

Printing & Packaging: Trends, Issues and Growth

By

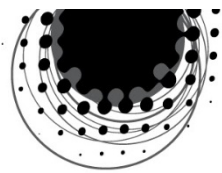
B. S. KAMPANI

Managing Director & CEO



TOYOINKGROUP

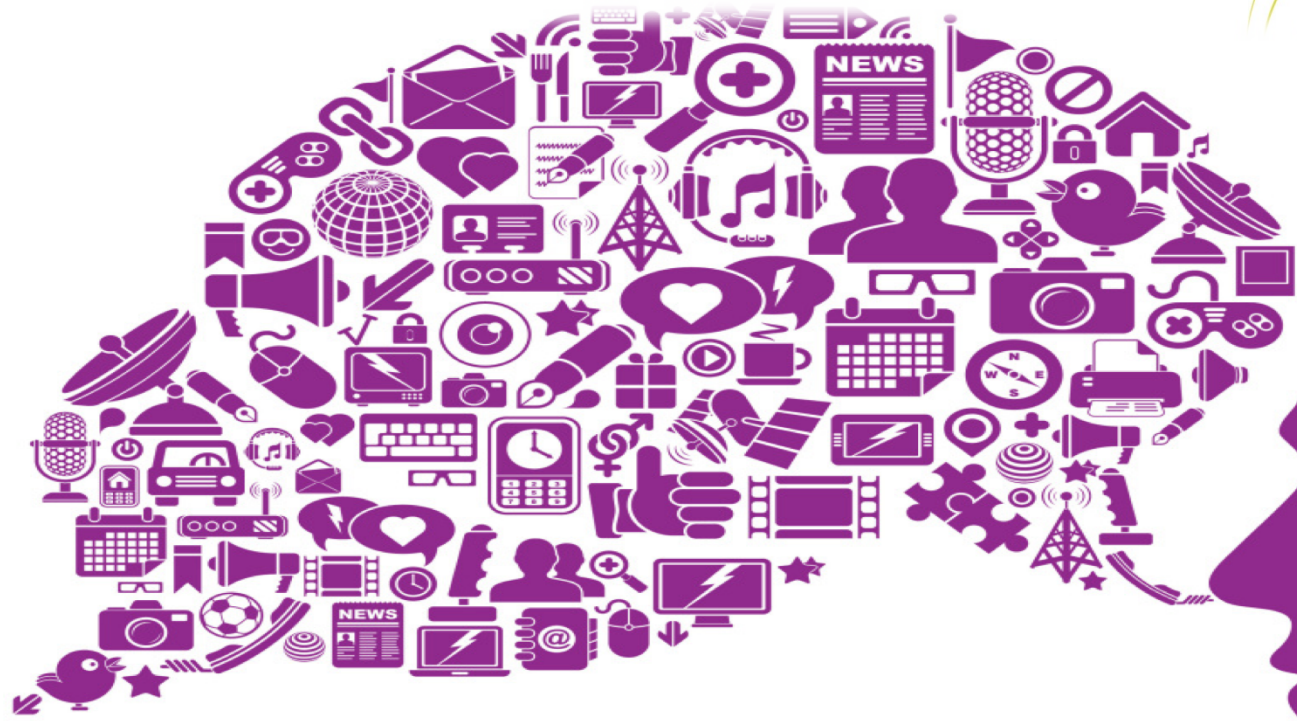
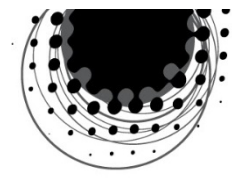
Visible Science for Life



"It is not the employer who pays the wages. Employers only handle the money. It is the customer who pays the wages"

~ Henry Ford

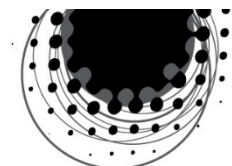




What attracts and influences the decision of a consumer?



Un-ending struggle for better sales...



Worldwide appx. **33.7%*** of **consumer packaged goods** (be it sodas, potato chips, shampoos, shaving cream, razors, etc.) were sold on promotion in the past 12 months.



In a bid to coax people to loosen up their purse strings, companies are riding on Promotions - double sided sword:

- an effective module to encourage first handshake through sampling; leading to impulse purchase
- **One of the side effects** – may just lure consumers to delay the actual purchase waiting for more & better discounts.

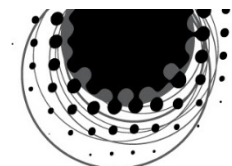


Source: Nielson

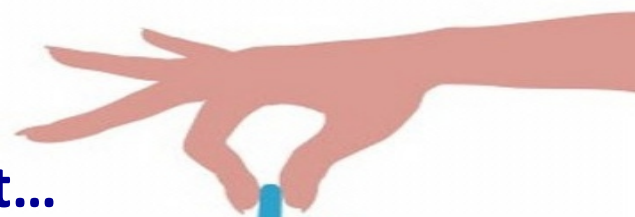




THEREFORE....



Need for products / Brands to stand out...



Consumers remember
in order:

- 1) Colour
- 2) Shape
- 3) Numbers
- 4) Words

Its all about how well your product
stands out on shelf could determine
whether it's put in the shopping cart
or left behind.



