


COPIA MARKETING

VOLUME 14.8 - 2019

PACKAGING EUROPE



LIFTING THE LID ON PLASTICS: MOULDING A CIRCULAR FUTURE

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WHERE IS PERSONALISATION LEADING US?

As consumers increasingly demand products and services tailored to their individual needs, it's clear that the personalisation trend isn't going away and brand owners need to respond to this. For the packaging industry, this means ever-more complex demands along the entire supply chain, as Victoria Hattersley reports.

We're already in the era of mass customisation – you don't have to look far for examples of this over the past few years, whether it's Coca-Cola's 'Share a Coke' campaign or Heinz's 'Get Well Soon' soup labels.

What comes next – total personalisation – is a somewhat different prospect. While customisation refers more to the use of software to produce custom output in large volumes, personalisation takes us to the next level by tailoring a solution or service to the end user's specific tastes and preferences. This comes down partly to the use of customer data to understand an individual's needs and desires – a chilling prospect for some consumers, perhaps, but not so for marketers and brand owners.

It's something the industry has been moving towards for some time. According to a 2018 report by Packaging Innovations and ThePackHub, 66 per cent of packaging professionals stated that the personalisation of packaging is something that they are implementing – or at least considering implementing – into their offering. This makes sense in our digital age, where building a two-way conversation – such as through social sharing – between the consumer and brand is key, and 'one-size-fits-all' solutions are often no longer enough for a company to stand out in the marketplace.

Today, brands are also making increasing efforts to reach out to younger generations. A 2018 study by Sparks & Honey suggested that more than 50

per cent of millennials and Gen Z consumers are interested in brands that can offer personalised products or services. Incidentally, the same study also found that 25 per cent of consumers would be happy to share their data in return for a personalised experience, so not everyone shudders at the thought of their personal information being used in this way.

Pushing forward the digital revolution

We are already seeing some of the results of this ongoing drive towards personalisation in solutions such as the 56,000 personalised KitKat packs created by Nestle using technology from HP Indigo, or Mondelēz International's Milka greeting cards.

Of course, consumers only see the end result – the bottle of drink with their name on the label, the personalised chocolate greeting card, the KitKat with their face on the wrapper. But from the industry's point of view, the most vital part of the question is the technology required to get us there. The growth of digital printing is one facet of this, bringing as it does far greater possibilities for smaller, customised runs than was possible with more traditional printing technologies.

So far, many companies may have been put off the prospects of personalisation, perhaps owing in part to the cost implications and overall complexity. But technology is catching up. While conventional printing techniques, such as offset, are still cheaper than digital – at least for bigger runs – this margin is decreasing all the time. It's not hard to envisage a time when digital printing will be the more cost-effective option even for huge runs. ▷





Danny Mertens



While it's true that digital printing can involve higher up-front costs, it does not require cylinders or plates, which means brands can be much more flexible – essential when it comes to offering a targeted, bespoke packaging experience. Lower minimum order quantities also mean a decrease in inventories and warehousing expenses.

And it's not just the printing – other processes will need to be increasingly digitised to improve efficiency and speed up turn-around if mass personalisation is truly to become the norm. Digital cutting systems are a case in point. "As customers require personalised packaging, the individual production quantities are reduced, and therefore it is no longer cost-effective to cut product using traditional cutting dies," says Caroline Bell, sales & marketing manager, Elitron, a producer of automatic cutting machines.

"It takes time to produce these dies and if you require many different dies it becomes costly, and these dies must be stored but may never actually be used again. Digital cutting is the answer. In just a couple of clicks new cutting files can be imported onto the cutting system, and Elitron's new Seeker System cameras automatically identify printed images, in order to associate the cutting file to the material, for immediate cutting."

'Self-service' experience

Increasingly, brands are involving the consumers themselves in the packaging creation – adding another element to the experience. This comes down to investing in more advanced web-to-print systems that can offer a 'self-service' experience for the end user or brand owner – such as that

offered by Itarus Ltd, which provides an online template enabling brand owners to modify artwork without the need for third-party intervention; or Infigo, which through its cloud-based MegaEdit design module creates a 3D preview of the personalised product for the customer.

