



What digital printing means for the next generation of packaging:

7 key lessons for brand owners

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Introduction

New Statesman Media Group, in partnership with Kodak, reached out to consumer goods leaders to learn the most important considerations when choosing printed packaging, especially for new marketing strategies in a post-Covid-19 world.

We wanted to hear from the people directly involved with packaging, design and marketing in their respective organisations, to ensure the information provided useful insights that could help shape the future direction of digitally printed packaging.



Matthew Rogerson
Editor, Packaging Today

Now more than ever, consumers need to know where their products come from and that they are able to purchase the high-quality, sustainable and convenient goods they need. Printed packaging, especially digital, has the potential to drive innovation and opportunity in the market.

1

Digital printing provides new opportunities – brands must keep up with the latest advances

There is no doubt digital printing is having a profound impact on the packaging industry. While the technology has been around for decades, there have been significant advances in recent years. Today, brand owners are becoming increasingly aware of the wide range of benefits digital has to offer.

In 2019 the total market value of all digital packaging and label printing was \$18.6 billion. According to Smithers Pira's market report at the end of 2019, the value of the digital packaging sector will reach \$31.6 billion by 2024.

We can reveal that 86% of respondents from our survey believe digital printing provides new opportunities for their brand.

A total of 43% said that when selecting a printer or converter, proactively offering new capabilities/ innovations was one of the three most important factors contributing to their decision. This suggests it is crucial for brands to seek out advice and guidance on the latest digital printing capabilities for packaging.

86%

of survey responders believe digital print provides new opportunities for their brand

43%

said proactively offering new capabilities/innovations was one of the three most important factors when selecting a printer or converter

32%

of respondents said digital capabilities were one of the three most important factors when selecting a printer or converter



Dr Sean Smyth
Analyst, Smithers

Brands are looking for printers that will proactively offer the latest, innovative services.

2

A gateway to greater consumer engagement

Digitally printed packaging is providing brands with new ways to create an interactive dialogue with the end users of their products. Statista estimates that in 2020, 3.5 billion people worldwide use a smartphone. It is hardly surprising, then, that brands are turning to methods like QR codes to interact with consumers through packaging.

Our survey found that 73% of respondents believe digital printing provides improved consumer engagement, while 32% said that adding custom codes for consumer engagement was one of the most appealing applications of digital printing. Those working in the food and beverage industries rated both of these significantly higher than other industries.

In addition, 51% of all respondents said increased consumer engagement at the point of sale was one of the most beneficial factors when considering new marketing strategies.

73%

of responders said digital printing provides improved consumer engagement

32%

of consumer goods professionals said adding custom codes for consumer engagement is one of the most appealing aspects of digital print

51%

believe increased consumer engagement at the point of sale is one of the most beneficial factors when considering new marketing strategies



Vicki Strull
Packaging design
consultant

Consumer engagement on social media and for e-commerce sales is one of the leading trends in packaging and print, and for good reason. The old model of browsing and lingering in store has disappeared – for now. We are reachable almost all the time on our smart devices. Brands have the capability of speaking directly to consumers throughout the purchase process – anywhere, anytime, anyhow.

3

Digital print allows brands to get to market faster

As print plates do not need to be changed, digital printing enables quick tweaks to designs and fast turnaround times of less than 48 hours.

85% of respondents acknowledged that digital print allows a faster time to market. 74% and 26% respectively said short run or print on demand and just-in-time projects were the most appealing applications of digital print.

Being able to keep up with the speed of the online world has been particularly important during the pandemic. 38% of our survey respondents increased their online advertising, while 52% expanded their social media use as part of their marketing strategy because of Covid-19. Conversely, only 8% of respondents said they had increased traditional print advertising.