**Colour makes an impression
that is 39% more memorable**

**Colour
can increase payment
response by up to 30%**

**Colour increases
readers' attention
spans and recall
by 82%**

**Colour helps sell
up to 80% more**

**Information
can be
located 70%
faster if it's
in colour**

**Colour gains
readership
by 80%**

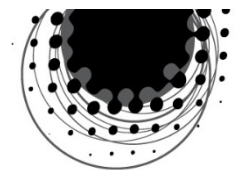
**Color Boosts
Redemption by
158%**

**Colour
reduces
search time
by as much
as 80%**





Innovations in Colour Gamut

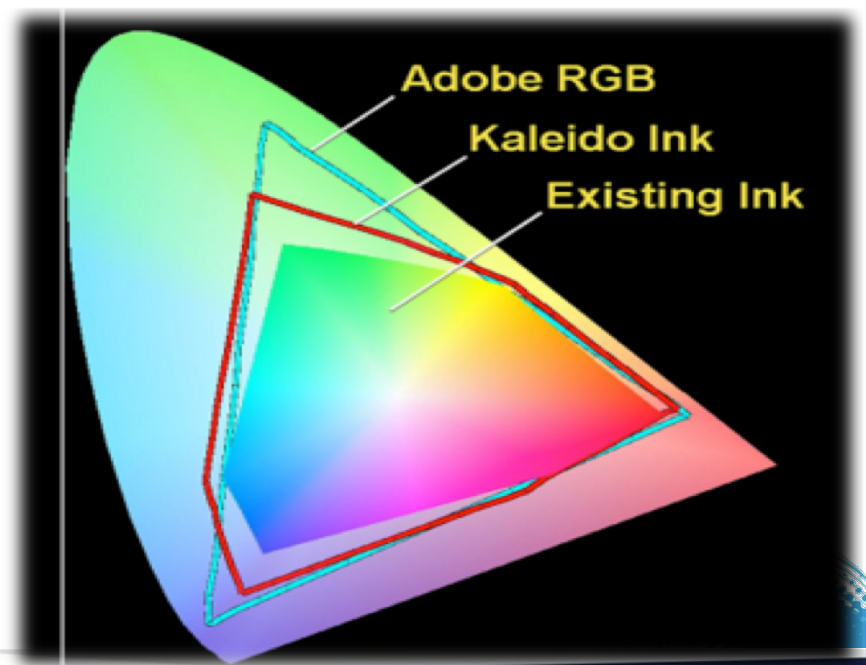


Printing in Full Colour Gamut? Expansion of CMYK Gamut?



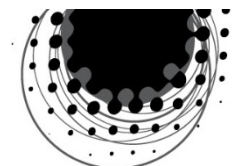
Print the Full Color Gamut with Kaleido Ink - expands the CMYK gamut, achieving on-press color that nearly matches the Adobe RGB color range.

- Similar results to 6- or 7-color printing via 4-color-process
- Dramatic color fidelity
- Higher gloss levels
- NO VOCs
- Less material waste
- cost-effective
- Increased customer satisfaction





.....After all



Colours

- Capture attention - Customer's
- Enhance productivity of -Brand / Product's
- Improve communication –with Customer
- helps boost sales – Ultimate hand shake



Between 62-90%
of that assessment
is based on color

84.7% of consumers cite
color as the primary
reason they buy a
particular product.

TWEETS WITH IMAGES
IMPROVE CLICK-THROUGHS
BY **18%**



Ads in color are read up to
42% more often
than the same ads
in black and white.

80%
think color increases
brand recognition.

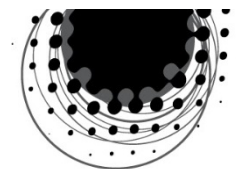


Changing businesses scenario has lead to

- emergence of **newer ways of communication** between end consumer and the product / company
- Demand of the product from packaging & printing industry to execute and accommodate these changes



Need to stand out...



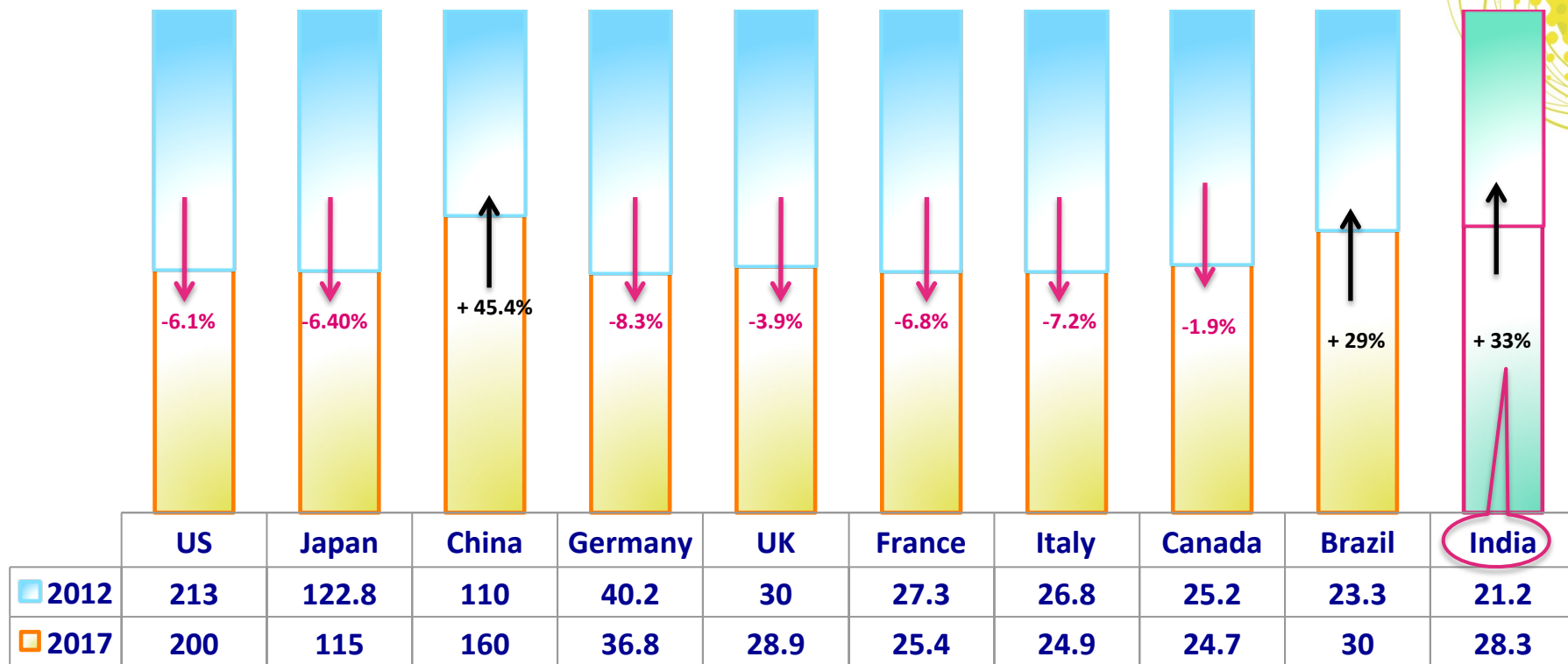
Increasingly, companies are **realizing the importance** and role of **packaging and printing Inks** in the product's life cycle and its success:



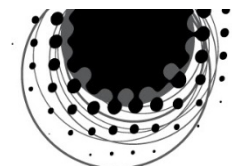
- To catch the imaginations and engage consumers **at point-of-sale is increasing**
- To make product look attractive
- To give identity and personality
- To help them stand out on the shelf – tantalize the consumer enough to be picked up from the retail shelf, and translate it into business



TOP 10 COUNTRIES – Printing & Packaging

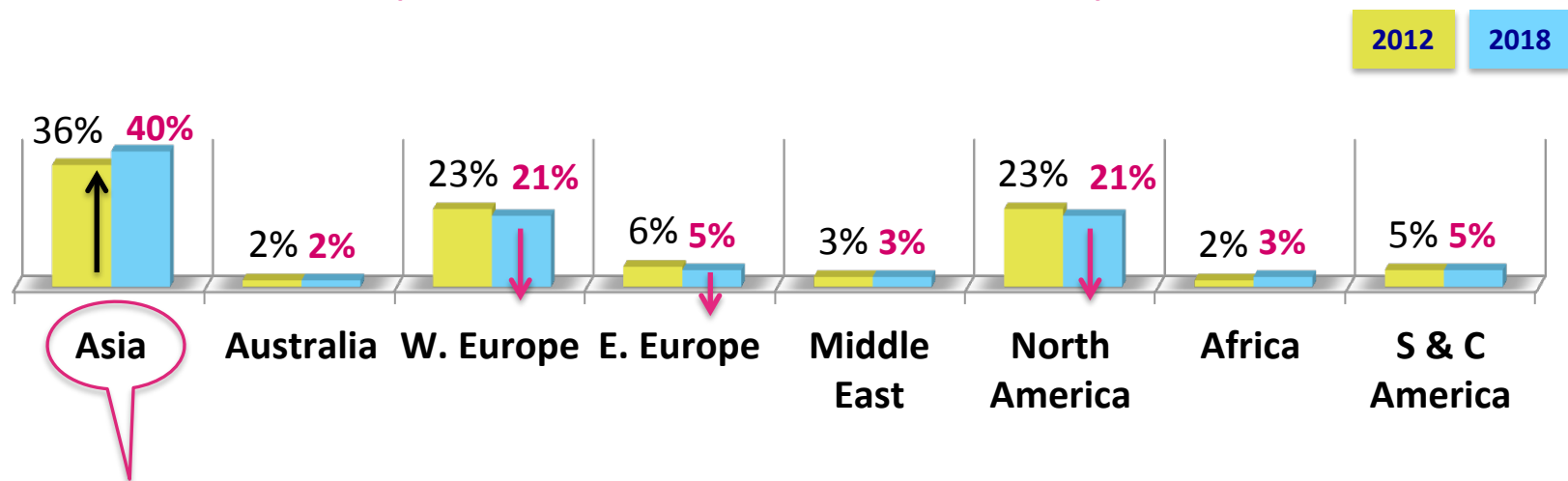


All figures in US \$ billion - Smitherspira



GLOBAL PACKAGING INDUSTRY

Total packaging industry & is expected to grow from US \$ 395bn (in 2010) to US \$ 975 bn by 2018. Indian Packaging Industry is currently US \$ 24.6* bn & is expected to reach US \$ 43.7bn by 2018.



Only region showing growth

Accounts for **60% of World's Population** – **37% comes from China & India**

Per Capita **PACKAGING** Consumption – **India (@ 4.3 Kg)** compared to China @ 21Kgs

Per Capita **PLASTIC** Consumption – **India (@ 9.7 Kg)** compared to China @ 45 Kgs

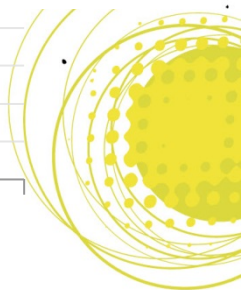
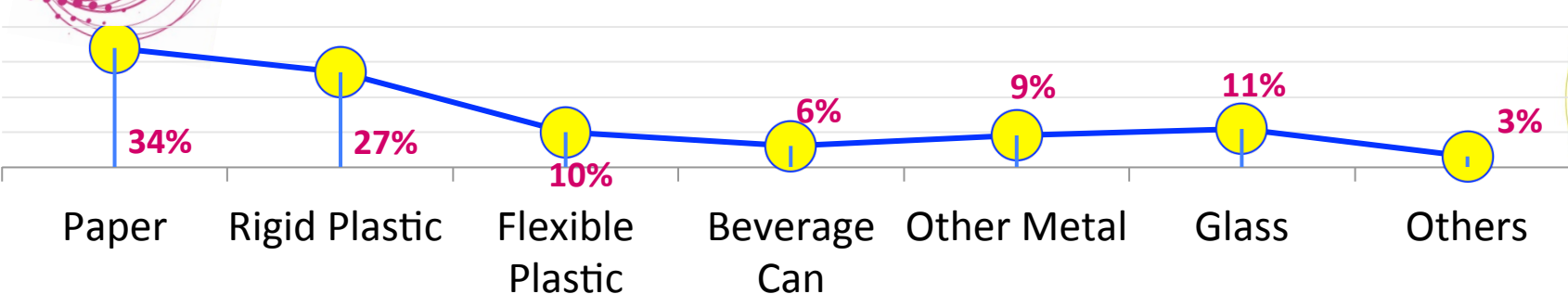
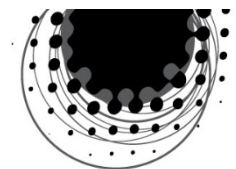
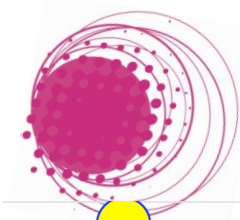
Source: Smitherspira, 2013 & IIP 2014



