

Promotional Labeling: How to ease production's *FEAR FACTORS*



This White Paper explains how Marketing's plans for promotional efforts through in-pack or on-pack labels or promotional pieces can help gain buy-in from an essential group: Production.

Easing production fears using these guidelines can make for a successful project whether you buy or rent labeling or inserting equipment for your company's promotional efforts.

It's not enough to simply provide a product these days. The marketplace demands companies offer consumers "extras."

Whether it's such add-ons as cross-promotional coupons, internet tie-ins, recipe booklets, prize-winning games or even temporary tattoos, consumers expect to get more than just the product itself for their dollar—and are willing to switch brands accordingly. Realizing this, marketing experts stay busy devising new methods and improving established ones for pulling consumers to their product's spot on the shelf.

These promotional items are powerful pieces in the profit-margin puzzle and can attract new business or serve to retain current customers. But they also can make even the most seasoned plant professional cringe at the thought of adding another step to the production line for fear of creating slowdowns or stoppages.

The words *labeling* and *insertion* don't have to strike fear in the minds of production personnel. Technology permits the marketing department to create cutting-edge promo tools while offering production personnel peace of mind, all without compromising throughput.

Creating consistency

In the early 1980s, it became clear that labeling equipment designed specifically for the flexible-packaging industry did not exist. During this era, industries increasingly relied on "cents off" stickers. Route salespeople, armed with rolls of labels, often were given the task of manually labeling each package on their routes.

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A promotional labeler

This relatively “stone age” approach not only slowed down routes, it often resulted in either haphazardly applied labels or no stickers making it onto a package if a delivery person fell behind schedule.

The first successful labeler design intended specifically for use on flexible packaging equipment was invented during this time. This innovation coincided with a rise in the use of flexible packaging due to such factors as environmental concerns, package-size flexibility, and cost-per-package. In addition, companies wanted a way to label these packages not only for promotional opportunities, but also for product identification and inventory control.

Labeling now occurred at the plant—not at the sales site—and variables could be controlled more effectively.

Clearly, the industry has come a long way since that time, but a balancing act still exists: How can marketing seize the moment and achieve consistent results without putting a wrench in the production works?

Tech and talk

The equipment itself certainly plays a huge part in creating an in-plant system that is responsive to market conditions and mindful of production considerations.

Today, most lines of labeling and inserting equipment tend to be designed to do anything from A to Z. Companies can purchase one piece of equipment and be able to label anything from small high-speed products to large low-speed products.

But perhaps the best way to integrate promo-labeling and inserting equipment into an existing line has less to do with the hardware and more to do with initiating and maintaining a dialogue among the various parties involved.

Companies seriously considering moving into the promotional arena should pull together the piece or label manufacturer, the

promotional equipment manufacturer, and the line's original equipment manufacturer in the planning stages. This is essential to ensuring the labeler or inserter works in tandem with the packaging equipment—without sacrificing packaging-line operation.

This detail is often overlooked and can cause disaster when the labeler or inserter is installed on the line. Communication between the packaging equipment and the labeling machines can be the most time-consuming element of the installation and can go much smoother if the labeling-equipment maker and the OEM understand the requirements of both pieces of equipment.

Easing production personnel's fears can be achieved by pulling the labeling-equipment supplier into the planning stages early in the process. This enables the supplier to preview the production lines and educate plant personnel. If they're assured integration can be accomplished without a great deal of extra time and cost, they will be more comfortable with the outcome.

Also, the relationship between the company and their labeling equipment supplier is an important ingredient in building a team and eliminating fears. If the company knows their supplier is well-versed in their equipment it reinforces their confidence that the supplier has the knowledge and resources to achieve a seamless integration.

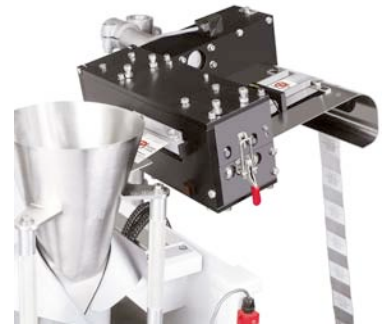
Keep in mind, too, the programs for any add on equipment impact operator personnel. Therefore, companies need labeling-equipment vendors to offer instructions that are easily understood by the average line operator.

Labelers/inseters should be capable of being removed without affecting the packaging line, and packaging equipment needs to be easily reset to its original design without much effort.

Rent or buy?

Still, some companies new to on-pack and in-pack promotions may be leery of making a full commitment to promotional labeling. Other companies find it difficult to justify the capital expense for their promotional activity volume and frequency.

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A coupon inserter

**EPI
Exact Packaging, Inc**

PHONE:

800-755-8344

ADDRESS:

*1145 East Wellspring
Road, New Freedom,
PA 17349*

E-MAIL:

sales@epilabelers.com

www.epilabelers.com

This white paper was
developed under the
guidance of
Linda Fulginiti
President, EPI

No problem. Instead of purchasing a labeler or inserter, companies can rent the necessary equipment. Since these labeling programs are add-on or secondary steps in the packaging process, only minimal re-engineering of existing equipment is needed to perform either process.

In addition to allowing companies the opportunity to test the waters, rental offers the advantage of implementing a promotion without going through the capital expenditure process since the rental cost can be expensed through the marketing budget. Plus, renting puts the responsibility of making the process work on the vendor, not the manufacturer.

Companies need not regard a rental as a second-rate version of a purchase and should expect vendors to:

- Ensure equipment is designed to work on a specific packaging line;
- Offer factory installation;
- Train operators and maintenance personnel using Packaging Machinery Manufacturers Institute-certified training processes;
- Provide plant start-up support; and
- Accept equipment returns promptly to avoid maintenance costs.

Promotional labels and inserts can help marketers achieve a company's goals. A well-executed production line integration can ease workers' and supervisors' anxieties and reduce the fear factors. Establishing a healthy rhythm between marketing and production can contribute to maintaining and expanding a successful business.