

# Unpacking



# the Future

Key trends that are reshaping labels & packaging



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# The New Normal

The last few years have turned the global economy upside down and sparked a catalyst for change altering the way people live, work, and shop with lasting consequences. As consumer preferences and consumer channels shifted dramatically, it also started to reshape existing megatrends, such as sustainability, automation, security, and e-commerce. The global supply chain has also been disrupted. And that, aided by unfilled workforce positions, issues with freight and shipping, natural disasters, and other unforeseen events, continues to wreak havoc on industry. Yet, while the printing industry may now be more volatile, many segments, including labels and packaging, have experienced growth.

As global demand for manufacturing, distribution, and track and trace of essential medical, food, and household goods boomed, converters that were agile enough to keep up have thrived. This highlights the exciting opportunities ahead for businesses that embrace agile digital printing solutions alongside their traditional printing methods.

Do you have the right technologies and processes in place to leverage new opportunities emerging in this new normal?

# Flexibility is the Future

Technological innovation, market-proven profitability, and upgradeable systems are crucial to future-proofing your business.

In this eBook, we will explore seven key emerging trends in the label and packaging industry, drawn from our industry research.

You will learn how HP Indigo can help you leverage these key industry drivers to make sure your business meets the challenges of today and more importantly tomorrow.



# Trend 1 Packaging as a platform to drive positive change

In an increasingly globalized world, the label and packaging industry is being exposed to a wider variety of challenges, from financial crises to global pandemics to supply chain shortages. While PSPs and converters have experienced growth in spite of these hardships, a key lesson is the importance of agility, and the ability to pivot when new opportunities arise.

## The demand for greater sustainability

Onshoring increased, as customers that relied on global supply began to consider making their footprints more local by adding regional suppliers or replacing current cross-regional suppliers. Existing megatrends, such as widespread e-commerce, fast-moving consumer goods, and sustainability have evolved rapidly.

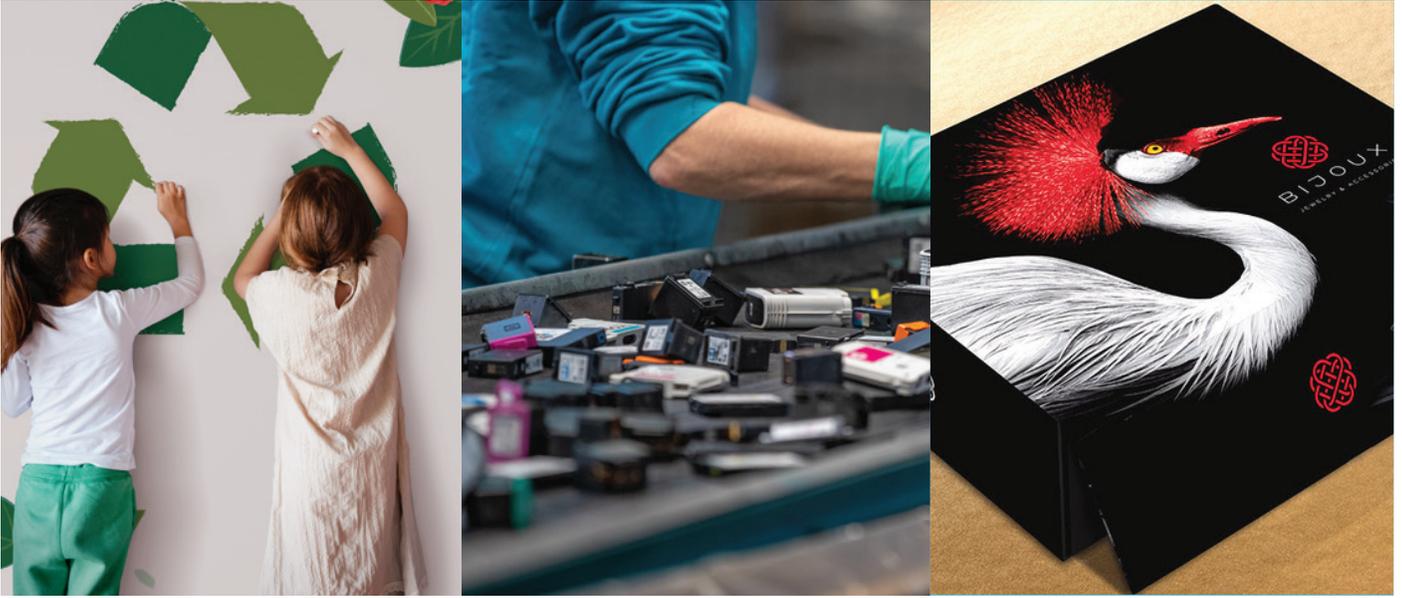
Brands have the opportunity to go beyond efficiencies and use digital printed packaging to strengthen consumer engagement and drive sustainable behavior change, all while accelerating sales.