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GLOBAL PACKAGING INDUSTRY - PACKAGING MATERIAL



- **Food packaging** -the largest segment, accounting for 51% of the total market value at US\$202bn.
- **Beverage** packaging accounts for 18% at US\$71.3bn.
- **Healthcare** @ 6% fastest growing end use category at US\$23.8bn.
- **Cosmetics** 5% at US\$19.8 bn.
- Other Metals likely to shrink, loosing out to plastics & Glass likely to register slow growth

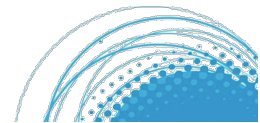
In Asia 85% of the packaging material is used for F&B.

Source: Smitherspira,



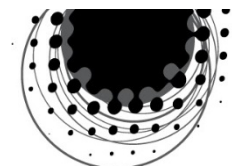
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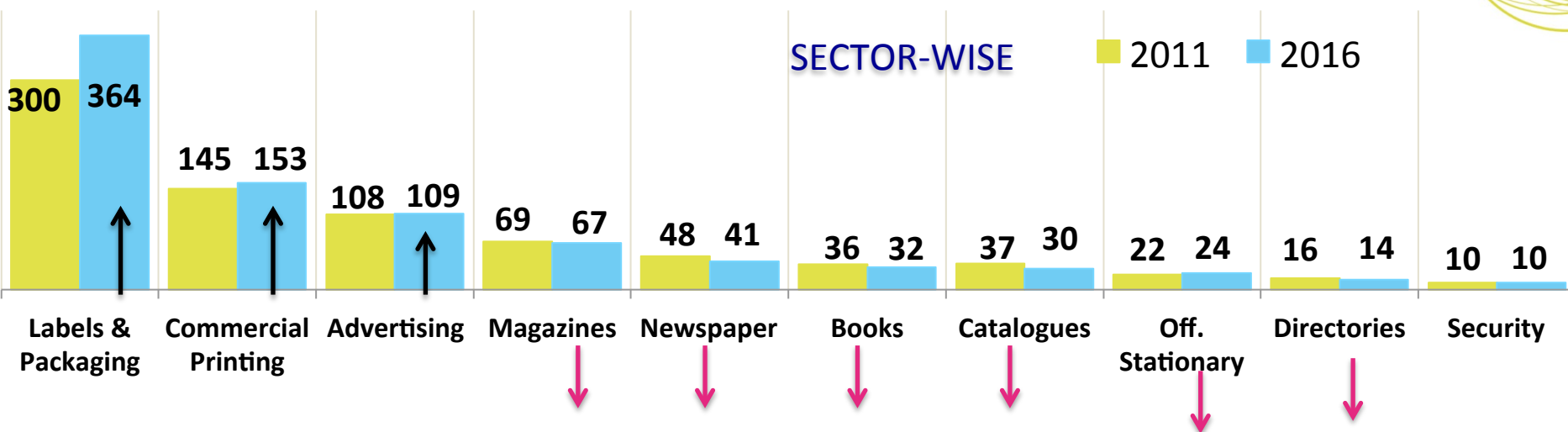




GLOBAL PRINTING INDUSTRY - MARKET SHARE



Global Printing Industry is currently US \$ 724 billion bn & is expected to reach US \$ 980 bn by 2018.



POSITIVE Growth in Commercial, Advertising, & Labels-Packaging (@ +22%)

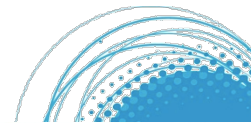
NEGATIVE Growth in Magazines, Newspapers (@ -15.6), Books (@-5.7%), Catalogues & Directories

All figures in US \$ billion - Smitherspira



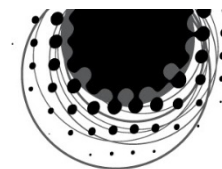
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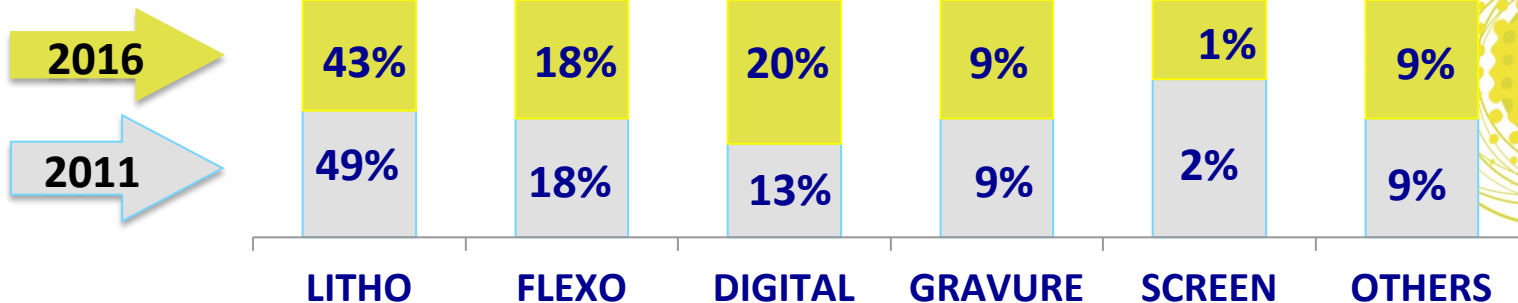




