



DEEP DIVE INTO LABELS

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FOUR CATEGORIES OF TRENDS

Leveraging Purchased Materials
& Purchasing Additional Materials

Adding Value That Buyers Will Pay For

Onboarding/Training New Employees

Automating Processes to Ensure Efficiencies & Protect
Profit Margins

SUPPLY CHAIN: MATERIALS ARE AGING OUT

Label printers hit by supply chain challenges, like many printers and converters serving all markets, stockpiled materials when they could to fend off potential supply shortages. These materials are now aging out, and label converters are looking for ways to salvage their investments before they literally go to landfill.



Image by <http://taleswithgigi.com>
depicting Aesop's Fable

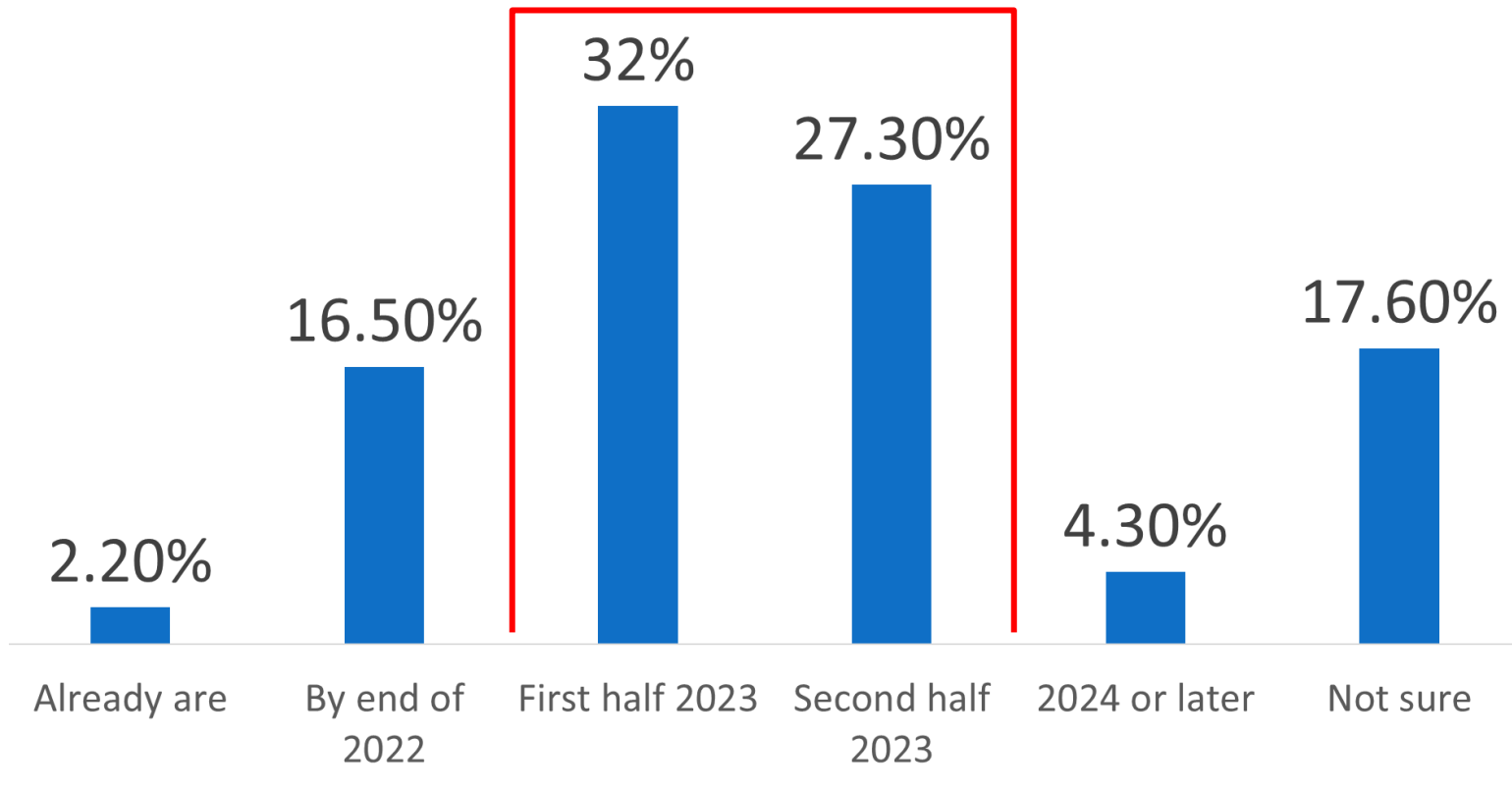
ACCELERATES NEED TO SELL PRODUCT

Label converters are already asking suppliers for guidance on how to use materials past their traditional “expiry” dates. Some are also looking at ways to increase how much product they can make and sell to avoid completely losing previous investments.

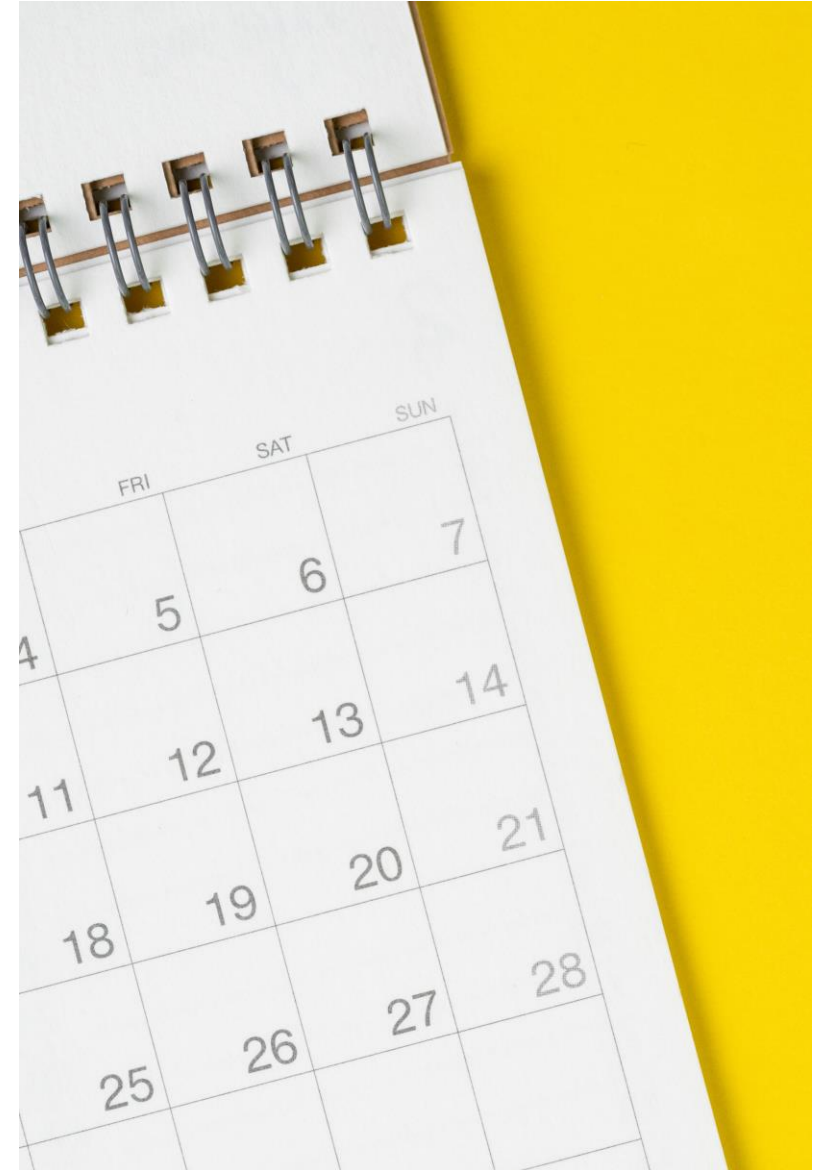


Photo by Brett Jordan | Pexels.com

SUPPLY CHAIN: WHEN DO YOU EXPECT SUPPLY CHAIN CONDITIONS TO IMPROVE NOTICEABLY?



