C.

Printing these labels on demand has given the company the flexibility it needs to produce this wide range of SKUs and meet the demands of their customers for local, event driven label content. Labels that used to take six weeks to produce can now be printed in hours. The company can easily make changes to the label to reflect the brand and the location where the product is distributed, connecting with their target customer at a much higher rate.

Moreover, the Colordyne 1600-C enables Glenoaks to better comply with government regulations or any ingredient changes; if a label needs to be updated, it can be easily changed without tearing up or throwing away thousands of dollars’ worth of stock.
PART 2: EXPANDING THE DIGITAL OPPORTUNITY TO INCLUDE PACKAGING

The capabilities of inkjet-powered solutions and the results they produce have translated into huge adoption rates for digital label solutions.

“Using inkjet solutions for package production can be an ideal progression for manufacturers who are looking to boost their efficiency, productivity, and brand awareness.”

Smithers Pira Research

Label and packaging converters worldwide invoice over $2 billion annually for the output of their color digital presses. Right now, about 95 percent of that value includes labels on consumer goods, but folding carton and flexible packaging applications are also growing rapidly through digital printing.

According to research firm Smithers Pira, analog packaging is growing by about 28 percent per year, which is expected to continue through 2018, whereas all digitally produced packaging is expected to increase by 375 percent by 2018.

This research confirms what manufacturers are starting to learn: the value of inkjet printing is not limited to labels. Using inkjet solutions for package production can be an ideal progression for manufacturers who are looking to boost their efficiency, productivity, and brand awareness.
PART 3: THE DIGITAL INKJET TECHNOLOGY BEHIND THIS SUCCESS

Next-generation single-pass digital color inkjet technology, such as the kind developed by Memjet, transforms the label and package printing process, making it faster, easier, and more cost efficient than outsourcing production.

These gains are thanks to inkjet printheads that fire millions of ink drops per second. Using solutions that include these printheads, manufacturers can produce packages and labels faster and at a higher level of quality than the thermal transfer, laser, or scanning inkjet technologies of the past.

Moreover, this technology enables a low capital cost, small footprint and ease of use that make short run color label and packaging production a reality, giving manufacturers greater flexibility and creativity in the types and quantities of labels and packaging they produce. Whether it’s a batch size of one or 1,000, the inkjet printheads ensure the manufacturer can print quality labels and packaging each and every time, on-demand.

These printheads can be configured to print different package widths and on different package types and thicknesses. As a result, a variety of affordable, right-sized systems have been developed to enable manufacturers to easily make package and label production part of their operation, no matter what type of packaging they need.
Like the inkjet-powered labeling solutions, these package-printing solutions are available at a low cost of ownership. The small footprint and ease of use of these solutions mean that they can be easily incorporated into the manufacturers’ operations.

Once installed, this technology allows manufacturers to produce the type of packaging that advances their business goals.

Manufacturers can easily produce short runs of customized packaging in high-quality color. Each package that gets printed—no matter what the quantity—promotes a consistent, enhanced look for the brand’s image.

Furthermore, this type of colorful, customized packaging creates a connection with the consumer that plain, unbranded, or minimally branded packaging can never achieve.

Inkjet package printing also makes financial sense for the manufacturer. Using inkjet to print packaging on demand means manufacturers can do away with costly, high-volume pre-printed packaging. This not only saves money, it also reduces waste and gives manufacturers better control of their inventory.
PART 5: LABELS AND PACKAGING: THE POWER OF CHOICE

Having both inkjet-powered label and packaging printing solutions means manufacturers always have the right solution for creating colorful branded packaging. They can either produce labels to go on their packages or print directly on the packaging itself.

Let’s take a closer look at the benefits of each of these options.

For many manufacturers, printing labels gives them the look they need to customize both the products and the package that ships the products. These manufacturers simply print a label for the product and then print a similar label for the shipping box. In doing so, they can leverage the same print solution and create the same look and feel between the product label and the package label. This is an easy, consistent way to leverage the look of the brand.

The downside of this approach, however, is cost. On a printed label, the label stock itself makes up 80 percent of the cost. This means that producing enough labels to cover an entire box can be expensive and may still leave a lot of blank, unbranded space on the package.

In addition to expense, printing and applying labels is a two-step manual process that is prone to errors.