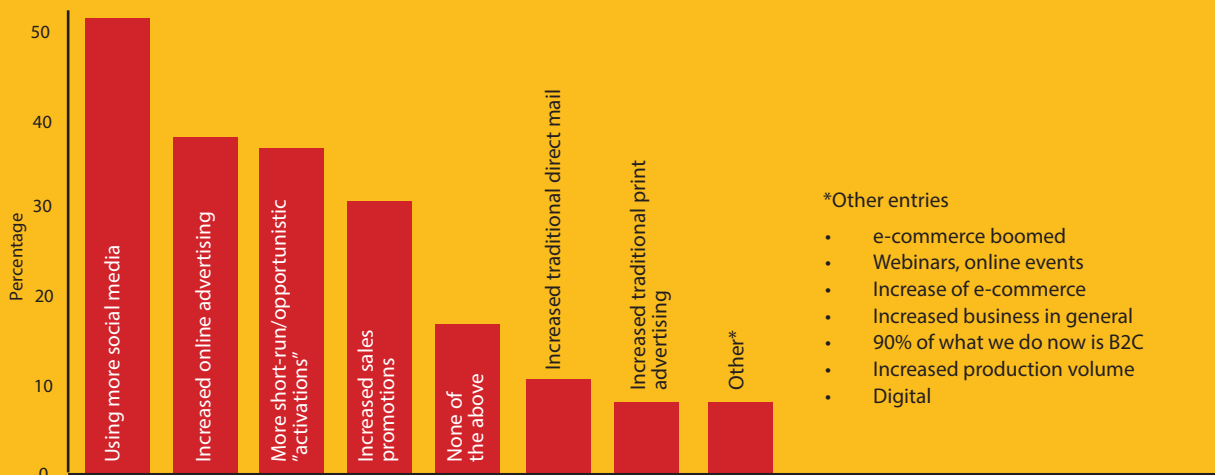
Perhaps most interestingly, 37% said they had carried out more short-run “opportunistic” activations since the outbreak of the pandemic.



Ed Zumbiel
President, Zumbiel
Packaging

The pandemic has been an accelerant of trends that were already in play – in the last five months, we’ve moved forward five years.

How has the pandemic affected your marketing strategy?



4

Personalisation is key

Digital printing makes it easier for brands to create unique, carefully tailored packaging and engage with consumers.

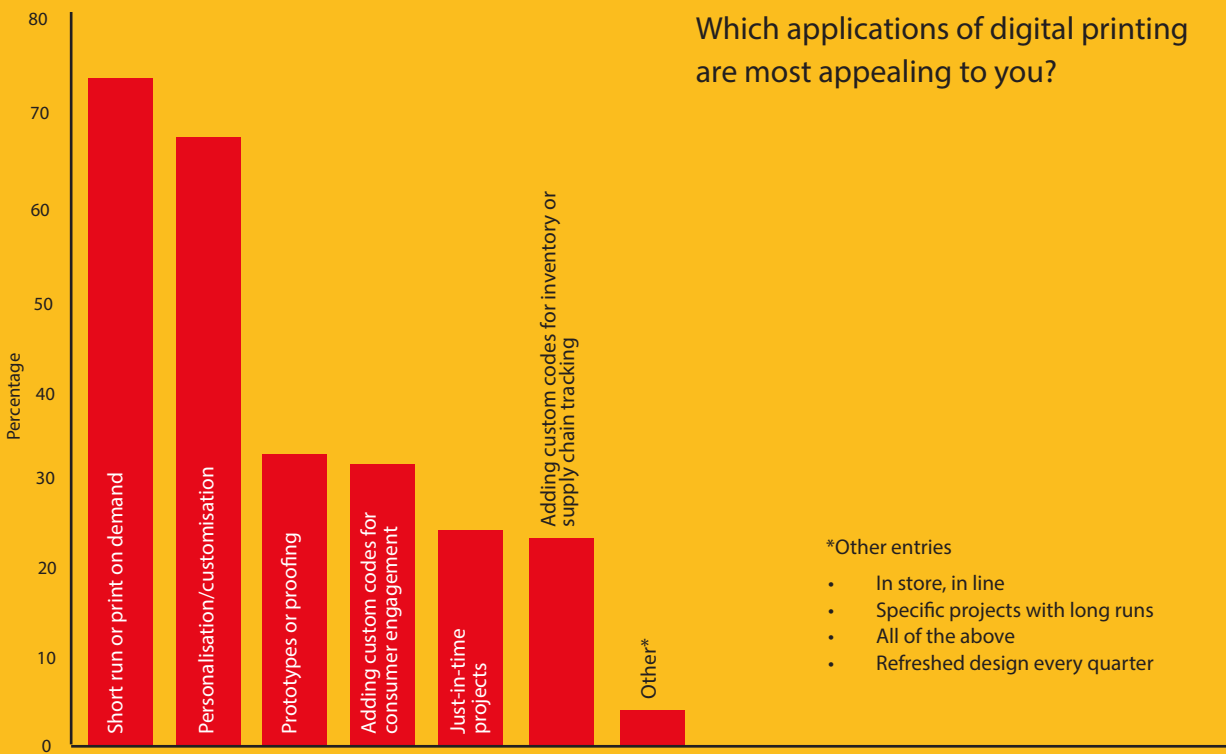
Personalisation ranked as the second-highest factor, after short print runs, when we asked our survey respondents which of the digital printings applications were the most appealing. In addition, 58% said the ability to differentiate from competitors was one of the three most beneficial factors when considering new marketing strategies.

