

BUSINESS AS USUAL?

Not in the European label industry!

The 2019 FINAT European Label Forum brought together a large proportion of the extended label industry value chain in Copenhagen in June. The agenda was very much focussed on business strategies for a successful future – the core target for FINAT, the international association linking the label community.



The conference was introduced by association President **Chris Ellison**, of OPM Labels & Packaging (UK), who highlighted the key challenges today: economic uncertainty in Europe, and, in the face of an ageing population and changing skillsets, the need for initiatives to reach out to, and engage, the next generation of talented business leaders, engineers and designers for the label industry. He outlined the highly-relevant pathways FINAT is working on to help members on a positive journey to solving these issues.

Frederik Krause of TickoTryk A/S (DK) welcomed delegates to the beautiful city of Copenhagen. As President of the Danish Label Association – in which, he said, ‘all our members are very, very active’ – he underlined the association’s efforts to attract young participants to the industry.



‘If you want a breakthrough..!’



‘If you want a breakthrough, look outside your current environment’, challenged **Hamish Taylor** (UK) in his opening keynote address to the delegates. Today an innovation enthusiast and a speaker and broadcaster of international repute, his business career path has spanned such leading brands as Procter & Gamble, Price Waterhouse, British Airways, Eurostar, and Sainsbury’s Bank. He stood back from his varied experience base to create, for ELF participants, a masterly and thought-

provoking presentation on how to change the way we think, learn, and understand about the needs and wants of our customers.

Everyone is a customer Nothing could be more appropriate for the label and packaging industry today; and **everyone** in this complex supply chain, said Hamish Taylor, is a customer – including colleagues in the company in which you work.

The key to success, he underlined, is to act like a master thief -- to 'steal ideas' from one situation and apply them in a totally different one. It is a proven, major winning strategy, he has himself proved, for brand success. His wake-up call was that you need to show you really care about your customers' business, and to get closer to them than anyone else. After all, he said, in the world of labels and packaging, you 'spend your time painting the face of the world's leading brands!'

The Nordic label market



Lars Ole Nauta (DK), CEO of Flexoprint AS and Vice President of the Danish Label Association, and **Leif Persson** (SE), Senior Vice President and Managing Director of Sweden's StrongPoint organisation, drew an interesting portrait of trends in the Nordic label market. In the self-adhesive label market, Lars Ole Nauta predicted that consolidation, environmental concerns, leadtimes, and – again – the need to attract young industry participants as they exit from university education would be ongoing concerns. The latter is already an active platform in Sweden, as Leif Persson showed; and he also highlighted, as well as

local business issues, the changing focus of a printed label – in terms of word content (due to legislation, food safety, and other issues) rather than simply branding.



FINAT market update



It was then the turn of FINAT Managing Director **Jules Lejeune** (NL) to report on European market statistics, trends, and developments. In terms of label substrates, he showed, non-paper rolls had increased their market share to 27% of total demand in 2018, and sheet label consumption had declined again by over 2%. He said that the top five label market countries in Europe – Germany, UK, France, Italy, and Spain – account for almost 60% of the total, with Russia and Poland now 'knocking on the door'. Only two countries in the

broader European market – UK and Turkey – evidenced any market decline in 2018 over prior year.

Changing end-use market focus

The industry profile, he showed, exhibits a remarkable shift in end-use markets over 2017, with only pharmaceuticals, personal care, and household chemicals exceeding growth rates of the prior year. While 2017 was the year of 'non-prime' (variable information) growth, 2018 showed stronger performance of the 'prime' labelling sectors.

Interestingly, converters surveyed in FINAT's researches projected that their purchases of conventional analogue presses would outnumber those of digital presses in 2019 and 2020. In the sustainability arena, recycling of ALL spent release liner is now actioned by around a fifth of label converters surveyed, with a further 11% recycling some, and a further 33% engaged in planning a system set-up in the next year. With short-run digital print and the current focus on innovative decoration aspects, the label market's prospects are, said Jules Lejeune, still promising.