Brand marketers may sometimes feel disconnected from the sustainability dialogue within business, but together with sustainability and supply chain leaders, they have the ability to influence massive internal and external change, showing how packaging innovation can be good for the planet, people, and profits.



Take Hershey's for example, with #HerShe. The famous confectionary company used digital print to create a truly creative and engaging marketing campaign to celebrate women and encourage an important gender conversation all while digitally printing its packaging in a more sustainable way and reducing the business' impact on the environment.

# #HerShe



In a recent survey of print suppliers, 77% of respondents recognized that crisis presents an opportunity for innovation<sup>1</sup>. The pandemic crisis has highlighted that versatility, productivity, and readiness for change are the best “vaccine” for the future.

“Empowering women and advancing diversity, equity, and inclusion is a business priority for us. We invite new perspectives, ideas, and experiences in everything we do to reflect the diversity of consumers around the world. Throughout the campaign, HP has helped us to open our eyes to the power of digitally printed packaging, allowing us to engage with our audience creatively and uniquely while celebrating women and their achievements globally.”

-Santhi Ramesh, CMO, The Hershey Company



# Trend 2 Agile supply chain

## Get there, faster

Product lifecycles are becoming shorter, customer preferences are changing faster, and there is more pressure than ever for brands to get their products on the shelves quicker and for converters to speed up the order-to-cash timeframe. It is clear that converters need to be able to print anything and be ready to switch quickly. Unlike traditional methods, HP indigo digital printing provides brands and converters with the tools to respond to the latest customer trends.

Innovative Labelling Solutions is an industry-leading label solutions service provider that was able to pivot production to satisfy booming demands caused by COVID-19.

“Because of the versatility of our Indigo presses, ILS was able to pivot and rapidly deliver products to meet the extreme demands for medical, nutraceutical, household, food and beverage labels, and other packaging. We were able to do this with reduced staff on-site because of the much simpler workflow and automation implemented over the last several years.”

-Jay Dollries, President CEO, Innovative Labelling Solutions



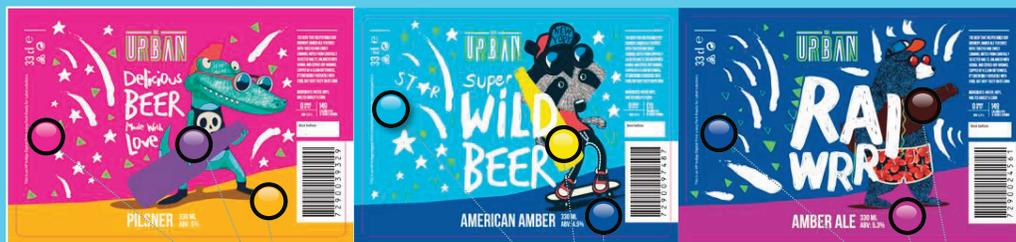
## Expensive raw materials

Another value-add provided by digital printing—which has become even more significant over the past year—concerns the cost and availability of raw materials. Prices are on the rise, with many converters reporting increases of more than 20% in 2021 alone. Digital presses can save 100-200 meters/~300-600 ft of wasted substrate per job. In fact, a highly versatile digital press can put 17-35K meters/50-100K ft of otherwise wasted substrate back into the ecosystem, immediately improving your top and bottom line. HP Indigo solutions provide a better level of predictability, not only relating to cost estimations but the predictability of getting supplies on time. This is because HP offers both the press and supplies/ consumables and have A-Z control over the supply chain.