So, for some manufacturers, it makes sense to print directly onto the package. Starting with a plain box, manufacturers can easily print larger images on all sides in a single-step process. The output is more visually appealing, more impactful, and less expensive than covering the entire box with labels.

Using inkjet to customize their own packaging means that manufacturers can move from label-customized boxes that look like this:

To printing those same images directly on the panels of the package to produce a highly customized box like this:
<table>
<thead>
<tr>
<th>Process</th>
<th>Efficiency</th>
<th>Connection with Customer</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Shipping products in plain brown boxes with shipping labels</td>
<td>Shipping labels must be run in a separate process and applied manually.</td>
<td>Customers receive generic, unexciting boxes that lack brand recognition.</td>
<td>Generic boxes and labels are cost effective but don’t promote future business via investments in brand awareness, customer experience, and distinguishing from the competition.</td>
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<tr>
<td>Applying four-color product labels on plain brown boxes</td>
<td>Details for stocking, logistics, and shipping can automatically be included, reducing errors. Labels can be run and applied as part of the production process.</td>
<td>Labels can be personalized with customer information, creating more engagement and excitement. Consistent brand recognition exists between the look of the products inside the boxes and the labels on the outside of the boxes.</td>
<td>Most of the cost is spent on the label stock. For a 7c (4” x 6”) label, 6c is the label stock and 1c is the ink.</td>
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<tr>
<td>Printing directly on boxes (One-six sides)</td>
<td>Packages can be customized as part of the production process or outsourced to a packaging supplier for customization Packages can include all relevant product, shipping, and customer information.</td>
<td>Customized packages can include messages and images that create a high level of engagement with the consumer. Brand logos and text can be included directly on the packages.</td>
<td>The cost of labels is completely eliminated The packaging becomes part of the production process, saving time, money, and the expense of buying and storing generic boxes.</td>
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PART 7: A COMPETITIVE ADVANTAGE

Combining package production with label printing capabilities gives manufacturers a competitive advantage both in terms of operational efficiency and customer relations. Combining solutions in your operation makes it easier than ever to produce customized, colorful packaging.

Here are some of the inkjet-powered packaging solutions that give manufacturers the flexibility to create customized packaging that meets their specific needs and budgets:

AFINIA CP950 Carton Printer

If you run an ecommerce or small manufacturing operation, the Afinia CP950 integrates nicely with your workflow, allowing you to print your company’s logo, website, and phone number on every small box that leaves your facility. With the CP950, it’s easy to turn your ordinary shipping boxes into advertising for your company.

The CP950 can print in full-color on items as thick as 1/4” (6mm) and as wide as 9” (229mm). The printer can also print on letterhead and envelopes. For best results, use items that have a porous surface. For example, flattened cartons, cardstock, cardboard, paper boxes, bags, and other items that have been coated for inkjet printing are ideal for use with the CP950.
**Trojan Three**

The flexibility of the Trojan3 overprinting system enables providers to print on flat objects and thick objects like cardstock, thick or padded envelopes, or even folded boxes ready for shipment—all printed in a crisp, high resolution of up to 1600 x 1600 dpi at a maximum speed of 18 meters per minute (12 ips) and a maximum printable width of 223 mm.

Providers can add high-quality, four-color printing on all materials with an absorbing surface, including uncoated papers, cardboard, or materials that are pretreated for aqueous inkjet printing.

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**Xante Excelagraphix**

The print speed, small foot print, and price point of the Xante Excelagraphix 4800 opens up new business opportunities and markets that have previously been left out of the corrugated box and packaging opportunity.

The Xante Excelagraphix lets users print custom, full-color corrugated boxes with special promotions, personalized ad copy, and graphics—all on demand. This digital inkjet box printer employs a stationary print head bar system that allows for single pass print speeds up to 416 corrugated flat sheets of 48” (121.92cm) x 24” (60.9cm) per hour.
New Solution NS Multi

This new wide format printer is a dual printer capable of producing several packaging applications, including printing and laminating on a variety of substrates such as corrugated and flexible packaging materials.

The printer features five Memjet 220 mm printheads stitched to print single pass at speeds of 300 mm per second at 1600x800 dpi or 150 mm per second at 1600x1600 dpi. The NS MULTI can accommodate variable widths up to 42” or 1.07/m.

Learn more about what Memjet Label and Package printing solutions can do for your company. Email Alicia at alicia.chavez@memjet.com to set-up a consultation with VP of Packaging, Don Allred.