n=278 print service providers. Source: PRINTING United Alliance Supply Chain Conditions Survey, Spring 2022



ASPIRING FOR MORE SALES BEFORE EXPIRY

Label converters are using more sophisticated label converting and printing processes to drive sales for both them and their print-buyer customers.

For many brands, minimalism was the name of the game during the pandemic when a more serious and somber brand voice was appropriate. Now, the brands and their customers want to celebrate.



j-hardenwines.com screen shot |
2022 TLMI Print Award Winner



Photo by Brett Jordan | Pexels.com

PAPER IS STILL IN SHORT SUPPLY

While supply chain surety is improving, one material continues to be a challenge — Paper.

Paper is often imported. Geopolitical circumstances and continuing congestion in ocean freight lines are hindering access to paper inventories — leading to excess inventory in Europe and insufficient inventory in North America.

MATERIAL AVAILABILITY AND PRICING TRENDS

	Availability compared to 60 days ago			Price compared to 60 days ago		
Substrate	More Available	Unchanged	Less Available	Higher	Unchanged	Lower
Paper, Uncoated	4.4%	16.4%	79.2%	95.4%	4.6%	0%
Paper, Coated	2.5%	12.7%	84.8%	96.7%	3.3%	0%
Plastics (other than vinyl)	4.5%	39.8%	55.7%	84%	16%	0%
Aluminum	1.4%	64.4%	34.3%	87.5%	11.1%	1.4%

For each substrate you purchase, how on average have availability and price changed over the last 60 days? n=295

Source: PRINTING United Alliance, State of the Industry Update, Q2 2022

BRIGHT SPOTS IN THE SUPPLY CHAIN

Polypropylene continues to be readily available, and suppliers are continuing to invest in more domestic PP production. For example, Heartland Polymers is building a new plant in Alberta, Canada, and Exxon Mobile is building a plant in Texas.

Chemical suppliers are also reporting supply chain surety has improved with more resilience in the supply chain after the disastrous effects of the Texas storms.



WHAT'S YOUR EXPERIENCE?