## Greater color consistency

HP Indigo digital technology is more consistent, providing reliable color and quality output from one job to the next, thus reducing the need for additional press checks.

Original job



Spot colors



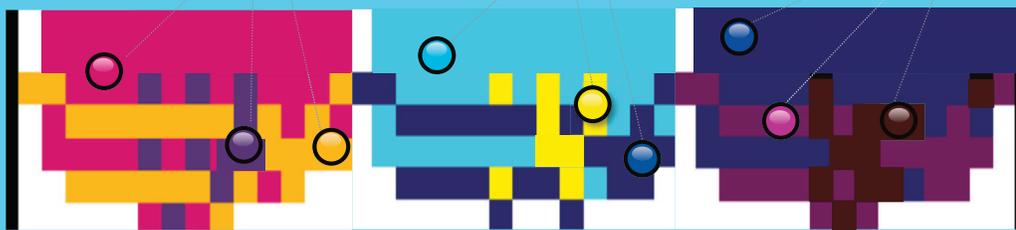
Spot colors



Spot colors



Spot calibration job



## Print on any substrate

Part of answering brand's needs is being agile enough to accommodate varied requests. HP Indigo digital technology enables converters to print on any substrate with minimum waste.

## Customization and versioning

With HP Indigo digital technology, you can enable your customers to test products with specific demographics, version packages based on one-time events, and integrate track and trace on a per-pack basis.

## Tighter lead times

HP Indigo digital presses enable faster time to market for brands and quicker turnarounds for converters. Just-in-time (JIT) printing allows brands to produce exactly what the customer needs, when they need it.

## Streamlined workflow

We offer the latest technology to allow you to optimize print operations, automate production, and expand your offering to build the factory of the future.