GLOBAL PRINTING INDUSTRY



INK USAGE



BRIGHT SPOTS

Packaging, Digital, Energy curable UV and EB printing
Flexo growth steady
Asia Pacific and Latin America have better growth story to share
Emergence of new opportunities

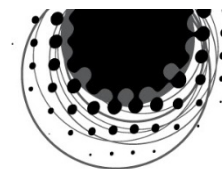
SORE SPOTS

Decrease in print Media Offset and Newspapers
Rise in Paper-less billing & online transactions
Recession
Shift to Digital
North America and Europe struggle with retarded growth





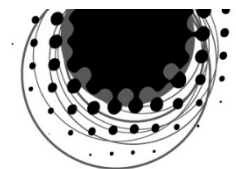
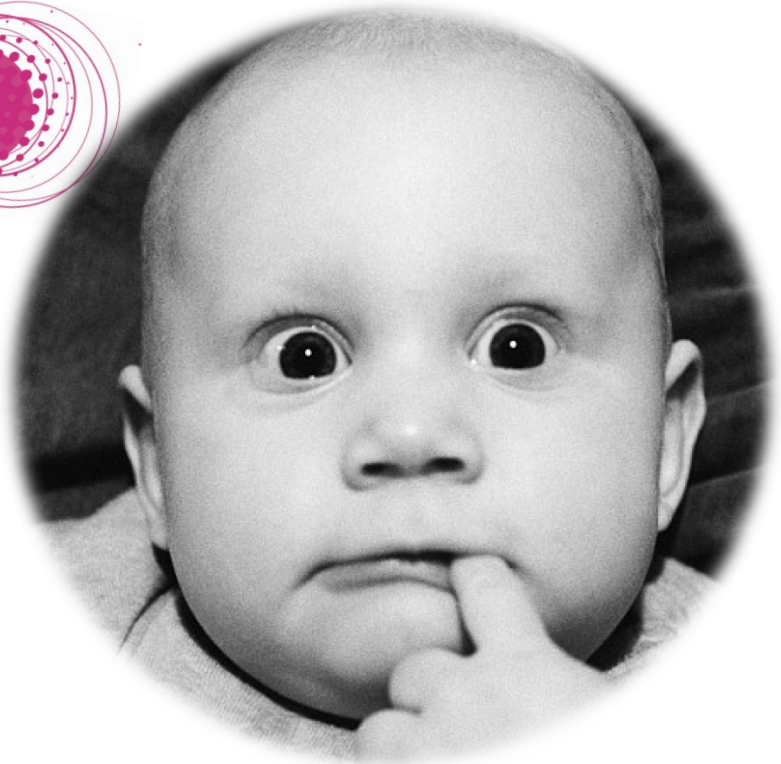
TOUGH ROAD AHEAD...



Increasingly large Corporations across the world are being compelled by

- **Internal forces** – rising cost of raw material, storage, transportation, need to cut through clutter, etc. despite of decrease in oil prices.
- **External forces**- Govt., Environment agencies & consumers to adopt more environment friendly, recyclable materials with enhanced eye catching appeal.





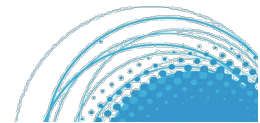
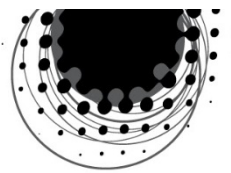
Should you
be worried?



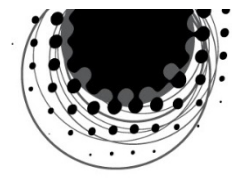
.....Not if you are in INDIA

Indian consumer market likely to be
world's largest by 2030 with an
aggregated consumer spend of nearly
USD 13 trillion*

By 2020, India is projected to be the
world's third largest middle class
consumer market

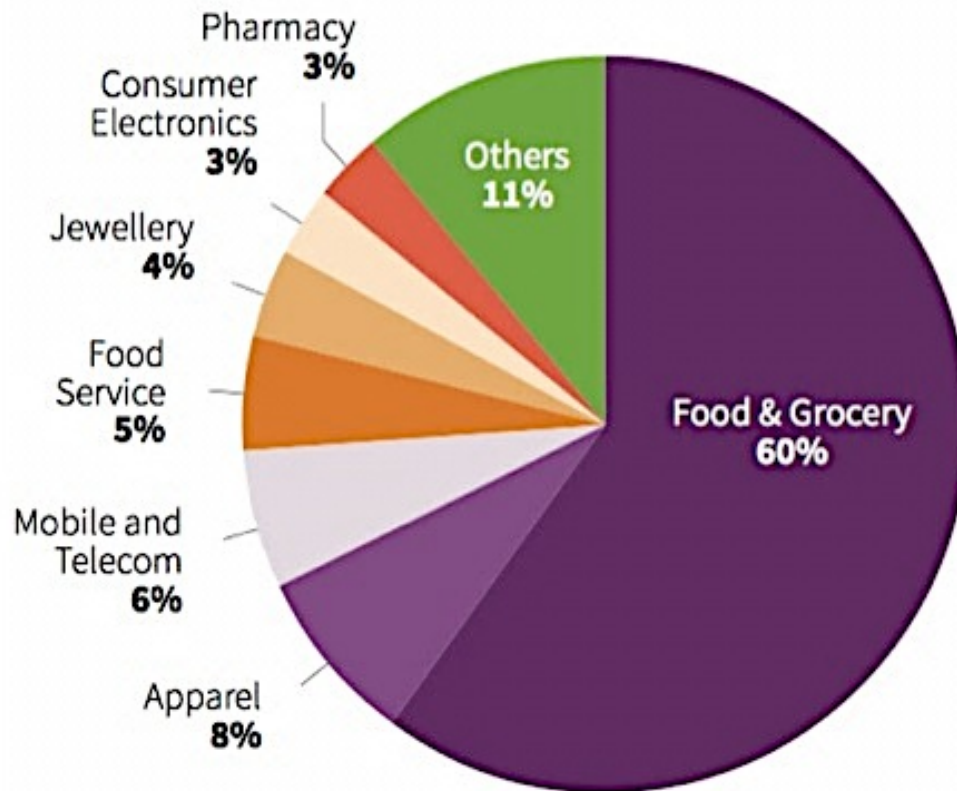
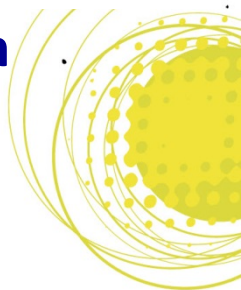