However, it's time to go beyond campaigns like the 2011 'Share a Coke' that first opened the door to personalisation and get more creative if brands are to retain a competitive edge in the market.



Matthew Rogerson
Editor, Packaging Today

Over the past decade or so there has been a seismic shift in the market from a mass consumer approach where marketing was by block, to the agile personalised approach that digital has unleashed.



5

Transparency in the supply chain is more important than ever post-Covid-19

According to a 2019 report by the Organisation for Economic Cooperation and Development, counterfeit goods now account for 3.3% of global trade, a figure which is steadily rising. The outbreak of the pandemic has only exacerbated the problem, and there has been a surge in illicit and substandard products linked to Covid-19.

Digitally printed packaging can be used to aid anti-counterfeiting efforts, protecting brands and consumers. Unique information, like item-specific QR codes, enable greater tracking capabilities and the ability to confirm the authenticity of a product at any point in the supply chain.

25% of our survey responders said adding custom codes for supply chain tracking was one of the most appealing applications of digital printing. With counterfeiting on the rise, it is vital brands do not overlook the crucial role packaging can play in ensuring the security of their products.

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Marco Boer
VP, IT strategies

Transparency is vital in a post-Covid-19 world – we need to know where our products came from and how they got to us. Digital print has the ability to provide this data and protect brands from grey marketing, counterfeiting or theft.

6

Cost and quality will always be the baseline

Our survey results were unequivocal in demonstrating that quality and cost were, unsurprisingly, by far the most important factors when selecting a printer or converter.