# Trend 3 E-Commerce

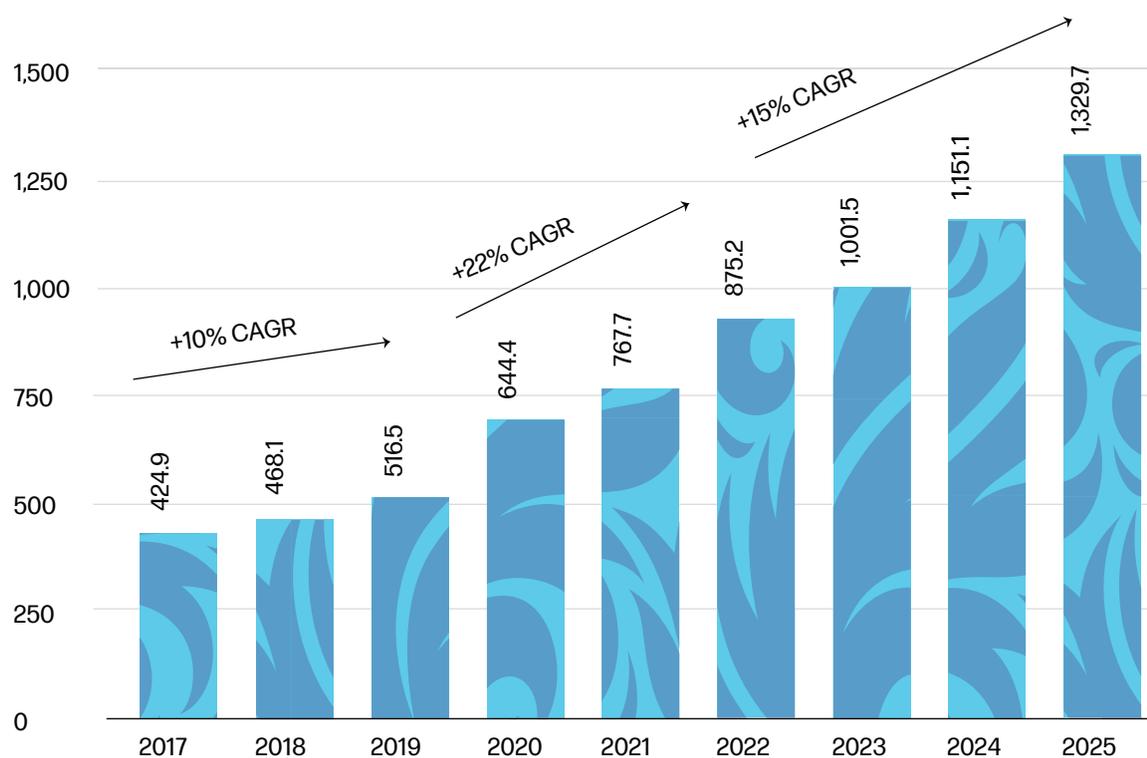
## Get E-Smart

### Web2pack/e-commerce

As consumers increasingly turn to the internet for everything from specialty products to subscription services, the realm of e-commerce continues to grow exponentially. By 2023, the value of the global e-commerce market is expected to reach \$6.6 trillion<sup>4</sup>.

The best way to serve small brands with maximum automation and minimum human touch points is to develop an online storefront that attracts small brands and allows them to get quotations, upload art, and track their job status. This can open up new high-margin jobs and, at the same time, focus your sales team on larger brands.

Over the last decade, e-commerce has steadily increased its share of the retail sector. However, recent statistics show that US consumers are now spending more than 1 in 6 retail dollars online; and US e-commerce revenues are expected to reach 1.3 trillion by 2025<sup>5</sup>.



U.S. Ecommerce Penetration (% of Retail Sales)

Source: Statista, 2022

This opens up new opportunities for your business as demand grows for e-commerce approved packaging that meets customer requirements.

## Anti-counterfeit

With the rise of e-commerce, counterfeiters are now able to infiltrate online marketplaces and social media streams too. We offer an innovative security shield that allows users to tailor their security solution with a virtually limitless combination of security elements, techniques, and overt and covert security levels.

## Traceability

HP Indigo makes it easy to maintain product visibility throughout the whole supply chain through track and trace, using variable data and images.

## Brand engagement

With HP digital print, brands have the potential to double ROI through consumer engagement via personalization and co-creation, a journey that makes consumers feel united and ignited by a sense of belonging<sup>3</sup>.

## Sustainability support

Not only do the majority of consumers (51%) want to buy more sustainably, but 68% of them say that they rely on brands to act as leaders in delivering positive social and environmental outcomes in wider society<sup>2</sup>. Brands are realizing that packaging is a key area where they can make a difference HP Indigo can help brands meet their sustainability targets. You can print on any substrate and produce quantities in limited numbers. We've also improved recyclability and regeneration of packaging and labelling, and our inks are safe to use.



# Trend **4** Tailor-made brand protection solutions

## Protect Brands and Consumers

Trade in counterfeited and pirated goods is rising steadily. With hundreds of billions of dollars lost to counterfeiters every year, companies face a significant challenge to protect their brands against product diversion, counterfeiting, liabilities, and reputation loss.

At HP Indigo, we offer brand protection printing solutions that enable you to create an adaptive security shield to fit specific client needs.



Combining high-speed hardware and software to create multi-layered protection, our digital presses can help reduce security breaches through a virtually limitless combination of overt, covert, and forensic security elements.

### Track and trace

With a simple visible marker, you can detect and pinpoint printed products anywhere in the supply chain. Each item is authenticated at various points to help minimize product diversion.