Source: Deloitte 2013



INDIAN RETAIL SECTOR

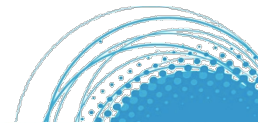
Valued at **US \$ 520 billion in 2013** expected to reach **US\$ 950 billion by 2018**



92% is dominated by unorganized 'mom & pop' stores

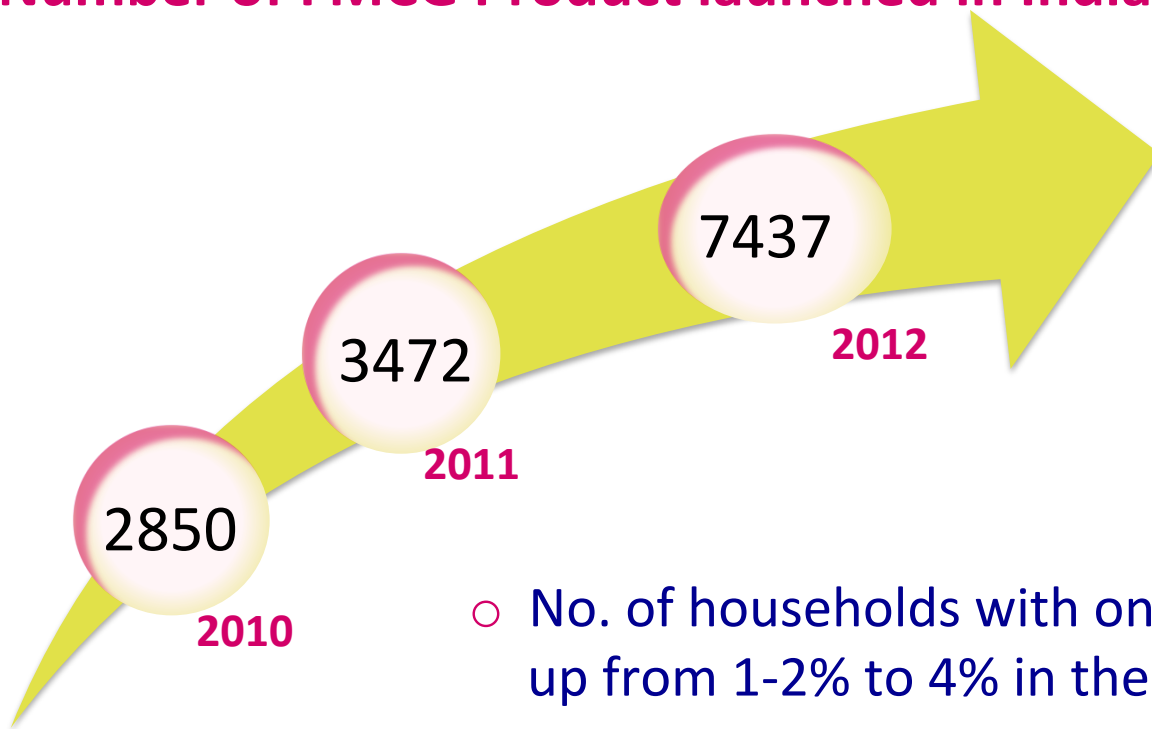
Organized shares stands mere at 8% expected to reach 10% by 2018

Source: Deloitte Jan. 2013



INDIAN CONSUMER SPOILT FOR CHOICE

Number of FMCG Product launched in India....



Number of brands in Rural India has gone up from **8584 in 2010** to **12009 in 2012**

- No. of households with only ONE individual has gone up from 1-2% to 4% in the last 10 years
- The digitally influenced purchases represent \$30 billion of consumer spending in India today*