A look at the global market



Corey Reardon, President and CEO of Alexander Watson Associates (NL/USA), went to look at the broader global labelling and product decoration market. By technology, he showed, self-adhesive labels still enjoy the majority share, at 40%, with glue-applied labels in second place at 35%, and the sleeve labelling technologies now in third place at 19%. While self-adhesive labels continued to grow by over 5% in 2018, thanks to their flexibility, variety, and efficiency, sleeve labelling grew faster; and in-mould labelling also grew at above 4%. Industrial/variable information print label applications still represent the majority end-use shareholding, at 45%, but primary product labels are now just 1% behind them in terms of global volumes.

Asia is the largest regional market – and also the fastest-growing for all labelling formats – but the label market enjoyed growth globally in 2018 at over 4%. Corey Reardon's analysis spanned digital packaging and label print, direct-to-container print, merger and acquisition activity and industry consolidation, and of course the industry's recyclability issues – which, he said, are 'not just a problem for pressure-sensitive technology' in terms of release liner and matrix waste, but also for shrink films in sleeving applications.

'Unpack your future!'

Next, it was time for session moderator **Andy Thomas-Emans** (UK), Strategic Director of Labelexpo organisers Tarsus, to interview **Guido Schmitz** (D), currently Adjunct Professor for Packaging Engineering at Rutgers University, New Jersey, a board member of AIPIA, the Active and Intelligent Packaging Association, and Head of Packaging and Technology Innovation at Bayer HealthCare (Consumer Division). It was an interview that created lively debate in the conference room.



Guido Schmitz quoted Einstein: 'We cannot solve our problems with the same thinking we used when we created them' – and went on to demonstrate how this philosophy is already helping

graduate students in his relatively-new and cutting-edge course at Rutgers to bring innovative thinking to major product manufacturing companies around the world.

In developing a new product, he said, 'you have to address all the questions/issues before people ask them!' He identified ten different types of innovation, and showed that -- while product performance is of course central -- customer engagement; the product system; and branding are also key considerations. The impact of design thinking is aptly exemplified, he showed, by the Apple brand, with not only its variety of market-leading products, but also retail stores and the online Apple and iTunes stores.

He went on to examine the new face of product advertising today, where only about 20% of classic retail products are promoted through classic 'advertisements', and where consumers' buying impulse is actually strongly focused on packaging. Indeed, research shows that 42% of consumers have used a product more frequently because of its packaging; 35% have changed brands because of new packaging; and 65% have tried something new because of its packaging.

Parallel business learning sessions



With plenty of food for thought on this first morning of the forum, delegates enjoyed lunch and went on to select from, and attend, a series of expert-led parallel business learning sessions, across three central topic tracks, in the afternoon. Looking at the smart future of labelling technology, **Tim Paridaens**



(B) of Deloitte Consulting discussed capturing value from the smart labels and packaging revolution, and **Matthias Vollherbst** (D) of



Vollherbst Group presented the business case for Augmented Reality labelling solutions. The second track, covering the sustainability of filmic innovations, examined multilayer flexible packaging solutions for a circular economy in a presentation from **Achim Grefenstein** (D), Senior VP, R&D Group, Constantia Flexibles; and **Casper van den Dungen** (CH), Executive MD at Poly Recycling (CH) and Vice President of Plastics Recyclers Europe, outlined label companies' 'design for recycling' aspects, and the future recycling of plastics in packaging. In the third track, devoted to 'connecting with our target audience', **Koos Wurzer** (NL), Global Employer Branding and Candidate Manager for Danone in Paris, showed what recruiters can learn from a large FMCG customer, and **Alastair Banks**



(UK), founder of digital marketing agency Optix Solutions, looked at building your personal brand in a B2B environment.





ELF delegates enjoyed a rainy river trip around Copenhagen's beautiful waterways in the evening, followed by a wonderful dinner at the city's ancient and elegant Børsen – the one of the world's oldest stock exchange buildings.

The younger generation on the other hand joined YPN's 'Night Dive'. A brainstorm evening for young managers meant to produce fresh new ideas how to successfully contribute to the mainstream activities of FINAT and the labelling industry. (See also pages)



The changing face of retailing



Next day, it was the turn of **Wijnand Jongen** (NL), founder and CEO of the Dutch e-commerce association Thuiswinkel.org and chair of the executive committee of Ecommerce Europe, to study the changing face of retailing and the growing possibility of the end of distinction between traditional and online shopping – a topic on which he has authored a leading management book.