## Specialty inks

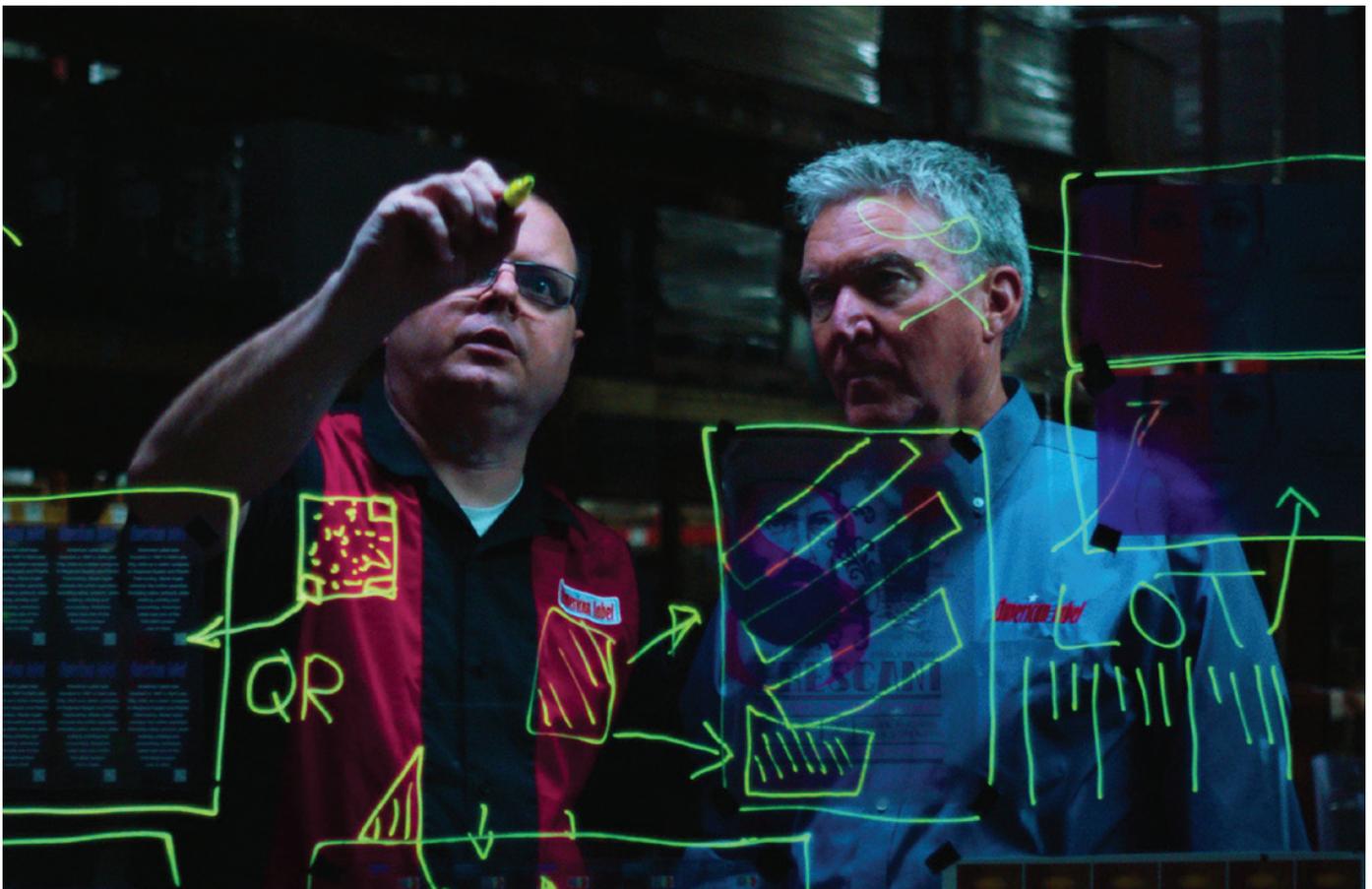
We offer innovative security inks such as invisible, infra-red, and taggant inks as well as cutting-edge imaging technology that delivers accurate microtexts, fine lines, and dots that hide verification data.