Data of India FMCG Market Urban+ Rural in 18 Key categories

Source: Nielson & BCG*

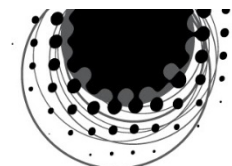


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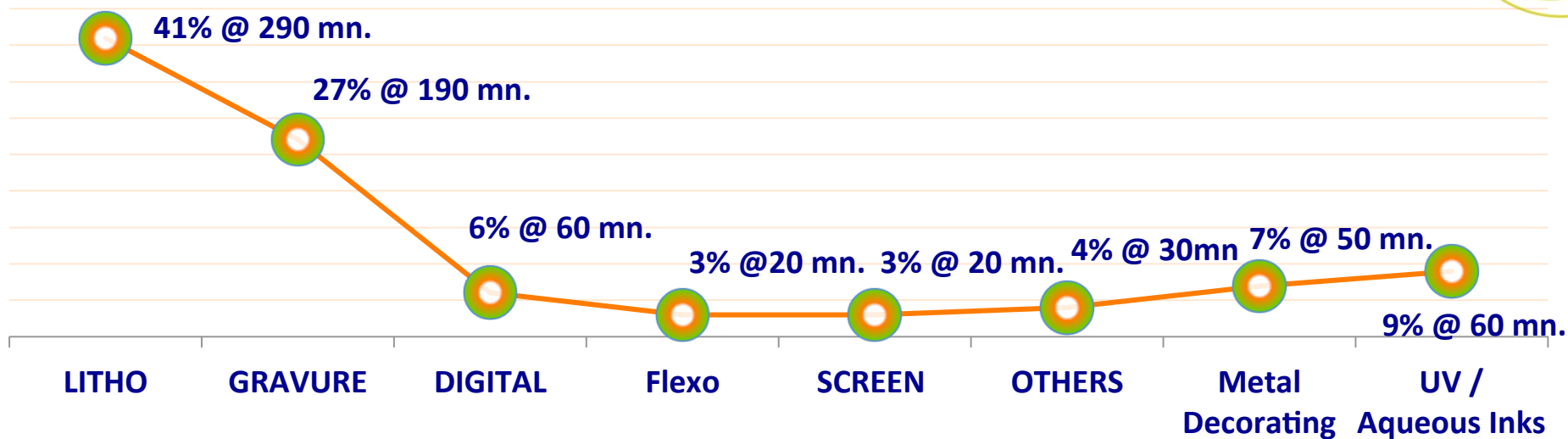
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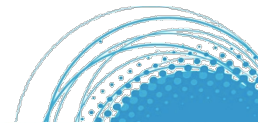
PRINTING INKS - INDIA

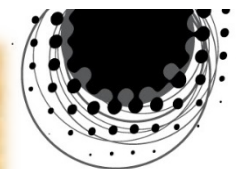


2nd fastest growing Industry, worth INR 4300 Cr. (US \$720 mn.)



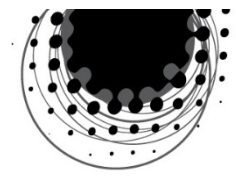
Zone-wise Potential in India







TRENDS INFLUENCERS



Fueling the growth of Printing Inks Industry in India is;

- **Retail Sector** – 5th most favourable destination for International retailers; growing @ 13-15% CAGR
- **Food Processing Sector** – one of India's largest industries at US \$ 121 bn (expected to touch US\$ 194 billion by 2015)
- **Packaging** – Innovative, attractive
 - to gain competitive edge, attention (by products)
 - need for better visibility of products



THE WRAPPER THAT DOESN'T HAVE TO BE BINNED

■ Outer membrane made from edible plastic that is a combination of algae and calcium



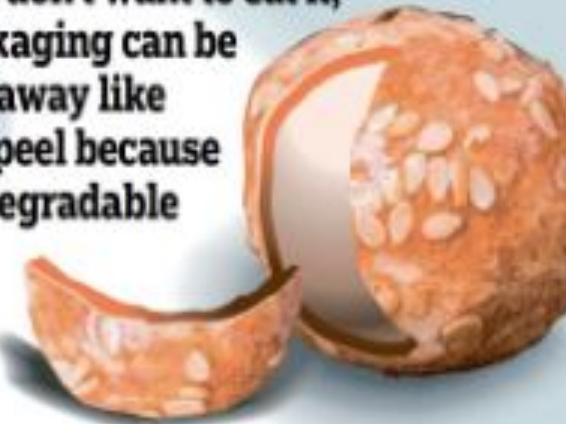
■ Liquids consumed by piercing membrane with a straw



■ Designed to have a shelf life of six months



■ If you don't want to eat it, the packaging can be thrown away like orange peel because it's biodegradable



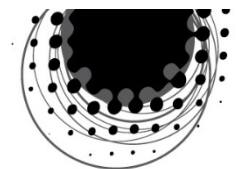
■ Membrane acts as barrier to protect contents and keep out water. Can be washed in the same way as an apple

■ Membrane also contains food particles such as cocoa so it tastes of what it is holding





TREND INFLUENCERS



- **Increased shelf life** of products in flexibles by having
 - better OTR (Oxygen Transmission Rate)
 - WVTR (Water Vapour Transmission Rate) and UV Sunlight, which is more or less comparable to the existing thin Aluminum foils.
- **Environmental friendly**
 - Bio-degradable, recyclable, plant & vegetable waste based packaging and bio-solvents like Ethyl Acetate, IPA, etc.
- **Cost effective** – products that offer value for money

The need of the hour demands usage of new type of special inks, adhesives, and special substrates with minimum coating of inks and aluminum which can be easily incinerated.



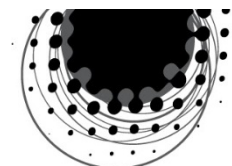


Most important of all Influencers and
key drivers of Printing Ink Industry

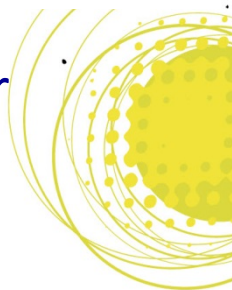
INNOVATION



PRINTING INKS INNOVATION



Printing Inks with innovation and technologies are likely to empower brands give them more control & engage customers to help them loosen up their purse strings:

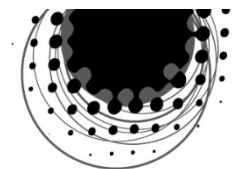


- **Waterless Printing** – promises
 - improved print quality – **sharper, consistent color stability & productivity**
 - reduces industrial waste water and paper (up to 32%)
- **Thermal Inkjet Printing** – 4th printing choice at an industrial, large scale format. Printers are beginning to acknowledge its merit in reducing the ink spillages, maintenance, reasonable print quality, high-speed operation
- **Biodegradable ink** - increasingly gaining acknowledgement and acceptance but still has a long way to go. In terms of volumes and commercial acceptability.