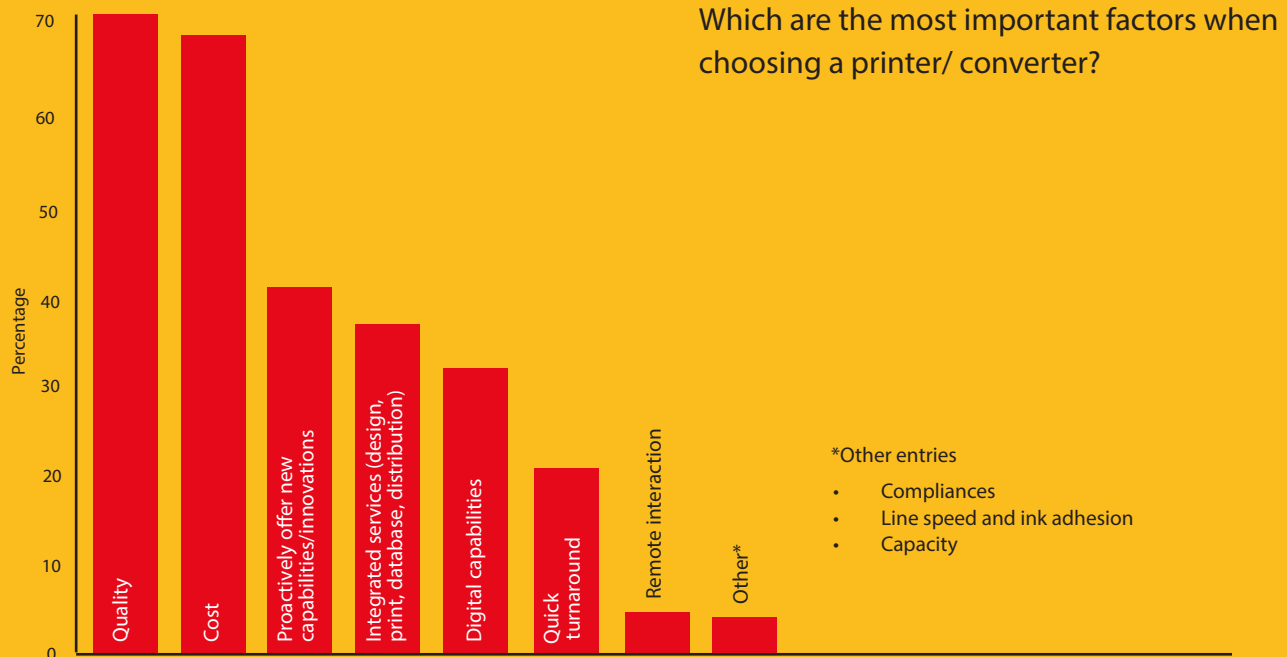
Both the set-up cost and cost per unit for digital are considerably lower than traditional printing methods when the entire life cycle of the package is considered. What's more, quality remains consistently high.

Kodak's inkjet technologies offer quality comparable to current analogue at half the cost of existing digital print solutions.



Randy Vandagrif
SVP, digital print,
Kodak

Quality is table stakes and our digital equipment is indistinguishable from the traditional processes. And we have the lowest operating cost of any digital solution.



Don't underestimate the power of sustainability

Brands are looking for ways to demonstrate their green credentials. This is playing a significant role in consumer engagement as modern consumers are starting to examine the environmental track record of a company before deciding whether to make a purchase.

Kodak's technology uses water-based inks that are much safer and greener than solvent-based inks.

According to new research carried out by Trivium packaging in 2020, 74% of consumers are willing to pay more for sustainable packaging.

Interestingly, only 31% of our survey respondents said lower environmental impact would be one of the three most beneficial factors when considering new marketing strategies. Factors like increased agility and the ability to differentiate from competitors scored significantly higher. This suggests there may be a gap between consumer demand for sustainability and brand fulfilment.

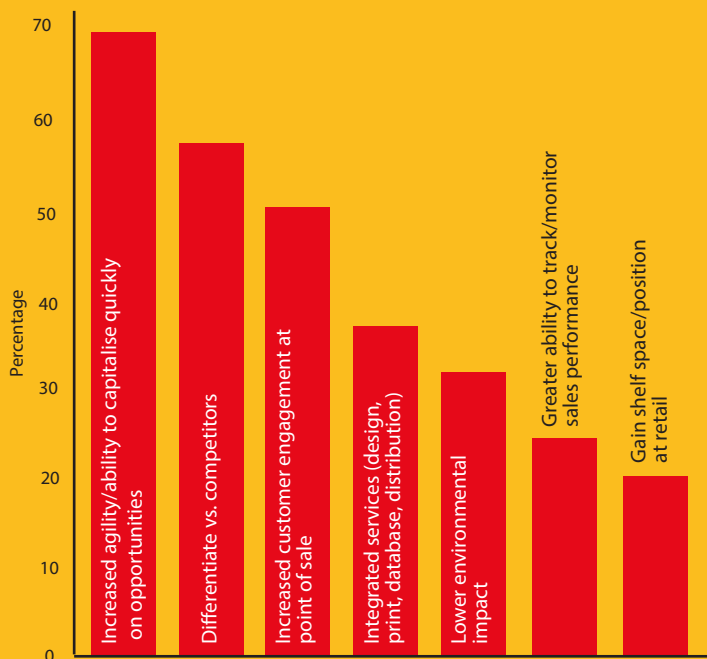
Currently it seems the brands surveyed view sustainability as an added benefit, rather than the single motivating factor when deciding on new packaging options.