## Innovative partnerships

We have longstanding alliances with trusted and credentialed global leaders in the security market, including Agfa, Digimark, Micro Focus, and JURA to make it harder for counterfeiters to determine authenticating marks.

## RF-Active Devices

Miniscule RF-active devices that are inserted into the printed product and monitored by RFID scanners.



“After seeing more knock offs and counterfeit products...we did some R&D and checked out HP’s visible and invisible microtext, guilloché, serialized numbering, and matching QR code combinations. The technology is mind blowing. It was a real game changer.”

Rob Bullen, Digital Packaging Innovator,  
American label

# Trend 5 Digital transformation

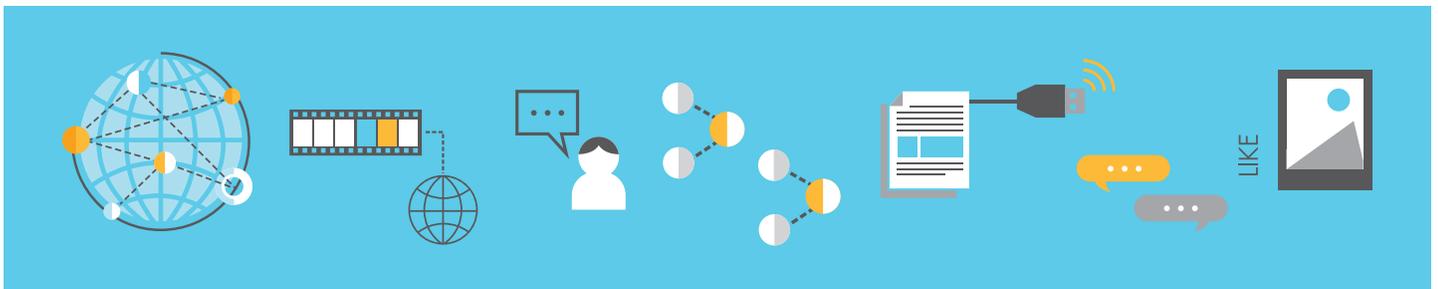
## AI and automation

Investing in innovative technology, automation, and training today will better equip your workforce to meet the needs of clients in the future.

From self-driving cars to smart assistance, AI and automation are changing the rules and redefining industries. As demand for a more efficient supply chain increases and operational headcount continues to decrease, AI will play a crucial role in the future of the printing industry. This has become even more urgent in recent times, as businesses seek to optimize supply-chain and reduce production risk. The ability to control operations remotely will become an industry standard.

Tapping into the latest smart printing processes and automating workflow allows businesses to keep costs down and output up by enabling the production of exact quantities, processing more jobs in one day and reducing touch points. This then leads to better industry sustainability, energy usage, and waste reduction.

The adoption of network-driven cloud-based solutions and the connection of diverse devices and interfaces in The Internet of Things also offers PSPs greater transparency across the supply chain, the centralization and streamlining of facilities, and the digitization of quality control.



## A world-class service training portal service

HP Indigo Services provides first-class training, smart tools, and technologies to continuously refresh and promote operators' skillsets. The certification program is designed to ensure that up to 80% of issues can be solved independently, creating highly skilled and self-sufficient operators who are more in control of their processes.

## Labor considerations

As it gets harder to find, train, and retain good production labor, converters with digital solutions are more likely to attract younger, more digitally savvy workers. The next generation is more likely to say yes to operating high-tech digital equipment.

# Trend 6 Keeping up with legislation

## Regulations

Frequent changes in regulations pose huge challenges for brands, forcing content on packaging and labelling to change with them. Companies operating globally need to contend with local regulations too, where each region or country must verify packaging compliance with local laws. This requires the creation of multiple SKUs for the brand to manage.