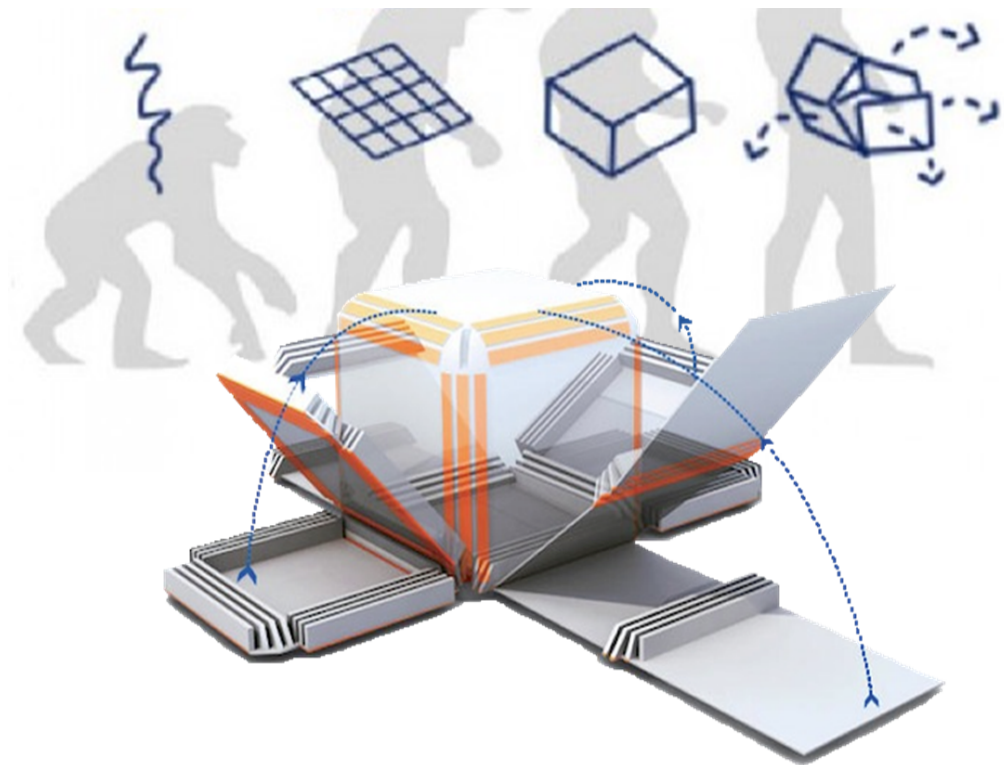




PRINTING INKS INNOVATION

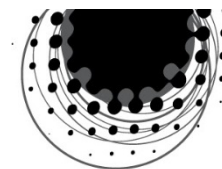


4D technology -Yet to be made fully commercially available, promises great potential for the packaging and print industries. Its ability to enable print to communicate ideas & the ability to connect with customers on a sensory and emotional level by using 3D printing, tactile inks, and sensory elements, etc.





PRINTING INKS INNOVATION



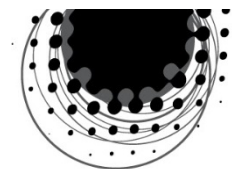
Additionally, there are other technologies like

- nanography, graphene conductive packaging inks, etc.
- technology driven solutions like PE technology, PantoneLIVE – a communication tool near field communication (NFC) tags
- Laser surface authentication (LSA)
- Colour changing labels -based on colour changing inks & pigments to reduce food waste & take risk out of packaged food), etc.





PRINTING INKS INNOVATION – YET TO REACH INDIA



There are various researched products in Gravure inks, which are already available in Japan & Western countries **BUT** are still to arrive in the Indian Market. Few of them are like;

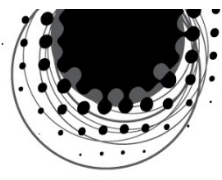


- environment friendly inks consisting of natural derived resin, which is applied to biomass and degradable substrates
- The special toluene and Ketene free PP lamination inks with AC agent
- Inks for surface printing of both treated and untreated polyolefin films excellent adhesion and avoid yellowing of the film
- The Surface print ink for OPS and HIPS sheets for lidding application and also special toluene free inks for styrene labels





IMPACT ON INNOVATIONS



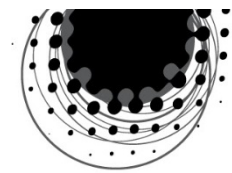
Softer issues that are likely to have significant impact on the innovations and development in the printing sectors like;

- Recyclability & less wastage
- optimum resource management
- Safety – devoid of VOC, toluene, Ketene, and other solvents
- environment protection & need to go green regulations, etc.



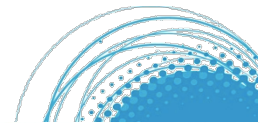


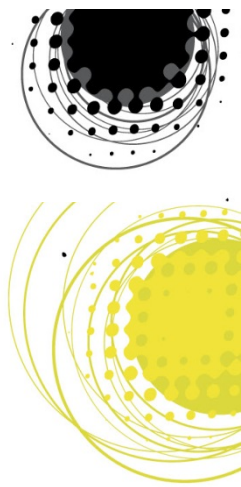
GOING FORWARD



India is on its way to become one of the major print producer and manufacture of printed paper products and printed plastic laminates for the world markets.

As the need for innovation in packaging and printing increases, motivating investment in R&D for betterment of existing and development of new technologies and solutions; opening new doors for opportunities – both for products, technology and markets.





Thank you
for
listening