With online retailers opening physical retail stores around the world, labels and packaging are embracing a new definition of their role of enablers in this different shopper landscape – a role they can perform in-store, on-pack, online, and even at home -- with on-pack electronics major contributors

Fully-integrated cashless and cashierless (card payment only) stores, with such shopper options as selecting an item in a store display and then having it delivered to your home, are now a reality. Alibaba in China are leading established examples in this O2O (online to offline) retailing arena, and Amazon are planning to open up to 3000 cashierless stores by 2021. Other popular and fast-growing options are robot deliveries and, of course, Amazon Alexa smart speaking devices – enabling, among other time-saving tasks, voice-activated ordering. Wijnand Jongen said that Amazon are now even working on a device that can read emotions.

In fact, humanity's engagement with the variety of online devices is creating a major change in human communications. As Wijnand Jongen said, 'when families disconnect, they connect!' – as he showed in a video, where 'Mum' wanted the family to set the dining table, but they were all individually online in some way or other. Alexa disconnected them, and the table got set. Wijnand Jongen ended his presentation with a reminder of seven packaging trends to watch for this year, from active food freshness indicator labels to a variety of personalisation opportunities.

FINAT: all about people

'FINAT is all about people', said Jules Lejeune and Chris Ellison as they reported to the general assembly – emphasising the current focus on recruitment of the future label industry workforce, which is supported by FINAT's lively and hard-working newly-named Young Professionals Network, with new President Mikaela Harding of Pulse Roll Label Products, UK, which is tasked with shaping the future of the label industry, and launched this year a successful and inspiring student label design competition, #LABELicious, with the winners to be announced during Labelexpo Europe 2019.

The industry debate



FINAT consultant **Bert van Loon** (NL) and **Corey Reardon** of AWA then went on to chair an audience debate on the current state of the evolving label printing industry, in which label printers are increasingly experiencing the need to become marketing companies and their sales



people consultants or engineers. The animated hour-long debate covered opportunities and challenges across its extended supply chain, including such key topics as the supply chain's relationship with brand owners; the strong need for collaboration across the supply chain to deliver an acceptable product to its customers; and the skills base required of the future label converter workforce. The importance of recycling, design for recycling, and plastics in packaging were also explored. Here, Corey Reardon underlined that it is 'human behaviour, not plastic, that is at fault. Consumer

behaviour has to change.'

Action stations!

It was the task of **Fredrik Härén** (SE) to close the formal agenda on a positive and practical note. This keynote international speaker and author on business, creativity, change, and global business pointed delegates in the direction of 're-creating your value proposition: turning ideas from the ELF 2019 into action'. Commenting that the FINAT ELF was 'a very unusual industry conference', he embarked on a journey that explored the definition of an idea as $p=(k+i)$ – a combination of person, knowledge, and information. A successful idea, he said, must be different -- and better; and the world of creativity, where ideas thrive, is all about positive change. Change must be seen, understood, embraced, and acted upon – and, as the delegates had already heard, it certainly involves copying, as Fredrik Härén showed with dramatic examples from both history, and the current world. What, he asked, could the label industry copy? In the modern world, he emphasised, 'we have gone in the last ten years from saying that some things are impossible to EVERYTHING is possible'...



On this note, Chris Ellison closed the conference, highlighting the special pre-forum converter-only round tables, which provided an in-depth opportunity for label printers to discuss strategic topics relevant to the industry's future. He had seen how delegates had also enjoyed, and benefited from, the extensive networking opportunities around the substantial tabletop exhibition, as well as the 'off duty' entertainment. He highlighted the FINAT Label Industry Awards presentations, held on the first evening, and thanked the event's generous sponsors – a broad, and this year, even wider selection of leading industry suppliers – and the FINAT management team for organising such a unique event

Adding that next year's event will take place in Rome (3-5 June), he said that, 'in the FINAT family, the European Label Forum certainly gives us an annual opportunity to reconnect!'