Laurel Brunner
Journalist and
sustainability consultant

Sustainability is increasingly important to consumers. Brands recognise this but they're also using sustainable packaging because it makes them money, and supports their CSR goals and shareholder expectations.

Which three of the following would be the most beneficial when considering new marketing strategies?



Conclusion

- Brands should embrace the latest innovations in digital printing, or risk being left behind
- Digitally printed packaging facilitates a higher degree of interactive consumer engagement and presents an opportunity to get valuable insights about purchasing behaviour
- Increased agility and the ability to carry out just-in-time printing is crucial for post-pandemic marketing campaigns – now more than ever brands need to keep up with the speed of the online world
- Sophisticated personalisation is key to helping brands stand out from competitors – it's time to go beyond the basics
- Transparency in the supply chain is vital for protecting brands and consumers, especially in times of crisis
- In order to connect with modern consumers, sustainability must not be overlooked
- The latest digital printing technology, like Kodak's presses and hybrid printing solutions, enable brands to take advantage of all the benefits of digital at unprecedented scale



Randy Vandagriff
SVP, digital print, Kodak

The sheer volume of digitally printed packaging that can be produced through our solutions allows clients to get to market faster, with more of their product than ever before.

How we conducted the survey

We canvassed the opinions of 108 professionals in the consumer goods industry, with the majority of responders having a responsibility related to packaging, brand/marketing, operations and purchasing/procurement.

59% of people responding were from the food and beverages industry and 59% were directly responsible for packaging. Other responders worked in the household goods, personal care, retail and tobacco industries.

59%

of people responding were from the food and beverages industry

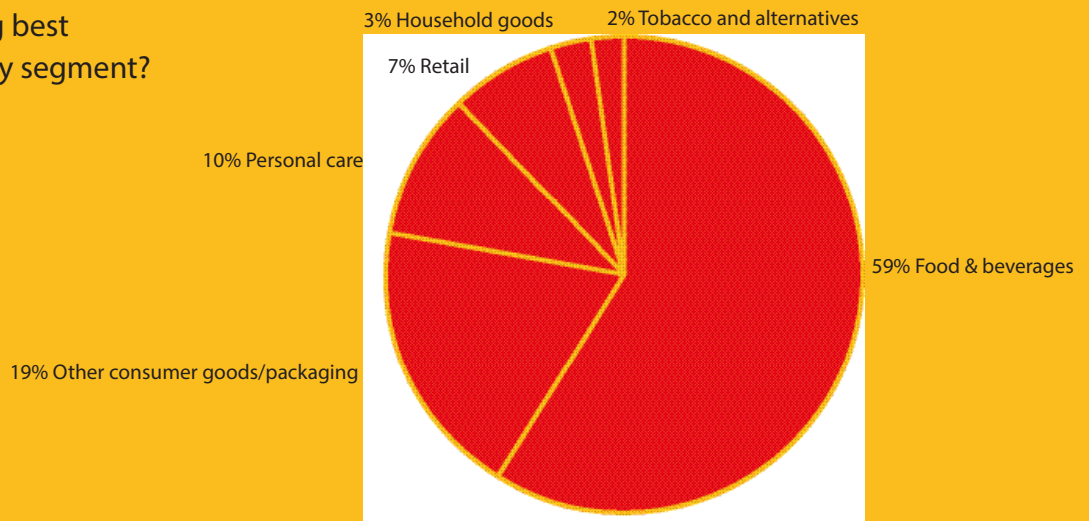
59%

of people responding were directly responsible for packaging

16%

of people responding were responsible for brand/marketing

Which of the following best describes your industry segment?



Which of the following best describes your main responsibility?