Other stipulations, such as food-safe ink requirements for food products, challenge printers that can't offer food-safe packaging because the technology is not safe for food. With mounting pressure for brands to educate customers on product content from potential health hazards to nutritional values such as salt

content and allergens—frequent changes in packaging and labelling content are inevitable. Oversights and mistakes risk noncompliance, public trust, and even consumer safety.

Inaccurate labeling could also put your company at risk of legal ramifications. The Federal Trade Commission has issued Green Guides to help brands ensure that the claims they are making are true and substantiated.

If your labels make any unqualified recycling claim based on this criteria, you're violating FTC guidelines, which can result in legal action and costly penalties.

## A dynamic solution

For traditional printing systems, these complex and evolving regulations are costly since each new item requires the creation of a plate. This incurs further waste and setup, and also slows down time-to-market.

With HP Indigo technology you can meet these regulatory changes easily, by enabling you to prepare products with different label requirements for different end users.



**86% of consumers expect food and beverage brands to actively help increase recycling of the packages they use for their products. In fact, incomplete or inaccurate information can cause consumers to lose trust in your brand.”<sup>4</sup>**

**-David Roberge, Industrial Packaging**

Trend

# 7 Sustainability

## Shrink your eco-footprint

Sustainability has become a key motivator for a new generation of cleaner, greener consumers. Nearly 85% of packaging respondents to a recent study reported that their customers were requesting sustainable products, sustainable manufacturing processes, or both.<sup>7</sup>

It is HP's mission to become the most sustainable and just technology company. And we've taken steps to address the environmental concerns facing your industry. HP Indigo is working with the supply chain to develop recyclable and compostable packaging solutions. HP Indigo ElectroInks comply with leading food packaging regulations and are free of UV-reactive chemistries. And all Indigo presses are manufactured carbon neutral.



### A sustainable approach to printing

Switching to a digital printing solution can help PSPs and brands practice a greener workflow.

## Importance of packaging sustainability to customers



# 92%

of respondents think sustainability in packaging has never been more important

### Reduce waste

Unlike traditional printing methods, digital printing does not require the creation of plates and cylinders. “Just-in-time” printing runs allow brands to order to demand, while soft-proofing eliminates the need for unnecessary printed proofs. This drastically reduces inventory waste particularly in the face of regulatory changes.

### Responsible printing

HP Indigo’s ElectroInks have been certified for use on compostable packaging. Your HP Indigo digital press will also allow you to print on a wide range of responsibly sourced materials our machines are compatible with over 1,500 media carrying environmental credentials.

“In one eight-hour shift, an HP Indigo 8000 Digital Press can save 125 plates, 10 kilometers of substrate waste, and 2 days production time (compared to Flexo).”

-Mark Arends, Managing Director, Interket Holland

### Reduce energy emissions

We use the latest computing and printing and imaging technology to ensure our machines are energy efficient. Our digital presses have been independently audited as part of LCA studies and are shown to be significantly less environmentally damaging than traditional methods.

### Compatibility with plastic recycling

HP Indigo is a certified member of CEFLEX (Circular Economy for Flexible Packaging). With these digital presses you can print on single polymer flexible pouches, PET bottles, and shrink sleeves.

# Making a safe investment in your future

The last several years have certainly proven the need for a digital-first mentality. And as the industry moves quickly to cope with new demand, investing in the right set of technologies now will pay dividends in the future. The digital labels and packaging press you select for your business must be versatile enough to serve multiple markets, produce a wide array of applications, and print on a wide range of substrates. At the same time, it must be highly productive, deliver profitable solutions, and ultimately prepare your business for the future.

## In an increasingly disruptive world, we can help your company become a disruptor

As the world leader in digital print, we provide converters with unmatched technological innovation, market-proven profitability, and upgradeable systems to help your business meet the needs of customers today—and, more importantly, tomorrow.

Learn more about how HP indigo can help futureproof your business at [hp.com](https://hp.com)



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4AA7-8324ENW, June 2022. This is an HP Indigo digital publication