

The future of brands: written in packaging currency

Mike Ferrari, founder of Ferrari Innovation Solutions, delivers a critical analysis of the personalised packaging trend and **HP**'s role in bringing the vision to a reality.

Rapid change in shopper behaviour and disruptive digital package print technologies are colliding. As consumers spend more time on the internet "on the go", brands are responding by shifting advertising budgets towards digital media. Technology is making it possible for brands to connect the virtual world with the physical world through packaging. These synchronous changes are enabling new business models, never before possible, to engage consumers. Packaging is taking centre stage in making this happen, and is becoming the new currency for brands to thrive in the digital age.

The formula for brand success will be based on a company's discovery and innovative spirit. All too often, consumer-product companies treat package printing as a commodity, and lose the perspective of the technical advances and new business models possible.

Companies willing to explore, prototype and trial packaging as a tool contributing to integrated marketing approaches will be rewarded with growth.

While it is not marketing's role to lead print-technology changes, it is important to share in the importance, and encourage discovery, development and, ultimately, delivery with the other functions.

Operational efficiency

From a brand perspective, there has never been a greater need to continually create more flavours, scents and sizes in order to appeal to the constant demands of consumers. This results in huge complexity for brands as SKU proliferation requires a lengthy chain of events to occur in an analogue workflow. Brands will master the ability to "mass customise" in order to thrive through these times of transformation. The way out of this mess is to reinvent the supply chain for package printing.



HP Indigo 20000 Digital Press.

The promise, delivered

Inventory management in a digitally-automated workflow is possible. The ability to print "what you need", "when you need it" and "how you need it" has been realised.

Groundbreaking technology introductions such as the HP Indigo 20000 and 30000 wide-format digital presses are creating

the newest wave of disruption in the packaging industry. Such new press technologies allow the creation of an agile ecosystem. The connection of software to drive artwork and queue into a digital press can then be connected to digital finishing and tracked for shipment. Digital technologies allow for an automated workflow. What once was a dream is now a reality.

This has big implications for the ability to manage inventory and reduce carrying costs as well as remnant costs. In addition, the reduced waste is also a great contribution to lowering the carbon footprint of printed packaging materials. Brands hold, on average, 30% of printed materials that are stored, unused and later thrown away.

Why should marketers care about operational efficiency? Improvements in package print operational efficiency that create agility will enable marketing to do what it does best – grow the brand. An agile package print supply chain will allow marketing to launch quickly, respond quickly, create relevancy and, most importantly, better use precious resources to spend more time on the development of creative packaging approaches.

The L'Oreal Kids shampoo brand is a great example of how digital printing created operational efficiency that gave marketing a new and successful business model. To attract more consumers to its children's shampoo line, L'Oreal partnered with Pixar Animation Studios to produce limited-edition, shrink-wrapped bottles with themes of newly released children's movies.

Conventional print methods couldn't deliver the colour quality demanded to maintain integrity of the characters. Conventional print methods also required minimum



L'Oreal Kids shampoo bottle.

quantity print runs. The solution used HP's Indigo digital presses with the capability to meet the colour gamut through tight registration and dot-size control while managing the inventories so to align the themes on-shelf with current animated features. L'Oreal marketers were able to reposition



HP Scitex 15000 press.

the brand to go beyond “no tangles and clean hair”, and the package itself became a collectable spanning across many of the most popular feature films. Corrugated packaging is where the next innovations will occur with the launch of the HP Scitex 15000 – watch this space for more transformations.

Rise of online shopping

We can all relate to the meteoric rise of online shopping in our own lives. Online shopping once started as a convenience-driven event.

The synchronous changes of the internet, shopper behaviours and digital package print presses all point towards the move to one-to-one marketing. The ability to create a personalised package has accelerated in the past three years. Digital print technology allows for the creation of a single personalised package to be ordered online and be economically viable. Examples of personalised packages from the beverage, snacks, beer, spirits, confectionery, tissue and food industries in emerging and developing markets abound. Personalised packages do not represent high volume, but they do deliver high margins and, most notably of all, shoppers feel valued and develop deeper loyalty for those brands. For millennials, personalisation is not a fad, but a way of life.

One such example is Pepperidge Farm’s “Goldfish My Way”, which was launched as an e-commerce site where consumers

co-create personalised packages from an electronic storefront. Consumers upload photos and graphics to create customised messages and receive their fully packaged Goldfish crackers delivered to their home. This allows Pepperidge Farm to bring Goldfish into the special moments of their consumers’ lives. These packages are powered by HP’s Indigo digital presses to deliver variable data content and high quality photo reproduction creating this unique experience.



The Goldfish ‘my way’ campaign.

Monetising social media

Consumer product companies are shifting more of their advertising budget to digital media. Procter & Gamble announced that 35% of its marketing budget would be allocated to digital. Every brand today has a Facebook page. The question is how to

drive sales? Social media users will spend time interacting with a brand online only if it is rewarding to them. Brands need to find and balance their voice, in the virtual and physical world. Consumer experiences that engage the mind and the senses delight and turn plain customers into brand advocates.

The ‘Share a Coke’ campaign used this connectivity very well. After delivering 150 of the most popular names on bottles across Europe, it asked its Facebook followers for names they would like to see appear on shelves. Coke then printed 50 more names from this interaction, driving consumers back to retail shops. This summer programme was hugely successful, so much so that it has been expanded to South Africa, the US, Mexico and is repeating across Europe. There are now 50 countries across the world where ‘Share a Coke’ is running.



The ‘Share a coke’ campaign.

Digital, the creative fuel

Digital package printing provides brand managers with the creative fuel to connect consumers, the internet and packaging in ways never before possible. It is important for brands to begin the journey that connects these dots to innovate and engage consumers in ways they want to be engaged. Interactive and connected packaging will increase as shopper behaviours continue to evolve with the internet, and brands that are willing to experiment will be rewarded. This will be a determining factor of whether your brand thrives or becomes a memory. ■

Further information

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