If done right, it can be worth a brand's time to invest in this type of offering: according to a 2019 study by SnackChat, 'Understanding Online Gifting', 85 per cent of millennials are more likely to make an online purchase if it is personalised.

Mondelēz International is just one example of a company that has tapped into the possibilities of digital printing for online direct-to-consumer gifting – and through this, elevating an everyday brand into something a bit more special. With its above-mentioned Milka greeting cards, photos and messages can be added, which are then digitally printed on a blank sleeve. The personalisation itself happens on the last mile, before the material is cut.

"We find this kind of approach helps promoting the products especially on social media since people often share their personalised products," says Danny Mertens, corporate communications manager at Xeikon.

But he does add a note of caution when it comes to 'self-service' software: "On the other side, brand owners also need to be careful since it can go wrong when people start 'playing around' with the online software. When there's no 'check' on the content it can get to a negative branding impact."

Take the example of Ferrero's Nutella brand: a few years ago it announced it would be letting its Australian customers write their own labels as part of its 'Make Me Yours' publicity campaign. Some got a little too 'creative' and the



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results – which I will leave our readers to search out for themselves if they are so inclined – may not all have been precisely what the company had in mind.

Increasing demands on production

Personalisation also puts previously unheard-of demands on supply chains. For Raffaele Pace, vice-president Equipment Product Management & Digital Solutions at Sidel, the increasing consumer interest in personalised solutions can be seen as one of the key drivers behind Industry 4.0.

“Today’s consumer is becoming more selective by demanding goods with greater individuality, variety and convenience, and at the right price,” he says. “At the same time, distribution is looking for more customised delivery methods and increased responsiveness, largely driven by different purchasing behaviours and new retail models. Therefore, manufacturers are being challenged to find and implement new ways to improve their line operations with regards to efficiency, flexibility, versatility and speed, while at the same time ensuring consistent quality, low costs, greater productivity and maintaining competitiveness in a global market. These issues may be met by the successful transition to Industry 4.0.”

Solutions such as Sidel’s Agility 4.0 program can help producers shift from mass production to mass customisation via the use of smart solutions (robotics, cobotics and machines with built-in intelligence), digital connectivity and simulation tools.

The growing demand for product diversity and personalisation is also exacerbated by the growth of new retail formats, one of which is of course e-commerce. “For many manufacturers, the only way to meet those requirements – such as rainbow packs, promotional packaging or smaller cases – quickly and at the right price is generally by a process of repacking finished products,” says Mr Pace. “According to industry experts, this repacking process can sometimes account for 30 to 50 per cent of total production volume and is completely opposite to the principles behind lean manufacturing and lower carbon footprints. Figures like this clearly show that flexibility has reached its limit and that greater agility is required: order preparation integrated into production lines seems inevitable.”

This also creates opportunities for those ready to take them up. “Producers are currently not set up to handle these kinds of project,” says Xeikon’s Danny Mertens. “It can create an opportunity in the value chain for new players to enter into packaging production and implement or facilitate the automation and logistical aspects of such personalisation campaigns.”

The age of the individual

Perhaps where we will really see the personalisation revolution take off is in the continued emergence of Industry 5.0, which essentially brings automation full-circle by focusing not on machine interfaces but the necessary interaction between man and machine. The two go hand-in-hand, with their emphasis on establishing connections between people and wider systems.

Whereas in the past, ‘premium’ might have been solely about owning the ‘right’ label, today it seems to be more about having something that is tailored to the consumer. When it comes to what we buy, we seem to be in the age of the individual, not the collective. Whether that’s a good thing or not is anybody’s

guess: stepping back from the packaging industry and taking a wider view for a moment, some might say this shift in emphasis from machine to person is positive and healthy; there again, this general growing assumption that we should be able to have precisely what we want under any circumstances can have its pitfalls – as indeed recent political events have illustrated.

In any case, it’s clear that when it comes to packaging and branding, we are only at the start of the personalisation revolution. We can also look ahead to more brands using QR codes and virtual reality to build that all-important two-way connection. Finally, Danny Mertens asks the interesting question: who will take care of all this personalisation? “There’s a technology gap here. Will it be a marketing agency or a packaging producer? Maybe it will open up a new market in the value chain.” □



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