CONFIDENCE EMPOWERING LABEL PRINTERS

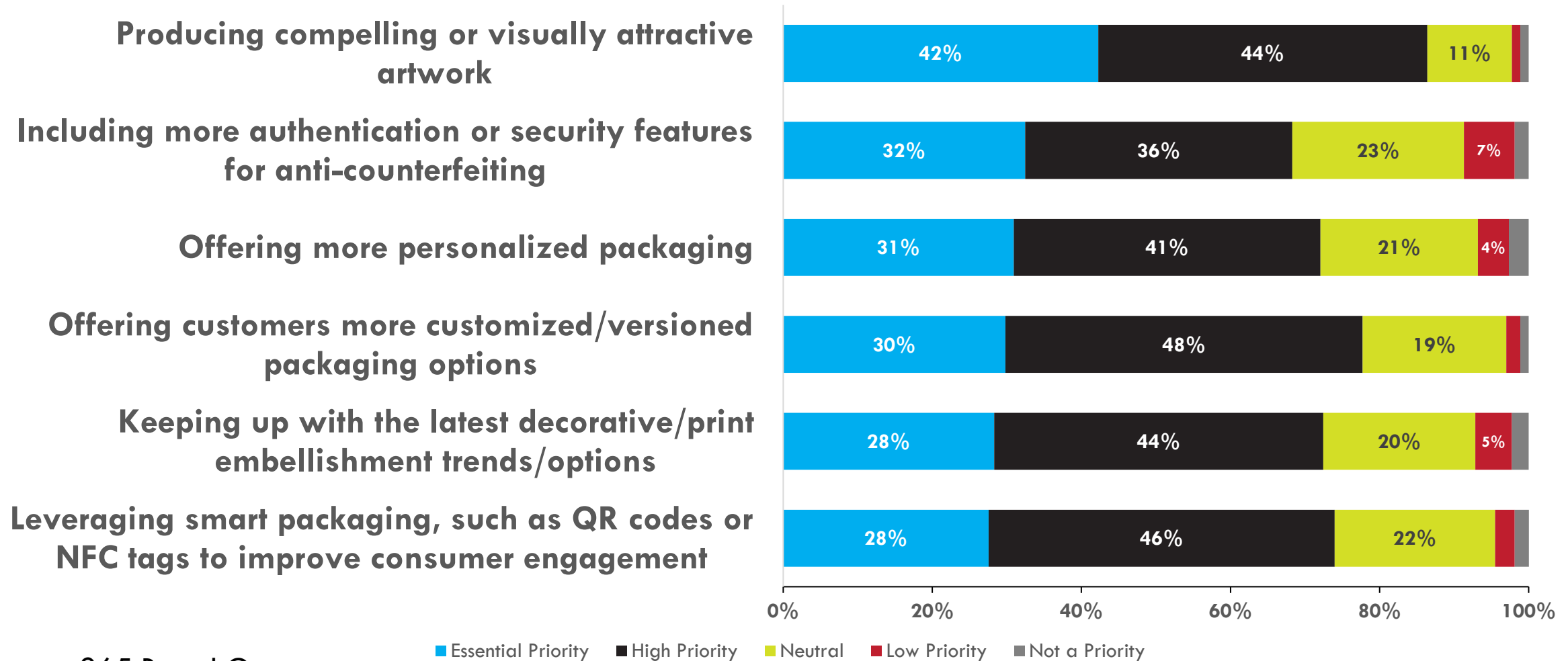
Increased confidence for materials such as coatings is encouraging more label converters and printers to use specialty coatings, such as this label for P6 preworkout. Coatings are used to communicate to consumers in braille and reinforce the idea of movement with raised circle patterns.

Coatings can offer consumer packaged brands a more immersive brand experience as they can be leveraged to communicate through multiple senses through visual and tactile vehicles.



Photo by EHPLabs

Q: What is the level of priority for the following packaging-related objectives?



n=265 Brand Owners

Source: NAPCO Research, Digital Package Printing: The Time is Now!



LABOR SHORTAGES CONTINUE

68.6% expect labor shortages to be a significant issue*

71.4% cite rising labor costs as a major issue*

*Source: PRINTING United Alliance, State of the Industry Update, Q1, 2022



Photo by Mikhail Nilov | Pexels.com

TRAINING NEW EMPLOYEES

Even as labor shortages continue, some converters are reporting success with recruiting new employees.

The challenge, of course, is training new employees, especially when so many older employees have left the printing industry — along with their refined skills and intellectual capital.



WHAT'S YOUR EXPERIENCE?

REDUCING TOUCHES, PROTECTING PROFITS

The pandemic emphasized the need for more automated workflow and operations, and ongoing labor challenges continue to compel label converters and printers to seek more automated solutions for printing and converting and their workflows.

35% of label printers with increased versioning have **already invested in automation!**

But the rising rates for labor are shifting the conversation around automation to explorations of leveraging automation to protect more profit margins. As true as ever, fewer touches equals fewer costs.

KEY TAKEAWAYS

Beyond digital printing, automation is key to success.

Labor remains a challenge. Ensure your organization is poised as an attractive destination.

Leverage printing and finishing technologies to capture the power of attraction.

Don't hoard materials but do buy accordingly for materials in short supply.

Prepare for mixed run lengths, higher print volumes.

